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ARMY AND MARINE CORPS RESET REQUIREMENTS (PARTS I AND II)

JOINT HEARING

BEFORE THE

READINESS SUBCOMMITTEE

MEETING JOINTLY WITH

AIR AND LAND FORCES SUBCOMMITTEE

AND

SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

HEARINGS HELD
JULY 9, AND DECEMBER 10, 2009

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[1] Mr. Owens joined the subcommittee on November 20, 2009.

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ARMY AND MARINE CORPS RESET REQUIREMENTS (PART I)

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED SERVICES, READINESS SUBCOMMITTEE, MEETING JOINTLY WITH AIR AND LAND FORCES SUBCOMMITTEE AND SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE, *Washington, DC, Thursday, July 9, 2009.*

The subcommittees met, pursuant to call, at 9:33 a.m., in room 2118, Rayburn House Office Building, Hon. Solomon Ortiz (chairman of the Readiness Subcommittee) presiding.

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

Mr. ORTIZ. The subcommittee will come to order.

Today, the Readiness, Air and Land Forces, and Seapower and Expeditionary Forces Subcommittee meet to receive testimony on the status of the Army and Marine Corps equipment reset requirements.

I thank our distinguished witnesses, the Vice Chief of Staff of the Army and the Assistant Commandant of the Marine Corps, for appearing before these subcommittees today to discuss reset.

Since 2006, the Congress has authorized more than $55 billion for the reset of Army equipment and more than $14 billion for Marine Corps equipment reset. For fiscal year (FY) 2010, the Army has requested another $11 billion, and the Marine Corps is seeking $2 billion.

What we would like to hear from our witnesses today is, what has almost $70 billion bought and what differences has it made to Army and Marine Corps warfighting capability and overall readiness?

We also need to understand how long the Army and the Marine Corps estimate that they will need to continue to request reset funding and at what level. What is the future of reset?

In support of reset, Army and Marine Corps depots are operating at historically high levels. Since the start of combat operations in Afghanistan and Iraq, the Army has reset more than 480,000 pieces of equipment. And over the past 3 fiscal years, the Marine Corps has reset more than 60,000 pieces of equipment and plans to reset almost 41,000 pieces in fiscal year 2010.

As we prepare for Army forces to leave Iraq and as Marine forces are increasing in Afghanistan, we need to know how the depots are preparing to handle anticipated changes in reset workloads.

The redeployment of U.S. forces and the associated equipment from Iraq will be a monumental undertaking. The Army alone has

more than 31 million items, 100,000 vehicles, 120,000 containers, and tens of thousands of tons of ammunition in Iraq, and must be moved or otherwise disposed.

The subcommittee needs to understand the role reset will play in this retrograde of equipment, and how much it is expected to cost, and what planning is being done to ensure parts, people and equipment are in place. We need to understand all these things so that the Congress can ensure a reset continues in a way that best supports our warfighters.

Drawing down in Iraq at the same time we are building up forces in Afghanistan presents daunting logistical challenges. Congress cannot ensure the Department of Defense (DOD) and the military services have the resources they need to meet those challenges unless we have a full understanding of the reset requirements.

Our witnesses today are two distinguished military leaders: General Peter W. Chiarelli—he is Vice Chief of Staff of the Army—and General James F. Amos, Assistant Commandant of the Marine Corps.

The chair recognizes the distinguished gentleman and my friend from Virginia, Mr. Forbes, for any remarks that he would like to make.

Mr. Forbes.

[The prepared statement of Mr. Ortiz can be found in the Appendix on page 27.]

STATEMENT OF HON. J. RANDY FORBES, A REPRESENTATIVE FROM VIRGINIA, RANKING MEMBER, READINESS SUBCOMMITTEE

Mr. FORBES. Thank you, Mr. Chairman. As always, we appreciate your leadership in holding this hearing. And I will keep my remarks brief.

I would like to welcome General Chiarelli and General Amos back to the committee. Gentlemen, we thank you for being here today. And thank you for all that you have done and continue to do for our Nation.

This committee has been actively engaged in the issue that impacts the readiness of our forces in light of the ongoing combat operations. The Army and Marine Corps reset programs are a critical part of that.

Although the 2010 Overseas Contingency Operations (OCO) budget request included $13 billion for Army and Marine Corps reset efforts, it is very clear that the request was at best a guess. Despite the agreed-to framework for withdrawal in Iraq, there is much that is not known, and many critical decisions have yet to be made.

And we must not forget that the framework for withdrawal is contingent on conditions on the ground and the capability and capacity of the Iraqi security forces.

This is an important hearing, and I really appreciate the chairman asking General Chiarelli and General Amos to join us today, because I think they can help us better understand the dynamics of the situation we face.

As General Chiarelli notes in his written testimony, reset costs for future years will depend on several factors, such as responsible

drawdown requirements, the level of force commitment, the activity level of those forces, and the amount of destroyed, damaged or worn equipment.

We face an enormous challenge as we work to rebuild, reset, modernize, transform, and grow our armed forces while actively engaged in combat. The redeployment of forces from Iraq and the increase in forces in Afghanistan greatly increased the complexity and the resourcing requirements for reset.

I look forward to the discussion today, and I hope it will provide us with a better understanding of the Army and Marine Corps efforts to reset the force in light of these challenges.

Mr. Chairman, thank you for the time, and I yield back.

[The prepared statement of Mr. Forbes can be found in the Appendix on page 33.]

Mr. ORTIZ. I will yield to Mr. Taylor for a short statement.

STATEMENT OF HON. GENE TAYLOR, A REPRESENTATIVE FROM MISSISSIPPI, CHAIRMAN, SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

Mr. TAYLOR. Thank you, Mr. Chairman. I want to thank our very distinguished witnesses. In particular, General Chiarelli, I want to make note of your efforts to stay in touch with the Seapower Committee, letting us know the progress with the Mine Resistant Ambush Protected vehicle (MRAP) program. I think you have gone out of your way to do that. I am very, very grateful for that.

I have a statement for the record. In the interest of time, I will submit it.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Taylor can be found in the Appendix on page 31.]

Mr. ORTIZ. Mr. Abercrombie.

STATEMENT OF HON. NEIL ABERCROMBIE, A REPRESENTATIVE FROM HAWAII, CHAIRMAN, AIR AND LAND FORCES SUBCOMMITTEE

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

Mr. Forbes, thank you for your observations. I would like to submit my statement for the record and move to the main business at hand, Mr. Chairman, with your permission.

[The prepared statement of Mr. Abercrombie can be found in the Appendix on page 29.]

Mr. ORTIZ. Mr. Bartlett.

All the statements will be submitted for the record, hearing no objections.

General Chiarelli, you can proceed with your testimony, and then you will be followed by General Amos. So proceed whenever you are ready, sir.

STATEMENT OF GEN. PETER W. CHIARELLI, USA, VICE CHIEF OF STAFF, U.S. ARMY

General CHIARELLI. Well, thank you, Mr. Chairman, Ranking Member Forbes.

Distinguished members of the committee, I thank you for the opportunity to appear here today to discuss Army reset in view of the

fiscal year 2010 annual budget and Overseas Contingency Operations supplemental request. I have submitted a statement for the record, and I look forward to answering your questions at the conclusion of my opening remarks.

As you know, it has been a busy time for our Nation's military. We are at war. We have been at war for the past seven-plus years, and that has undeniably put a strain on our people and our equipment. In particular, the increased wear and tear caused by high usage rates and harsh environments on items ranging from individual weapons to helicopters to combat and tactical vehicles has taken a significant toll.

As such, the Army's capability and capacity for reset have been critically important. Since the beginning of combat operations, the Army has reset over 470,000 items, including aircraft, track vehicles, High Mobility Multipurpose Wheeled Vehicles (Humvees or HMMWVs), trucks, trailers, small arms, and generators.

As you would expect, over the past several years, we have become increasingly proficient at resetting our equipment. In particular, we have steadily improved the productivity and capacity of Army Materiel Command depots to meet our increased maintenance needs.

Red River Army Depot in Texas, for example, has streamlined its Humvee process. Now the depot is turning out 32 mission-ready Humvees per day, compared to the previous rate of 3 per week.

The commercial pace has also surged to meet the requirements we have placed on our partners in industry. I am proud of all that has been accomplished.

However, a tremendous amount of work still remains to be done. While we are preparing to draw down operations in Iraq, we are continuing to expand our efforts in Afghanistan. This will require that at a minimum we maintain the same capability and capacity for reset.

As the Army has consistently pointed out, due to the unprecedented stress placed on our equipment as a result of this war, reset funding will also be required for a period of two to three years beyond the cessation of operations in theater.

Our military must always be prepared to respond to contingency operations around the world, and a critical part of our reset program will be to rapidly and successfully reconfigure the Army's prepositioned stocks and to fill unit shortages, including homeland defense and homeland security requirements.

Over the past 7-plus years, with the support of Congress, the United States Army has deployed the best manned, equipped, trained, and led forces in our 234-year history, and I assure the members of this committee that we will continue to coordinate with you and your esteemed colleagues on ways we might further improve our reset process in the future.

Mr. Chairman, members of the committee, I thank you again for your continued generous support and demonstrated commitment to the outstanding men and women of the United States Army and their families. I look forward to your questions.

[The prepared statement of General Chiarelli can be found in the Appendix on page 36.]

Mr. ORTIZ. Thank you.

General Amos.

STATEMENT OF GEN. JAMES F. AMOS, USMC, ASSISTANT COMMANDANT, U.S. MARINE CORPS

General AMOS. Thank you, Chairmen and Ranking Members and distinguished members of this committee, for the opportunity to report to you today about resetting your Marine Corps.

On behalf of the more than 241,000 active and reserve Marines and their families, I would like to extend my appreciation for the sustained support Congress has faithfully provided its Corps.

As we begin this hearing, I would like to highlight a few points from my written statement.

As we sit in this hearing room today, there are more than 32,000 Marines deployed across the globe supporting exercises, security cooperation activities, and overseas contingency operations. For the first time in over 5 years, we have less than 15,000 Marines in Iraq, while an additional 10,600 Marines are establishing a presence in the Helmand province of southern Afghanistan.

Combined with our forward-deployed Marine Expeditionary Units, your Corps is fulfilling its role as the Nation's premier force in readiness. Despite high operational tempo, your Marines are resilient, motivated, and performing superbly in missions around the globe.

For the past seven years, they have been fully engaged and winning in combat operations as part of a generational struggle against global extremism. This sustained effort and performance has not come without costs, costs to the institution, to our equipment, to our strategic programs, and most importantly to our Marines and their families.

Our forward-deployed units are manned, trained and equipped to accomplish their assigned missions, and these units are reporting the very highest levels of readiness for those missions.

To ensure our deployed and next-to-deploy units have sufficient personnel, equipment and training, we have taxed our non-deploying forces and strategic programs as the bill payers.

Although the current security environment has justified the trade-offs we have made to support the long war, we must maintain a balanced force capable of responding to crises across the full range of military operations.

The goals of our reset and modernization programs are to sustain the current fight by repairing or replacing worn-out equipment while enhancing our support to the warfighter by reconstituting our force with new or more capable gear. We expect to see reset requirements increase as a result of force reductions in Iraq and a growing presence in Afghanistan.

To prepare for the reset of equipment redeploying from Iraq, we have created an Operation Iraqi Freedom (OIF) reset plan. We have completed the first wave or phase of our retrograde from Iraq with over 36,000 principal end items having been processed.

Our second wave is underway right now, with equipment flowing from Iraq to Kuwait and back to the United States for disposition. We expect a final phase of our retrograde from Iraq to be complete by about this time next year. Our reset actions will continue beyond next summer, as they include not only the retrograde, but

also depot and field-level maintenance of our retrograded equipment, and procurement of replacement equipment as needed.

The velocity with which we can process and repair our returning equipment is directly related to the handling capacity at our main port of entry into the United States, Blount Island, Florida. This year's unfunded priority list, totaling $188 million, includes modest requirements at both Blount Island and our depot in Barstow, California, that will, if funded, markedly accelerate our equipment processing abilities.

I have appeared before you several times discussing reset costs. Thus far, Congress has generously supported our reset efforts by appropriating over $14 billion to ensure that Marines have the equipment and maintenance resources that they need. Continued congressional support of future funding requests will be necessary to improve equipment readiness levels across the Corps.

It is hard to predict what the Marine Corps' reset costs are going to finally be, because it is difficult to estimate the total cost of reconstitution of our gear returning from Iraq until that evolution is complete. Complicating reset estimates is the recent sizable deployment of Marine forces into Afghanistan.

All of that said, we estimate in the near term that we need an additional $6 billion in reset funding.

As your Marines continue to serve in combat, they need the sustained support of the American people and Congress to maintain their readiness, to reset the force during an extended war, and to modernize such that we can face the challenges of the future.

On behalf of your Marines, I extend our appreciation for your faithful support and thank you in advance for your ongoing efforts. The Corps understands the value of each dollar provided by the American taxpayer and will continue to provide maximum return for every dollar spent.

Today, over 202,000 active and 39,000 reserve Marine forces remain ready, relevant and capable as the Nation's force on readiness. And with your help, we will stay that way.

[The prepared statement of General Amos can be found in the Appendix on page 43.]

Mr. ORTIZ. Thank you so much. You know, we have to respond to our taxpayers. And, of course, we have a great committee and members of other subcommittees and two outstanding chairmen and ranking members.

But some of the questions that we are asking today—and one of them is, what has the reset funding done—and I think you touched on it a little bit—to improve readiness rates across the board for the Army and Marine Corps. And maybe both of you could specify a little bit, with the money that we have given you in the past, how has that helped readiness across the board, Army and Marines?

General AMOS. Mr. Chairman, when I look at reset, it is sustained readiness. As you know, under the old supplemental rules and the old OCO rules, we were not only allowed to reset, but we could recap certain pieces of equipment, meaning that we could—when we, in fact, brought them back for reset, if we recapped a piece of equipment, we not only brought it up to 10/20 standards. We went beyond that, brought it to zero miles, zero hours, and added any additional upgrades to that piece of equipment.

Beginning in fiscal year 2010, we will not be able to do that. We will only reset equipment, equipment brought back from theater, and it will be brought up to 10/20 standards; 10/20 standards does mean a piece of equipment that is fully mission capable with maybe only minor deficiencies on that piece of equipment.

As we get further into the drawdown, much of the theater-provided equipment will be brought back. And as that is added to units that are back here in the United States and other units, that will cause readiness levels to go up.

But we are not expecting that to happen in the next year or so, and it will be totally dependent upon requirements in Afghanistan as we draw down in Iraq.

Mr. ORTIZ. I think that we can understand your answers better now that we have got more light.

General CHIARELLI. Mr. Chairman.

General AMOS. I thought I was having a vision here.

Mr. Chairman, thank you for the opportunity to talk about this, this issue, because Congress has been very, very generous thus far. When I appeared before you the last time, Congress had given the Marine Corps $14 billion. We are now—excuse me, $12 billion. We are now at $14 billion this year.

We have seen, as I said in my opening statement and my written one, the levels of all the deployed forces, both the training readiness and the equipment readiness, is very, very high. It is exactly what you would want it to be, supporting our efforts there.

It is the stuff that is back home; it is the equipment back home. And I don't want to mislead the committee, because the equipment that is back home, with the exception of that that is actually working its way through the depots and through the repair and reconstitution efforts, I mean, that gear is clearly down.

But the gear that is back at our bases and stations is at a very high state of readiness. There is just not enough of it, because we have taken that gear that we would normally have back in the rear, we have moved it forward to supply the forces that have been in Iraq and now in Afghanistan.

So the gear that is forward is very healthy. The gear that is back is healthy. There is just not enough of it.

What we have received, what you have done in helping us with $14 billion thus far, just to give you a sample for what we have been able to do, first of all, $1.8 billion of that has gone to depot-level maintenance over the last 4 to 5 years. In other words, that is all the gear that has worked its way through Albany and Barstow, $1.8 billion.

We bought 6,400 Humvees, and now the newest version, which is the expanded capacity vehicle—that is the up-armored Humvee that you are seeing out that is being fielded now and in use—400 mine rollers, 140,000 tactical radio sets. And you might say, "Well, why did you need that? Why didn't you have that before the war started?" We didn't understand we would be in the dispersed environment that we are in right now, where we have platoons up in the mountains of Afghanistan, 80 Marines and 1 second lieutenant, up there and they need communications gear, they need satellite communications, they need to be able to pass digital information.

So over the last several years, the reset has helped us actually be able to fight the kind of fight that we are in right now, both in Afghanistan and Iraq. We bought 12 KC–130Js, 6 MV–22s, 4 H–1s that have been the replacement airplanes, and the list goes on.

So, sir, it is depot-level maintenance, is a big chunk of it, but it has been to reset airplanes that we have lost, equipment that we have lost, Humvees that have been blown up, seven-ton trucks that have been blown up, and that type of thing.

So we will see our readiness levels back home. Now that we are coming out of Iraq, you will begin to see those readiness levels next year begin to creep up. I can't tell you how much they are going to be, but intuitively it has to, because we will be down, we will be out of Iraq, the Marines will be, with the exception of just a few by this time next year. The equipment will be out of Iraq by this time next year, being repaired and going to the home stations. You will see the readiness at home station begin to increase next year.

Mr. ORTIZ. You know, the reset of all the equipment back from theater, I think this is new guidance. Why the change in fiscal year 2010? Maybe you can enlighten us a little bit on that.

General AMOS. Sir, I want to make sure I understand your question. Why does it——

Mr. ORTIZ. Yes, maybe General Chiarelli can also add to that. This is new guidance coming out for only equipment coming from theater, and this is new guidance for 2010. Has the new policy changed, the new guidance? Are we getting new guidance now? Or is it the same? Or——

General AMOS. The overseas contingency operations rules have changed. And my understanding, that in fiscal year 2010, except for very few systems—and nothing is certain in this business—there are different definitions—but as a general rule, we will not be able to bring back and recap, and that means add upgrades to equipment in 2010.

We are still doing it in 2009. And we will continue to do it throughout this year. But when we start executing the fiscal year 2010 program, the new OCO rules do not allow the recap of equipment as a general rule.[1]

Mr. ORTIZ. We have a good turnout of Members, and I would like to give ample time for Members to ask questions.

Now I yield to my good friend, Mr. Forbes, for any questions.

Mr. FORBES. Thank you, Mr. Chairman.

And, once again, gentlemen, thank you for being here. And, you know, one of the things we are going to see is this drawdown of all of our equipment in Iraq. And, General Amos, you talked about how that was going to help our readiness here.

But there is invariably going to be some disputes between perhaps U.S. Central Command (CENTCOM) and some of the services where that equipment goes, whether it is utilized continually in theater, perhaps, with some of the Iraqis or whether it is brought back here for the services.

If there is a dispute there, who arbitrates that, as to the drawdown of that equipment?

[1] The information referred to is incorrect. The statement is renounced and corrected in part two of the hearing held on December 10, 2009.

General AMOS. Sir, within the Marine Corps, it is done two places. Number one, the equipment is actually reconciled by our forward commander on the ground in Iraq right now, General Tryon. And we have got Marine Forces Central Command, which is three-star, has his headquarters in Bahrain, as well as his headquarters in Tampa.

So they actually do the first reconciliation. In other words, what is on the ground? The gear that is available to come out, what needs to come out?

Just to give you a sense for the magnitude, we changed Marine forces and commanders in March of this year. If you took 100 percent of what we call the equipment density list on the ground in Iraq, we have brought out over 51 percent of that since March of this year. Just since March, we have moved out all 51 percent of what we have had on the ground there for the last 5 to 6 years.

So that was a call by the local commander and by General Helland. And then once those numbers are put into the system—in other words, we know what is coming back—and, actually, the decision as to where it is distributed is not at Headquarters Marine Corps, but at what we call the Strategic Ground Equipment Working Group, and it is all done by virtue of the Commandant's priorities.

So that is handled internally to the Marine Corps. And just to give you a sense for what I am talking about, we took 27 percent of the gear we had—27 percent of the 44,000 end items that went into Afghanistan this year to support the operations that are underway right now, 27 percent of that actually came from Iraq, and that was gear that was new, gear that had been refurbished, gear that was kind of sitting up what we call in stores up against the fence, that it has been preserved. We ship that gear into Afghanistan.

So that is all done internally to the Marine Corps. Some of it is done forward-deployed by the commanders, as it should be. Some of it is done back here at Headquarters Marine Corps.

General CHIARELLI. Sir, we recently received a list from theater that I have not seen, but is currently being evaluated by the Army staff. And the kind of things we would have to evaluate is, first, is the equipment excess to our tables of organizational equipment?

If it is excess and not required, then the decision is much easier. But when we get to equipment that is part of our table of organizational equipment, required equipment, and needed to fill units back here in the United States, it becomes a much more difficult issue.

And should DOD be given the authorization to direct that we leave that equipment behind, we will, of course, have to ask that we be reimbursed for whatever equipment we are told to leave behind that will affect a readiness level. And if we are not, it will, by definition, show up in readiness levels. We will not be as ready in all our units as we were before if we can't replace that equipment, and we are required to leave it in theater.

But we will work very, very closely with DOD to ensure that as much as possible we can avoid those kinds of situations.

Mr. FORBES. Just one last question. It is two parts, really. But what was the process to develop the budget reset funding line? And

have the current rules for determining the budget request for reset adequately resourced the Army's reset requirements?

General CHIARELLI. We believe they have. Given the rules have changed for recap, that portion of the budget that would normally be used to do that is smaller. But we expect in fiscal year 2010 to have to reset a total of 27 Brigade Combat Teams.

And we believe, even with the drawdown, that will occur sometime in fiscal year 2010, we will not see the effects of that drawdown in Iraq as quickly as the Marine Corps will see that. We believe we have the necessary money for reset to handle those brigades coming back in fiscal year 2010.

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

Mr. ORTIZ. Chairman Taylor.

Mr. TAYLOR. General Chiarelli, I know that, by no choice of the military, particularly the Marine Corps, General Brogan that handled the program, but in order to field the MRAPs as quickly as we could, if my memory is, we had five different chassis, three different engines on those five different chassis, which, considering the part of the world you are operating in, had to be a logistical nightmare keeping up with the parts.

I am curious on the vehicle that we are designing for Afghanistan, are you going to be able to consolidate your chassis more? Are you going to be able to consolidate your engines? Or, because of the industrial base problem, are we going to have to spread the workload and the engines and chassis like we did before?

General CHIARELLI. There is no doubt, sir, that that created problems for us. But I have to tell you, hats off go to the logisticians who have kept the MRAP Operational Readiness (OR) rates, even with 5 different chassis, at over 90 percent, both in Iraq and Afghanistan, dipping possibly below 90 percent for very short periods of time, but they have just done an amazing job, even with those 5 different chassis.

As you know, the MRAP All-Terrain Vehicle (ATV), as I understand it, is sole source. There will be one MRAP ATV. The good news is, as you know, we don't have the all-terrain capability in those five different models you talk about, but both the Army and the Marine Corps are exploring and right now adding an upgrade to some of those MRAPs, certain models, that will give them all-terrain capability.

So in my opinion, the decision was the right decision. We got five different variants down range. If we had gone to a single variant, we would not have gotten as much protection down range. We have saved lives, arms and legs with that decision.

It creates logistics issues, but we are working through them. And hats off to the logisticians for keeping the OR rates up so high.

Mr. TAYLOR. My second question for both of you gentlemen is, as you do have a monumental task to buy these things, keep these things running, fixing things, and I realize it is someone else's job to get them to theater and get them out of theater, but it wasn't that long ago that the folks from Maersk made me aware that they have lost about 130 drivers just transiting Pakistan to get their equipment into Afghanistan. You know, one of the other contractors I think has lost about 20 drivers.

I am curious to what extent the recent events in Pakistan, the recent uptick in violence there, has affected your ability to get equivalent into or out of Afghanistan. And there is a purpose for all this—it is not to put you on the spot—is, if we are going to face a situation at some point where we are going to need an enormous amount of additional airlift because of the problems on the roads, that is where this question is leading.

Are you able to get things through Pakistan in volumes sufficient to do your job?

General CHIARELLI. I owe you a rundown of where we are today as opposed to where we were in January. My understanding is, things have improved significantly. And we are able to get equipment in and out of country with far less loss than was reported at the first of the year.

