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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2011

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON READINESS HEARING

ON

BUDGET REQUEST FOR THE MILITARY SERVICES' OPERATION AND MAINTENANCE FUNDING

HEARING HELD
MARCH 16, 2010

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FISCAL YEAR 2011 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FOR THE MILITARY SERVICES' OPERATION AND MAINTENANCE FUNDING

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
Washington, DC, Tuesday, March 16, 2010.

The subcommittee met, pursuant to call, at 2:06 p.m., in room 2118, Rayburn House Office Building, Hon. Solomon Ortiz (chairman of the subcommittee) presiding.

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

Mr. ORTIZ. The subcommittee will come to order. Today the Readiness Subcommittee meets to hear testimony on the military services' fiscal year 2010 Operation and Maintenance (O&M) request. I thank our distinguished witnesses from each of the military services for appearing before the subcommittee today to discuss funding for the services' readiness programs.

The Operation and Maintenance account is the single largest component of the Department of Defense's (DOD) annual budget request. The military services' O&M accounts provide funding for such readiness areas as operating forces, mobilization, training and recruiting, and administration of service-wide activities.

For fiscal year 2011 the O&M portion of the total budget request comprises $283.1 billion. The fiscal year 2011 total O&M request is $17.8 billion more than fiscal year 2010 request. The fiscal year 2011 total O&M request is broken into $167.9 billion in the base budget and $115.2 billion for Overseas Contingency Operations (OCO). Almost 40 percent of the total fiscal year 2011 O&M request is for Overseas Contingency Operations.

The 2011 total budget request will increase the military services' O&M account by $15.2 billion over fiscal year 2010. Army and Marine Corps forces continue to deploy to Afghanistan and Iraq at the highest levels of readiness, but this readiness comes at the expense of non-deployed forces, whose people and equipment are needed overseas.

Repeated deployment with limited dwell time continues to reduce the ability of the forces to train across the full spectrum of conflict. However, the Army and Marine Corps are beginning to experience small increases in time at home stations as forces withdraw from Iraq. The fiscal year 2011 budget reflects this positive development by providing increased training funds for each of the services.

At the same time, however, Navy and Air Force readiness levels, which throughout the wars have remained relatively steady, are declining due to strains on people and equipment. The Navy has more than 12,000 sailors deployed ashore in the Central Command areas of operations, where the Air Force has more than 6,600 people supporting the Army and Marine Corps. With the Army and Marine Corps heavily engaged in Afghanistan, this development in Navy and Air Force readiness is troubling, as it increases the risk to national security if our military had to quickly respond to emerging threats.

The fiscal year 2011 request provides funding to continue to support reset of equipment damaged or worn out through nine years of constant operations. The Army and Marine Corps together would receive more than $8.4 billion for equipment reset in fiscal year 2011. But I remain concerned that so much of the Army's and Marine Corps' depot maintenance budgets, upwards of 80 percent, is still funded through the OCO request. At some point depot maintenance funding must migrate back to the base budget.

The fiscal year 2011 budget request increases funding for both Army and Marine Corps pre-positioned stocks. This is equipment that is situated throughout the world for quick access and movement to emerging theaters of operation. While the current budget plan shows the Army and Marine Corps resetting all the pre-positioned stocks by 2013, my theory is that the budgetary pressures and other priorities will continue to drive the timeline farther to the right.

The Navy's fiscal year 2011 ship maintenance budget of $7.4 billion shows improvement over fiscal year 2010 level when the Navy had an unfunded requirement of almost $400 million. But pressures remain on the Navy O&M budget. This is evidenced by fiscal year 2011 unfunded ship maintenance requirements of $35 million, which the Navy noted is driven by current United States Central Command (CENTCOM) demand.

The budget for Naval flight operations will increase by more than $875 million in fiscal year 2011, but almost half of this growth is inflationary rather than real programmed growth. Shortfalls remain in the Naval flight operations account, which shows a $423 million unfunded aviation spares requirement in fiscal year 2011.

The Air Force, too, is experiencing shortfalls in its flying hours program. The fiscal year 2011 Air Force O&M total budget request of $60.1 billion for active, reserve, and Air Guard represents 7.3 percent increases over fiscal year 2010. But inflation and cost growth account for approximately $2 billion of the increase, and fuel price increases alone account for $1.1 billion of the increase in the base and $500 million of the increase in the OCO. The Air Force number one priority on its unfunded requirement list is weapons systems sustainment at $337 million.

In light of these budgetary realities, what the subcommittee needs to hear from our witnesses today is where each of your services is taking risk in this budget request in terms of impact on readiness.

Before I turn to my colleague from Virginia, I will also note that fiscal year 2011 budget continues the insourcing initiative the Department of Defense began in fiscal year 2010. In fiscal year 2011,

the four services will insource more than 22,000 positions now held by contractors. The department estimates that it will save more than $1 billion through these efforts.

This comes at a time when we have learned that the commander of the Army Training and Doctrine Command (TRADOC) is concerned about the loss of competencies and functions. TRADOC has decreased in size by 7,300 military positions and 4,500 Army-civilian positions since September 2001, while the average daily workout requirement has steadily climbed.

To address this shortfall, TRADOC has employed more than 9,000 contractors, resulting in what TRADOC commander termed a de-greening of the TRADOC force. All of the services express similar concerns regarding the loss of competency among their acquisition work.

The chair recognizes the distinguished and good friend from Virginia, Mr. Forbes, for any remarks that he would like to make at this time.

Mr. Forbes.