I know that Transportation Command (TRANSCOM) has worked contingency operations to ensure, should those lost become untenable, that they can, in fact, continue to supply the force levels and predicted force levels we are going to have in Afghanistan. And I have all the confidence that they will be able to do that.

As for the amount of improvement that we have had in the last six to seven months, if I could get that to you to show you exactly how it has improved, but I can state with some certainty that it has improved. And I feel comfortable and confident we will be able to supply our forces.

Mr. TAYLOR. General Amos.

General AMOS. Mr. Chairman, it is a little bit easier for us in the southern part of Afghanistan. The ships come in—we get our equipment really two ways. They either fly it in, goes into Kandahar, or now Bastion, now that the airfield at Bastion is large enough to accommodate the Marines, or we drive it up, it comes in by ship to Karachi and then takes what we call the southern route into southern Afghanistan.

I don't have the numbers of interdictions. I will get that for you. That is easy to get. It is my understanding, having gone over there recently and talked to the J4, the head logistics guy for International Security Assistance Force (ISAF), that the southern route is almost—very little interdiction going on in the southern route. It is just a cleaner, safer way to go.

[The information referred to is classified and retained in the committee files.]

General AMOS. So at our point right now, other than just distance, time to distance and physics, it is just—which takes time—we are actually, I don't believe, experiencing any trouble getting the gear into theater.

Mr. TAYLOR. I thank both of you gentleman for what you do for our Nation.

Mr. Chairman.

Mr. ORTIZ. Before I yield to my good friend, Mr. Bartlett, I understand that, at the G–8 summit, there was an agreement between our President and the Russian president to allow us to fly over Russia and help us deliver some of the equipment. It maybe is too early. Are you up to date on that?

General CHIARELLI. On my part, Mr. Chairman, only what I have read in the press and only my understanding that any time you get

multiple ways to enter into a very difficult theater such as Afghanistan, it cannot be anything but good news that we have that ability to do that. But all I have read is press reports.

Mr. ORTIZ. General Amos.

General AMOS. Sir, I agree. All I know about that is what I have read in the paper. I have not seen anything specific within the Department of Defense on it. I did read, though, which was encouraging, that the agreement was signed to keep Manas open, and Manas is a port of exit for a whole lot of our young Marines.

It is interesting how many of those young kids down in the Helmand province understood the value of Manas, and they wanted to make sure it stayed open so that they could go home someday. But that is very encouraging.

Mr. ORTIZ. And I hope we can work on that, because it would be a tremendous asset for us to utilize if this agreement can be worked out further. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

I want to follow up with a question asked by Mr. Forbes. The Army's 2010 request for reset is about $11 billion, of which nearly $8 billion, $7.9 billion, is for Operation and Maintenance (O&M) and $3.1 billion for Procurement.

Now, from 2007 to 2010, the O&M portion has been pretty constant at about $8 billion, but the Procurement portion has dropped to less than 50 percent of what it was in 2007. Now, I know 2007 was a bit higher than it might have been because we were short in 2006, but at just the time when we need more money because of all this reset, now we have less money.

And if we are going to justify that on the basis of this new rule that says that you can't upgrade when you are repairing the equipment, then I have a problem with that, because what an opportunity we have when it is in there for maintenance repair. Why can't we upgrade? That seems to me to be very shortsighted, and I am wondering why the money wasn't there.

Did the Army ask for more than $11 billion, $11 billion was all you could get?

General CHIARELLI. My understanding is, no, sir, we did not. We understood what the new overseas contingency operation rules were going to be. That amount, that $3 billion-plus, can only—in Procurement—can only be used for washouts or vehicles or aircraft that are destroyed.

And for the most part—although, like all these rules, they change—for the most part, the recap or adding on, upgrades to equipment is not allowed in fiscal year 2010. And that drove down the amount of money that we needed for Procurement.

Mr. BARTLETT. But, sir, why not? Isn't it our goal to have a better and better military to support our people? Why shouldn't we upgrade? And isn't this a very shortsighted program?

General CHIARELLI. Sir, you would have to ask the folks who wrote the new rules. I think that it makes a lot of sense to upgrade when we can. It is kind of like paving a road. You know, it is better to put the sewer system in before you pave the road. It is not a good idea to, in fact, pave the road and then decide to dig it up to put the sewer system in.

So when we have equipment in or are able to do that, that was a plus and allowed us to recap equipment. But the new rules are that we cannot do that.

Mr. BARTLETT. Well, I think Article I, Section 8 of the Constitution says that the Congress makes the rules.

And, Mr. Chairman, I think we need to take a look at that. Thank you very much. And I yield back.

Mr. ORTIZ. Chairman Abercrombie.

Mr. ABERCROMBIE. I want to follow up, General, on what Mr. Bartlett just was dealing with when he said that the Congress makes the rules. I am not clear from your answer to Mr. Bartlett what part of what the Congress wants you to do is being thwarted by whoever making these rules. Who made this rule?

General CHIARELLI. Sir, my understanding is they come out of Office of Management and Budget (OMB).

Mr. ABERCROMBIE. I am sorry?

General CHIARELLI. Sir, my understanding is they come out of OMB. They write——

Mr. ABERCROMBIE. It is very important to me—you take orders from OMB and not from the Defense bill?

General CHIARELLI. I can only tell you what I know right now, sir. The rules and—and I don't question who makes rules. The rules that we——

Mr. ABERCROMBIE. Well, maybe rules is the wrong way. I am not trying to be argumentative here at all. But this is serious business because of the questions I have, have to do with inventory and our capacity to actually do an accurate inventory so that I can make from—Mr. Bartlett and I, I should say, because we do this together, make recommendations to the committee—to our subcommittee members and the committee as a whole, we try to do this in a way that reflects your needs.

And if you are telling me that—or telling Mr. Bartlett that someone in the Office of Management and Budget is able to countermand, I guess, what we are doing, how on Earth are we supposed to make an accurate assessment, let alone recommendation, to follow up on requests that you are making today, let alone what has been made in the past?

I am not quite sure about your answer. Are you saying that your present course of action, when you make decisions with regard to the context established by Mr. Bartlett, that you are not paying any attention to the Defense bill?

General CHIARELLI. I am not saying that. I am saying——

Mr. ABERCROMBIE. Then I really need to know what it is that we are dealing with here.

General CHIARELLI. I can only tell you what the people that I trust to put together our request to Congress have indicated to us. And in fiscal year 2010, as a general rule, we are not allowed to recap equipment. And that has dropped down the amount of money that we requested for Procurement as part of reset.

Mr. ABERCROMBIE. So you don't need additional funds? Is that right?

General CHIARELLI. I am telling you——

Mr. ABERCROMBIE. Because we could reallocate funds. Believe me, I have got requests. Mr. Bartlett has requests right now. If

your answer is, is that you don't need this money and that which was presented to us when—whether I was in the minority or the majority, because we have been on this subcommittee for some period of time now—so those estimates from before were inaccurate?

General CHIARELLI. Let me be perfectly clear.

Mr. ABERCROMBIE. I hope so, because, believe me——

General CHIARELLI. This——

Mr. ABERCROMBIE. Believe me, I will make some recommendations for reallocation. Absolutely, I will.

General CHIARELLI. We are, in fact, able, with the budget that we have and what we have requested to you, to do what you asked me to come here and talk about today, and that is reset our equipment. That is, bring our equipment up to 10/20 standards, and 10/20 standards meaning that it is fully capable to do its mission with minor deficiencies, at best.

We do not bring it to a recap situation, but we are able to reset our equipment exactly as defined with the money that we have been given by Congress.

Mr. ABERCROMBIE. Okay. If that is the case, then, what system is in place, then, whether it is from the OMB or yourself to accurately assess inventory? The reason that I ask this question, in following up on Mr. Bartlett's observations and inquiry, is that, just on shipping containers alone, you read the Government Accountability Office (GAO) reports—on shipping containers alone, we can't get—our subcommittee staff is unable to get an accurate answer as to what we need even from containers for equipment, because we can't get a handle on your inventory.

What inventory process is in place right now? And do you have confidence in it?

General CHIARELLI. I have confidence in our inventory. And I have confidence not only that commanders down range, like I was twice, are maintaining inventory of both their Table of Organization and Equipment (TO&E) equipment that they bring over with them, plus the troop-provided equipment.

We have had many looks at our equipment down range to ensure that accountability standards are high. And they are. And we feel very, very good that we know what we have got down range and what we will, in fact, be bringing back and what is in troop-provided or theater-provided equipment that is issued to units when they arrive in theater.

Mr. ABERCROMBIE. So the GAO reports on the capacity for you to accurately assess inventory is incorrect?

General CHIARELLI. I believe——

Mr. ABERCROMBIE. I will send it to you.

General CHIARELLI. Thank you, sir.

Mr. ABERCROMBIE. And I would appreciate your response. It is a serious question, because, again, this involves numbers including billions of dollars. Believe me, we are looking right now for billions of dollars possibly for reallocation because of other demands.

So if you don't need this money and you are satisfied that your inventory assessment is absolutely correct, it seems to me I am going to have a hell of a lot more flexibility than I thought I had.

General CHIARELLI. We, too, understand the tremendous fiscal crisis that our country has gone through, the economic situation.

And one of the reasons why there is no question, as long as we can reset our equipment, we understand that, because of fiscal requirements, it may be in the best interest of our country as a whole to cut back on the amount of recap we are doing. So it did not seem odd to me——

Mr. ABERCROMBIE. Okay, time. Excuse me. In the fiscal interests, is that the basis—have you had conversations with these folks at OMB?

General CHIARELLI. I have not, sir.

Mr. ABERCROMBIE. Who would have had these conversations?

General CHIARELLI. It would have taken place at the Office of the Secretary of Defense, OSD.

Mr. ABERCROMBIE. So the Secretary of Defense is saying that you need, at least from my calculations here, approximately $2 billion less than you said you needed previously with regard to reset for equipment on the basis of—what was the phrase you used, fiscal discipline or fiscal necessity?

General CHIARELLI. Well, we understand that we all have to be very, very careful with the dollars that we spend. And people have made a decision that we will not recap equipment in fiscal year 2010. And that seems to me to be understandable.

Mr. ABERCROMBIE. Okay, it is understandable, yes. Do you think it is good policy?

General CHIARELLI. If I had the ability to recap equipment, if we had the money to recap equipment, I think it would make sense to recap equipment.

Mr. ABERCROMBIE. That is not the question I asked. Do you think you need the money to recap, in your professional judgment? That is what we are asking for today, not from a politician appointed in the OMB. I am asking for your professional judgment today with regard—do you need money to recap?

General CHIARELLI. If I had the ability to recap, I would recap, for all the reasons I have stated.

Mr. ABERCROMBIE. You think the policy, then, of not being able to do that, which is reflected in your—in the numbers that are given to us, is not good policy?

General CHIARELLI. I can't say that, and I won't say that. And I won't say that because I understand that people that make those rules and make those decisions have to take many other things into consideration. And that is why I do not——

Mr. ABERCROMBIE. Yes, they have to take into consideration what we say is in the Defense bill, because we are reflecting—we are trying to reflect—I am trying to help you here, because, believe me, if you give me this answer, I want to know—and, right now, what you are telling me is, is that, in your professional judgment, the rules or the policy or the admonitions that you have been given or the direction that you were operating under reflects your professional judgment as to what the necessities for the Army are right now?

General CHIARELLI. If I had the authority and the ability to recap, I would. But I——

Mr. ABERCROMBIE. Okay. Thank you. If this Congress gives you the authority under the Defense bill, then that would reflect your

professional position that you could use at least $13 billion per year, rather than $11 billion?

General CHIARELLI. I can't give you those numbers. I cannot——

Mr. ABERCROMBIE. Well, okay. You don't have to—well, those are the numbers we have been given previously.

General CHIARELLI. In previous years.

Mr. ABERCROMBIE. Yes.

General CHIARELLI. I would have to go back and ask—we just don't go and——

Mr. ABERCROMBIE. I won't go further.

Mr. Chairman, this is serious business. We are under the gun here in the Defense bill to make accurate numbers and put them forward for everybody to consider.

Now, we have to make a decision whether OMB does this, because we don't—what the hell, we don't need a committee here if somebody down in OMB—it is a political appointment. It is all political appointments. And if we are going to do it on the basis of what somebody else decides in the Executive is a budget number as opposed to what our obligation is, which is to provide for you and the people who serve under you and under your command, then we have a real dilemma here.

I have a real dilemma, because I can't accurately—or I cannot in conscience say to Chairman Ortiz or to the other Members that we are giving a number that adequately responds to what you believe to be, in your professional judgment, a necessity. Do you understand my motivation here?

General CHIARELLI. I hope you understand mine. I understand, also, that you have to take many, many things into consideration when putting together our budget, and that is all I am saying to you.

Mr. ABERCROMBIE. Thank you.

General CHIARELLI. We have the money we need to reset the equipment, and that is what I am here to talk about today.

Mr. ORTIZ. Thank you. And sometimes, you know, we have to—we are all a team working together. And sometimes we have to depend on other agencies to help out and to kind of a check-and-balance system.

But Mr. Abercrombie is right. As long as we can try our best to get the best information—because our concern, the bottom line is that we want to be in a position to where we can help our warriors who are out there. But I am also dependent on other agencies to help me put this thing together, but I think that he has a very, very valid question.

And now let me yield to my good friend, Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And, General Chiarelli, thank you for being here. I am so grateful to represent Fort Jackson. I trained there 31 years, and 3 of my sons have had the privilege and opportunity of spending a lot of time at Fort Jackson in training, just a great facility.

And, General Amos, I am so grateful. I also represent Parris Island, Marine Corps Air Station, Beaufort Naval Hospital, and I know that you have spent significant time in our community. Next weekend is the Beaufort Water Festival, and that is a time to celebrate the great affection that people in the low country have for the

Marine Corps. And so, next weekend, you are invited to come back home.

I wanted to let you know, as we talk about reset, I am thinking of assembling equipment, retrofitting equipment. To me, it has been an incredible success story of how the equipment got there in the first place. And hundreds of millions of parts and weapons, munitions, vehicles, it is just an incredible success story to me.

And I know, as a parent who had two sons serve in Iraq, I always felt like I knew they could get the equipment because of what I had seen, and that is that, in visiting Kuwait, I visited the Theater Distribution Center. And I saw firsthand—and I wish the American people know about this—and that is that the—down to the smallest part, using a bar code that the parts, the different vehicles, the, again, munitions, the weapons, that they are monitored using the United Parcel Service (UPS)-Federal Express (FedEx) models of delivery.

They are stored in areas, square miles, with bermed spaces so that they can be secure, but yet they can be easily recovered and sent straight to the warfighter so that they can be protected.

And so, as we look now at returning the equipment, I am counting on the same level of professionalism, and the logisticians, I just truly wish the American people knew how extraordinary it was of what they did.

But as we look to the future, I am particularly interested in any preference given to the National Guard, given to the Reserves. Can the Adjutant Generals and Army and Marine Reserve generals and the logisticians develop a list of equipment for their missions in training? Is that being done?

General AMOS. Sir, I will take the first stab at that. We have, within the Marine Forces Reserve, we look at equipment holistically across the Marine Corps. They have what we call a training allowance in every Reserve unit across America, which is a small slice of what they would need.

If they had the full thing, if you were an infantry battalion, first of all, they are not all co-located, so they are spread out across in some cases many, many states. So they have a slice of equipment that they can train with and they can adequately maintain.

But we holistically as a Marine Corps, when we start taking a look at deploying Reserve forces, and we have got a Reserve battalion right now that is in Iraq, and we are cranking another one up to go to Afghanistan, they will come together at Twentynine Palms, and they will fall in on gear that we have there. And then we will ensure that they have the right equipment overseas.

So we look at it holistically. It is not a "this is Reserve equipment and this is that." So I don't know whether that answers your question, but they are part of the greater requirement and reset and kind of rearming and refitting effort that the Marine Corps has. I don't know whether that answered your question.

General CHIARELLI. Sir, I would add that we are all proud of what has happened. And I just need to give this one comment. I think it is absolutely amazing, after 7½ years of war, we have operational readiness rates down range that in excess of 90 percent.

And it is in no small part due to what you have done for us, in allowing us to reset that equipment throughout this 7½ years of war. We bring that equipment back; we put it into reset for 180 days; and we issue it out to our soldiers.

Now, when it comes to Reserve components, Reserve components have the same priority as Active components. Whoever has the highest priority, be it for a homeland defense mission or for a mission overseas, regardless of whether it is an Active component unit or a Reserve component unit, gets the equipment.

Currently, we are at 83 percent fill for National Guard units for critical dual-use equipment that is not only needed here for homeland defense-type issues, but down range.

Some of that dual-use equipment is deployed with some Reserve units, which brings down that percentage of fill when you look across the entire force. However, most states have compacts with other states where they can get at that equipment, should it be needed here at home.

But we have made great progress in filling up Reserve component equipment needs across the force, particularly in a critical dual-use equipment category, that which is used both down range in theater and back home for homeland defense-type missions.

Mr. WILSON. And what you are into, to me, is a challenge and an opportunity, particularly for the most modern equipment, for Guard and Reserve forces to be able to train, but also, as you indicated, dual use, as we have the hurricane season approaching the southeastern part of the United States, and we want the best equipment for evacuation, recovery and relief.

A final question is that, General Chiarelli, there has been a reset pilot program that has been implemented. Have there been any lessons learned?

General CHIARELLI. We have had four different periods where we have taken lessons learned from reset pilots to continue to improve the system. As you know, based on the Army's Army Force Generation Model, as we bring units back, we reset their equipment, both their ground tactical vehicles and aviation equipment, in that first 180 days.

The goal here was to give our soldiers and families the predictability that, in that 180 days, we would bring all that equipment back, reset it, and have it available for those soldiers, as they move in, out of reset, that 180-day period immediately after they return back home, and into their train and ready phase, where they train up for their next deployment.

We have learned a lot from the reset pilot program and have instituted that into the force. And, in fact, we just recently conducted a very, very successful reset Rehearsal of Concept (ROC) drill under the auspices of the United States Army Forces Command (FORSCOM) commander, General Campbell. Over 250 general officers got together to look at the entire reset process and how we could make it more efficient and provide equipment back to the force as quickly as we possibly can.

Mr. WILSON. I want to commend and thank both of you for your professionalism. Thank you very much.

Mr. ORTIZ. Before I yield to Chairman Reyes, I understand that we are going to have around 15 votes in the next—which means

that we might be on the House floor for the next 2 hours. And I know that both of you have very important jobs and very important responsibilities, so we don't want to keep you here.

I would suggest to the members of these three subcommittees that maybe we can reconvene so that we can continue with this hearing later on, because, to keep you waiting for two or three hours would be a long time.

Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman. I will try to be brief.

My question is for General Chiarelli, and it relates to the fact that you were still in the planning stages for drawdown of U.S. forces from Iraq when the fiscal year 2010 and OCO budget requests were submitted.

My question is, did these requests include adequate funding for both the withdrawal and the reset of the forces and the equipment that goes along with that? That is number one.

And number two is, if, in fact, it wasn't, do you foresee requesting additional funding for the drawdown in fiscal year 2010?

General CHIARELLI. Sir, as you know, we will not see a drawdown of U.S. forces in Iraq as quickly as the Marines see it. And we believe that we have enough money in the fiscal year 2010 reset request to do the necessary reset we will have to do, with an understanding that the elections will take place sometime in the January time period, if everything goes, that it may be 30 to 90 days after that before we start to see a large amount of additional units coming out of Iraq, Army units coming out of Iraq.

And given the time it takes to get to the depots, we feel we will be in good shape to continue the necessary reset work, even with those forces coming back, and make the adjustments in 2011.

As you know, the key to reset is timely funding, because timely funding gives us the capability at our depots. It takes us about 90 days to bring on additional workers. But it can take us as long as 12 to 14 months for some critical long lead parts. So the key for us is the timely receipt of funding and the availability to go ahead and forecast and look forward and get those critical long lead parts.

We think we are going to be in good shape in 2010 with the money that you have so generously—we hope you will so generously give us to complete that reset work.

Mr. REYES. Thank you, Mr. Chairman. With that, I yield back.

Mr. ORTIZ. Yes, I will yield to Mr. Akin for a motion to submit something for the record.

Mr. AKIN. Yes, thank you, Mr. Chairman.

I just wish I could submit my opening statement for the record, if I could.

Mr. ORTIZ. Hearing no objection, so ordered.

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

Mr. ORTIZ. And we will going to continue with questions until we have about 5 minutes, because—and what we are going to do once we reconvene the hearing, because of the votes that we are having—we have 10 minutes left right now, right, 10 minutes left—I would like for Members to know that, when we close this hearing today and postpone it, we will start again from where we left and the Members will follow on the order that we have now.

Mr. ABERCROMBIE. Mr. Chairman.

Mr. ORTIZ. Yes.

Mr. ABERCROMBIE. So we will reconvene another day?

Mr. ORTIZ. That is right, in another day. And you will be notified by the staff.

Okay, Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

And thank you, gentlemen, very much. You know, there is never a way to express to you the gratitude that all of us feel for the lifetime commitment that you have shown for the cause of human freedom. I don't think I can repeat that often enough.

General Chiarelli and General Amos, how many years do you expect to have to fund reset costs as a result of the Iraq war? And has this been discussed with the current Administration's officials, in terms of long-term funding?

I mean, the point is, I am concerned that we may have to continue this process for a significant length of time, and perhaps we are not thinking far enough ahead.

I will direct it to you, General Chiarelli, first.

General CHIARELLI. I will be quick. We have been consistent in stating that reset will go on for two to three years after the cessation of hostilities. And that has been a consistent Army position throughout the 7½ years of this war.

General AMOS. Sir, it will take between two to three years just to—if everything came to all stop, and you brought, started moving all the equipment to ports of debarkation, and then got it back to America, it will take two to three years to get the stuff through the depots.

That doesn't include procurement with replacement equipment that may be in competition in an assembly line somewhere and where we fall in behind somebody else's priorities. So those things could take three or four years on a procurement timeline, but two to three years to get the equipment fixed at the depots, and then whatever else time piles on top of that as a result of procurement.

Mr. FRANKS. Well, Mr. Chairman, a part of the reason for the question is just to remind the committee that, you know, this drawdown in Iraq should not be considered a bill-payer for everything else, because we do have some ongoing responsibilities there, especially in terms of the reset in the future.

Let me just quickly ask one other question, because I want to give someone else a chance here, so I am not going to go through the others. Both of you have discussed disposal and replacement of equipment that is beyond repair as part of your reset strategy, and I guess this percentage could be fairly high.

Can you discuss for a moment how you plan to dispose of unserviceable equipment? I mean, for example, will it be disposed of in the area of operations, or will it be shipped somewhere else and disposed of? Tell us what the process is there and the policy.

General CHIARELLI. I will have to get back to you. My understanding is the majority of it would—if it is a washout, would be brought back home. It would not be left in theater, possibly taken to Kuwait.

[The information referred to was not available at the time of printing.]

Mr. FRANKS. Not going to fall into the bad guys' hands?

General CHIARELLI. Absolutely not. Absolutely not.

General AMOS. Sir, unless it is just a pile of scrap metal, we are going to bring it home. That is the plan. It may not have a cap on it. It may not have a motor in it. But we are going to bring it home. And our plan is to get it to Kuwait, get it on ships, bring it back to Blount Island, and then process it through the depots.

We have a figure of roughly 65 percent of the value of the vehicle. If it costs more than that, then we will discard it back here in America. And you go to our depots and they are taking pieces off of different vehicles that have been discarded to build one. So they are pretty good stewards of the money.

Mr. FRANKS. Well, again, gentlemen, thank you for your gallant service.

And, Mr. Chairman, I yield back. I hope to give someone else another shot at it here.

Mr. ORTIZ. Thank you so much, both of you, for your testimony. And I think that we have a lot to learn and a lot to do. And the committee staff will let you know when we are going to reconvene this meeting with these three subcommittees.

And at this point, the subcommittees stand recessed.

[Whereupon, at 10:37 p.m., the subcommittees were adjourned.]

A P P E N D I X

JULY 9, 2009

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JULY 9, 2009

Chairman Ortiz Opening Statement for Joint Hearing on Army and Marine Corps Reset Requirements

"Today the Readiness, Air and Land Forces, and Seapower and Expeditionary Forces subcommittees meet to receive testimony on the status of Army and Marine Corps equipment reset requirements.

"I thank our distinguished witnesses, the Vice Chief of Staff of the Army and the Assistant Commandant of the Marine Corps, for appearing before these subcommittees today to discuss reset.

"Since 2006, the Congress has authorized more than $55 billion for the reset of Army equipment and more than $14 billion for Marine Corps equipment reset.

"For fiscal year 2010, the Army has requested another $11 billion, and the Marine Corps is seeking two billion dollars.

"What we would like to hear from our witnesses today is what has almost $70 billion bought and what difference has it made to Army and Marine Corps warfighting capability and overall readiness.

"We also need to understand how long the Army and Marine Corps estimate they will need to continue to request reset funding, and at what level. What is the future of reset?

"In support of reset, Army and Marine Corps depots are operating at historically high levels. Since the start of combat operations in Afghanistan and Iraq, the Army has reset more than 480,000 pieces of equipment. Over the past three fiscal years, the Marine Corps has reset more than 60,000 pieces of equipment and plans to reset almost 41,000 in fiscal year 2010.

"As we prepare for Army forces to leave Iraq and as Marine forces are increasing in Afghanistan, we need to know how the depots are preparing to handle anticipated changes in reset workload.

"The redeployment of U.S. forces and their associated equipment from Iraq will be a monumental undertaking. The Army alone has more than 31 million items, 100,000 vehicles, 120,000 containers and tens of thousands of tons of ammunition in Iraq that must be moved or otherwise disposed.

"The subcommittees need to understand the role reset will play in this retrograde of equipment, how much it is expected to cost, and what planning is being done to ensure parts, people, and equipment are in place.

"We need to understand all these things so that the Congress can ensure reset continues in a way that best supports the warfighters.

"Drawing down in Iraq at the same time we are building up forces in Afghanistan presents daunting logistical challenges.

"Congress cannot ensure the Department of Defense and the military services have the resources they need to meet those challenges unless we have a full understanding of the reset requirements.

"Our witnesses today are two distinguished military leaders: General Peter W. Chiarelli,

Vice Chief of Staff of the Army and General James F. Amos, Assistant Commandant of the Marine Corps.

"The Chair recognizes the distinguished gentleman from Virginia, Mr. Forbes, for any remarks he would like to make.

"I understand that by mutual agreement the chairmen and ranking members of the Air and Land Forces Subcommittee and the Seapower and Expeditionary Forces Subcommittee will enter their opening statements into the record.

"General Chiarelli, please proceed with your testimony, followed by General Amos."

Statement of the Honorable Neil Abercrombie
Chairman, Subcommittee on Air and Land Forces

Joint Hearing with Readiness Subcommittee and Seapower and Expeditionary Forces Subcommittee on Army and Marine Corps Equipment Reset

July 9, 2009

Thank you Mr. Chairman.

- The Army has been confronted for nearly 8 years with the difficult and challenging task of providing and supporting the full spectrum of equipment – helicopters, tanks, trucks, humvees, unmanned aerial systems, counter improvised explosive device equipment, and other non-mission and mission essential equipment – to its forces in Iraq and Afghanistan.

- Operation Iraqi Freedom and Operation Enduring Freedom have placed severe demands on ground and aviation equipment. The useful service life for equipment has been consumed at much greater than anticipated rate due to high operational tempo in extreme, harsh environments.

- Since combat operations began the Army has Reset over 470,000 pieces of equipment.

- Now, as part of the Administration's 19 month Responsible Drawdown strategy for Iraq, the Army is preparing to retrograde and redeploy significant amounts of equipment from the Iraqi theater of operations either back to the United States for Reset or transition to Afghanistan.

- Any retrograde or redeployment effort of this magnitude will present significant and extreme challenges in managing the disposition of equipment and logistics, synchronizing and coordinating efforts across the services – both in theater and here stateside –, and probably the most critical element is having 100 percent accountability over equipment inventory.

- Major questions continue to remain as to how the military plans to accomplish this major logistical challenge.

- According to the Government Accountability Office (G-A-O), the military services are behind their planned schedule and have yet to complete a 100 percent inventory of what equipment is currently in theater, yet the majority of equipment in Iraq is scheduled to be retrograded beginning in March 2010.

- An observation by G-A-O personnel that QUOTE "The military doesn't know whether it needs 9,000 shipping containers or 90,000 shipping containers" UNQUOTE, does not instill confidence in the planning for returning equipment.

- Without this critical piece of information the military cannot make a determination as to what equipment is in excess to the theater requirement and ready to undergo Reset. This also prevents the industrial base from preparing, planning and positioning itself to having the necessary capacity to address increases in workload demand.

- Other questions that need to be raised focus on available assets, such as, do we have enough containers readily available for equipment transport and is there enough ground and air transportation capacity in theater.

- All of this is occurring while the Army attempts to "rebalance" the force in terms of equipping, supporting, manning, and training those Army active and reserve component forces not deployed; rebuilding prepositioned equipment stocks to meet other contingency requirements; and funding and executing its ongoing modernization programs.

- Over the past four years the Army has requested and received on average – primarily through supplemental funding requests – approximately $14.0 billion per year for equipment reset activities. The Army has stated it would require at least $13.0 billion per year for equipment reset for a minimum of two years after all operations cease.

- However, in fiscal year (FY) 2010, the Army requested only $11.0 billion.

- Given the major equipment retrograde effort scheduled to occur in 2010 and the intensifying levels of activity in Afghanistan, the committee is concerned the FY 2010 request may fail to adequately address retrograde and reset requirements.

- Today we want to be assured first, that our men and women in uniform will not be deployed without having all of the necessary equipment for them to safely as possible accomplish their assigned tasks and missions.

- Secondly, the subcommittees expect to gain a better understanding of how the Army plans to manage, execute, and synchronize equipment reset and retrograde activities; what additional resources, if any, may be required in FY 10 and determine how we, as Congress, can help with these critical initiatives.

- Thank you Mr. Chairman

Opening Statement of Congressman Gene Taylor
Chairman, Subcommittee on Seapower and Expeditionary Forces
Army/Marine Corps Reset Requirements Hearing
July 9, 2009

Thank you Mr. Chairman, current operations for the United States Marine Corps continues to remain high, with over 31,000 Marines forward-deployed across the globe. In the U.S. Central Command Theater area of operations, there are 26,000 Marines deployed in support of Operation Iraqi Freedom and Operation Enduring Freedom. As we see in the news, many of those Marines are currently heavily engaged with the enemy in the Helmond province of Afghanistan. As of February 2009, 40 percent of the Marine Corps' aviation assets were deployed and 27 percent of its ground equipment was in theater. In briefings to the Readiness and Seapower subcommittees, Marine Corps officials have stated that replacement or new procurement is dominating Marine Corps expenditures.

Adding to the shear challenge of the size of the Marine Corps overseas requirements, competing demands for equipment distribution make it difficult for the Marines to "flex" from one combat theater to the next.

Also, because distribution routes and the terrain in Afghanistan are so difficult and severe, the Marine Corps believes it will be forced to leave more equipment in country and "cross-level" equipment from Iraq to Afghanistan. This is a major logistical challenge and it remains unclear as to how the Marines, working with TRANSCOM will accomplish this "cross-level" equipment distribution. I also want to be on the record as opposed to leaving Army or Marine Corps equipment in either Iraq or Afghanistan, I worry that expediency will overcome common sense when we finally do remove our fighting forces.

I am very concerned about in-stores equipment, the pool of equipment assets that serve as a source of equipment to replace damaged or destroyed equipment in the operating forces, and potentially fill shortfalls in the Active and Reserve Components. This equipment has been used heavily leveraged to source increased equipment requirements in Iraq and will most likely be used to support transition to operations in Afghanistan. I understand that the supply rating or attainment level for in-stores assets is degraded and currently at 31 percent availability. Further, 60 percent of Marine Corps non-deployed forces are reporting degraded readiness levels. This degraded state of readiness within non-deployed forces presents risk in Marine Corps capability.

I am concerned over the impacts this could have on current operations, equipment availability for home station training, the ability to strategically respond to another threat, and overall affordability. The Marine Corps has stated it will require at least $20.0 billion to reset their forces and this number could most likely increase. To fund this reset from the base budget request, without the use of the war supplemental, or Overseas Contingency Fund, will drastically affect the ability of the Marine Corps to continue to procure the equipment needed for future operations.

I'm also interested to receive a brief update to the Mine Resistant Ambush Protected (MRAP) - All Terrain Vehicle (M-ATV) program. The M-ATV responds to a joint urgent need from Theater for an MRAP variant that was lighter, with greater mobility and off-road capability than current MRAP vehicles. This vehicle would be primarily fielded in Afghanistan due to the severe operational environment. I understand the Theater has a validated, urgent requirement for 5,244 M-ATVs and that source selection for the MATV is now complete and that one vendor has been selected to produce these vehicles. I realize survivability (or technical performance) was the most important factor in making this decision but we still must do everything we can to quickly produce and field these vehicles to theater.

Forbes Statement for Joint Hearing on Army and Marine Corps Reset Requirements

Washington D.C. – Three House Armed Services subcommittees held a joint hearing earlier today to examine the costs and requirements associated with resetting and recapitalizing Army and Marine Corps equipment. U.S. Congressman J. Randy Forbes (R-VA), the Ranking Member for the Readiness Subcommittee, released the following prepared remarks for the hearing:

"Thank you Mr. Chairman. I'll keep my remarks brief as I'm sure our colleagues from the Seapower and Air/Land subcommittees will also have some remarks. I would like to welcome General Chiarelli and General Amos back to the committee. Gentlemen, thank you for being here today and thank you very much for all you do for this nation.

"This committee has been actively engaged in the issues that impact the readiness of our forces in light of the on-going combat operations. The Army and Marine Corps Reset programs are a critical part of that. Although the 2010 Overseas Contingency Operations budget request included $13 billion for Army and Marine Corps reset efforts, it is very clear that the request was at best, a guess. Despite the agreed to framework for withdrawal in Iraq, there is much that is not known and many critical decisions have yet to be made. And, we must not forget that the framework for withdrawal is contingent on conditions on the ground and the capability and capacity of the Iraqi Security Forces.

"This is an important hearing and I really appreciate the Chairman asking General Chiarelli and General Amos to join us today, because I think they can help us better understand the dynamics of the situation we face. As General Chiarelli notes in his written testimony, 'reset costs for future years will depend on several factors, such as responsible drawdown requirements, the level of force commitment, the activity level of those forces and the amount of destroyed, damaged or worn equipment.'

"We face an enormous challenge as we work to rebuild, reset, modernize, transform and grow our armed forces while actively engaged in combat. The redeployment of forces from Iraq, and the increase in forces in Afghanistan greatly increase the complexity and the resourcing requirements for reset. I look forward to the discussion today and I hope it will provide us with a better understanding of the Army and Marine Corps efforts to reset the force in light of these challenges."

Bartlett Statement for Joint Hearing on Army and Marine Corps Reset Requirements

Washington, D.C. – Three House Armed Services subcommittees held a joint hearing earlier today to examine the costs and requirements associated with resetting and recapitalizing Army and Marine Corps equipment. U.S. Rep. Roscoe Bartlett (R-MD), Ranking Member of the House Armed Services Subcommittee on Air and Land Forces, released the following prepared remarks for the hearing:

"I would like to welcome General Chiarelli and General Amos back to the committee. Gentlemen, thank you for being here today and thank you very much for all you do for this nation.

"My primary concern has to deal with the procurement portion of reset. The Army's 2010 request for reset is $11 billion—of which $7.9 billion is for operations and maintenance (O&M) and $3.1 billion is for procurement. From 2007 to 2010 the O&M portion of reset has stayed constant at approximately $8 billion per year. However, during that same period, the procurement side of reset has gone from $8.6 billion to $3.1 billion. I realize that the $8.6 bilion number in 2007 was a little high because of deferred requirements from 2006. Nevertheless, five Brigade Combat Teams from the surge have already started or are getting ready to reset, large amounts of equipment returning from Iraq will require reset, additional equipment is being sent to Afghanistan and yet the procurement portion of reset has been reduced by over fifty percent.

"I am concerned that the Army will be forced to pay for additional reset costs out of their base budget which will negatively impact modernization; which has already been reduced in this budget. My question for the Army is this: did the Army request $11 billion for reset or did they request a higher number and $11 billion was all they could get? I recall that during the Army posture hearing Ranking Member McHugh brought up this same concern and General Casey stated that the numbers may have to be re-looked.

"We face an enormous challenge as we work to rebuild, reset, modernize, transform and grow our armed forces while actively engaged in combat. The redeployment of forces from Iraq, and the increase in forces in Afghanistan greatly increase the complexity and the resourcing requirements for reset. I look forward to the discussion today and I hope it will provide us with a better understanding of the Army and Marine Corps efforts to reset the force in light of these challenges."

Akin Opening Statement for Joint Hearing on Army and Marine Corps Reset Requirements

Washington, D.C. – Three House Armed Services subcommittees held a joint hearing earlier today to examine the costs and requirements associated with resetting and recapitalizing Army and Marine Corps equipment. U.S. Rep. Todd Akin (R-MO), Ranking Member of the House Armed Services Subcommittee on Seapower and Expeditionary Forces, released the following prepared remarks for the hearing:

"Good morning. First, I would like to thank the chairmen and ranking members of the three subcommittees represented this morning for putting together this important hearing. I would also like to thank the witnesses for being here today.

"The task of resetting the Army and Marine Corps is huge. We need to understand what the task involves, how we intend to accomplish it, and how much it is going to cost. That is why we are here this morning. Let me briefly explain what I hope to learn today.

"First, we need to know how much equipment we are talking about. How much equipment is in theater and where? Then we need to know the condition of the equipment. How are we going to decide what gets repaired in theater versus what gets repaired in the U.S.? How are we going to decide what we might leave behind? The over-arching question is what is the plan for resetting our forces? We have yet to see a plan, but we are already drawing down in Iraq. We need a plan now.

"Once we understand the plan, we need to know the cost. This administration is already cutting defense funding. In a fiscally constrained environment, how are we going to be able to pay for reset? Does this Administration intend to pay for reset by cutting our investment accounts? Or is this administration going to do the right thing and both reset the current force and invest in our future force? We need a plan for reset and we need to know the cost. We cannot be forced to do only one or the other."

RECORD VERSION

STATEMENT BY

GENERAL PETER W. CHIARELLI
VICE CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

FIRST SESSION, 111TH CONGRESS

ON UNITED STATES ARMY RESET

JULY 9, 2009

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

Chairman Ortiz, Ranking Member Forbes, distinguished Members of the Subcommittee. Thank you for the opportunity to discuss Army Reset in view of the Fiscal Year (FY) 2010 annual budget and Overseas Contingency Operations supplemental requests.

On behalf of the Secretary of the Army, the Honorable Pete Geren and our Chief of Staff, General George Casey, I would also like to take this opportunity to thank you for your continued, strong support and demonstrated commitment to our Soldiers, Army Civilians, and Family Members.

As all of you know, it has been a busy time for our Nation's military. We are at war; we have been at war for the past seven-plus years, and that has undeniably put a strain on our people and equipment. In particular, the increased *'wear and tear'* on items ranging from individual weapons to helicopters to combat and tactical wheeled vehicles has taken a significant toll.

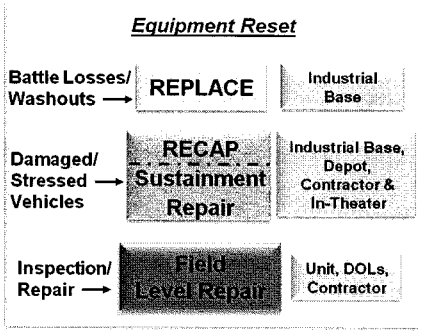
With the generous support of Congress the Army has steadily expanded the productivity and capacity of Army Materiel Command depots to meet our increased maintenance needs in a timely manner. Similarly, the commercial industrial base has surged to meet the requirements we have placed on them. This has greatly enhanced the overall capability and readiness of our Force.

While we are currently conducting operations in Iraq and Afghanistan, we must always be prepared to respond to contingency operations around the world. As our first Commander in Chief, George Washington stated: *"To be prepared for war is one of the most effective means of preserving peace."* Therefore, the capability and capacity for Reset must continue for as long as we have forces deployed and for 2-3 years thereafter to ensure readiness for the future.

Reset

Reset is actions taken to restore unit equipment to a desired level of combat capability commensurate with the unit's future mission. These actions include the repair of equipment, the upgrading of equipment where feasible and necessary (RECAP), and the replacement of destroyed or worn out equipment.

The Reset program ensures deployed units and Commanders have reliable and capable equipment, whether it is in units, Army Prepositioned Stocks (APS) or Theater Provided Equipment (TPE). Reset ensures that our equipment is at a high state of readiness; the Army is committed to restoring operational readiness of all critical systems and units.



Repair

Repair is the necessary scheduled and unscheduled maintenance of equipment to meet Army standards, and the repair is preceded by an inspection to determine the faults that must be corrected. Equipment repair is accomplished at two levels: field and sustainment level (depot).

Soldier-mechanics perform field level repairs, augmented by contractor labor and installation maintenance activities when required, on or near the installation where the equipment is stationed. The Army National Guard conducts equipment field level Reset at their National Guard facilities, while Army Reserve equipment continues to be Reset at Reserve Component demobilization sites. The Army National Guard's Reset efforts have served us well, in helping to return their equipment to their units as soon as is possible, so as to increase their capability to respond to Homeland Defense and Homeland Security (HLD/HLS) requirements.

For all components, repairs that exceed field level capability are performed at the sustainment level by our Army depots and other maintenance facilities under Army Materiel Command control. Certain items of equipment, as determined by the level of repair required are automatically returned for sustainment level maintenance and do not require inspection.

The retrograde of equipment from theater continues to go well and is supportive of the Army's Reset schedule. And, while we made some adjustments due to operational requirements, we are still on a glide path to fully execute our Reset program. In fact, with the support of Congress we have been able to create some opportunities to accelerate our Reset program. Specifically, we are leveraging our Army Working Capital Fund (AWCF) to purchase repair parts with long procurement times which will accelerate the repair of systems, in some cases by many months, and return equipment to units faster in order to support training and future mission requirements.

Equipment Upgrades / Recapitalization

Recapitalization rebuilds or upgrades equipment to a level that improves the performance capabilities of the equipment and returns the equipment to a "zero mile/zero hour" level with original performance specifications.

The Army's plan to recapitalize major combat systems as part of our Reset strategy will ensure that Soldiers have the required capabilities for the next contingency. These systems include: the M1 Abrams tank, the M2 Bradley Fighting Vehicle, HMMWVs, HEMTTS, and the Kiowa Warrior helicopter. The objectives of the recapitalization process include: extending service life, reducing operating and support costs, enhancing capability, and improving system reliability, maintainability and safety. For example, the HMMWVs that originally deployed to Iraq and Afghanistan without additional armor were an average of 13 years old at the time. As the Army has increased production of better armored HMMWVs, portions of the originally-deployed fleet, mainly M998 series vehicles, have been returned for recapitalization. These HMMWVs have been replaced by Mine Resistant Ambush Protected (MRAP) vehicles in

theater; however, the HMMWVs will be recapitalized to a newer model for use in support of HLD/HLS missions and training.

Since the onset of OIF and OEF, the Army's organic depots have also steadily increased their output while simultaneously increasing efficiencies. In FY 2003, depot workload was 12.5M Direct Labor Hours (DLH). The FY 2009 planned Reset workload is 28.6M DLH; and, given appropriate funding and lead time, the depots have the capacity to increase workload to as much as 39M DLHs per year to address any surge in requirements.

Replacement

Replacement is the procurement of new equipment to replace battle losses and wash outs. Replacement is also the primary means for replacing Reserve Component equipment left in theater to support combat operations. This new equipment is needed to support (HLD/HLS) requirements.

Speed of Reset / Operational Tempo

With the increased demand on our Force and the decrease in dwell time we have taken steps to reduce the time required to complete equipment reset. Equipment is generally Reset (repaired) within 180 days of a unit returning to its home station (51% soldiers returned).

Global demand has required the Army to deploy as many as 26 Brigade Combat Teams at any one time. This places tremendous stress on the Army's deployed equipment in harsh environments, such as Iraq and Afghanistan. In OIF, Army helicopters are experiencing usage rates roughly two to three times the planned peacetime rates. Tank crews early in the war were driving tanks over 4,000 miles per year, a rate that is five times the programmed annual usage of 800 miles per year. The Army's truck fleet is experiencing usage rates that are five to six times the peacetime rates, and the 'wear and tear' has been further exacerbated by the heavy armor kits added to enhance force protection.

This increased operational tempo shortens the useful life of our equipment and demands a much earlier and larger investment in depot maintenance than programmed for peacetime operations. We have steadily expanded the capacity and productivity at the Army Materiel Command's depots and we have also reached out to industry wherever possible to help to meet our increased maintenance needs.

Since the beginning of combat operations we have Reset over 470,000 pieces of equipment, including 2,702 aircraft, 4,622 tracked vehicles, 33,721 HMMWVs (includes reset and recap), 6,550 trucks, 3,819 trailers, 214,484 small arms, and 20,170 generators. In FY 2009, the Army will Reset approximately 98,000 major items of equipment, including 37 aircraft, 4,600 tracked vehicles, 4,700 tactical wheel vehicles, and 39,000 small arms, at the sustainment level; and hundreds of thousands of additional pieces of equipment at the field level.

In accordance with Office of Management and Budget and DoD policy and intent, we rely on contingency funding to pay for our Reset program because Reset addresses damage and wear resulting directly from Overseas Contingency Operations.

The Army is currently balancing equipment needs between theaters and rapidly retrograding equipment no longer required for the fight for induction into Reset. The Army is currently assessing what equipment will be reset to fill additional requirements for OEF, other theater requirements, and what can be sent back for Reset as part of Responsible Drawdown. After the Reset of equipment no longer needed in theater, we will issue the equipment to units to fill shortages and to conduct training or to fulfill Homeland Defense and Homeland Security requirements.

Army Prepositioned Stocks (APS) is equipment that the Army maintains to provide both strategic and operational flexibility and responsiveness to contingency operations around the world. We used equipment and stocks from all five of our prepositioned sets to support OIF and OEF. Currently, the Army is resetting and reconfiguring APS to match the Army modular force design.

The Army has requested Reset funding in the FY 2010 OCO supplemental to be $11.0 billion with $3.1 billion in Procurement and $7.9 billion in Operation and Maintenance. Reset costs for future years will depend on several factors, such as Responsible Drawdown requirements, the level of force commitment, the activity level of those forces and the amount of destroyed, damaged, or worn equipment.

Due to the unprecedented stress placed on our equipment as a result of the war, Reset funding is required for a period of two to three years beyond the cessation of the current conflict. Any Reset requirements that go unfunded in one year will roll over and increase the following year's requirement.

Closing

These continue to be challenging times for our Nation and for our military. With the support of Congress, we have deployed the best manned, equipped, trained, and led forces in the history of the United States Army over the past seven-plus years. However, the fact remains that the prolonged and persistent demand has put a significant strain or *'wear and tear'* on our people and equipment.

I assure the members of this committee that the Army's senior leaders are focused and working hard to address these challenges. In particular, our Reset program remains critical to ensuring our Soldiers have the tools and equipment required to fight and win the wars we are engaged in now – and in the future. Therefore, it is absolutely critical that the capability and capacity for Reset continue for as long as we have forces deployed and for 2-3 years thereafter to ensure readiness for the future.

As we continue this process, we will coordinate with senior DoD officials and Congress to identify both short- and long-term solutions. Your input will continue to be very valuable to us. Mr. Chairman, members of the committee, I thank you again for your continued and generous support of the outstanding men and women of the United States Army and their families. I look forward to your questions.

Not public until
Released by the
House Armed Services Committee

STATEMENT OF

GENERAL JAMES F. AMOS
ASSISTANT COMMANDANT OF THE MARINE CORPS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE
READINESS, AIR and LAND FORCES and SEAPOWER and EXPEDITIONARY FORCES SUBCOMMITTEES
ON RESET

9 July 2009

Not public until
Released by the
House Armed Services Committee

Introduction

Chairman Ortiz, Congressman Forbes, and distinguished members of the Committee, on behalf of your Marine Corps, I want to thank you for your generous support and for the opportunity to speak to you today about resetting the Marine Corps and the progress we have made in sustaining the capabilities that the Nation expects from its Marine Corps. Recently, the Secretary of Defense outlined a strategy to return the Department to a balanced force capable of prevailing in current conflicts while preparing for other contingencies.[1] Consistent with Secretary Gates' strategy, my statement will address the readiness challenges facing Marines today, and the critical steps needed to reset and reconstitute our Corps for today's complex challenges and tomorrow's uncertain security environment.