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

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

Mr. FORBES. Mr. Chairman, thank you so much for holding this hearing. And with your permission, I would like to waive my opening statement, because I am going to use my time for my questions, because I have a few more than I would normally have, and just like to request permission to have my opening statement made a part of the record.

[The prepared statement of Mr. Forbes can be found in the Appendix on page 46.]

Mr. ORTIZ. Our witnesses today are four distinguished military leaders.

And thank you so much for your service to our country and your dedication in keeping America free and strong today.

We have General Peter W. Chiarelli, Vice Chief of Staff of the Army.

General, thank you so much for joining us today.

Admiral Jonathan W. Greenert.

Admiral, good to see you again, sir.

And General James F. Amos, Assistant Commandant of the Marine Corps, and General Carrol H. Chandler, Vice Chief of Staff of the Air Force.

Thank you so much for joining us today, and thank you for giving us the input you are going to give us today as what we need to do to keep our readiness where it belongs.

General Chiarelli, you may begin whenever you are ready, sir.

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

General CHIARELLI. Chairman Ortiz, Ranking Member Forbes, distinguished members of the subcommittee, I thank you for the opportunity to appear here today to discuss the readiness of the

United States Army as it relates to our fiscal year 2011 operations and maintenance, or O&M, budget 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 all of you know, these are challenging times for our nation's military. Over the past eight-plus years with the tremendous support of Congress and this committee, we have deployed the best manned, equipped, trained and led forces in the history of the United States Army. However, the fact remains we have asked a great deal from our soldiers and their families, and we are continuing to ask a great deal from them today.

Demand on our forces remains high. Even with savings from the planned draw down in Iraq, the current level of demand does not appear likely to improve significantly for the foreseeable future. We must continue to work together to ensure all soldiers from both our active and reserve components and their families are properly cared for and have the training, equipment, and resources they need to accomplish their mission now and into the future.

The Army's fiscal year 2011 budget request wholly supports this—our fiscal year 2011 budget base and OCO requests $107.3 billion in operations and maintenance funding, a $7 billion increase in fiscal year 2010. This growth reflects increases in pricing and inflation, migration of funding for enduring missions from OCO into the base, the need for new infrastructure in Afghanistan, as well as the significantly higher cost of transportation and in-theater maintenance in Afghanistan as compared to Iraq, and finally, the additional funds needed to restore balance across our force.

We are confident this funding will enable us to accomplish our mission at home and abroad to care for our soldiers, civilians and family members, and adequately man, equip and train our force.

That said, we all recognize an uncertain world—and there is always the possibility that circumstances may change unexpectedly and dramatically—if so, we will work very closely with Congress and the Department of Defense to make any necessary adjustments.

I assure the members of the subcommittee that I and the Army's other senior leaders are aware of the severe economic challenges facing our nation. We remain diligent in our efforts to be good stewards of the scarce taxpayer dollars and to find efficiencies and cost savings whenever and wherever possible while allocating available funds most cost effectively and responsibly.

Mr. Chairman, members of the subcommittee, 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 answering your questions. Thank you.

[The prepared statement of General Chiarelli can be found in the Appendix on page 47.]

Mr. ORTIZ. Thank you, sir.

Admiral Greenert.

STATEMENT OF ADM. JONATHAN W. GREENERT, USN, VICE CHIEF OF NAVAL OPERATIONS, U.S. NAVY

Admiral GREENERT. Chairman Ortiz, Ranking Member Forbes and distinguished members of the Readiness Subcommittee, it is my honor to appear before you to testify on the readiness of our Navy.

Naval operations are often one component of the Joint Force, so accordingly, it is my privilege to address the committee alongside my fellow service vice chiefs and the Assistant Commandant of the Marine Corps.

Today we remain engaged in supporting operations in Afghanistan, Iraq, and all the other combatant commander areas of responsibility. We have over 120 ships deployed. That is more than 40 percent of our fleet providing presence in every region of the world.

Within hours of the earthquake in Haiti, we mobilized the aircraft carrier *Carl Vinson* and quickly thereafter the Bataan Amphibious Ready Group, and three ships and their supporting forces were dispatched only 34 days after they returned from a 6-month deployment to the Central Command. Our hospital ship, USNS *Comfort*, which arrived home this week, deployed into Haiti and completed over 800 major surgeries and tended to over 1,000 patients. Our commitment to the Fleet Response Plan made this timely and effective response possible.

During the past eight years, resourcing our Navy in a high demand operational environment has been challenging, to say the least. The Congress has been incredibly helpful by supporting our budget requests as well as providing Overseas Contingency Operations funds or similar supplemental funding. However, high operational tempo, a reduced turnaround ratio, and reduced dwell continue to increase risk to fleet readiness, our force structure, and our personnel.

As we look to the future, we must holistically balance our combatant commander requirements against our global force management. We have to transition from a supplemental resource dependency more toward a baseline budget resource that includes fiscal support necessary to meet those Combatant Command (COCOM) demands outside of Operation Iraqi Freedom and Operation Enduring Freedom. And we refer to this transition as our new normal.

To properly fund our new normal level of operations, we have increased our base budget O&M request by about six percent compared to last year. And we respectfully request the support of the Congress to fully fund our O&M base budget request and to fully fund our OCO request to support the current and the near-term operations in the Central Command.

Naval ships and aircraft are capital-intensive forces. They are procured to last for decades. Routine maintenance, depot level maintenance, and repair replacement of the stressed force structure are key elements in this reset of our force.

We refer to maintenance between deployments as reset in stride, and it enables timely rotational deployment of the ships and aircraft. It provides forces ready for surge operations, such as Operation Unified Response in Haiti, and it translates into decades of readiness for each ship and aircraft, which is a pretty good return on investment.