Despite high operational tempo, your Marines are resilient, motivated, and performing superbly in missions around the globe. They are fully engaged and winning in combat operations in Iraq and Afghanistan as part of a generational struggle against global extremism. This sustained effort and performance does not come without costs — to the institution, to our equipment, to our strategic programs, and most importantly to our Marines and their families. Continued Congressional investment in our Marines and families, resetting and modernizing our equipment, and training Marine Air Ground Task Forces for the future security environment are critical to the Marine Corps' success as the "Nation's Force-in-Readiness."

Readiness challenges

The Marine Corps is meeting all OIF and OEF requirements. In the course of the last seven years, your Marine Corps has been battle-tested, combat hardened, and has accumulated tremendous experience in irregular warfare and counter-insurgency operations. Forward deployed units are manned, trained, and equipped to accomplish their assigned missions, and these units are reporting the highest levels of readiness for those missions. However, resources are limited and non-deployed units incur the costs of ensuring deployed and next-to-deploy units have sufficient personnel, equipment, and training. As a result, our non-deployed forces are currently reporting degraded readiness levels. This degraded state of readiness within our non-deployed forces presents risk in our ability to rapidly respond to other unexpected contingencies.

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1 Gates, Robert M. "A Balanced Strategy: Reprogramming the Pentagon for a New Age " Foreign Affairs, Volume 88, No. 1, January / February 2009.

Because our equipment, personnel, and training priorities are focused on counter-insurgency operations, we have experienced degradation in some of our traditional, full spectrum, core competencies such as integrated combined arms operations and large-scale amphibious operations. These skills are critical to maintaining the Marine Corps' primacy in forcible entry operations that enable follow-on joint forces. The OIF/OEF demand for units has also limited our ability to fully meet Combatant Commander requests for theater engagement activities elsewhere in the world. The current security environment has clearly justified the tradeoffs we've made to support the Long War, but the uncertainty of the future makes it prudent to regain our capabilities to operate across the full range of military operations — to be that "balanced force" of which Secretary Gates speaks of.

Equipment Reset

Reset consists of actions taken to restore units to a required level of combat capability commensurate with the unit's future mission. It encompasses maintenance and supply activities that restore and enhance combat capability to equipment that has been damaged, destroyed, or worn out beyond economic repair due to combat operations, by repairing, rebuilding, or procuring replacement equipment. The goals of our reset program are to sustain the current fight by repairing or replacing worn out or damaged/destroyed equipment while enhancing our support to the warfighter by reconstituting our force with newer, more capable, equipment where justified. Over time, these initiatives will help to increase non-deployed unit readiness by enhancing home station equipment pools and pre-deployment unit training.

We expect to see reset requirements increase as a result of force reductions in Iraq and a growing presence in Afghanistan. To prepare for the reset of equipment redeployed from Iraq, we have created an OIF Reset Plan. The plan synchronizes Marine Corps efforts to ensure we effectively and responsibly reset equipment to support follow-on operations. Equipment being redeployed is inspected, sorted and redistributed in theater, or redeployed to CONUS to maintenance facilities. Assets returning to CONUS will then be repaired, if necessary, and distributed to fill shortfalls for established priorities. Equipment determined to be beyond economical repair will be disposed of and replacements procured. Our Overseas Contingency Operations (OCO) budget request supports this effort.

Ground Equipment Reset

The reset of ground equipment returning from OIF will be challenging as we rebalance resources to support ongoing combat operations, re-arm, and reposition forces around the world. As we retrograde and redeploy from OIF, a significant number of principal end items (PEIs) must be reset in a timely manner to sustain continued operations, re-equip home station units and support strategic programs such as our Maritime Prepositioned Force (MPF). The reset of ground equipment returning from combat generally falls into four categories. They are: (1) procurement/replacement; (2) depot maintenance; (3) field maintenance and (4) no maintenance required. Each category involves separate logistics activities.

The initial assessment of equipment being redeployed takes place in theater by forward deployed elements of Marine Corps Logistic Command (MCLC) in Iraq. Using a triage methodology, we determine the type of reset action required and take appropriate measures based on that assessment. Some equipment that is determined to be beyond repair will be disposed of in theater. Equipment that can be economically repaired will be directed to an appropriate level maintenance facility, typically here in CONUS. Where necessary, the Marine Corps Systems Command (MCSC) will procure replacements for equipment which is beyond economic repair or obsolete.

Equipment retrograded or redeployed from theater is inspected to determine if depot level repairs are required. The use of DoD core depot maintenance capabilities play a critical role in the reset of ground equipment. The goal of depot operations is to restore OIF equipment to full capability as quickly as possible. OIF ground equipment repaired at designated depot-level repair activities will normally undergo 100% overhaul/rebuild. However, IROAN (Inspect and Repair Only as Necessary) and SOAR (Selective Overhaul and Repair) programs are viable options when determined to be a more effective and efficient means to return equipment to full mission capability and back into the hands of Marines. In anticipation of depot surge requirements, MCLC has developed a long term depot maintenance and resource requirement plan to support the expected surge in depot activity.

Equipment requiring only field level maintenance will be shipped directly to operating forces. MCLC will provide a field maintenance capability, collocated with operational forces' home station to assist in resetting that equipment.

Some equipment redeploying from theater requires no repair and is ready for use immediately. That equipment will be directed to fill priority requirements as needed across the

Marine Corps. Since August 2008, we have retrograded 36,781 principal end items from theater back to CONUS for repair, redistribution, and replacement.

During combat operations, the Marine Corps has accumulated some equipment that is unique to OIF, and thus may not have a follow on use. In such cases, no maintenance action will be taken unless there is an immediate requirement in another campaign or theater of operations. MCLC will coordinate with MCSC to determine appropriate disposition instructions for this equipment. Equipment being disposed of will follow standard DoD disposal procedures via the most expeditious and economical means available.

Aviation Equipment Reset

Marine Corps Aviation has established a Retrograde Planning Cell (RPC) to direct actions needed to successfully return and account for all aviation materiel in support of OIF. The members of this cell will identify, prioritize and direct disposition of all critical aviation equipment. Aviation equipment and materiel will flow through MCLC as "steward" agents for movement in common logistic channels. High demand/low density aviation equipment and materiel will be retrograded or redeployed via Strategic Airlift. To date, over 3,700 out of the approximately 9,100 short tons of Aviation equipment has already been retrograded or redeployed. Remaining equipment continues to be prioritized and the retrograde timeline will be dictated based on mission requirements.

Marine Aviation's holistic strategy for equipment reset, if fully funded, is to support current commitments while ensuring asset longevity for transition to new aircraft platforms under the current Marine Aviation Plan. Because Marine Aviation does not have active production lines for legacy aircraft in service, maintaining those aircraft in a high state of readiness is a must. The reset strategy includes pre-setting all equipment prior to deployment, performing in-theater sustainment on assets deployed greater than a year, the organizational level reset of equipment within six months upon return to the United States, and the completion of all scheduled Depot maintenance requirements on time. Fully funding the Department of Navy's Aviation depot requirements requested in the FY10 baseline and supplemental ($1.2 billion in the baseline + $155 million in the FY10 Overseas Contingency Operations (OCO)) is a critical part of aviation's strategy to ensure maximum aircraft availability and reliability.

Prepositioned Equipment Sources

The Marine Corps has relied heavily on equipment in its Prepositioning Programs comprised of: the Maritime Prepositioning Force (MPF); the Marine Corps Prepositioning Program — Norway (MCPP-N); and In-Stores Equipment. Since 2002, we have drawn equipment from our strategic programs and stocks to support combat operations, growth of the Marine Corps' force structure, and other operational priorities. While the readiness of the strategic prepositioning programs continues to improve, equipment shortages in our strategic equipment pre-positioned stores have forced the Marine Corps to accept necessary risk in our ability to rapidly respond to world-wide contingency operations.

Our Maritime Prepositioning Squadrons (MPSRONs) will be reset with the most capable equipment possible. In recognition of the likely kind of operations we will face in the near term, we have begun loading select ships with capabilities that support Irregular Warfare operations, while still maintaining the ability to generate Marine Expeditionary Brigades (MEB) capable of conducting major combat operations.

We are currently in the process of replacing the aging, leased vessels in the Maritime Prepositioning Force with newer, larger, and more flexible government owned ships from the Military Sealift Command fleet. Two decades of equipment growth and recent armoring initiatives have strained the capability and capacity of our present fleet, a fleet that was designed to lift a Marine Force developed in the early 1980s. As we reset MPF, these changes are necessary to ensure we incorporate lessons learned from recent combat operations.

The Marine Corps Prepositioning Program — Norway (MCPP-N) was also used to source equipment in support of current operations in both Operations Iraqi and Enduring Freedom and to provide humanitarian assistance in the Republic of Georgia. We continue to reset MCPP-N in accordance with our operational priorities.

In-Stores Equipment refers to our pool of assets that serve as a source of equipment to replace damaged or destroyed equipment in the operating forces, and potentially fill shortfalls in the Active and Reserve Components. In-Stores equipment has been used heavily and leveraged to source increased equipment requirements in Iraq and will be used to support our transition to operations in Afghanistan. The supply rating, or amount of equipment we have on-hand vs. required, for In-Stores assets is degraded and listed at 34% availability. Such low levels of equipment within our in-stores equipment pools limit our ability to rapidly respond to unexpected contingencies and to replace damaged equipment in the operating forces.

Ground Equipment Readiness and Depot Maintenance

Our ground equipment depots play a critical role in our equipment readiness and MCLC continues to position itself to meet the repair requirements generated through a selected principle end item rotation program. More significantly, as our equipment retrogrades out of the Iraqi theater, our depots in Albany, Georgia and Barstow, California are well positioned through the use of hourly employees and contracted labor to increase capacity to meet the surge of retrograded equipment once it arrives at our transportation hub in Blount Island, Florida. As a result, our request for depot funding in FY10, including both baseline and OCO funds, is $635 million ($81 million baseline + $554 million OCO). This funding is essential to accomplish our reset requirements. We expect this surge in capacity to be required beyond FY10.

Aviation Equipment Readiness and Depot Maintenance

Our aviation capability is a critical part of the MAGTF. Just like our ground forces, deployed Marine aviation units receive the priority for aircraft, repair parts, and mission essential subsystems such as forward looking infrared (FLIR) pods. Non-deployed forces, on the other hand, face significant challenges for available airframes and supply parts. Exacerbating the readiness challenges in our aviation fleet, most Marine aviation platforms are "legacy" platforms which are no longer in production, placing an even greater strain on our logistics chain and maintenance systems.

Our Marine Corps aviation platforms are supporting ground forces in some of the world's harshest environments: the deserts of Iraq, Afghanistan, and the Horn of Africa. Our aircraft are flying at utilization rates far beyond those for which they were designed. We are nearly tripling the utilization rates of our workhorses - the F/A-18C and D; the KC-130 cargo and aerial refueling platform; our EA-6B electronic warfare aircraft; and even the new MV-22 Osprey. Increased utilization causes aircraft to structurally age faster than programmed. As our legacy aircraft are lost or damaged in combat, the Marine Corps is faced with a shortage of available aircraft for training and future employment. To maintain sufficient numbers of aircraft in deployed squadrons, non-deployed squadrons have taken cuts in aircraft and parts. With our current force structure, our aircraft requirement, termed Primary Aircraft Authorization (PAA) is short 248 aircraft across all Type/Model/Series. These shortfalls include all modifications, intermediate maintenance events, depot maintenance, transition/procurement aircraft, and aircraft damaged beyond repair.

Maintaining the readiness of aviation assets while training aircrew is an enormous effort and an ongoing readiness challenge. Our aviation Fleet Readiness Centers have been able to mitigate degradation of our aircraft materiel readiness through modifications, proactive inspections, and additional maintenance actions. These efforts successfully bolstered aircraft reliability, sustainability, and survivability. Nevertheless, additional requirements for depot-level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities. Aircraft undergoing depot-level repairs are not available for training or combat. We are simply running short of aircraft on our flight lines due to age, attrition, and wartime losses.

Receiving Equipment at Blount island Command

The Marine Corps' acquisition of Blount Island in 2004 provided the Marine Corps the opportunity to realize the full potential of the installation and its logistics support facilities. We have already expanded the use of the installation from its traditional role as the "home of United States Marine Corps prepositioning forces" to serve as the logistics hub for all Marine Corps equipment returning from OIF/OEF. After arrival on Blount Island, the equipment is moved to either a depot, field maintenance facility, or directly to a home station for operational use. Additionally, Blount Island Command is also capable of conducting less than depot level maintenance and has most recently served as the deployment platform for Marine Corps equipment deploying to OEF utilizing the facility as the Seaport of Embarkation.

Blount Island will play a major role in Marine Corps equipment reset efforts. The most important facility requirements to support reset efforts at Blount Island include MILCON projects to improve existing operational capacity and maintenance operations. These construction projects are tied directly to the war effort and are consistent with projected volumes and throughput expected. Construction improvements include wash rack expansion, hardstand expansion, container staging space, warehousing, hazardous materiel handling, expansion and improvements to ship berthing and additional depth dredging in order to accommodate larger ships. These requirements were previously identified in the installation's long range facilities plan to improve the installation's efficiency in executing its preposition mission. However, these projects are needed sooner to support critical near term reset efforts.

Congressional Support for Marine Corps Reset Efforts

Congress has generously supported Marine Corps reset efforts by appropriating over $14 billion thus far to ensure that Marines have the equipment and maintenance resources they need. We are committed to managing these resources wisely as we repair, reset and modernize our force. The procurement funds provided have allowed us to replace combat losses, upgrade existing combat systems, procure new systems, and expand the number and capabilities of our current systems; ensuring that individual Marines are better protected, better equipped, more effective, and better sustained.

The Marine Corps' current FY09 and FY10 (OCO) requests continue to support reset efforts by providing full funding for depot maintenance efforts in anticipation of OIF equipment retrograde. These requests will also fund the replacement of worn equipment for forward deployed Marines, i.e., additional expanded capacity vehicles (ECVs), medium tactical vehicle replacements, night vision equipment, and individual combat equipment. As our focus shifts to greater support for OEF, costs will continue to rise over time. Continued Congressional support of future funding requests will be necessary to improve equipment readiness levels across the Corps.

The Future of Reset

It is hard to predict what the Marine Corps reset costs are going to be because it is difficult to estimate the total cost of resetting our equipment returning from Iraq until that evolution is complete, and it is unknown how long the Marine Corps will be fighting in Afghanistan. As long as we are involved in combat operations in a harsh environment, we will need to reset our equipment. Based on what we know now, we estimate in the near term that we need an additional $6 Billion in reset funding. This figure includes reset requirements included in our FY10 OCO request. As long as the war continues, our total costs for reset will continue to grow.

Impact of Pushing Reset, Reconstitution into the Baseline

We are mindful that the Corps cannot rely on supplemental appropriations for baseline operations. Even when we discount the cost of war incurred as a direct result of combat and combat support operations in Iraq and Afghanistan, resource requirements have significantly increased. The recruitment, training and sustainment of our primary asset — the individual

Marine—are more costly. The equipment needed to succeed on the modem battlefield is both more expensive and more numerous. To sustain the capabilities that we have purchased with supplemental investments, we must ensure that our baseline maintenance accounts are properly resourced.

Reset costs have not been in the baseline budget because both Congress and OSD have generally agreed that war related costs should be a part of supplementals. As part of that trend, the clear majority of our depot maintenance request in FY10 is part of our FY10 OCO request. Because we are resetting equipment to support current and future combat needs, we're committed to fully funding our depot maintenance requirements to ensure that we reset and reconstitute the force as quickly as possible.

Unit Table of Equipment Review

Prompted by a changing security environment and hard lessons learned from sevens years of combat, the Marine Corps recently completed an initial review of its Operating Force's ground equipment requirements. Recognizing that our unit Tables of Equipment (T/E) did not reflect the challenges and realities of the 21st century dispersed battlefield, the Commandant recently directed a comprehensive Marine Corps-wide MAGTF T/E review. The initial review is complete and the Approved Acquisition Objective (AAO) validation is underway. This review was synchronized with our modernization plans and programs, and provides enhanced mobility, lethality, sustainment, and command and control across the MAGTF.

While these new tables of equipment and AAOs provide for increased capabilities in many areas—particularly protected mobility, tactical level communications, and crew-served weapons—they also serve as the basis for future force development. We continually refine our requirements to exploit new technology and to continue to adopt new lessons learned. As a result, embedded in the revised AAOs are trends reflective of irregular warfare, such as requirements for increased capabilities in command and control, persistent ISR, as well as requirements to further enhance the organic ability of small units to perform a wide array of missions traditionally associated with higher echelon headquarters.

The MAGTF T/E review is also an integral part of the critical work being done to reset, Reconstitute, and revitalize the Marine Corps. The resultant T/Es reflect the capabilities required not only for the Corps' current mission, but for its future employment across the range of military operations, against a variety of threats, and in diverse terrain and conditions. We are in

the process of conducting a detailed reconciliation of our new tables of equipment with our on322 hand equipment stocks, and the equipment that is currently programmed for procurement in future years. This will provide us a complete picture of our equipment shortfalls in all categories, including our actual unit table of equipment requirements, as well as our requirements for prepositioned stocks, training, war reserve, and rotational stocks to support our depot level maintenance programs. At the same time, we continually assess our procurement priorities to ensure that our resources are being applied wisely.

Critical Modernization Efforts

As the Nation's expeditionary force-in-readiness, the Marine Corps is required to prepare for the unexpected. We are making progress in repairing and resetting existing equipment, but this effort must be augmented with continued investment to modernize our capabilities. Equipment modernization plans are a high priority within our Corps. Our Commandant's recently published Marine Corps Vision and Strategy 2025 will help guide our modernization efforts as we continue to be the agile and expeditionary force for the nation.

As example, Marine Corps ground equipment modernization efforts include development of the Expeditionary Fighting Vehicle (EFV), and the Joint Light Tactical Vehicle (JLTV). Our goal is to provide the joint force an appropriate balance of survivability, mobility, payload, networking, transportability, and sustainability.

We are also modernizing the aircraft we fly, changing the way we think about aviation support to our ground forces, and changing our capabilities to conduct operations in any clime and place. To help meet the growing intelligence, surveillance, and reconnaissance requirements of our operating forces, the Marine Corps will field three levels, or "tiers," of unmanned aircraft systems (UAS). Furthermore, we are committed to an "in-stride transition" from twelve type/model/series aircraft to six new aircraft. Programs such as the F-35B Joint Strike Fighter, the MV-22 Osprey, the CH-53K, and the H-i upgrades will vastly increase the Corps' aviation capability and ensure our warfighting advantage for decades to come. It is critical that these programs stay on track, and on timeline with full funding support, due to the declining service life of our legacy tactical aviation platforms.

Conclusion

This Nation has high expectations of her Corps—and Marines know that. Your Marines are answering the call around the globe while performing with distinction in the face of great danger and hardships. The Corps provides the Nation unrivaled speed, agility, and flexibility for deterring war and responding to crises; our ability to seize the initiative and dominate our adversaries across the range of military operations requires the right people, the right equipment, and sufficient time to train and prepare appropriately.

As your Marines continue to serve in combat, they need the sustained support of the American people and Congress to maintain their readiness, reset their equipment during an extended war, and modernize to face the challenges of the future.

On behalf of your Marines, I extend great appreciation for your faithful support to date, and thank you in advance for your ongoing efforts on behalf of our brave warriors. The Corps understands the value of each dollar provided by the American taxpayer, and will continue to provide maximum return for every dollar spent. Today over 202,000 Active and 39,000 Reserve Force Marines remain ready, relevant, and capable as the "Nation's Force-in-Readiness".., and with your help, we will stay that way.

ARMY AND MARINE CORPS RESET REQUIREMENTS (PART II)

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED SERVICES, READINESS SUBCOMMITTEE, MEETING JOINTLY WITH AIR AND LAND FORCES SUBCOMMITTEE AND SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE, *Washington, DC, Thursday, December 10, 2009.*

The subcommittees met, pursuant to call, at 10:09 a.m., in room HVC–210, Capitol Visitor Center, Hon. Solomon P. Ortiz (chairman of the Readiness Subcommittee) presiding.

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

Mr. ORTIZ. The subcommittee will come to order. We are limited as to the amount of time that we are going to have here. It will be about less than two hours. I know, and I want to say that we are sorry that we did not finish this hearing when it was supposed to be finished. We were interrupted by votes. But thank you so much for joining us today.

Today the Readiness, Air and Land Forces and Seapower and Expeditionary Forces Subcommittee meet to continue our hearing on the status of the Army and Marine Corps equipment reset requirements. I thank our distinguished witnesses, the Vice Chief of Staff of the Army and the Assistant Commandant of the Marine Corps, for returning today to discuss reset.

You will recall that our July hearing was cut short by a prolonged series of votes, so today our primary purpose is to give those Members who did not get a chance to ask questions in July, to give them an opportunity to do so today. But before we move to the Members' questions, I would like to ask if any of the other chairmen or ranking members would like to make an opening statement.

And we have our subcommittee chairman Mr. Taylor, if you would like to make any statement.

STATEMENT OF HON. GENE TAYLOR, A REPRESENTATIVE FROM MISSISSIPPI, CHAIRMAN, SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

Mr. TAYLOR. Mr. Chairman, thank you very much. And I understand the need for brevity.

Gentlemen, it has come to my attention that on some of the items we are trying to bring home from Iraq, that the Iraqi Government, in what appears to be—and I will use the words—which

strikes me as a scam, is demanding importation documents on the things we brought to that country before they will issue exportation documents. And as I have recently written their ambassador and reminded him that there are no importation documents in a war zone, and that this whole thing really does strike me as a shakedown.

So I know you were not prepared for this question today, but I would ask you at your convenience, hopefully within the next couple of weeks, to get back to me as to whether or not you have seen any evidence on this on those things that you are trying to either redeploy over to Afghanistan or bring back to the States.

Thank you, Mr. Chairman.

[The information referred to can be found in the Appendix on page 87.]

Mr. ORTIZ. Thank you.

Before we move to Members' questions, I would like to say that we are very fortunate to have two outstanding military men with us today, and we are happy that you are here with us today. As in July we did not finish our hearing, but today we are going to hopefully finish because we should be out of here before 12:00.

We have with us today General Peter W. Chiarelli and General James Amos, Assistant Commandant of the Marine Corps. When the subcommittee met in July, the President had not yet announced his strategy for Afghanistan, but much has changed in the past five months. To get us started today, could each of you please give us a brief summary of what has changed regarding the reset requirements for the Army and Marine Corps equipment since July when this was the last time you testified before our committee.

Following General Chiarelli's and General Amos' statements, we will go directly to Members' questions, and we will name those Members who did not have a chance to ask a question last time.

General Chiarelli, whenever you are ready to start your testimony, sir.

STATEMENT OF GEN. PETER W. CHIARELLI, USA, VICE CHIEF OF STAFF, U.S. ARMY

General CHIARELLI. Well, Mr. Chairman, in answer to your question, I will tell you that the big thing that has changed is 22,000 soldiers additionally being sent to Iraq—to Afghanistan, and a requirement for quite a bit of the equipment from Iraq coming out of Iraq and out of Army Prepositioned Stocks (APS) to be used to support those soldiers as they deploy to Afghanistan in the next months ahead. That will mean, as we begin the Iraq drawdown in earnest, that there will be less equipment coming back to the States for reset.

But one thing I want to make sure that I clear up is that when I initially appeared before the committee, I pledged to always provide you with an honest and forthright assessment and my best military advice as requested. In keeping with this promise, I would like to take this opportunity to correct some inaccurate information I provided at the last hearing in response to a series of questions posed by Congressman Bartlett and Congressman Abercrombie. During my latter exchange, I stated my belief that at the time that in fiscal year 2010 as a general rule we would not be allowed to

recap equipment with funds requested in the Overseas Contingency Operations (OCO) budget. It was my sincere belief that this policy represented a change to OCO ground rules as signed out by the Office of Management and Budget (OMB) in March of 2009.

Overall, the lesser requests for fiscal year 2010 as compared to fiscal year 2009 was based primarily on the limited amount of equipment expected to be redeployed from theater during this period. This was due in part to the realignment of equipment from Iraq to Afghanistan, and the retention of equipment in Iraq until the planned drawdown of forces is underway in that second half of fiscal year 2010 and fiscal year 2011.

I apologize for any confusion, and I will confirm for the record, as members of this committee have accurately stated, that current rules do allow the Army to use OCO funding to recap or upgrade equipment returning from theater if the upgrades are war related and there is a production line available.

STATEMENT OF GEN. JAMES F. AMOS, USMC, ASSISTANT COMMANDANT, U.S. MARINE CORPS

General AMOS. Chairman, thanks for the opportunity to come back. I want to tell you what has changed in the landscape since we met in the early part of July.

Before I begin, Chairman Taylor, I had not heard about the importation guidance, so we will get back to you on that thing. That is breaking news for us, and we will dig through that between Pete and I and sort out what is going on on the ground. I had not heard that.

When we spoke the last time in July, I think it was July the 9th, the Marine Corps had 15,000 Marines on the ground in Iraq, and we were just getting started with—just getting started with putting some Marines on the deck in Afghanistan. We actually had about 2,500, 2,600 Marines on the deck at that point.

But we had 15,000 Marines on the ground in Iraq, and since then, since July of this year, we have redeployed 10,000 of those Marines, roughly, 10,000 back home, and we have redeployed or taken out of Iraq 97 percent of what we call the equipment density list, and that is—that would be a combat table of equipment, to put it in kind of common terms. So all that equipment that has been building up for 6 or 7 years since we went back in February of 2005, we have redeployed 97 percent of that equipment out of Iraq.

We are down to just about 5,000 Marines, and by the time we hit January/February of this coming year, we will be down below 2,000 Marines. And really their job—their job in Iraq is to—is to facilitate to get that equipment out. So the plan that we devised about a year ago is to try to get the equipment out, get it back down to Kuwait, get it triaged and then get it on ships and back to our depots. And Congress has been very generous with OCO funds to help us fund our depot.

So we had this grand plan until recently. And I want you to know that a big chunk of that equipment now that found its way to Kuwait and was being triaged and was waiting to go to—get on ships when we first started hearing inklings of a plus-up of forces in Afghanistan, we took the equipment that we knew was serviceable and in good condition and set that off on a lot off to the side

in Kuwait in anticipation of the President's direction. And, in fact, it has happened.

You might be interested to know that within 24 hours of the President's speech that night, the lead elements of 1st Battalion, 6th Marines from Camp Lejeune were airborne on Marine C–130s, closing in on Afghanistan. That battalion, that first surge battalion, will be closed into Afghanistan, people-wise, by the 20th of December. We will have taken—our contribution, our part of the plus-up of the forces in Afghanistan is roughly 9,000 Marines and our sailors. We will have that force commanded by a two-star general, a Marine Expeditionary Force forward, all on the deck and ready to go by the end of April.

So much has changed. As we take a look at our depot-level maintenance, we have actually had to release some contractor support. We have had to release some temporary employees, and we have had to release some folks that were not permanent personnel both at Barstow and at Albany simply because the work is not going to be there. It will someday, but right now our greatest priority is to get the equipment into Afghanistan and get it there for the forces that are on the ground.

My final thing I would like to say is that I want this committee to understand that the Commandant's number one priority are those forces that are in Afghanistan. We will have 100 percent of every piece of equipment that they need and all the capabilities. We are closing adequate now, and we are going across the Marine Corps now to source that equipment to get it either in Kuwait or to get it at home stations, and get that stuff on ships, and get it up—get it in Afghanistan. But I want everybody to know that we will—that those units that are going in will be well trained, highly focused on Afghanistan operations, and they will be 100 percent equipped. Thank you.

Mr. ORTIZ. Thank you.

We are going to yield to those Members who were here at the last hearing, but did not have a chance to ask questions. And I would like now to yield to Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

And thank you, Generals, for being here today and for your service.

My question is about procurement dollars and reset. And I certainly understand and support it, but the priority is to make sure that those troops and units that are going to Afghanistan need to be ready to go 100 percent. My concern, though, is on these procurement dollars, especially High Mobility Multipurpose Wheeled Vehicles (Humvees or HMMWVs), we are down $2 billion from last year's budget, and it has been $5 billion down over the last 3 years. And it would seem to me that—you said, General Amos, someday the money will be there. My concern is that someday may be sooner than we want it to be.

So my question is what part of the workload is going unfunded? I go back to the President's budget. I don't think we put enough money into the budget, and it is—I think it is a 1 percent or 1½ percent increase, which I think needs to be greater because with inflation, and you are going to see a flatline or decrease in spending. But what portion of the workload is going unfunded as a result

of these reductions; and specifically the HMMWVs, what percentage of them are not going to be reset or are just going to—I know the operation maintenance accounts are flatlined. Are we just going to be patching them up and hopefully not having to use them?

General AMOS. Sir, I will take a stab at it first, and then Pete can pile on.

As it relates to HMMWVs and basically ground tactical mobility, the Marine Corps right now is—we have been doing this for about two or three years—really trying to just zero in on the bull's-eye on just what that balance of ground mobility equipment should look like. Two years ago, when I was the head of requirements, it was a different picture than it is right now. There is no question that HMMWVs, what we call the expanded capacity vehicle, the up-armored HMMWV with all of the extra equipment on it and safety features, is going to be a staple item for the forces. I cannot tell you how many we are buying to replace. I don't have that information. I can get you that.

But if I just kind of back out of that just a little bit and tell you that within the Marine Corps—and we will take—the guy who took my job's requirement is he is supposed to sit down with us in the January/February time frame and try to give us the entire landscape of what the ground tactical vehicle strategy will look like in the Marine Corps. As you know, we would like to get away from flat-bottom vehicles. The vision always was to go to this Joint Light Tactical Vehicle (JLTV). The Army and the Marine Corps have partnered on that effort. It is not here yet. There are some issues with it. But with that vehicle you get a V-shaped hull, and you get—I am going to use this loosely—Mine Resistant Ambush Protected (MRAP)-like protection. That is, I think, where we would all like to go to protect our Marines and soldiers and sailors and airmen. But that is out there.

So we have a dilemma within the Marine Corps, and it is near term, about what are we going to do. Are we just going to continue to recapitalize and reset with more HMMWVs, or are we going to try to find an interim vehicle that has a V-shaped hull, that might not be a JLTV yet because it is not developed, but we hope to get there someday? That is what we are struggling with right now, and we are working through that.

But on a broader scale, if you take a look at reset dollars and reset—the definition of "reset" and things that we can spend supplemental money on or OCO money on, the things that have been destroyed, worn out, have gone beyond their service life, they have been blown up, those kinds of things, and when I testified the last time, I said Congress had been gracious enough to give us I think it was $14 billion at that point to help the Marine Corps reset as a result of combat. And I said I needed about $20 billion all total within the Marine Corps. So I needed about another $6 billion to reset the Marine Corps. That wasn't to modernize it or recapitalize it, that was just to replace the stuff that is worn out and blown up.

Well, since I testified in July, that the longer we stay in combat, and now we have redeployed to a harsher environment by a factor of probably 3 or 4, with mountains and deserts, spread out, that figure has jumped for the Marine Corps $10 billion for reset and

another $5 billion to buy the equipment that we had not had to accommodate the lessons learned from this war. So it is about a $15 billion bill, sir. And that is a long answer, but I think I had to kind of paint the landscape.

Mr. SHUSTER. I appreciate that.

That goes back to one of the points I made. What you are saying is you are confirming to me we are not investing enough in the procurement, in the reset for the Marine Corps and our military in general.

General AMOS. I would say that the 2010 OCO has not been approved yet, so I cannot tell you what that is going to look like. It is up on the Hill. But prior to this, the former supplemental, now OCO money, has for the most part helped us recapitalize with regards to reset. That has actually worked. I cannot tell you how this is going to work this year in the 2010 budget.

Mr. SHUSTER. I see my time has expired. And, again, I want to make the point that I believe in it. Again, it sounds to me what you have laid out is that the budget does not provide adequately for procurement, and that is something that we in Congress need to fight to make sure the funding is there and fight the Administration if they are not willing to invest more in what we need, as the last thing I want to have is the Secretary of Defense having to say to the American people, we fight a war with what we have. And I am concerned we are not going to have the HMMWVs, and we are not going to have the tactical ground forces that we need in the future, God forbid, if something else flares up in the world. So thank you very much for your answer.

Mr. ORTIZ. Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

I wonder if both of you could answer—and thank you for your service as well to our country. I wonder if both of you could answer a question related to the MRAPs and the status of depot-level facilities in the continental United States (CONUS), and what is being done to deal with this. When do you anticipate having a national repair capability and strategy for MRAP sustainment?

General CHIARELLI. Well, sir—Congressman Taylor, if I could quickly answer as best I can your question. I am riding with General Amos. Neither one of us—I have not heard of that either. But we do do an Equipment Review Board every two weeks, and I am really surprised it didn't come up at that Equipment Review Board. So I will ask that question downrange the next time we meet, which should be in about a week.

Mr. TAYLOR. Thank you, General.

I am going to supply to Colonel Glaze a copy of the letter we sent to the ambassador, and we will have it in his hands today. Thank you.

General CHIARELLI. Thank you, sir.

Sir, I will tell you the Army is looking at establishing Red River Army Depot as our national facility for the rebuild of the MRAPs. We have initiated a reset pilot program there in fiscal year 2010. That pilot program—we have vehicles en route to begin that pilot program for reset. They are going to get 5 MAX Pros and 31 Kamans to begin with to establish that capability. And we look at that being full up in fiscal year 2011.

We have put money in our budget for the required Operation and Maintenance, Army (OMA), almost $58 million for the MRAPs, although the MRAP is not a program of record as of yet. It meets all the requirements, and we are moving, having integrated 3,700 of those into our formations and into our tables of organization and equipment. And a lot of the sustainment for the MRAP still flows out of the Joint Program Office (JPO), which has about $1.7 billion. So I think we are embracing the MRAP and doing everything we can to ensure that when those vehicles start flowing back out of theater, we are ready to accept them and reset them.

Mr. COFFMAN. General Amos.

General AMOS. Sir, I know that when I was—the last time, probably three months ago, when we were looking at how we were going to bring all of this equipment back from Kuwait that I talked to in my opening remarks, and MRAP was part of that. It has only been within the last six to seven months that the Marine Corps has determined that MRAP is actually going to be part of the total ground tactical vehicle strategy that I referred to just a second ago. There was a period of time where we thought it was too big, it was too heavy for us, and it just didn't fit our expeditionary kind of flavor. And we have kind of come full circle right now. So our anticipation is we were going to have 2,346 of these rascals that are going to become part of our regular inventory.

It is not a program of record per se in the Marine Corps either. We have been living graciously off contractor logistics support that have come from, in our case, Force Protection, Incorporated, which is the organization in Charleston that builds most of our MRAPs. But we are at a point now where we are going to have to get serious within the Marine Corps, and I suspect it will find its way to Albany, but I cannot give you a firm answer on that right now.

But we haven't sorted out yet where we are going to do that. All of our vehicles that are back in the continental United States, and there is a pretty good slice of them for training, their bases and stations and training areas like Twentynine Palms, they are a long ways away from needing depot-level repair yet. It is just the ones in Iraq and Afghanistan and Kuwait and Bahrain, and we have not brought any of those back yet. When we do, we will have a plan for that. We just don't have it yet, Congressman.

Mr. COFFMAN. Mr. Chairman, thank you. I yield back.

Mr. ORTIZ. Thank you.

Mr. Kissell.

Mr. KISSELL. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here today.

General Amos, a couple of things that you said talking about the lightweight vehicles, that is kind of something we want, but just kind of keeps hangs out there, what is the problem, and what is the delay? And if we are looking at spending lots of money to reset, and this is what we want, and we are having to make decisions about what we might have to use, what is the delay?

General AMOS. Sir, good question. When former Vice Chief of the Army and former Assistant Commandant pulled industry together about two years ago, they called this thing a Manhattan Project, and they had really the kind of heads of industry there, and they said, we want you to push technology. We want this vehicle to be

light enough—in our case something around a 13,000-pound vehicle—so we can pick it up with a heavy-lift helicopter and it is part of our expeditionary way we employ our forces. But we wanted to have that MRAP-like protection, and we were hoping that ceramic armor, we were hoping that a whole host of things were going to develop and give us this little capsule kind of vehicle that had high mobility and high protection.

It is not there yet. We have variants of it out there. Different companies have their version of what they hope to become the Joint Light Tactical Vehicle, but it doesn't meet all the needs yet. It doesn't provide the explosive safety. It doesn't necessarily provide, in our case, the weight. You are talking vehicles that are 23-, 24,000 pounds. That is not what the Marine Corps is interested in. We can't put that on ships. We just don't—we can't do that. That is why we are struggling with this Joint Light Tactical Vehicle.

There is a slug of money in the budget for this thing, and there are folks working it pretty hard, but it has not manifested itself yet. So we find ourselves now with this little bit of a gap. What do we do in the meantime? Do we continue to buy flat-bottom HMMWVs, or is there an alternative out there that can be a gap filler? And we are looking at an alternative right now that actually fits on top of a HMMWV frame manufactured by an outfit down in North Carolina, and it is a capsule, V-shaped hull kind of a thing. So that is kind of where we are with it, sir.

Mr. KISSELL. Thank you, General.

Mr. Chairman, I am not sure there is any additional role the committee could play, but it would seem like that would be, if there is. And if we could expedite that, it would certainly be worth our while.

General Amos, you also said something to—and I think you said maybe $5 billion of lessons learned.

General AMOS. Right.

Mr. KISSELL. Can you expand upon what you meant there?

General AMOS. Sure, I sure can. And let me tell you, I am going to get you some—this is actually a good news story. When we crossed the border in March of 2003, we were just like Pete's soldiers; we were a major land force moving forward to engage the enemy in standard kind of place, set kind of tactics. As things evolved, we found ourselves settling into Iraq and now in Afghanistan—we found ourselves in what Secretary Gates calls this hybrid warfare. We found ourselves dispersed. We had one infantry battalion in Afghanistan that had over 10,000 square miles. So you had basically 1,000 Marines with 10,000 square miles.

So what we found now in the kind of environments—this hybrid nasty kind of warfare that we think we are going to be into for the next couple of decades, it takes a different kind of table of equipment, and I will give you an example. We used to have 80 of these little handheld radios, personal radios, for a 900-Marine infantry battalion. We now have 800 of them. We used to have satellite communication (SATCOM) that would only go down to the regimental level and maybe down to the battalion level. Now we have got platoons, you know, 80 Marines up in the mountains in places like Golestan, that have to have their SATCOM so that they can com-

municate, they can receive their digital information, their maps and overlays.

We have increased the amount of crew-served weapons almost 300 percent, because we are putting—these are .50-caliber machine guns and these kinds of things on the tops of HMMWVs. When you see the convoys going out, every one of those vehicles has got a young soldier or Marine with his head sticking out the top with a .50-cal or a 240 Gulf or something like this.

So these are the lessons learned. So the old table of equipment that we started across the border with in March of 2003 was good then, but now that table of equipment has—and we have spent almost a year going through lessons learned, how much of this stuff do we need, not gold-plating it. We didn't buy enough for all 27 infantry battalions and for the entire world, but we did say each infantry battalion is going to need to have—instead of 56 vehicle HMMWVs, it will have to have 86 vehicles that are HMMWVs. And that is what I mean by that. And that comes with a cost. We haven't—we haven't—I have talked about it in my statements this year and earlier this year, but we haven't presented that bill yet, but we have just totaled it within the last month, and it is about $5 billion.

Mr. KISSELL. Thank you, sir.

And, Mr. Chairman, I yield back my time.

Mr. ORTIZ. Mr. Loebsack.

Mr. LOEBSACK. Thank you, Mr. Chairman.

Thanks to both of you for your service and for appearing before our committee today, again, on what really is a pretty critical issue. I think everyone here on this committee knows that since I have been in Congress, I have expressed real concerns about the availability of equipment, especially for our National Guard, for both training purposes and for their State and homeland security responsibilities, and I don't mean just in Iowa, but across America.

Just this week the Iowa National Guard responded to the heavy snowstorms, the heavy snowstorm that hit Iowa, and, of course, last summer we had the great flood of 2008, and they partnered with the Iowa Department of Transportation just recently in assisting stranded motorists. This service to our State is particularly poignant and, I think, important, given the recent announcement that upwards of 3,500 Iowa soldiers will be deploying to Afghanistan by the fall of 2010. This will mark the largest deployment of Iowa National Guard since World War II, and I firmly believe that it is critical that they and all members of the Reserve components—and again, not just in Iowa, but across the country—have sufficient equipment to train on for their overseas mission as well as to respond to emergencies at home.

And I just visited a newly opened readiness center in Iowa City on Saturday night, and we are going to have another one in Cedar Rapids soon and some other places in my district. Those buildings are wonderful, but we have to make sure we have the equipment, obviously, and not just for their deployment when they deploy overseas, but also for their—as I said, their homeland security missions.

So, General Chiarelli, given the demands being placed on Army equipment by the President's strategy in Afghanistan, given the

amount of the equipment that the National Guard and Reserve units left in Iraq at the end of their deployments, the question is how will you ensure that Reserve components are sufficiently equipped both for training and for their homeland responsibilities?

General CHIARELLI. Well, Congressman, the Army has made significant progress in equipping the Army National Guard to enhance its role both in the homeland defense area and when deployed.

The numbers I show is that we are anticipated to average $3.9 billion a year from fiscal year 2002 to 2013, and that is a 290 percent increase in equipping the Guard. As you well know, most of our formations that are going over to Afghanistan today are following in on theater-provided equipment. And for the Army, the employment of the MRAP All-Terrain Vehicle (ATV), a new vehicle that currently we are buying 6,000 of them, the Joint Program Office is, and we expect that number to go up with the increase in Afghanistan, will allow most of the Guard HMMWVs and some of their medium trucks to remain back when your soldiers deploy. These forces that we have coming out of Iraq with responsible drawdown will be able to redeploy with their equipment and certain items of theater-provided equipment that has been used in Iraq as long as that theater-provided equipment is not needed in Afghanistan.

So we feel we are going to continue to be able to make progress in equipping our National Guard formations, of course, when they are deployed, but most importantly on that critical dual-use equipment that they need at home to do their homeland requirements.

Mr. LOEBSACK. So you are coordinating with the National Guard Bureau on these matters as well.

Mr. CHIARELLI. I just talked to Ray Carpenter yesterday about our status moving ahead for medium trucks.

Mr. LOEBSACK. Thank you.

And, Mr. Chair, I will yield back the balance of my time.

Mr. ORTIZ. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

And, gentlemen, thanks for what you do. And this is kind of a burdensome, really detail-oriented job when it comes to this. So thank you for everything.

The question is this: When we talk about—actually let us start with an explanation. What is cross-leveling? Could you explain what cross-leveling is to me?

General CHIARELLI. Cross-leveling is a requirement that we do either in equipment or personnel to fill out formations that are not fully filled out with Military Occupational Specialities (MOS) or numbers when it comes to personnel or with equipment for units that may, in fact, be short equipment.

Mr. HUNTER. So you cross-level units that are going to deploy in the near future, and you start doing that at what point prior to their deployments?

General CHIARELLI. For National Guard units——

Mr. HUNTER. For Active units.

General CHIARELLI. We are not in a position where we are having to cross-level for Active units. We are, in fact—as you well

know, the Army has adopted a fourth-generation model which has us going from reset to train-ready to deploy.

Mr. HUNTER. I actually don't. Could you explain that one?

General CHIARELLI. Yes, I can, sir.

The Army's Force Generation Model provides for a unit returning from deployment to have six months in what we call a reset phase. During that time equipment and personnel are, in fact, reset. They enter out of that six-month period with certain goals for personnel fill and equipment fill to begin their train-ready phase that goes on for a minimum of the next six months, possibly longer. If they are going to get more than 12 months "boots on the ground" (BOG), it can go 7, 8, 9, 10 months before they deploy again. Over that time we have minimum equipment goals. We attempt to get units to coming out of reset for train-ready phase. But I will tell you, given the tempo we are on, we continue to fill units as they move toward their latest arrival date.

Mr. HUNTER. So can you stick with that plan with this surge? I mean, how is the surge affecting that when you have units that are not going to have as much dwell time, and you are having to reset them sooner; you might not have that 12 months of dwell time back at home or 18 months? The question is basically how does that affect it, and are you going to have to cross-level Active units with this surge?

General CHIARELLI. We are not. We are not. Quite frankly, with the drawdown in Iraq and the increase in Afghanistan, we see about a month, a month and a half where we will have about 2,000 more soldiers deployed than we have right now. Now, some of that is just dependent on the election and when General Odierno begins major troop movements out of Iraq. And we expect that to occur sometime after the elections in order to meet the President's goal of having us down to 50,000 soldiers by September of 2010. But because of that drawdown, we only see about a month to two month period where we will have more soldiers deployed than we have deployed today.

Mr. HUNTER. So it almost evens out?

General CHIARELLI. It almost evens out. And it will go down the more soldiers we get out of Iraq.

Mr. HUNTER. So you are fine with the surge when it comes to reset—well, you have already said that what you needed has not changed much.

General CHIARELLI. Right. And we feel that we have got the right amount of money in our reset OCO. We feel we are in pretty good shape. We will, in fact, coordinate with Office of the Secretary of Defense (OSD) if we see additional requirements. But we feel that we are in pretty good shape when it comes to reset and the movement of equipment into Afghanistan. But the big issue——

Mr. HUNTER. But folks here training, they are going to be fine, too, just like normal?

General CHIARELLI. They will be.

Now, at the same time, the Army is coming off a stop-loss, And there are some requirements of coming off a stop-loss that are unpredictable. But our very first unit off of stop-loss, the 110th Infantry, is looking at about 48 percent of the soldiers who would be on stop-loss who have signed up for the additional bonus and to com-

plete the rotation for their unit. That will add about 200 folks to the rear detachment. But we believe with the 21,000 temporary end strength increase that we received, that we will be able to fill our formations to 90 to 95 percent before deployment.

Mr. HUNTER. Thank you, General.

I yield back the balance of my time. Thank you, Mr. Chairman.

Mr. ORTIZ. Thank you.

Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

General Chiarelli, I am curious to know what sort of legs the work being done by Rhonda Cornum, General Cornum, on post-traumatic growth as opposed to post-traumatic stress and thoughts concerning how we reset personnel-wise, how we train, how we deal with our soldiers, and the sort of studies that she and others are engaged in to try to address the problem of mental strain and breakdown—what kind of legs is all that getting in the Army?

General CHIARELLI. Well, sir, the program you speak of is Comprehensive Soldiers Fitness, and it is a relatively new program to increase the resiliency of soldiers from the day they enter the Army until the day they leave the Army. We are currently in a training phase where we are sending what we call master resiliency trainers to the University of Pennsylvania where they attend a course and go back to their units.

There is no doubt in my mind—and I had my first outbrief from the National Institute of Mental Health yesterday on the $50 million study that they have begun to look at behavioral health and suicide in the United States Army. There is no doubt in my mind that over time, as comprehensive soldier fitness gets set into the force, it will have a huge impact on the behavior health, the mental health, and will assist us in lowering our suicide rate. There is no doubt in my mind.

Some of the interesting things—but that is going to take time. It is going to take time, given a program that we are going to implement for 1.1 million soldiers and their families. We will have a module available on line for families after the first of the year. It is going to take time for that to get totally in place and for us to see resiliency continue to grow or start to grow at appreciable rates in our service. I believe that——

Mr. MARSHALL. Is your view—it sounds like you are pretty enthusiastic about the possibility here. Is that widely shared at senior levels?

General CHIARELLI. I just left our four-star conference this morning. It was one of the chief very first comments to the four-stars, and there is great anticipation and support for the program because we all realize it is going to have a huge impact.

Mr. MARSHALL. Why weren't we doing something like this previously?