The stress of eight years of consistently high operations tempo can be debilitating to the sailors, Navy civilians, and their families, so it is incumbent on us, the leadership, to monitor the morale, the health and the tone of the force, and for us to act accordingly.

Our budget request for sailor family readiness programs enhances our support to our sailors, our Navy civilians, and their families, particularly those wounded, ill, or injured. And we do this through expanded fleet and family support centers through our Navy Safe Harbor Program and the Operational Stress Control Program.

Our Navy child and youth programs provide high-quality educational and recreational programs for our Navy children, and in particular we are leveraging military construction, the American Recovery and Reinvestment Act funding that you have provided, commercial contracts, and military certified in-home care to expand and increase our childcare.

I submit that readiness is a function of capable forces with sufficient capacity that are ready for tasking. The return on investment in our Fleet Response Plan is measured by our ability to deliver the required capabilities and rotational deployments and simultaneously to be able to respond to the emerging needs of the combatant commanders.

Our readiness budget request enables this return on investment, and I ask for your continued support. I thank you for your unwavering support and commitment to our sailors, our Navy civilians, and their families, and I thank all of you for what you do to make our Navy an effective and an enduring global force for good. I look forward to your questions. Thank you.

[The prepared statement of Admiral Greenert can be found in the Appendix on page 61.]

Mr. ORTIZ. Thank you, Admiral.

General Amos.

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

General AMOS. Chairman Ortiz, Ranking Member Forbes, and distinguished members of the subcommittee, thank you for the opportunity again to report on the readiness of your Marine Corps. On behalf of the more than 239,000 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. Within the CENTCOM theater of operations, we have successfully completed a responsible draw down of all Marines in Iraq. After seven years of sustained combat operations and nation building, our work in Iraq's Anbar province is done. With the exception of our training teams and support to higher headquarters staff, 100 percent of our Marines and 100 percent of our equipment have left Iraq.

As we sit in this hearing room today, more than 27,000 Marines remain deployed across the globe supporting Overseas Contingency Operations, security cooperation activities, and exercises. Specifically, your Corps has oriented its principal efforts towards Afghanistan. To date we have almost 17,000 Marines and sailors on the

ground in the Helmand province, growing to a force size of 19,400. We will close the units of the surge force by the end of April.

All of our forward deployed units are manned, trained, and equipped to accomplish their assigned missions. These units continue to report the highest levels of readiness for those missions.

For the past eight years we have been fully engaged in winning in combat operations as part of the generational struggle against global extremism. As I testified last year, this sustained effort and performance has not come without cost to the institution, to our equipment, to our strategic programs, and most importantly, to our Marines and to their families.

Equipment readiness of our non-deployed units is of great concern to our senior leadership. We have taxed our home station units as the bill payers to ensure that Marines in Afghanistan and Marines in our Marine Expeditionary Units have everything that they need. As a result, the majority of our non-deployed forces are reporting degraded material readiness levels. This degraded state of readiness within our non-deployed forces presents risk to our ability to rapidly respond to other unexpected contingencies around the globe.

The tempo of operations and the harsh environments that we have been operating in since 2003 have accelerated the wear and tear on our equipment. Necessarily, the diversion of equipment in theater from Iraq to Afghanistan has delayed reset actions at our logistics depots in the United States. Our current estimate of the cost of reset for the Marine Corps is $8 billion.

Additionally, validating the lessons learned from eight years of combat has necessitated that we update and improve the way we equip our units. The cost for these changes to our equipment sets is estimated to be an additional $5 billion.

Money to reset and to rebuild the Marine Corps will be required for several years after the end of the war. I ask for your continued support and funding as we rebuild our nation's Marine Corps. With your steadfast support, we will succeed in current operations, take care of Marines and their families, reset and modernize our equipment, and training the Marine air ground task forces for the challenges of the future.

We will continue to stand ready as the nation's expeditionary force in readiness to do whatever she requires of us. I thank each of you for your faithfulness to our nation, and I request that my written statement be accepted for the record. I look forward to your questions.

[The prepared statement of General Amos can be found in the Appendix on page 76.]

Mr. ORTIZ. Thank you, sir. All the written statements will be included for the record.

General Chandler, sir, good to see you, sir.

STATEMENT OF GEN. CARROL H. CHANDLER, USAF, VICE CHIEF OF STAFF, U.S. AIR FORCE

General CHANDLER. Good to see you, sir. Mr. Chairman, Congressman Forbes and distinguished committee members, thank you for the opportunity to represent your Air Force before the committee today.

I am proud to be here also with my joint teammates, but let me begin by saying that your 680,000 strong United States Air Force—active duty, Guard, Reserve, and Department of Defense civilians—is ready to execute our mission. Our readiness is demonstrated every day as we serve alongside our joint and coalition partners in Iraq, Afghanistan, and around the world. On any given day there are approximately 40,000 deployed airmen providing close air support, tactical and strategic airlift, intelligence, surveillance, reconnaissance, and combat search and rescue, along with other combat and combat support functions.

Of these 40,000 airmen there are approximately 5,300 providing joint expeditionary taskings, providing combat and combat support functions with Army and Marine Corps units in Afghanistan and Iraq. In addition to our deployed presence, more than 131,000 airmen are performing deployed in place missions supporting combatant commanders. These airmen are operating remotely piloted vehicles, maintaining satellite constellations, conducting inter-theater airlift, and maintaining our nuclear deterrence posture.

Additionally, the Air Force continues to provide defense of the homeland as a total force effort involving Guard, Reserve, and active duty personnel from locations around the United States.