General CHIARELLI. I don't think we had looked at it hard enough. I see other areas that we have got to look at harder. In the briefing I received yesterday, I found out that soldiers who are suffering from post-traumatic stress are six times more likely—and that is the general population—to commit suicide than those that are not. I know for a fact that the greatest single debilitating injury of soldiers returning from Iraq and Afghanistan that have in

one injury, disqualifying injury, 30 percent or greater, is post-traumatic stress. And both General Amos and I have been working very, very hard to get at both post-traumatic stress (PTS) problems within our services and traumatic brain injury, which is also—that is my second leading problem I have got.

Mr. MARSHALL. I guess that is a good segue to General Amos.

I don't know whether you are familiar with the work that is being done by General Cornum, but I have spent a little bit of time with her, and I am pretty impressed by what she has to say about possibilities here. I am just curious to know whether or not the Marine Corps is a tag-along or could be a tag-along or is independently pursuing something similar.

I am very attracted to the idea that in some instances, what could turn into post-traumatic stress could, in fact, be post-traumatic growth; a person becomes stronger as a result of the experiences, the bad experiences, that they have had in combat rather than weaker mentally. Any comment from the Marine Corps' perspective?

General AMOS. Sir, first of all, I want to assure you that unlike probably five years ago, the whole post-traumatic stress disorder is taken very, very seriously within the Marine Corps, as it is in the Army. We are past the point of manhood on that, and I will tell you that at one point I think it was—it was a manhood issue. We are long past that because this is a serious, serious issue.

We are not joined with the Army on this effort. I have heard pieces of it over the last three or four months, and it is something that Pete and I are very close on a whole host of other things that we are doing on Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI) protocols and the Defense Centers of Excellence (DCOE) effort trying to sort—you know, trying to actually get some capability out there to heal these kids that have got it. But what we are trying to do, I think what Pete is trying to do, is get out ahead of it.

So we are not doing what they are doing, and I will—I will tell you what, just sitting there listening to it, it is interesting, and I will stick my nose into it.

Mr. MARSHALL. I would encourage you, General, just to get General Cornum to come in and give you a brief. I was pretty impressed the two sessions I had with her at the possibilities here. I don't know whether it will work out.

To the extent that we—it is interesting. You know, it is not manly to acknowledge these kinds of problems. To the extent that we invite folks to talk about these things, you worry there may be some who will be encouraged to talk about them and sort of head in that direction. Well, none of us have the kind of expertise we need to have to really make that kind of judgment, so the kind of studies that the Army is going through and with General Cornum's leadership, I think you all should be interested in it.

General AMOS. We will do that. And I tell you, there is no corner on the market on this PTSD psychological health thing. There is no panacea on this thing. We have been looking for one. So I take your advice on it, sir, and I will do that.

Mr. MARSHALL. Thank you, sir.

Thank you, Mr. Chairman, for the indulgence.

Mr. ORTIZ. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

I want to get parochial and talk about the Anniston Depot, which is in my district. I would like to know if you could tell me a little bit about when, how and what maintenance standards you plan to reset the combat vehicles coming back from Iraq?

General CHIARELLI. Sir, we plan on resetting every single combat vehicle that comes back to Iraq. Much equipment will be reset, and some will be recapped depending on the model. This year or next year a majority of our HMMWVs coming back will, in fact, be recapped. We have very few other lines that will require a recap, but they will receive a full reset, and we believe that we have what we need to do that.

Mr. ROGERS. Over what timeline do you see most of those combat vehicles coming back.

General CHIARELLI. That is difficult for me to tell you. Given the requirement, the additional requirement, in Afghanistan, the flow will, in fact, come out of Iran as planned. I honestly believe that. But some of the equipment that we expected to come back into the United States for full reset will be refurbished and redirected to Afghanistan to meet the requirements in Afghanistan.

Mr. ROGERS. But all of the combat vehicles eventually you plan to bring back either—take out of Iraq and either take them to Afghanistan or bring them back for reset or recap?

General CHIARELLI. We plan to reset every vehicle that comes out of Iraq or Afghanistan and comes back to the United States. And as we have stated, and I think it has been true, everyone who has sat in front of this committee and every other committee, the Army believes that will be at a minimum a two-year period after hostilities end before we get complete with that reset.

Mr. ROGERS. One of the reasons I asked that last question is that, as you know, earlier this week there was an article in the Washington Post about leaving a lot of equipment in Iraq, and was curious if you could talk a little bit about the thought process as to what you do leave and don't leave. I understand that the commander is allowed to leave up to $30 million worth of equipment from each facility, and that is up from what had been a $2 million threshold. What kind of equipment are you going to leave over there and why?

General CHIARELLI. Most of the equipment you speak of, sir, is, in fact, not standard equipment. And all of the equipment you speak of, unless it is, in fact, excess to the United States Army, is equipment that is non-economically viable to bring back.

I noticed in that same article a comment about temporary buildings. We just can't get temporary buildings out of Iraq, down to Kuwait and into Afghanistan in any shape where they would serve any interest for anyone in Afghanistan.

But I can tell you even with the limited drawdown that has come out of Iraq, the last number that I saw is that 27,000 pieces of equipment have moved from Iraq to Afghanistan to meet requirements in Afghanistan. And I chair, along with the Army Materiel Command (AMC) Commander, who has sent her three-star downrange to work with General Webster, our 3rd Army Commander, to work through these issues—we chair every two weeks,

General Dunwoody and myself, a video teleconference with all of the players. It talks about every single Foreign Military Sale (FMS) case; where equipment is going that is coming out of Iraq, and we are ahead of schedule right now with the drawdown of that equipment; and what pieces need to go to Afghanistan; and what are the requirements of the Iraqis in order to get their military to a minimal, acceptable level so we can turn everything over to them.

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

Mr. ORTIZ. Mr. McIntyre.

Mr. MCINTYRE. Thank you very much, Mr. Chairman.

And thank you, gentlemen, for your great service to our country.

General Amos, I wanted to ask on your comments about aircraft in page six of your testimony, you say that we are nearly tripling the utilization rates of our workhorses, and then you go through the FA–18C and D, the KC–130 aerial refuel platform, the EA–6B electronic warfare craft, and then you say even the new MV–22 Osprey. I know the Osprey now has been put into active service and utilized more widely.

Can you update us on exactly how the Osprey is performing, given the concerns historically with the performance of that aircraft, now that is being more fully deployed? Can you tell us how that is helping you? Because later in that same paragraph you mentioned that you are short 248 aircraft across all type model series. Is the Osprey helping bolster that, or are you still short of the Osprey you need?

General AMOS. Sir, we have about half the Ospreys we need. We have just finished fleshing out the squadrons on the East Coast down at the Marine Corps Station New River in just this past year, and we are just now in the process of transitioning out to the West Coast a Marine Air Corps Station Miramar with the stand-up of the 1st Osprey Squadron. The airplanes are not out there yet, but the squadron has—this transition between the old CH–46 helicopter, which has been our workhorse and we have had in service for well over 40 years, we stand those squadrons down, roll the flag up, take 60 percent of the people in that squadron, add another 40 percent of new guys and gals, and we send them through 6 months of Osprey training, and then one day we unfurl that flag, and we have a stand-up ceremony, and that is kind of where we are out on the West Coast right now.

So we are about—we are actually not even halfway through the transition of the CH–46s to the Ospreys. The Osprey has made three combat deployments now. It has had three deployments to Iraq. It just came off the 22nd Marine Expeditionary Unit (MEU). Just within the last—in fact, that Marine Expeditionary Unit just pulled into the East Coast this past week. We took those 10 airplanes off of that—off of that Marine Expeditionary, the MEU. We took those 10 Ospreys off and flew them into Camp Leatherneck there in Afghanistan. We took the whole—we took a squadron that had already been to combat in Iraq, took that squadron and flew them into Afghanistan, and they fell in on top of those 10 airplanes.

So today we have an Osprey squadron, 10 airplanes. We are about to put two more in there once we figure out how we are going to get them over there. But we have got an Osprey squadron that

has been flying in Afghanistan now for just a little over a month. By all accounts—and I watch this very closely, having been at the birth of this program—it is performing all of its missions really, really well.

We are struggling right now with availability of the airplane. For instance, in Iraq, those 18 months of deployment, those 3 combat deployments, 62.8 percent mission capable was the percentage for those airplanes. On the Marine Expeditionary Unit, the one that just gave up those 10 airplanes and they flew into Afghanistan, they were 65.9 percent for the mission capable for their deployment. And that sounds—I mean, that is certainly unacceptable to us, but I think it is important to know, because the program had been drug out for so long. We really have—just in the last 2 years, we have got over 50 percent of the total Osprey flight time that has ever been logged on that airplane from the time it was conceived and came off many years ago off the assembly line, just in the last 2 years. The bulk of that has been forward deployed in combat.

So we are learning, we are basically learning the lessons of maintenance, we are learning there are suppliers, we are learning the lessons on equipment reliability and maintainability that probably should have been learned 5 or 6 or 10 years ago. They weren't. So we are working very closely right now with industry. We have got a plan. We know where we are right now. We have got a plan to rectify this to get our availability back up in the 70s and 80 percent.

But the airplane itself hasn't failed to make a single mission either in the 18 months in Iraq or on the Marine Expeditionary Unit, and I anticipate it is going to be the same thing in Afghanistan. It is really performing well. And it does the kind of things, when you have a casualty evacuation out of on the Iranian border with a Special Operations Unit or whatever, you can now get that soldiers or Marines or SEALs—you can get them to a hospital pretty quickly in that airplane. So it is going to be a game changer in Afghanistan. It just got there.

Mr. MCINTYRE. Thank you. That was very good to hear.

I went to the Osprey simulator training when that was put in at New River Air Station. My district goes up to the edge of Camp Lejeune, and, of course, Congressman Jones and I share a lot of common issues and concerns in that area. And that is a great report to hear. Thank you for your commitment and work on that.

Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Heinrich.

Mr. HEINRICH. Thank you, Mr. Chairman. And thanks to the two of you for being here, for your service, and for being willing to come and testify before us today. I think you have sort of addressed this, and I just want to make sure I understand what you were saying a little bit ago, and sort of set to rest some of the issues that we have seen in the media regarding equipment in theater. So the intent, as I understand it, is when we are talking about things like wheeled vehicles that are in Iraq today, that those will be moved out of theater. And can you address sort of the path process there? They get refurbished and then those that are needed in Afghanistan will be transferred there. Is that an accurate articulation of what you have represented here today?

General AMOS. Sir, it is close. There is a significant amount of equipment that is finding its way from, in our case down from Iraq into Kuwait, staged, ready to go, as I talked about earlier. A significant amount of that equipment is finding its way into Afghanistan to sustain the fight and to augment the new 9,000 plus-up of Marines. Just to give you a sense for what I am talking about, just a level of effort, when we put the Marines on the ground, the 10,600 Marines there, about 8 months ago, we put in 44,174 what we call principal end items. That can be vehicles. It can be a seven-ton truck. It can be an operations tent module. It can be a generator. It can be a water purification unit. But we put about 44,000 of those major end items in; 22 percent of that number came from stuff that was already in Iraq, and we sent that right over there.

As we transition to this latest plus-up of the 9,000 Marines, that is about 27,362 principal end items more. Even though the force is about the same size that is going in, part of what was there before provided the basic structure and some of the sustainment kind of things that you need to build a camp and that kind of thing. So a little over 27,000 new pieces of equipment are going in. Almost 30 percent of that is coming from within theater, coming from Kuwait, or it is coming from Bahrain, or it is coming from Qatar.

So all the rest of this stuff will find its way back on ships, and just like the Army is going to do, we will refurbish every single vehicle that is worthwhile. If it has got a 50 percent of its life left, then we are going to refurbish that thing. But we are sending a big chunk of that into theater. I don't know whether that answers—

Mr. HEINRICH. It does. And I just wanted to make sure I understood that correctly. And most of the things that are being left behind, then, are things that are specific to, and would not be, as you mentioned, you know, temporary buildings and other things that just don't make sense to move out of theater.

But to shift gears a little bit, General Amos, you spoke quite a bit about what you have learned in Iraq over the years and how that has changed, the utilization of equipment and how things are organized. I have heard a little bit about how the physical environment in Afghanistan is even more challenging on equipment. But how much of that is analogous in terms of what we have learned about making some of those changes as we transition to Afghanistan? Is it a very analogous situation, or are there a whole new set of things that we need to learn about how we equip?

General AMOS. I don't think it is a blank sheet. We are not starting from scratch. If I had to give a percentage, and this is just my personal opinion with no analysis behind it, I would say probably 80, 80 to 85 percent of what we learned in Iraq over the last 5 years—not to begin with, but this distributed, kind of irregular, nasty warfare we have been in, in a counterinsurgency environment, can be applied into Afghanistan.

The other 20 percent or so is different. It is a different government. It is a different language. It is a different culture. The tribes don't have the same amount of clout. You know, you remember, it was the tribal sheiks that started the Awakening and began to make the difference in Iraq. That is hard to do in this country. This country is about another 40 percent bigger; population is bigger. So

you are spread out in this thing. But the climates are harsher. What we would call a road in Iraq truly is almost a little bit bigger than a goat trail in Afghanistan. So that is why these MRAP all-terrain vehicles, why the Marine Corps has put a new independent suspension upon the old MRAPs and stuff, trying to make use of them to get them off road.

But there is a piece of this that doesn't apply. And it is the lessons learned: We know how to operate in a counterinsurgency environment. We know how to live among the people, we know how to protect them. We know how to try to segregate the enemy. And that is exactly what we are all trying to do.

But as it relates to equipment and the harshness on the equipment, that piece of it is a different animal.

Mr. HEINRICH. Thank you both.

And I yield back, Chairman.

Mr. ORTIZ. Chairman Spratt.

Mr. SPRATT. Thank you very much for your testimony. I find it a little difficult to understand all the components here because I think there is some clarification of nomenclature that might help. As I understand it, reset means the overarching rubric; that is it comprehends a number of different things. First of all, it comprehends repair and maintenance. That would include routine repair and maintenance that is scheduled and expected. It would also include ad hoc maintenance for equipment that was not performing. Then we have replacement, and then refurbishment, and then routine field maintenance, as opposed to depot maintenance. Pretty soon, all of these items begin to wash into each other.

And my interest in it from a budgetary standpoint is how do we get our hands around it so we can expect what the requirement is going to be here? For the last several years, reset has been pretty much of a wild card that shows up in the supplemental appropriations. To what extent are you now trying to define a number for the Future Years Defense Plan (FYDP) that will be the operative number for three to four years to come, as opposed to leaving it determined year by year based upon the supplemental for that year.

General CHIARELLI. Well, sir, we are very specific in what we ask for. I think you know we asked for fewer procurement dollars in this year's OCO.

Mr. SPRATT. That tends to be year by year, though. Is there any sort of projection of what the cost is likely to be over a five-year budgetary period of time?

General CHIARELLI. I don't have that figure in front of me right now. I can try to get you that figure.

[The information referred to was not available at the time of printing.]

Mr. SPRATT. My main interest is, do you actually do that? Do you develop a number that reflects the fact that you are probably going to have more repair, more refurbishment, more reset than previously because of the harsh environmental conditions you encounter in both theaters?

General CHIARELLI. Yes, sir. But I will tell you that on reset, the only equipment that we are resetting is equipment that we are bringing back into the United States. What is difficult for us to do right now in telling you, in getting you that number is under-

standing what the requirement is going to be in the outyears. Just the addition of the 22,000 additional soldiers to Afghanistan has changed the amount of equipment that, as we draw down in Iraq, that we are going to be able to bring back to the United States for full reset. And we will reset every single piece of equipment we bring back to the States, except for that that are washouts, that are non-economically feasible to reset. But that is reset to us, and that is bringing that equipment back to its original condition.

Mr. SPRATT. Towards the end of your testimony, your prepared testimony, you indicated that the request for the 2010 supplemental was about $11 billion, of which about 30 percent is procurement and 70 percent is maintenance.

General CHIARELLI. I am sorry if I misspoke, sir, it is not that high in procurement. Yeah, I think it is a little less than that in procurement. And that procurement will go for vehicles that have to be replaced because of combat losses and any kind of recap, which is reset plus bringing that vehicle up to the higher standard. Because that vehicle was built at a time when we had not added certain things that make it more modern, more survivable, more able to fight in the environments that we are in.

Mr. SPRATT. If you would both present or prepare for the record what the five-year FYDP levels are of operation and maintenance (O&M) as well as procurement that comes under the rubric that comes under the rubric of reset. If we could have those numbers on a five-year basis on the current FYDP basis, it would be useful for the record, please, sir.

General AMOS. Sir, I can tell you what the Marine Corps is right now. I stated in my statement that the total reset is estimated to be $10 billion. That will actually extend beyond the FYDP. But it is $8.2 billion for the Marine Corps is the prognosis today. For what reset will cost us in the FYDP is $8.2 billion. It will take another——

Mr. SPRATT. $8.2 billion all together?

General AMOS. $8.2 billion reset for the Marine Corps.

The definitions that we live by, Chairman, is reset and reconstitution. Refurbishment is part of reset. The purchasing new stuff, in some cases, is part of reset. Because when you take a look at what reset is allowed, what is allowed in reset, it is equipment replacements for items not already included in the FYDP; combat losses; replacement of equipment that is given to coalition partners; replacement or repair of equipment due to original—get it to its original capability because it has been worn out. Those are the two things we deal with.

Reset is combat losses, stuff that is worn out, and will get you back to where you were when you started. Reconstitution of a unit—and by the way, most of that reset is done in OCO dollars. It is supplemental. And the longer we stay in this fight, the more that that supplemental, that reset dollars are going to slide to the right. So it is not something that you can nail down today and say, that is all it is going to be, and that is all the requirement. It will continue to change the longer we are engaged.

Reconstitution for the most part is in our baseline budgets. And that is procurement of some equipment. That is the training. That is the buying of people. That is the buying of the people's equip-

ment and that kind—that is a reconstitution. Those are the two terms that we deal with in Department of Defense (DOD).

Mr. SPRATT. Thank you both very much.

Mr. ORTIZ. Mr. Akin.

Mr. AKIN. Thank you, Mr. Chairman.

The world of how these numbers are put together and graphs and all this is also a little new to me. But what I am seeing here, for instance, in the Army reset-over-time graph that has been provided for me, one of the things I am noticing, first of all, is that in 2007, you had $16.4 billion; 2008, $16.1 billion; and then 2009 is $13 billion; and coming down to $11 billion in 2010. And yet I am not so sure that the rate that we are going through equipment has changed all that much. I guess my concern is, if this is all supplemental-type of dollars, what happens if the supplemental bill doesn't go through this year and we end up with another continuing resolution? And to what degree are we just postponing this reset over time?

General CHIARELLI. Well, we are in fact providing you with the numbers that we need to reset the United States Army equipment that comes back to the States. And that number has gone down, as indicated. And one of the reasons is we have less procurement money in there as we have recapped fewer and fewer vehicles. We have not had a requirement to do that. And we have seen that number go down. But we feel——

Mr. AKIN. Excuse me, can I interrupt? Because you are using terms that I am not sure I understand. Are you saying that what you actually feel that you need is less than what you had before; therefore, the numbers go down because you don't have as much equipment as you had previously? Is that what you are saying?

General CHIARELLI. We have not brought as much equipment back that required reset.

Mr. AKIN. Okay. So, in other words, we have less equipment in States than we had before, and therefore, the reset has gone down.

General CHIARELLI. You have an increase in Afghanistan as well as a relatively small decrease in Iraq. And in addition to that, there has been a requirement to replenish our Army preposition stocks.

Mr. AKIN. So, in other words, it is not that we have like less pieces of mobile equipment in the Army. It is just that we have less of that back in country.

General CHIARELLI. Less of it has come back for reset.

Mr. AKIN. For reset.

General CHIARELLI. For reset. And we would expect, and even if the Iraq drawdown goes as promised, our 2010 number is a little bit lower, because by the time we get it back over the ocean and to the depots, we will be into the next fiscal year. And I would expect to see that number increase if those larger numbers of pieces of equipment come back home.

Mr. AKIN. Okay. So this number is not the overall measure then of how we are doing in keeping up or keeping our equipment base where it should be. This is more numbers as to how that base is only with equipment in the United States.

General CHIARELLI. And it keeps—that number is used in the Army sense to refurbish equipment, equipment that comes out of

Iraq that has to go into Afghanistan. When we bring it down to Kuwait, we make sure we look over that equipment so we are not sending a whole bunch of problems to the folks in Afghanistan. So they get a piece of equipment within the capability of our workers in Kuwait to return that equipment as best as they can so that Afghanistan gets a good piece of equipment that they can use. That number is also included in there. But that is not the same as reset. It is not the same level of a maintenance you are going to get if you fully reset a piece of equipment, which we do in our depots.

Mr. AKIN. Right. And the depots are more in this country, then, when you do that total rebuild kind of thing.

General CHIARELLI. They are.

Mr. AKIN. Now, when you do that, there are two categories within that, I gather. One is to reset it to what the equipment was like when it left. Another is to add, if there have been some modifications or changes to the design, you bring it up to the higher level. And you make a distinction between those two. But they are still all coming out of supplemental money in the past.

General CHIARELLI. A majority of that is. A majority of that is; that recap is coming out. We have a certain amount of procurement money in there. Now, there are some that it may not be in the supplemental, but we will look to our base to get to if we feel it needs to be done.

Mr. AKIN. So, just last, if we do not get the supplemental through, we do a continuing resolution, will we then have to go back to the drawing board as to how we are going to fund this?

General CHIARELLI. We are at this time—we will continue to do the work that we need to do, but if we were never to get that——

Mr. AKIN. It would be a problem?

General CHIARELLI [continuing]. That would be a huge problem.

Mr. AKIN. Thank you.

Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Good morning, aloha to both of you. Thank you for your attendance here today. I need to make a little bit of a preamble, and then I have less of a question than I have a comment. And if you can comment in turn, that would be fine. But I leave it to your discretion on that.

General Chiarelli, on page six of your testimony, you have referred about resetting and multiyear requirements. Due to unprecedented stress placed on our equipment as a result of the war, reset funding is required, underlined, in your testimony for a period of two to three years beyond the cessation of the current conflict, which may be quite extensive. Any reset requirements that go unfunded in one year will roll over and increase the following year's requirement.

And then, General Amos, in your testimony, on page eight, I think is the one I want to refer to. As our focus shifts to greater support for Operation Enduring Freedom (OEF), costs will continue to rise over time. Continued congressional support of future funding requests will be necessary to improve equipment readiness levels across the Corps. Then you go on to talk about the future of reset.

Based on what we now know, we estimate the near term we have the $6 billion. You referred to that. And then you revised that in your commentary to 10 plus 5, and the plus 5 really referring to the table of equipment numbers and also in the context of prepositioning equipment. All of this takes place in the context, which you mention on page one, of Secretary Gates in a commentary in Foreign Affairs, whether it was a speech or an article I don't remember, but it was, I believe the subtitle of it was "Balanced Strategy for a New Age."

So I bring all of that up in saying with all of this forward looking, and then your final statement from you, General Amos; we are mindful the Corps cannot rely on supplemental appropriations for baseline operations. Now, we have talked on the committee, and the Secretary has talked, and you folks have talked now about not wanting to rely on supplemental budgets. On the other hand, supplemental budgets are not going to disappear because we have contingencies that we can't anticipate, and that is what a supplemental is all about.

But given the fact that both of you stated you know pretty clearly what your requirements are going to be in terms of resetting with all of the definitions that you just outlined with Mr. Spratt, what I recommend here for your consideration is you are going to have to take something up in terms of capital budgeting. You have got to separate operational requirements from capital asset acquisition. And reset here seems to me an ideal way to get to the question of capital budgeting, of looking ahead, of getting a budget proposal on the table that is multiyear, that you know has to be done multiyear.

You know that you are going to have to make these purchases. And to simply come in every year with each Defense bill and each Defense appropriations bill hoping you are going to be able to get the money for reset in competition with all of the other capital asset acquisitions you do year by year puts us in the position we are in right now. Every single service is now having to scramble internally to have one kind of equipment, one kind of a capital asset, a carrier, a Joint Strike Fighter, a combat—a new combat vehicle, and they are in competition with all the rest of it. We don't want reset in this category.

I am just saying to you, by way of conclusion to my remarks, that this is something I put forward for your consideration and Secretary Gates' consideration, that a capital budget or its equivalent be established where reset is concerned so that you don't become dependent on a supplemental budget which may or may not come in an appropriate time frame to meet your needs.

Thank you, Mr. Chairman. I know it took some time to do that, and I don't know if they can comment or not at this point.

Mr. ORTIZ. Go ahead, if you have a comment, either one of you. Just go ahead.

General AMOS. Sir, your point is well taken. We are kind of stuck because—and you know that——

Mr. ABERCROMBIE. That is why I brought it up. I believe you are stuck. I believe you are now having to set a competition between the reset necessities and other capital acquisitions. And I will stop with that.

General AMOS. Exactly, sir. And in both our services, and really in all four services, the focus is on succeeding in the fight that they are in. You know, we have been sent to do this; our Nation expects us to succeed, so we are going to do whatever is required. And when you do that, there are the trade-offs. There are the decisions you are making back home in what we don't call it a capital budget, we certainly call it our baseline budget. And so now we are robbing Peter to pay Paul, and all of a sudden, it just continues to snowball.

I think if we were at war for three years, you could probably hold your breath on the back side and say, okay, we are going to figure it out. We actually can do this inside of FYDP. But we can't. We have been at this now since we crossed the border in March of 2003.

So your point is well taken, sir.

Mr. ABERCROMBIE. Thank you.

General CHIARELLI. I would just say your point is well taken, and we will look very, very hard at attempting to do that.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Mr. ORTIZ. Thank you.

We are going to have a series of votes in about six minutes, so we have two more members who will have a question.

Mr. Reyes and then Mr. Taylor.

Mr. REYES. Thank you, Mr. Chairman.

And Generals, thank you for being here this morning.

I think most of my questions have been asked already, but I think it might be useful if we have for the record an understanding percentage-wise of how it impacts our training capability, because obviously our number one priority is making sure that our troops in combat have the best equipment out there. But I am curious, as we rotate through what soon will be, we hope, only the Afghanistan theater, how are we affected percentage-wise in our capability to train? Are we at 50 percent capability in training? Because for the doctrine of we train how we fight, I am a little bit concerned of everything I have heard here this morning. I think it is having an impact on that ability to do that.

General AMOS. Sir, I will tell you that I can't give you a percentage-wise, but this equipment that is now flowing into Afghanistan, and we talked about what came from Kuwait, but just to give you kind of an order of magnitude on what has come from the United States, which is the training piece that you are talking about and you are referring to, when we put the 10,600 Marines in there about 8 months ago, we took 15 percent of that 44,000 came from the United States, bases and stations. When we took this 27,000-plus, 33 percent of that has come from the bases and stations. So it is cumulative.

And so what we are finding is that we are having less of those kind of principal types of pieces of equipment that we need to be able to train on back here in the continental United States, so that we do what we said to begin with when we came in here; have no fear, we are going to have those units fully equipped that are forward deployed. We have been able to do that in the past and kind of robbing Peter to pay Paul, moving things around back home to ensure that those battalions we start—Congressman Hunter asked

and talked about kind of the stand up of the training cycle and cross-leveling.

Our model is 180 days out we stabilize the unit. And then we stabilize it with manpower. And about 120 days out, we try to stabilize it with its equipment, so that, as it gets inside of 120 days, it is in the final preparatory training phase prior to going to Iraq before and now Afghanistan. So it has 100 percent of what it needs, training opportunity and training equipment and people-wise.

But what has happened, and we have been able to kind of hold our breath on all those forces that have just returned and those forces that are kind of not in the training cycle yet, they haven't entered their 180-day mark. But I will tell you what is going to happen now as a result of this latest move is there is going to be fewer of that kind of equipment that is going to be back in home station. And we are going to find ourselves still really trying to juggle that very carefully to make sure that those units that get inside that 180-day pre-deployment training cycle have exactly what they need. And we will do that.

But everybody else, there are going to be hungry children back there. And they have to train as well. Their training is not nearly as important as those units that are inside the 180-day window, because they are going to go, but they will eventually themselves move inside that 180-day window. But when they are on the outside, they are going to be hungry children. But I don't have a percentage for you.

General CHIARELLI. Thirty-two percent of the vehicle requirements in Afghanistan will come from theater in the United States Army. Those are the numbers that I asked for the other day; 25 percent of the overall equipment will come from theater. So you have a higher percentage of vehicles that will come from theater than you do overall equipment, which is at about 25 percent. And I asked for that exact figure and how it was going to affect the training base back home, and I am told it will be anywhere from 5 to 10 percent less vehicles and equipment will be available during the training phase back here for about 24 to 36 months, is what we are looking at, sir. But we believe we can train our soldiers up given the equipment sets that we will have back home.

Mr. REYES. Thank you. Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Taylor.

Mr. TAYLOR. Thank both of you gentlemen for being here, and General Chiarelli, in particular, for the work you are doing on MRAPs to get them to the stateside stations for training.

I wish I had more time to brag on what you are doing right, but I really want to spend the time I have asking you some questions, hopefully preventing some problems that may occur as we leave Iraq. I was just curious, you know, when a nation is $12 trillion in debt, it can't afford to waste anything. And I know that, as warfighters, both of you gentlemen's first priority is get the best stuff in the hands of the warfighters. But I was wondering, to what extent, as we are leaving these things behind in Iraq, are you trying to get maybe some folks from the National Guard or the State emergency management agencies to let them have a look at what we are leaving behind to see if they have any use for this?

And obviously, a guy who is a small town alderman is going to look at something differently than you, the warfighter. And things that you may think are not worth bringing home, they may look at as gold. And again, it is just the difference in philosophy. And I very much respect the philosophy you two gentlemen have because you are warfighters, and our Nation needs you, and I respect you for that. But I do think a guy who may be a National Guard major who just came from being an alderman back home, from being a highway patrolman back home, a hospital administrator back home, he is going to look at some of these things differently. And I am just questioning, how are you getting different sets of eyes on the same pieces of equipment so some of the mistakes that we know we made in Panama, in the Philippines, when we left things behind aren't being made again in Iraq?

General CHIARELLI. Well, one is the tremendous focus you and everybody else has.

Mr. TAYLOR. I am several thousands miles away, General.

General CHIARELLI. We instituted this Equipment Review Board here two months ago to look at exactly that. And what I am told right now is, we will leave behind no piece of equipment that in fact is economically—it makes sense to bring back economically.

But you bring up an excellent point about asking some of our National Guard formations and the soldiers that are inside those National Guard formations to look at some of the things we may be leaving behind to get their take on whether they would be of value to them. And I will use the Expanded Defense Resources Board (EDRB) video teleconference that I have next week to tee that up for theater to get another look to ensure we are doing exactly what you ask of us, Congressman Taylor.

Mr. TAYLOR. I very much appreciate that. And again, I supplied that letter to Colonel Glaze. We have been informed by some of the State emergency managers that this is something that is occurring, and that the Iraqis—and again, from several thousand miles away, it sure strikes me as a scam that they are asking for what documents did we import these goods with, and obviously, we are not issuing importation documents in 2003 during an invasion or any time since then, since, early on, there was no government of Iraq to be dealing with. And so, again, whatever you can do on your end to help resolve that I would greatly appreciate.

General CHIARELLI. I will immediately tee that up, sir.

Mr. TAYLOR. Okay.

Thank you, Mr. Chairman.

Mr. ORTIZ. I have a question, General Chiarelli.

If 30 percent of your equipment is not returning to the United States for reset, how is the Army or how are you going to be able to accomplish your training requirements back home? Because you know, at the beginning of the war, this is one of the huge problems that we were having, that some of the recruits were not getting proper training because they didn't have the equipment. Is this going to present a huge problem to you?

General CHIARELLI. We believe we can work around it. It is 32 percent of the vehicle requirements with the increase in Afghanistan are being met by vehicles that are currently in theater. That is what that says. And they have been in theater. We expect it only

to be 5 to 10 percent. But we believe, given the fact that our units come back and go into the six months of reset, that we will be able to immediately move that equipment around to ensure that they are properly trained up on post camps and stations.

And one of the great improvements we have made, I believe, is getting MRAPs out to the individual post camps and stations so we can train our soldiers on driving MRAPs. We don't have nearly enough to outfit a combat formation, but we can at least give them drivers training. And we have done that with the MRAP ATV, too. We asked early on to take some of those early vehicles, do the licensing requirement for units deploying over here so when units arrived in Afghanistan they could more quickly be issued that equipment with less training time required in theater.

In addition to that, we have an unbelievable common trainer that we are using that has done just wonderful things for MRAP training. So I think, in many ways, we might be in a little bit better situation today than we were in before. But there is going to be about a 5 to 10 percent decrease in the amount of equipment we have got back home for about a 24- to 36-month period. That period is as long as it is because when the equipment comes back, before we can reissue it to units, it will have to go through a reset program.

Mr. ORTIZ. See because another area that concerns me is the equipment that we need for the pre-stocking stocks throughout, you know, reset. Are we going to be able to provide the training equipment and then be able to give the pre-stocking areas to be filled up for them to have the right equipment? This is the thing that worries me.

General CHIARELLI. And, sir, I will tell you, some of that 32 percent is coming out of Army prepositioned equipment. So we are going into the APS stocks, which in reality are theater stocks, but that is part of that 32 percent. That is why it is a 5 to 10 percent decrease back in the United States. But we really believe we will be able to work this through smart management of our assets.

Mr. ORTIZ. Yes, sir. And I just have one last question. When did replacement of equipment given to coalition partners and foreign military sales become part of the definition of reset?

General CHIARELLI. I didn't mean to infer that it did, sir. I just meant to infer that, in order to get the Iraqi army up to the level that we need to, when we have a FMS case that comes out of Iraq, because that system can be very, very slow, and we know that the Iraqi army must be equipped in order for us to leave, we are following every single one of those. We are not in fact providing the Iraqis any equipment that would in fact impact Army readiness. The only equipment would be excess equipment. And then we have certain requirements to come to Congress in those cases to make sure that we report to you before any of those transfers are made.

Mr. ORTIZ. Thank you.

General Amos, would you like to make a further statement before we shut down this hearing?

General AMOS. Sir, I want to thank you for your continued support. You really do, we have had a good discussion on supplementals and OCO, and I think the thing I would like to leave with to this committee, Mr. Chairman, would be, again, the

war in Afghanistan will be fought well by young men and women fully equipped and fully trained. I want you to know that and have confidence in that.

But there is this continuing drain of equipment back home to do this. So there are two things that come to mind that are troublesome. One, eventually it will begin to impact home station training. It has not yet. And my prognosis is, because of the way we train in the Marine Corps, it probably won't, even in the future over the next year. We will probably be able to manage it. The micromanaging of that will be very, very, very time-consuming, and it is going to be an all Marine force effort.

The second piece is our ability to be able to go someplace else in the world and do the Nation's bidding. I think that would be something that—and I get asked the question what would you do? We would cobble it together just like we did when we put the Fifth Marine Regiment together just out of just a skeleton and went to Inchon, but it was very, very painful. So that is kind of the danger part of the home station piece just being eaten at. And that is why supplementals, we have had the discussion on, should you, or shouldn't you? And I will be honest with you, without it, without being able to replace those vehicles that are being combat lost and worn out, we would find ourselves further in the hole and less capable than we are today.

Thank you.

Mr. ORTIZ. We appreciate your service.

Another thing that worries me is that our National Guard, our Reserves, I have visited some of them, and some of the equipment has been left behind for the active Army. You know, but I know you are doing your best, and we are going to have to do with what we got. And we want to be sure that this committee provides you what you need. There has been some good questions asked by the members, and there have been some good responses.

And now I would like to allow, for those members who couldn't be here with us today, for them to be able to submit, you know, questions for the record.

We do not have any other questions?

Thank you so much for joining us today. And this hearing now stands adjourned.

[Whereupon, at 11:42 a.m., the subcommittees were adjourned.]

A P P E N D I X

DECEMBER 10, 2009

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

DECEMBER 10, 2009

RESPONSE TO QUESTION SUBMITTED BY MR. TAYLOR

General AMOS. No. As we have been retrograding our equipment over the past year, we have not seen any evidence of this documentation requirement in Iraq. [See page 56.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

DECEMBER 10, 2009

QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. Who will make the decision about what equipment in Iraq will be reset into the Army (or Marine Corps) and what will be provided to the Iraqis? What factors figure into that decision?

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

Mr. ORTIZ. What has been done to increase depot capacities in preparation for the potentially huge influx of equipment from Iraq or the need to surge reset equipment into Afghanistan?

To what extent have the Army and Marine Corps developed strategies for workloading their depots over the next 5 to 10 years to satisfy reset requirements?

Based on these workloading plans, what confidence do the Army and Marine Corps have that they will be able to obligate the reset funds they have requested in fiscal year 2010 and beyond?

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

Mr. ORTIZ. What plans are there for the replenishment of Army and Marine Corps pre-positioned stocks through reset?

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

Mr. ORTIZ. We understand that at present there are no depot-level facilities for MRAPs in the United States. What is being done to deal with this? When do you anticipate having a national repair capability and strategy for MRAP sustainment?

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

Mr. ORTIZ. At what point will DOD move all funding for equipment into the base budget, given that contingency operations have been going on for several years and it is becoming increasingly difficult to distinguish between equipment requirements related to base and contingency operations' needs? What are the risks of continuing to fund reset, and in the Army's case, the majority of the depot maintenance account, through contingency operations funding?

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

Mr. ORTIZ. Operations overseas in harsh conditions affect equipment's long-term condition and expected useful lifetime. For purposes of projecting the equipment that the Army has on hand and will have for the next several years, the Army assumes that equipment now being used overseas will be returned to the United States and fully rehabilitated as part of its reset program.

a. Has the Army assessed the percentage of equipment that is now in Iraq and Afghanistan that may not be able to be rehabilitated (wash-out rate) and the effect that this rate may have on its longer-term plans for equipment availability?

b. Has the Army performed a cost/benefit analysis on the relative advantages of returning used equipment to the United States for repair and rehabilitation as opposed to purchasing new equipment that may have a longer service life?

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

Mr. ORTIZ. The Army is implementing a rotational force readiness model, called the Army Force Generation Model or ARFORGEN. The cycle is intended to increase unit readiness over time from when a unit returns from deployment for rest and resetting through training phases until it is available to deploy. The Army recognizes that implementation of this model will affect the way it equips the force to increase their readiness over time to reach deployment readiness. Currently, the Army's requirements processes still reflect the Army's acquisition goal of providing all units all the equipment they need for their missions at all times, and this assumption drives the Army's Acquisition Objective (AAO). However, officials acknowledge that units in a rotational force generation cycle may need less than 100 percent of some equipment requirements in the early phases of their training cycle but may need more than 100 percent of some items to account for situations such as having some equipment unavailable because of maintenance, for example.

What plans does the Army have to adapt its current equipment strategy as it resets the force and implements the ARFORGEN readiness model?

For what types of equipment does the Army anticipate needing greater than 100 percent of current requirements and why?

For what types of equipment does the Army anticipate needing less than 100 percent of requirements?

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

Mr. ORTIZ. How does the theater communicate and coordinate equipment retrograde and reset requirements to the Army and Marine Corps? How much equipment do the Army and Marine Corps plan to reset in fiscal year 2010?

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

Mr. ORTIZ. What determinations went into your Overseas Contingency Operations reset budget request for fiscal year 2010? How will the fiscal year 2010 budget be executed?

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

Mr. ORTIZ. How long will reset continue and what do you expect the annual recurring cost to be? How long do you anticipate funding for reset will be paid for by supplemental or Overseas Contingency Operations funding only? How will the Army and Marine Corps prioritize resources between your many initiatives and programs, including reset and future modernization investments?

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

Mr. ORTIZ. How do non-deployed systems figure into the Army's and Marine Corps' reset programs?

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

Mr. ORTIZ. What is the Army's and Marine Corps' approach to reset management and planning? How do the Army and Marine Corps determine which equipment will be repaired, recapitalized, or replaced? What percentage of equipment being reset in fiscal year 2010 will be repaired? What percentage will be recapitalized? What percentage will be replaced?

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

Mr. ORTIZ. What life-cycle extensions and additional capabilities will result from recapitalization? By how much does recapitalization extend the life of equipment?

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

Mr. ORTIZ. How do you respond to the GAO's criticism that the Army and Marine Corps are sacrificing short-term equipment needs are for long-term modernization?

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

Mr. ORTIZ. Can the industrial base meet the demand the Army and Marine Corps have for maintenance, recapitalization, and new production, particularly in light of the reduction of forces in Iraq and the increased forces in Afghanistan?

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

Mr. ORTIZ. Does reset need to be accelerated? If so, what could the Army and Marine Corps do to accelerate resetting the force? Is additional depot capacity needed?

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

Mr. ORTIZ. What is the impact of service support contracts on Army and Marine Corps equipment reset?

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

Mr. ORTIZ. What is the relationship between the drawdown of military forces and contractor personnel in Iraq to the Army's and Marine Corps' ability to execute equipment retrograde and reset? That is, how reliant are you on specific levels of military or contractor personnel in theater to support your requirements for equipment retrograde or reset?

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

Mr. ORTIZ. Please explain the goals of the Army's reset pilot program. What lessons were learned and how have they been applied to redeploying units? What has been the practical impact of the pilot program on how units reset themselves at home station?

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

Mr. ORTIZ. How does the Army balance operational equipment needs versus Title 32 responsibilities assigned to the reserve components in terms of reset prioritization?

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

Mr. ORTIZ. The Army has spent more than $70 billion over the past four years on equipment reset. Why, then, are some Army units reporting C–4 readiness because of equipment shortages or training shortfalls due to lack of equipment?

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

Mr. ORTIZ. Where will the Army find enough mission-capable equipment to support operations in Iraq and Afghanistan? Where will it come from? Will the Reserve Component be a source?

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

Mr. ORTIZ. Who will make the decision about what equipment in Iraq will be reset into the Army (or Marine Corps) and what will be provided to the Iraqis? What factors figure into that decision?

General AMOS. The decision about what equipment in Iraq will be returned from theater to reset into the Marine Corps will be made by MARCENT with Head-

quarters Marine Corps based on operational requirements for OEF. OEF operational requirements will also factor into the final decision on what equipment is available to source to the Government of Iraq.

The Joint Staff directed, under an operational planning team construct, the Services review their capability to transfer defense articles to the Government of Iraq in an effort to facilitate a responsible drawdown of U.S. forces. All Services were in attendance in the 8 month-long planning process, to include the Army National Guard.

On 6 Oct 09, the FY10 NDAA, Section 1234 was passed. This will allow the Services the ability to direct up to $750 M worth of equipment to the GOI in FY10 and FY11. SECDEF will not execute the authority provided in FY10 NDAA Section 1234 until 30 days after the "Report on the Transfer of Defense Articles and the Provision of Defense Services to the Militaries and Security Forces of Iraq and Afghanistan" has been submitted to Congress. The report is currently in staffing. At this time, no Marine Corps equipment has been transferred to coalition forces under the Section 1234 legislation.

If directed by the Secretary of Defense, the Marine Corps would only transfer equipment that does not pose a risk to the Marine Corps or would impact the Marine Corps Reserve.

Mr. ORTIZ. What has been done to increase depot capacities in preparation for the potentially huge influx of equipment from Iraq or the need to surge reset equipment into Afghanistan?

To what extent have the Army and Marine Corps developed strategies for workloading their depots over the next 5 to 10 years to satisfy reset requirements?

Based on these workloading plans, what confidence do the Army and Marine Corps have that they will be able to obligate the reset funds they have requested in fiscal year 2010 and beyond?

General AMOS. Marine Corps Logistics Command, Maintenance Centers in Albany Georgia, and Barstow California increased production in 2008 and executed 4.4 million direct labor hours. In 2009, we estimated 5.45 million direct labor hours in preparation for a potentially huge influx of equipment. We hired additional personnel for these years in consonance with section 2472 of Title 10, U.S.C., with the expectation that the workload, and therefore the workforce, would remain throughout reset. However, CY09 workload did not materialize due to equipment sourcing requirements to support the Afghanistan troop levels. As a result, Maintenance Centers Albany and Barstow were forced to decrease the work force in order to meet this lessened workload requirement. Now that the decision has been made on the deployment and timeline of additional USMC forces to Afghanistan, we can now expect that depot maintenance will be performed on approximately 6,100 retrograded items and field maintenance on approximately 10,000 items during FY-10. Only items that have a continued requirement within the Marine Corps will be reset. The Marine Corps is confident that it will fully obligate depot maintenance reset funds in FY-10 and beyond.

Mr. ORTIZ. What plans are there for the replenishment of Army and Marine Corps pre-positioned stocks through reset?

General AMOS. As equipment is retrograded from Iraq and reset through either maintenance or procurement actions, it will be issued to Marine Corps activities (e.g. Home Station Units, Maritime Prepositioning Force (MPF), Marine Corps Prepositioning Progam-Norway (MCPP–N) Supporting Establishment Units) according to their prioritization as established by the Commandant of the Marine Corps. Therefore, prepositioning stocks will be replenished through reset based on the availability of reset equipment and relative priority of distribution as determined by the Commandant of the Marine Corps.

Mr. ORTIZ. We understand that at present there are no depot-level facilities for MRAPs in the United States. What is being done to deal with this? When do you anticipate having a national repair capability and strategy for MRAP sustainment?

General AMOS. The Marine Corps has been assigned as the Primary Inventory Control Activity (PICA) for the Cat I and Cat II Cougar MRAP. As such, we solicited and received a Depot Source of Repair (DSOR) designation through the Joint Depot Maintenance Activity Group (JDMAG) for the Marine Corps Depot facilities at Albany and Barstow. We also solicited and received DSOR assignment for the Buffalo Cat IIIs fielded to the Marine Corps. The Marine Corps is currently conducting a proof-of-principle (POP) on the Buffalo Cat III to develop the National Maintenance Work Requirement (NMWR). Additionally, Marine Corps Maintenance Centers Albany and Barstow both plan to start maintenance production on CAT I, II and III MRAPs by 1st Qtr FY11.

Mr. ORTIZ. At what point will DOD move all funding for equipment into the base budget, given that contingency operations have been going on for several years and

it is becoming increasingly difficult to distinguish between equipment requirements related to base and contingency operations' needs? What are the risks of continuing to fund reset, and in the Army's case, the majority of the depot maintenance account, through contingency operations funding?

General AMOS. Equipment needs resulting from Overseas Contingency Operations (OCO) have not been in the baseline because both Congress and OSD have generally agreed that war related costs should be part of the Service's OCO submissions. No determination has been made to move away from this funding strategy as long as we are engaged in OCO activities. There is more risk associated with moving Reset requirements in the baseline than continuing to fund in the OCO requests because our ability to recover from this current conflict would come at the expense of the modernization necessary to meet future threats.

Mr. ORTIZ. How have Marine Corps reset requirements changed as a result of additional personnel and equipment purchases?

General AMOS. As personnel have been added to the Marine Corps as part of the 202K initiative, associated equipment to outfit those additional Marines is also identified as an element of increasing our end strength. Such additional equipment is distinct and separate from reset requirements of existing forces. Equipment purchases to support Overseas Contingency Operations are used to fill deficiencies in two areas: replacement of equipment due to combat loss/increased usage due to high operational tempos, and equipment purchases above established table of equipment allowances to enable units to perform missions different from what they were originally intended to perform. Reset requirements are constantly changing to meet the constantly changing needs of equipment replacement due to combat loss/wear and tear from increased usage due to high operational tempos. Additionally, reset requirements are impacted when home station equipment is sent overseas to fulfill immediate emerging equipment needs due to mission analysis of our forces going into combat. As our forces continue to adapt to meet the enemy, equipment needs also continue to change

Mr. ORTIZ. At what capacity are Marine Corps depots operating? If not full capacity, should they be?

General AMOS. USMC depot capacity is elastic. The Marine Corps depots have the ability to expand and contract as necessary to meet workload requirements. There are multiple options to adjust depot capacity including overtime shifts, multiple shifts, hiring of contract and/or temporary labor, hiring full time additional labor or contracting with commercial vendors. We can also utilize capacity at other Service depots. Currently, we have the ability to expand if necessary.

Mr. ORTIZ. What lessons has the Marine Corps learned from Iraq and Afghanistan regarding its unit table of equipment requirements that apply to reset? How have those lessons been applied and what is the impact?

General AMOS. Lessons learned from 8 years of major combat have led the Marine Corps to change the baseline it uses for the ground equipment requirement. This change—as well as critical funding to reset and reconstitute the force—will posture the Corps for tomorrow's challenges and ensure the Corps' standing as the nation's expeditionary force in readiness.