Stabilizing our end strength is a critical part of maintaining personnel readiness. The Air Force met its goals for new accessions and retaining our current experience in nearly every area. Our retention rates are at a 15-year high, and we are generally exceeding our goals by about 20 percent. Only health professionals fail to meet retention and recruiting goals, and there are efforts under way to mitigate current shortfalls.

Selected retention bonuses remained our most effective retention tool and these bonuses, along with critical skills retention bonuses for officers, are successfully targeting 91 enlisted and three officers specialties.

Last June the Air Force initiated the Year of the Air Force Family, and more than halfway through this effort we are on course to eliminate the known childcare deficit in our child development centers by the year 2012. We are increasing spouse employment referral assistance, and we have added 54 school liaison officers to assist school transition for almost 175,000 school-age Air Force dependents.

We are improving our Exceptional Family Member Program, which supports more than 15,000 airmen with special needs family members. We are also increasing the quality of programs providing deployment and reintegration support for our airmen and their families.

Our aircraft are well-maintained and ready, although our aircraft inventory is seeing extensive use in contingency operations, and the fleet's average age continues to increase. I would tell you the dedicated work and professionalism of our airmen ensures that we are always ready.

Our combat Air Force aircraft continue to provide global power when and where it is required. Our airlift fleet continues to provide strategic airlift as well as theater and direct support airlift missions, moving personnel, and a wide variety of equipment and supplies.

The recent release of a KC–X request for proposal began the process of re-capitalizing our aerial refueling capability, and the planned acquisition of 175 KC–X aircraft will help provide refueling capability for decades to come.

The nation's nuclear aircraft and intercontinental ballistic missiles (ICBM) remain the highest priority of our service. Of all the missions the Air Force accomplishes every day, none is more critical than providing nuclear deterrence. Intercontinental ballistic missile crews sit nuclear every day, and nuclear capable and bomber and fighter crews and their weapons systems contribute to our deterrence posture.

Mr. Chairman, the Air Force will continue to provide our best military advice and stewardship, delivering global vigilance, reach, and power for America. I thank you for your continued support for our Air Force and particularly for our airmen and their families. And I look forward to your questions.

[The prepared statement of General Chandler can be found in the Appendix on page 92.]

Mr. ORTIZ. Thank you so much. You know, as we look around the globe, I have never seen so many hotspots like I have seen lately, not only around the world, but right in our backyard, as we know what is happening across the border with all of the killings and cartels and drug trafficking. So we have got a challenge ahead of us.

But what readiness—and this is for all the witnesses who are with us today—what readiness challenges do each of your services face in fiscal year 2011, and in what areas are each of your services taking risk in fiscal year 2011 O&M budget request? And what impact has the increased price of fuel had on your ability to meet readiness requirements? And maybe you can give us a little input from each respective service.

We can start with you, General Chiarelli.

General CHIARELLI. Well, Mr. Chairman, 2011 is definitely a transition year for the United States Army. That is the year that we see ourselves getting back into balance, and we define balance as 12 months deployed, 24 months or greater at home. And that is the interim goal for us in 2011 to get there.

There will be some military occupational specialties, some soldiers that will reach sooner, and there is no doubt in my mind that there are some soldiers—to give you an example, our aviation soldiers, who will probably reach it later. Currently, our aviation is flying at about one-to-one.

So the biggest risk for us after eight and a half years of war is if something were to happen that would not allow us to get that balance, because the force has been moving very, very, very hard for a long period of time.

We are very, very happy with what we see happening in Iraq. The elections were successful. We expect to start seeing some of those soldiers returning home soon, and we believe that is going to be a big step forward in moving us toward reaching that critical balance by 2011.

Mr. ORTIZ. Admiral.

Admiral GREENERT. Thank you, Mr. Chairman. In order to talk challenge in 2011, I need to go to 2010 first and talk risk. Right

now our risk in fiscal year 2010 is unfunded Central Command operational tempo, about $450 million, fuel prices increase in 2010 about $250 million, and what we call request for forces, emergent requests by the combatant command, and the meeting of that in 2010. It is about $150 million.

And the risk is dealing with that in 2010, mitigating that within the 2010 budget and having what we call bow wave effect over into 2011. So that is our first challenge, to be able to mitigate those things in 2010, deal with it so that the 2011 budget, as we submitted to you, stands on the basis of the readiness in 2010, meeting the readiness requirements of 2010.

Looking at fiscal year 2011, I think our first challenge is meeting the execution requirements by the combatant commanders that are put before us, and that is outside of what we call the new normal. It is outside of Operation Iraqi Freedom, outside of Enduring Freedom. It is Southern Command, and it is the Pacific Command and the emergent requirements therein.

In our budget, as a result of the Quadrennial Defense Review (QDR), we are going to take on a ballistic missile defense mission around the world. That is a challenge. We think we have it right, but it will be a challenge that we have to meet. It is a new challenge.

We have increased inter-theater lift requirements in our shipbuilding account in the Joint High Speed Vessel—that will be a challenge for us—and in irregular warfare.

As I have mentioned in my opening statement, our risk is that we are unable to articulate our budget and get it authorized and appropriated in the amount we ask. That is a six percent increase so that we can see to it that having worked hard and really scrubbed our ship maintenance budget and our operation accounts, that we can execute those as we need to to meet the expected service life of our ships.

We need to reset the force, sir. And we need to, I think, come to grips with that sooner than later. So thank you for the opportunity to comment.

Mr. ORTIZ. Thank you, sir.

General Amos.

General AMOS. Chairman, there is much goodness in the 2011 budget. It has helped us with certainly the current fight, taking care of our Marines and families, protecting our end strength, allowing us to focus on irregular warfare, and to some degree preparing for the future.

But there are concerns, and it is primarily as it deals with reset and modernization—reset, of course, being the factor of replacement of a worn-out vehicle with a similar vehicle. Modernization is a little bit of that, but also looking into the future and moving up in generations of equipment and capabilities. So that is a concern of ours.

We have tried to mitigate that and articulate that requirement through this what we call the lessons learned. What did we learn from seven years of combat—and I talked about it in my opening statement—and trying to take those kinds of lessons learned and what does that mean to our table of equipment? What does that mean to modernization in capabilities?

There is no money in the budget to do that right now. So what we are finding is our equipment is being worn out in those harsh conditions, and the extreme usage of that forward deployed, our home station readiness is, as I said in my statement, is suffering. We are running roughly about 60 percent of the supply readiness—in other words 60 percent at home of what we should we have. That that is home is in good shape, but there is just less of it to spread around for training and less of it to go to another contingency.

So that pressurizes what we call our procurement accounts—in other words the ability for the procurement side of the Marine Corps to say, okay, we need to modernize. Let us invest into this. That pot of money is decreasing remarkably, and so we have less discretion to be able to buy those kinds of things to modernize the Marine Corps.

So we find ourselves doing what our nation wants us to do, almost wearing out our equipment back home to a point where we are not completely convinced we are going to be able to modernize it without the help of Congress.

Mr. ORTIZ. General Chandler.

General CHANDLER. Sir, you know that in our base budget we funded weapons systems support at 65 percent. We certainly appreciate your support for the OCO increase that allows us to get to approximately 82 percent. That is why our number one unfunded priority in the Air Force is weapons systems sustainment for another $337 million to allow us to fund weapons systems sustainment at 85 percent.

The risk we take as we do that is about a $2 billion risk from $13.4 billion down to about $11.4 billion. In that risk is depot level maintenance for aircraft and engines, as well as contractor logistic support and a few other items, to be specific.

We are also the largest user of petroleum products in the department, so when we talk about the price of oil, for every barrel of oil, the cost, you can add approximately $8 to $10 to get the price of a barrel of JP–8.

We continue to look for ways to conserve. We have looked at how we convert our fleet from 50 percent synthetic and 50 percent petroleum fuels. By the end of 2011, we will have all of our aircraft certified with a 50–50 mix of petroleum itself. But those kinds of expenses are the things that compete with the weapons systems support things that I talked about earlier.

We are in the same position as the other services in terms of modernization and re-capitalization. The pressures that I have described, and what is weapons systems sustainment and fuel costs, tend to eat up O&M and other funds that would allow us to pursue modernization and recapitalization. So, again, we are in the same situation as the other services as well.

And that then leads us to how we are dealing with some of our aging aircraft issues and the vicious cycle, then, of the weapons systems support money that has to go back in there that will prevent you, then, from being able to recapitalize the fleet where you need to. Thank you.

Mr. ORTIZ. You know, one of the things that concerns me the most is the escalation of the prices that we pay for the equipment.

If I understand correctly, during the first Desert Storm, Desert II war, we were paying something like $40,000, $50,000 for the High Mobility Multipurpose Wheeled Vehicles (Humvees). Now, eight, nine years later, they tell me that is around anywhere from $350,000 to $450,000 per vehicle. Of course, we are putting more protection to protect our soldiers, but that is a heck of an expensive item, and everything seems to be going up, up, up.

And we do have a caring committee here. They want to do what is best for you and our young men who are out there, you know, in harm's way. But this escalation of prices, you know, and now they came up with a profit and not-for-profit, you know, budget request. Well, I am thinking that some of the big companies we deal with, that you have to deal with, are for-profit, unless I am mistaken, otherwise they wouldn't be in business.

But this really concerns me, and I don't know how to address this, to be honest with you. And you can only do with what we give you, so you are kind of handcuffed. I mean, what can I do? I only got so much money from the Congress. But we want to work with you and future conflicts, and I think of each of you touched on future conflicts in case something develops around the world.

I mean, we are in a heck of a predicament. What are we going to do? Our soldiers are tired, many deployments. Even though we are coming back, downsizing in Iraq and bringing some of our young men back, but it is a problem. And I don't know if whether you want to touch on what I just said, but if not, I will just yield to my good friend for questioning.

General AMOS. Chairman, that is the dilemma. It is the cost of equipment. The average cost of a Mine Resistant Ambush Protected Vehicle (MRAP), for instance, is $750,000. It topped out at about a million. The least expensive is about $500,000. We are looking right now at vehicles that we could replace the 25,000 Humvees that we have, or at least a portion of the 25,000 Humvees we have, that would give us greater mobility and give us a higher level of protection than a flat bottom Humvee and up-armored Humvee, but yet not break the bank.

We are looking at those vehicles, and I am hearing reports, and there has certainly not been any selection. I am hearing reports of $100,000 for a vehicle to replace the Humvee. So, I mean, this is a dilemma we face, and each one of those things with a finite amount of latitude in procurement and modernization accounts. This reduces the amount, the sheer amount of vehicles in our case or pieces of equipment that we can buy. You are absolutely correct.

General CHIARELLI. Mr. Chairman, I share your concern. And one of the projects we are currently working on is a series of portfolio reviews. If you take any single system and look at it individually, you can make a pretty strong argument that it is required. But if you take and look at them in a portfolio of common systems—example, precision munitions—you will find that there are probably systems that we have, at least the United States Army has made, precision that don't need to be precision or don't need to be at the numbers that we bought them at.