The old metric for the ground equipment requirement, which worked well in peacetime, did not work well in war when equipment requirements changed rapidly and new units were created.

The benefits of using a new baseline are as follows:

- Provides more accurate measure of the ground equipment requirement
  - Supply readiness is now calculated against the unit's stable, actual requirement vice a floating metric.
  - It enables commanders to conduct a more accurate and useful assessment of their ability to accomplish the mission.
- Demonstrates stronger linkages between force structure, materiel readiness, operational readiness, and funding.
  - Better linkage between equipment fielding and improved unit readiness.
  - Easier to articulate our equipment requirement shortfalls to Congress.
- Facilitates better acquisition decisions and cross-leveling of equipment based on requirements.

The impact of applying the lessons learned on Marine Corps readiness:

- Deployed forces still have the equipment required to do their mission.
- There has been a drop in equipment readiness levels for non-deployed forces.

Mr. ORTIZ. What new equipment needs have emerged for Afghanistan and how will these new needs affect Marine Corps reset? How has the Marine Corps dealt with the evolution of personal protective equipment through the reset process?

General AMOS. With regard to the first part of this question, "What new equipment needs have emerged for Afghanistan and how will these needs effect Marine Corps reset?" we continually work with our deployed units via the Urgent UNS process, lessons learned reviews, and our deliberate combat development process. Meeting the immediate needs of units deployed to Afghanistan will certainly have an effect on our reset, although the full effect is difficult to determine since the length and level of our commitment there is not fully known. We continue to take risk in the readiness of our home station units by drawing their equipment, and by redirecting equipment that was scheduled for reset from Iraq to Afghanistan. As far as response to urgent needs goes, since February 2008 we have received known cost estimates totaling $490.2M from units deployed to Afghanistan. We also have received known-cost estimates totaling $58.1M from units inbound to the theater. Most of these in-bound U–UNS address shortfalls generated by growth of the OEF MAGTF to a MEF(Forward).

Examples of equipment needs identified in OEF U–UNS include:

Persistent Surveillance. Family of systems to enhance surveillance capabilities at Forward Operating Bases and other areas where there are no co-located coalition forces. Twice requested for quantity increases by OEF forces and is now MARCENT's number one priority to field. Recently approved U–UNS of 121 additional systems at cost of $147M; delivery pending.

Mobile Armored Trauma Bay. Newly developed armored, mobile facility that provides the ability to conduct forward resuscitative care as close to the point of injury as possible. First 6 units were delivered to theater. Cost for 8 units is $8.2M.

Scalable Plate Carriers. Provides commanders with a scalable body armor option to maximize individual ballistic protection balanced with mobility as dictated by mission requirements. This capability has been increased twice by U–UNS request to outfit to forces deploying to OIF and OEF. The most recent request delivers 17,636 units to OEF at a cost of $20.7M.

Robots. Source of multiple U–UNS requests for counter IED capability fielded to EOD, engineer and infantry forces. Five different OEF centric U–UNS requests have been approved since July 2009 providing an increase of 71 units across two variants for surveillance and IED interrogation at a USMC cost of $9.2M. 51 additional units were obtained as Theater Provided.

Mr. ORTIZ. What additional capability and capacity, if any, is needed at Blount Island to accommodate Marine Corps reset?

General AMOS. Blount Island Command is already operating as an integral part of the MCLC Field Level (Intermediate Maintenance) Reset Plan. Blount Island Command supports the Marine Corps' strategic prepositioning programs. Their seasoned contractor workforce possesses the skill sets to perform less than depot-level repairs on nearly the full range of USMC equipment retrograded from the CENTCOM AOR. The limiting factor at Blount Island continues to be the lack of suitable facilities to improve the infrastructure capacity for the reset effort. In 2006, the Marine Corps identified the need to accelerate 10 planned MILCON projects to address this concern.

Mr. ORTIZ. What guidelines are Marine Corps operational commanders given for assessing equipment and who makes the decisions on what to repair and what to dispose?

General AMOS. The Marine Corps' overall reset strategy was developed with the technical advice of the equipment Total Life Cycle Managers based on current and future requirements for Marine Corps equipment. This was the initial guide used for determining what equipment will be reset. If a requirement exists, then maintenance experts from the Marine Corps operating forces and the Marine Corps Depots conduct a thorough technical serviceability inspection of each individual item of equipment to determine if it is repairable or if the costs to repair exceed the benefit and the item must be disposed.

Mr. ORTIZ. How does the theater communicate and coordinate equipment retrograde and reset requirements to the Army and Marine Corps? How much equipment do the Army and Marine Corps plan to reset in fiscal year 2010?

General AMOS. Retrograde requirements are identified back to the Marine Corps in CONUS via Marine Corps Logistics Command Forward in the MARCENT AOR. All major items of Marine Corps equipment are transferred to Marine Corps Logistics Command Forward, which then coordinates the physical movement of equipment either back to CONUS for reset or to Afghanistan to meet operational requirements. Retrograded equipment is assessed and placed into one of five reset cat-

egories: depot maintenance candidate, field maintenance candidate, no reset action required, i.e. immediately available for re-issue, or disposal candidate. Equipment disposed of will be for one of two reasons: the item is beyond economical repair, or the item is obsolete and no longer a part of the Marine Corps inventory. Items disposed of due to obsolescence will be reset through new procurement of replacement equipment.

Prior to the decision to deploy additional forces to OEF, the Marine Corps planned on performing Depot maintenance on up to 12,241 retrograded items and field maintenance on 24,137 items in FY–2010. Due to the diversion of equipment to support expanded operations in Afghanistan, we now expect that depot maintenance will be performed on approximately 6,100 retrograded items, and field maintenance on approximately 10,000 items in FY–2010. Only items that have a continued requirement within the Marine Corps will be reset. Items that are now obsolete due to procurement of upgraded/improved equipment will not be reset.

Mr. ORTIZ. What determinations went into your Overseas Contingency Operations reset budget request for fiscal year 2010? How will the fiscal year 2010 budget be executed?

General AMOS. The Marine Corps uses a Reset Cost Model to evaluate OIF/OEF equipment status and requirements and to identify cost factors and strategies by assessing historical operational tempo, equipment demand, combat losses, and degradation to equipment on a two year basis. Current year requirements are then developed and scrubbed for executability prior to inclusion in the OCO request. The Fiscal Year 2010 budget is expected to be fully executed.

Mr. ORTIZ. How long will reset continue and what do you expect the annual recurring cost to be? How long do you anticipate funding for reset will be paid for by supplemental or Overseas Contingency Operations funding only? How will the Army and Marine Corps prioritize resources between your many initiatives and programs, including reset and future modernization investments?

General AMOS. Reset efforts will continue as long as the Marine Corps is fighting in Overseas Contingency Operations and an annual recurring cost is not easily captured (nor accurate) as our requirements have continued to, and will continue to, change as long as we are engaged in contingency operations. Reset requirements will continue to be requested via OCO submissions until the current conflict is concluded or a change in policy is implemented. The Marine Corps prioritizes Reset and future modernization requirements the same way as any baseline budget—we build and submit a fiscally balanced, defendable, and executable budget based on the warfighting and readiness priorities as directed by the Commandant of the Marine Corps. Even in a fiscally constrained environment, Marines will always be equipped with the best equipment that the Marine Corps can provide.

Mr. ORTIZ. How do non-deployed systems figure into the Army's and Marine Corps' reset programs?

General AMOS. Marine Corps forward deployed forces have the resources and equipment needed to train for and conduct operations but it has come at the expense of home stations. Equipment from OIF that was scheduled to go through a depot overhaul has now been redirected to support OEF efforts, thus accelerating the stress on equipment and having to globally source an expanded Equipment Density List has created additional equipment shortfalls and lowered home station readiness. Reconstitution efforts are being supported in our baseline requests as they do not fall under the current definition of Reset.

Mr. ORTIZ. What is the Army's and Marine Corps' approach to reset management and planning? How do the Army and Marine Corps determine which equipment will be repaired, recapitalized, or replaced? What percentage of equipment being reset in fiscal year 2010 will be repaired? What percentage will be recapitalized? What percentage will be replaced?

General AMOS. The Marine Corps manages its reset liability and plans reset actions via individual "reset strategies" specifically designed for each type of equipment item in theater. Each strategy is developed by the equipment item's life cycle manager in coordination with the Marine Corps' requirements determination branch. Equipment strategies are designed around five possible categories: procure new; depot-level maintenance/modernization; field-level maintenance; no reset required; and obsolete/disposal. Each strategy is designed based on an item's age, estimated life-span, estimation of its usage in theater, and finally the Marine Corps long-term requirements for that item. In general, equipment whose repair cost exceeds 65% of the new procurement cost is replaced. For equipment repair costs that fall between 20% and 65% of the new procurement cost, the equipment is sent for depot-level maintenance for repair. For equipment that does not exceed 20%, maintenance is performed at the field level where capable. Many items being retrograded will have a "no reset" strategy because they are obsolete and no longer a part of

the Marine Corps inventory. Items disposed of due to obsolescence will be reset through new procurement of replacement equipment or modernization. Current estimates project that approximately 47% of the equipment repaired in 2010 will be repaired either at a depot or field level maintenance facility, and 36% of the returning equipment will have to be replaced. The remaining 18% includes items for which no reset action is necessary. This includes theater-specific items which have no intended usage beyond OIF, or items that can be put directly back into the Marine Corps inventory with no maintenance actions.

Mr. ORTIZ. What life-cycle extensions and additional capabilities will result from recapitalization? By how much does recapitalization extend the life of equipment?

General AMOS. The Marine Corps does not use the term recapitalization as it relates to returning equipment to zero hours, zero miles condition. For the response to this question the definition of recapitalization is the process to procure a new system, or enhancing a system as part of rebuilding the system or modernization.

The Marine Corps uses the Service Life Extension Program (SLEP) and the Reliability, Availability, and Maintainability/Rebuild to the Standard (RAM R/S) to ensure the Marine Corps attains the full program life of the equipment and implements upgrades to equipment capabilities.

The current operational tempo creates challenges in maintaining optimal readiness levels on legacy systems resulting in additional resource requirements. In order to mitigate this challenge, the Marine Corps seeks to expedite Initial Operation Capability (IOC) of replacement items, conduct continuous product improvement through modernization, and continue the SLEP to extend the life of aging ground equipment assets in the inventory.

By how much does recapitalization extend the life of equipment?

The following are prime examples of systems used in OIF and the results to extend the life of equipment.

The Amphibious Assault Vehicle (AAV) SLEP and RAM R/S were designed to extend service life and improve combat readiness and effectiveness of the legacy fleet until fielding of a replacement vehicle. The Program Service Life is until the Expeditionary Fighting Vehicle (EFV) is fully fielded in 2025 which equates to 42 years. The average age of the AAV is 35 years. While the EFV is being developed to replace AAVs and remains the Commandant's top ground combat priority, the projected pace of EFV fielding will result in significant quantities of AAVs remaining in service until at least 2025.

The LAV fleet was fielded in the first half of the 1980s with an expected end-of-service date of 2008. The LAV SLEP upgrade was designed to extend the service life of the legacy fleet to 2015 by replacing obsolete or soon to be obsolete components in the legacy vehicle. As a result of the initiation of OIF, a second upgrade was made to incorporate additional survivability into the platform in response to the new threats. With the release of this new configuration, the LAV A2, the end-of-service date was extended to 2025. The LAV A2 upgrade was accomplished to add more capability to the platform at the same time as the platform was undergoing a complete refurbishment (via the Specified Overhaul and Repair statement of work) at the Marine Corps depots. This approach justified the end-of-life extension to 2025. With the replacement of combat losses as well as the new platforms procured as the result of a force restructure increases, leaves the average age of the a LAV at 23 years. The Program Service Life is now 42 years.

Mr. ORTIZ. How do you respond to the GAO's criticism that the Army and Marine Corps are sacrificing short-term equipment needs are for long-term modernization?

General AMOS. The Marine Corps employs a documented, standardized, and flexible reset strategy designed to meet both current operational requirements and long-term reconstitution strategies. First, regarding the formulation of budget requirements, Programs and Resources (P&R) develops requirements for both short-term and operational needs and longer term reset needs without prejudice or constraint beyond that levied by OSD and Navy guidance.

Second, tactical level execution of reset, most notably equipment distribution, is also a comprehensive process involving the evaluation of short term deployment needs and long term modernization efforts. The Commandant of the Marine Corps prioritizes equipment and manning priorities in a joint message to all Marine Corps commands. This document serves as the basis for equipment distribution prioritization conducted by the Marine Corps's Strategic Ground Equipment Working Group (SCEWG). This group is entrusted specifically with the priority distribution of equipment across Marine Corps units and initiatives. The SGEWG works diligently to ensure that equipment availability for all units and over the long term to meet our modernization goals. Predeployment training (Mojave Viper, Desert Talon, and Mountain Warrior exercises) is afforded the #1 equipping priority. Likewise, in generalized equipping, operational requirements (OIF, OEF) are given high-

er priority than longer-term reset initiatives (such as prepositioning reconstitution or filling supporting establishment shortfalls). Furthermore, units preparing to deploy are afforded higher priority than non-deploying units per the Commandant's message. Most importantly, all Marine Corps units are 100% equipped upon arrival in theater.

The Marine Corps understands that every unit experiences change as it participates in the unit life cycle process, i.e., return from deployment (rest/refit/reset) predeployment training (individual and collective combat skills/mission essential tasks/core competencies)—deployment. The Marine Corps recognizes the inherent differences in an individual unit's maturity and readiness as a reflection of where it is in this deployment preparation cycle. The SGEWG is the Marine Corps' way of meeting each unit's equipment needs based on where it is in the deployment/predeployment life cycle process. Regarding the operations of the SGEWG, in the general priorities, the Marine Corps does not identify individual units, but treats every unit in accordance with its individual needs and challenges commensurate with its continual development as a cohesive, combat-ready unit as it prepares for deployment. In the event there is a priority conflict between a specified or general priority, the requirement is returned to Plans, Policies, and Operations Division (PP&O) and a decision is made on where we can best accept risk. Discussions on risk are coordinated between all affected commanders before a decision is made. The SGEWG is the venue for working those matters of prioritization and distribution. The SGEWG and prioritization list is an inherently flexible tool for assessing distribution and recommending where to accept and how to mitigate risk to the force as a whole.

Consequently, the Marine Corps has a concrete and comprehensive plan of equipment distribution explicitly targeting short-term operational requirements over longer-term reset initiatives, making the overarching theme of the report factually inaccurate.

Mr. ORTIZ. Can the industrial base meet the demand the Army and Marine Corps have for maintenance, recapitalization, and new production, particularly in light of the reduction of forces in Iraq and the increased forces in Afghanistan?

General AMOS. The Marine Corps expected to receive a large amount of equipment from Iraq to be repaired and reset but as operational commitments have grown overseas, much of the expected equipment has not materialized, and is being retained to support other operations. This means that the Reset workload is not as large as expected. The size of the industrial workforce constantly flexes to meet workload needs and to best utilize taxpayer dollars, the workload requirement is continually assessed and adjusted as appropriate, to include workforce cuts when requirements have decreased. Should there be an increase in the workload; expedited hiring processes are in place to rapidly expand the workforce as required.

Mr. ORTIZ. Does reset need to be accelerated? If so, what could the Army and Marine Corps do to accelerate resetting the force? Is additional depot capacity needed?

General AMOS. The Marine Corps reset does need to be accelerated, however due to a combination of circumstances, this will not be achieved through the maintenance of equipment returning from Iraq. The Marine Corps was poised to accelerate reset at our maintenance centers, however, because of the requirement to rapidly build up forces in Afghanistan in the midst of retrograding forces and equipment from Iraq, the Marine Corps transferred significant amounts of equipment directly from Iraq to Afghanistan without a full reset action. For that reason, capacity at our depots does not need to be increased further. Without an adequate Depot Maintenance Float Allowance (DMFA), we can't conduct robust PEI rotation. Therefore, the maintenance reset action will be delayed until MARCENT releases equipment from OEF into the depot system. Increasing procurement resources and procuring new equipment however, is an effective way to accelerate reset of home station forces.

Mr. ORTIZ. What is the impact of service support contracts on Army and Marine Corps equipment reset?

General AMOS. Service support contracts in the MARCENT AOR are used to repair equipment en route to or in Afghanistan. This will diminish reset workload in CONUS but gets the required equipment to the war fighter faster.

Service support contracts in CONUS, are used to support equipment reset. This compliments our depot or organizational unit organic maintenance capabilities.

Mr. ORTIZ. What is the relationship between the drawdown of military forces and contractor personnel in Iraq to the Army's and Marine Corps' ability to execute equipment retrograde and reset? That is, how reliant are you on specific levels of military or contractor personnel in theater to support your requirements for equipment retrograde or reset?

General AMOS. The majority of USMC equipment in OIF has been turned in for retrograde and is either in CONUS or located in specific retrograde pipeline nodes. MARCENT and LogCom have worked as a team during this time to evaluate and implement the proper mix of military and contractor personnel to perform care and storage, and to expedite equipment movement. As long as USMC equipment remains in Iraq, there will be a requirement for this mix of military/contractor personnel, corresponding to the type and amount of equipment. This is determined by COMUSMARCENT aided by the planning and support of MARCORLOGCOM.

Specific contractor personnel, such as MRAP, communications, AT/FP (GBOSS), etc. are rare in their expertise and crucial to the smooth extraction and retrograde of forces and equipment. Thus far, they have been a critical cog as II MEF FWD executes a near flawless retrograde of equipment from Iraq. These critical contractors have also been instrumental in the smooth reception, staging, washdown, and manifesting of equipment for shipment to CONUS as well as supporting the receipt and support of equipment redirected to OEF

Mr. ORTIZ. Please provide background on the logistics teams that have been sent into theater to assess Marine Corps equipment reset needs in light of potential increased equipment requirements in Afghanistan.

General AMOS. The Marine Corps has tasked forward deployed operational commanders with assessing the condition of equipment being retrograded in order to determine what equipment could be categorized as fully mission capable and redeployed into Afghanistan for combat operations. Additionally, the Marine Corps exercised a standing MOA with the Army Material command Forward (AMC) Forward to have less than depot repairs made on select tactical wheeled vehicles to support the increased Afghanistan requirement. Finally, the Marine Corps assigned additional maintenance personnel to Marine Corps Logistics Command (Forward) to make minor repairs on equipment in theater in order to satisfy increased Afghanistan equipment requirements.

Mr. ORTIZ. How, if at all, is the Marine Corps' readiness affected by the continued delay in the construction of new vessels for the Maritime Prepositioning Force (Future)? Specifically, what impact will the delay in construction of the MPF(F) amphibious assault ship, the LHA(R), and the Mobile Landing Platform have on the service life of the existing MPF ships or the risk associated with the Marine Corps' ability to generate Marine Expeditionary Brigades capable of conducting major combat operations?

General AMOS.

USMC Power Projection Doctrine

While the basic building blocks of combat power are frequently expressed as a Marine Expeditionary Brigade (MEB), it is the Marine Expeditionary Force (MEF) around which the USMC's combat planning revolves. The MEF provides the full complement of ground and aviation warfighting capability, together with the logistics support, to sustain the force. Doctrinally, and as stipulated in Combatant Commander war plans, the Marine Corps is tasked to fight in major combat operations—which require a 3.0 MEB force. While the first two of these MEBs are delivered by Assault Echelon shipping, the third MEB, the reinforcing and supporting element, is provided by the afloat prepositioning force in what is envisioned to be the MPF(F) with all of its vertical and surface maneuver and sustainment capabilities.

Assault Echelon Lift Requirements and Current Capabilities

The Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC) have determined that the requirement for shipping to support a 2.0 Marine Expeditionary Brigade (MEB) lift is 38 total amphibious assault ships as stated in a 7 January 2009 letter to HASC, SASC, HAC–D, and SAC–D committee chairmen. Assuming that the current operational availability for these ships is maintained over the long term, a 38 ship inventory will ensure there are at least 34 ships available at any time. This 34 ship inventory best fits the load requirements in terms of vehicle square, cargo cube, aviation deck spots and personnel necessary to support the timely offload and sustainment of a 2.0 MEB force should it be called upon to conduct amphibious operations. Understanding this requirement, and in light of the fiscal constraints with which the Navy is faced, the SecNav, CNO and CMC stated in the same 7 January 2009 letter to HASC, SASC, HAC–D, and SAC–D committee chairmen that the Department of the Navy would sustain a minimum of 33 total amphibious ships in the assault echelon. This 33 ship force accepts risk in the arrival of combat support and combat service support elements of the MEB but has been adjudged to be adequate in meeting the needs of all parties within today's fiscal limitations.

With this basis in mind, the Navy currently has a total of 31 Assault Echelon ships in commission, which does not meet the standard for providing 2.0 MEBs of amphibious lift.

As directed by the FY 2009 NDAA, the Navy moved funding for the two MPF(F) LHA(R)s in the FY09 President's Budget from the MPF(F) budget line to the Assault Echelon budget line to mitigate risk, increase operational flexibility, and provide a more robust aviation capability within this force thus enabling the 2.0 MEBs to be sourced from both the East and West coasts. This move was reflected in the Navy's FY10 program submittal to the Office of the Secretary of Defense. Though integral to reinforcing and supporting the USMC's 2.0 MEB Assault Echelon force, MPF(F) MEB is not considered a part of the Assault Echelon since it does not have a capability to conduct forcible entry.

Maritime Prepositioning Ship (MPS) Squadron Capabilities and Enhancements

The Marine Corps estimate is that the loss of the MPF(F) LHA(R), MLP, and the Large, Medium-Speed Roll-on/Roll-off (LMSR) ships does not have a direct impact on the service lives of existing MPF ships. However, it is expected that a full recapitalization of legacy MPS squadrons must occur in the 2020s. By that time, existing MPF AMSEA and WATERMAN ships will have reached the end of their expected service lives. In anticipation of that eventuality, the Marine Corps, as part of a wider Department of the Navy effort, is seeking key enhancements to our current MPS program to give legacy Maritime Prepositioning Ship squadrons additional at-sea vehicle and equipment transfer and selective offload capabilities in the near term, and to emphasize capabilities that will guide development of MPF (Future) squadrons and seabasing capabilities over the long term.

We are pursuing specific enhancements that provide for increased battle force engagement, irregular warfare, and security force assistance capabilities, as well as improved selective offload and in-stream offloading options in austere locations.

(1) Incorporating MPF(F)-designated T–AKE's 12–14, previously funded in FYs 09 and 10, into our current MPS squadrons, thereby enabling pallet-level stowage of approximately 25 percent of MPS sustainment stocks for at-sea selective offload to support exercises, experimentation/demonstrations, and contingency operations.

(2) Development and operational testing of a revised Mobile Landing Platform MLP to enable at-sea transfer of vehicles, personnel, and supplies from MPS LMSRs to Landing Craft Air-Cushioned (LCAC) for delivery ashore.

(3) Technology insertion and integration of sea state-3 capable ramps, pendulation controls system cranes, and LCAC interface features within Joint High-Speed Vessels, MPS LMSRs, and Roll-On/Roll-Off Discharge Facility(s) (RRDF), respectively.

These enhancements will increase the Department of the Navy's ability to engage, respond, and project power across the range of military operations.

Conclusion

The loss of MPF(F) LHA(R), MLP, and LMSR lift capacity significantly jeopardizes the established Marine Corps 3 MEB, MEF-level doctrine for sustained major combat operations forcible entry requirements and does not enable maneuver and sustainment operations from the seabase as conceptually envisioned. Effective MEF-level vertical and surface maneuver capabilities are necessary to provide the full complement of warfighting capabilities and longer-term sustainment capacity.

The loss of the MPF(F) MEB's MEF-level reinforcing and supporting capabilities will require continued reliance on today's Maritime Prepositioning Ships program which possesses less overall operational speed and employment flexibility, when compared to MPF(F), and poses greater operational risk.

While potential enhancements to today's MPS squadrons would provide vastly improved capabilities for in-stream offloading and delivery of personnel, supplies, and equipment ashore, such enhancements would not fully enable legacy MPS squadrons to provide the full range and depth of vertical and surface maneuver capabilities necessary to reinforce and support 2.0 MEB assault echelon forces during MEF-level forcible entry operations from the seabase.

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