And we see the opportunity here for some efficiencies—not that precision isn't important, but does that mean that every single sys-

tem has to have a precision component to that? And I would argue that is not the case.

And the other issue with precision munitions is the cost. You take a round for a 155-millimeter cannon, what we would call a dumb round, $650 apiece. If you go ahead and make that a precision round—it will get inside 10 meters circular error probable—you are looking over the life of that round about $78,000 apiece.

So it is time we think in the Army that we step back and look with an understanding that this is an important capability to have, but wherever we can, look at these systems in a portfolio and seek where we might not be able to find efficiencies.

Mr. ORTIZ. If we don't have any other input, let me yield to my good friend from Virginia, Mr. Forbes.

Mr. FORBES. Mr. Chairman, thank you, and thank you for holding this hearing.

And, gentlemen, you probably heard at the outset I waived my opening statement so that I could spend just a little bit more time on my questions. And I want to begin by saying that all of you are good men, and you serve with good men and women. I serve with good men and women up here, but sometimes even good men and women can make bad decisions, and that is why we have to have these hearings and we have to ask these questions.

And I want to begin my questioning, Admiral, with you, if you don't mind. I want to start by saying that you and I had the opportunity last week to sit down and talk, and I appreciate that opportunity. And I told you then I was going to give you the questions, and I gave you the questions. I said this is an open book exam. This is not to blindside anybody, and I want to tell you how much I respect you and your service to our country and what the Navy does.

But I also told you I had some concerns, because we have been asking some questions that the Navy hasn't been responding in their questions. One of the things that I mentioned at the meeting that we had was we were very concerned last year when we didn't receive the shipbuilding plan that the law required. And we didn't receive it based on the statute, but then when the entire Armed Services Committee through a congressional inquiry voted unanimously to ask for it, we still didn't get it.

When we finally got the shipbuilding plan, there were some discrepancies between the Congressional Budget Office numbers and between the plan itself. And I don't want to talk about the plan today. I want to just tell you that the other thing that happens to us oftentimes is for me to get folks in here, whether it is the chairman of the Joint Chiefs or whether it is your boss, the Chief of Naval Operations (CNO), there is kind of a game.

And I am not saying they play a game, but it is a game that goes on. It is called "Beat the Clock," because we only have 5 minutes to ask questions, and oftentimes that 5 minutes goes by very, very quick, and sometimes the question we ask doesn't get answered, and there is no follow-up.

So today the clock is off—no shot clock. We don't have to run it down. Open book test. If you need time, you got your staff here. We will give you a lifeline. Call the CNO, whoever you want. If I don't phrase the question right, stop me, because it is not my inten-

tion to blindside you or to put anything out on the table. The only thing I ask you not to do is please don't say you will get back to me, because I don't ever get anybody get back to me when we ask that.

And so I want to begin with the question I told you I was going to ask you. It is about Mayport and about shifting a carrier from Norfolk to Florida. And I start with the Environmental Impact Statement (EIS), which I know you have read, and I am not going to ask you if you have read it, because I know that you have, and I know you have studied it in preparation, hopefully, for this hearing.

But I want to read to you what that EIS concluded. It said the rationale for moving that carrier was this. "Distribution of CVN homeport locations to reduce risk to" and then it said, "fleet resources in the event of natural disaster, man-made calamity or attack by foreign nations or terrorists." Then the next subheading said, "Carriers, industrial support facilities and the people that operate and maintain these crucial assets."

Now, Admiral, since you are the Vice Chief—you are right under the CNO—I want to start with the one that says natural disasters. And I want to walk through that. And first of all, I want to say I think you and I can agree that as to Norfolk and Jacksonville, we are not worried about earthquakes particularly. At least, we haven't had any in any of our lifetimes or our grandparents' or great grandparents' lifetimes. We are not really worried about a tornado hitting there to do that kind of damage, so we are worried about, first of all, hurricanes.

And I want to put up a slide up here. It is slide number one. And if you can't see it, Admiral, I will have one of my staff members put a poster up here closer to see it. So can you see that okay, or do you want them to put a——

Sam, can we have a poster put up closer to the Admiral just so that he can see what we are all looking at up here?

This is from the EIS, and it says that for hurricane risk, no advantage between Norfolk and Mayport. And then Admiral Roughead, when he testified, and again it was right at the last-second buzzer going off, so I didn't get to follow up, he said they are very, very similar. Mayport fares quite well.

[Slide one can be found in the Appendix on page 105.]

Mr. FORBES. And now I am going to ask you if we can put up slide two. And to the right, with all of those lines, is Jacksonville. To the left is Norfolk. These are hurricanes from 1851 to 2005.

Now, Admiral, I want you to just tell me how you can say—because when they put these slides up, everybody always laughs. My staff laughs, and they say how in the world you can say you are going to disregard hurricanes? But can you tell me today how you can say, looking at those two slides as to hurricanes, there is no disadvantage to Jacksonville over Norfolk?

And again, I told you I was going to put this slide up, so it is not a blindside for you. Here it is.

[Slide two can be found in the Appendix on page 106.]

Admiral GREENERT. Thank you for that question, Congressman, and for the opportunity to comment. The timeframe that we looked at and slides that I looked at in the study—here we have 200,

roughly 200, 150-plus years, 155 years—in the most recent history I looked at, I found somewhere between, over the last 15 years, it was statistically insignificant—that is, the number of hurricanes in Jacksonville, Mayport area versus Virginia.

This, as one zooms in and you look at the lines crossing here—it is difficult for me to do when I zoom in to Mayport—but I would say just optically, I can't tell that it is all that much. Florida certainly has an issue, but I don't know that Mayport is that much different. I can't tell right now. I would have to go count the lines.

But we looked at this from a risk, risk equaling, if you will, the probability times the consequences. And the consequences of a storm or a natural disaster far and away we deem to be very significant factor in determining this strategic homeporting. And we look at it not as a matter of if Mayport or Norfolk, but both, that we think it is important that we have a carrier in both ports, because the consequences are that significant.

Mr. FORBES. Now, Admiral, when you talk about the percentages, you couldn't tell as you zoom in on those lines—you use National Oceanic and Atmospheric Administration (NOAA) as the basis for your probabilities and all when you looked at the EIS.

I am going to ask that we put up slide three now to show you that NOAA just disagrees with your optical glance at that.

[Slide three can be found in the Appendix on page 107.]

Mr. FORBES. NOAA says it is a 75 percent greater risk in Jacksonville to be hit by a category four hurricane, which is the one that is most probable to do the kind of damage, 58 percent greater for a category three, 47 percent greater for a category five. Admiral, I just in all due respect think that you can say hurricanes don't matter. I really don't think it is plausible to say that in this situation not a significantly greater opportunity that a hurricane is going to hit Jacksonville that it is going to hit Norfolk.

I want to go to the next concern that you had in the EIS, though, where you talked about man-made calamities. And I guess one of the things you were worried about is the clumping situation of having carriers all together and some type of calamity that would hit.

This chart—and again, I have got one closer for you to see—I guess we don't have the same concerns with our SSBNs, because we have only got one base for them in Kings Bay, Georgia, and one base in Washington in Bangor. Or maybe, I guess, we have to ask Congressman Dicks and Congressman Kingston. They had better be careful, because we are going to have to break those up. I guess we need to ask Congressman Larsen on the EA–6Bs in Whidbey Island, because they are all together. We might have to break those up. Or maybe we ask Chairman Skelton on the B–2s in Whiteman Air Force Base, because we have got those clumped together.

[Slide four can be found in the Appendix on page 108.]

Mr. FORBES. But I want to go again to your man-made calamities and put up slide five, so you can look at this. This is a to scale copy. And again, it may be hard for you to see the TV, but you can see from looking at the chart. These are the openings coming into Pearl Harbor, San Diego, and Bremerton, Washington. You can see they are about 1,100 feet shore to shore, 2,000 feet, 2,000 feet.

[Slide five can be found in the Appendix on page 109.]

Mr. FORBES. And then put up slide six, if you would.

And in slide six, the one on the left to scale is Norfolk. The one on the right is Mayport, 1,000 feet shore to shore. This is the narrowest access, and I know you are well aware of that, being at Fleet Forces Command in Norfolk. It is 4,500 feet from island to island.

The shot on the right of Mayport, if I am bringing in a freighter, coming up it is right off the ocean. You know, when you are bringing up Norfolk, you got to come up the bay and then you got to make that turn to come up to harbor. If a freighter is going down that ocean and turns to come up that channel, what are you going to do? He won't respond to you, and he won't stop on the Mayport side.

[Slide six can be found in the Appendix on page 110.]

Admiral GREENERT. One more time, you are talking about Mayport.

Mr. FORBES. On the right, you look at that channel. It is only a thousand foot, and that is a thousand feet, not even the channel. That is a thousand feet from shore to shore. You bring a freighter up there, and all of a sudden the freighter turns to come up that channel. What do you do if he is not responding to you, and you don't know what is in that freighter?

Admiral GREENERT. Well, there are a number of consequence management. If the freighter is in the channel and the freighter—make sure I understand it. He is blocking the channel, you are implying?

Mr. FORBES. Coming up the channel, but he won't respond to you, and you don't know what he has got in his ship. What are you going to do?

Admiral GREENERT. Well, there is a function of threat. If I knew of or expected a threat, we have various and sundry ways to do that. There are certainly rules of the road. There is a protection that, depending on the value of the unit that I am dealing with, I have Coast Guard protection as well and Coast Guard mandates and regulations.

Mr. FORBES. If he rams that freighter in that channel or up against the shore, doesn't he block that channel from anybody getting in or out of that channel, as small as that channel is?

Admiral GREENERT. Depending on the angle, I guess it is feasible. When you say "block," I would have to look at that angle of it. There are ways to remove the ships from that channel as well.

Mr. FORBES. But it would take a while to do that, wouldn't it?

Admiral GREENERT. It might.

Mr. FORBES. Yes, unlike the size of the channel in Norfolk, which you still have a number of ways of getting out.

I also want to go back to what we talked about in here, the other one that you are concerned with—foreign nations. I take it we weren't concerned very much about the Soviets, because we didn't talk about moving the carriers during the Cold War. I would also assume we are not really worried about the Chinese, because we downgraded our intelligence priority on the Chinese now from priority one to priority two. So I would take it we don't view them as a great risk.

But then you also have on here terrorists. In looking at the terrorist threat, how great do you think a terrorist threat is to the Hampton Roads area?

Admiral GREENERT. I am unaware of any terrorist threat to the Hampton Roads area any different from any other port that we have, so to say there is no terrorist threat would probably be inaccurate, but not necessarily different from the others at this time.

Mr. FORBES. And if you moved a carrier, how would it reduce that terrorist threat?

Admiral GREENERT. What I do is I gain a relief of the consequences of any emerging or ultimately emerging terrorist threat. And we had two carrier ports during the Cold War. We had Mayport.

Mr. FORBES. You have got actually five right now, though.

Admiral GREENERT. Only one on the East Coast, sir.

Mr. FORBES. Yes, but you have got five.

Admiral GREENERT. Only one on the East Coast 12,900 miles away.

Mr. FORBES. Okay. If you had to do work on one of those carriers—I will get back to that in a minute. Tell me how you remove the risk if I move one carrier out of the port.

Admiral GREENERT. Move one carrier to Mayport, you mean, sir?

Mr. FORBES. How does that reduce the terrorist risk in Norfolk?

Admiral GREENERT. It doesn't remove the terrorist risk to Norfolk necessarily, unless they are compelled to target carriers alone.

Mr. FORBES. Okay. How does it protect the carrier by having one homeported in Mayport?

Admiral GREENERT. Protect the carrier that I just moved to Mayport?

Mr. FORBES. I am just going by your EIS, which says that you are moving it because you want to reduce the risk to carriers from terrorists.

Admiral GREENERT. By dispersing the force, then what I do is that is one way to, if you will, counter the terrorist threat, to disperse the force.

Mr. FORBES. Thank you.

Can we put up slide seven, please?

You are aware, Admiral, that in the last 6 years you have only had five carriers together 34 days, right?

[Slide seven can be found in the Appendix on page 111.]

Admiral GREENERT. It hadn't crossed my mind till you just showed me, Congressman.

Mr. FORBES. But with only 34 days, a scheduling change could keep them from all being there together, too, couldn't it?

Admiral GREENERT. It depends on the time we do. We schedule our carriers. At times they are. We have a number of carriers in Norfolk periodically.

Mr. FORBES. If we are focused on the risk there, and from terrorists and from foreign nations, and it sets a major risk, what is more important—protecting the 1.7 million people in the Hampton Roads area or protecting the carrier?

Admiral GREENERT. I want to make sure I understand the question.

Mr. FORBES. Let me explain it real quickly. We got $1 billion to spend, roughly. Spend $1 billion to move the carrier or $1 billion to beef up security in Hampton Roads against terrorist attacks and other attacks there? Why are you spending $1 billion to move the carrier instead of beefing up for the terrorist attacks?

Admiral GREENERT. Well, Congressman, we feel pretty comfortable right now about our numbers at about $590 million to move the aircraft carrier. We have looked at that extensively. I couldn't tell you what the cost is if you say to beef up the port against a terrorist attack, because that would depend on the threat and the level to which I needed to beef up, if you will, the force.

Mr. FORBES. Well, I am saying that based on your EIS, you are saying that you are moving it to defend against terrorist attacks. And I am asking you if you think that is a substantial concern, why not spend that money to beef up and protect the 1.7 million people living there?

Admiral GREENERT. The reason we are desiring to move the carrier is to preclude the consequences of a terrorist attack, not the threat of a terrorist attack to—and by dispersing——

Mr. FORBES. Then tell me specifically the consequences that you are talking about—to the carrier?

Admiral GREENERT. To the force, to the carrier force, by having a strategic dispersal like we had in the Cold War, to your earlier point.

Mr. FORBES. All right. Now, I want you to go back and look at what would happen. So you are concerned about the carrier, not about the industrial base around there. Is that correct?

Admiral GREENERT. Industrial base——

Mr. FORBES. Around Norfolk. You are concerned about a terrorist attack on the carrier itself, correct?

Admiral GREENERT. I am not familiar with all of the details you are quoting in the EIS. You got me on that one, Congressman, so——

Mr. FORBES. Okay.

Admiral GREENERT. But we are concerned about the consequences of a terrorist attack.

Mr. FORBES. All right. Let me just ask you just a couple more follow-up questions, and I will be done.

Explain to me—it says in the same EIS—it says every third maintenance availability would be conducted in dry dock at a nuclear capable shipyard. CVN nuclear propulsion plant maintenance manning would be approximately 50 people with no CVN maintenance that is being conducted, but it would increase by an average of 750 for a 6-month maintenance availability.

Now, it is my understanding that each availability average is about 6 months, takes about 400 men to do it. Are you going to be having those men in Mayport, women, to do the work? Or are you going to have to move them to Norfolk to do the work on the availability that you have?

Admiral GREENERT. Docking availabilities will likely be done in Norfolk. That is where the docking, the carrier dock is located. As you know, we don't have that. What we call continuous maintenance, to the degree there is some nuclear maintenance involved, would be done in Mayport.

Mr. FORBES. How often would you have the carrier in Mayport to do that continuous maintenance that you are talking about?

Admiral GREENERT. I would have to take that for the record, Congressman. I have to look at—it would depend on where that carrier is in its rotational cycle and its Fleet Response Plan and how long it has been since its last docking——

[The information referred to can be found in the Appendix beginning on page 117.]

Mr. FORBES. So you are saying all the maintenance, the availabilities would still be done in Norfolk?

Admiral GREENERT. When you said "docking availabilities," that is where I believe they would be done in Norfolk. We have a, if you will, one shipyard approach. It would depend on the lifecycle of the carrier. It is where that carrier would go following its, in that case, overhaul. And it would be an extended overhaul, if I am going to dock it, as you are familiar with up there in Newport News. That would be the likely location.

So if for a docking availability, more than likely yes. It would be in Norfolk area.

Mr. FORBES. So if it is going to be in Norfolk, how have you reduced the risk when you are putting it in Norfolk 6 months for each availability, and every 3 years it would be there for over 7 months to do the maintenance on it? How have you reduced the risk factor? I don't understand that.

Admiral GREENERT. A docking availability and an overhaul in a carrier is not done once every 6 months, every—I think you said—36 months. I would have to look at—it would depend on the carrier, its core life, and all of those. So I would have to get back to you and lay that out as to the likelihood of each of those.

[The information referred to can be found in the Appendix beginning on page 117.]

Mr. FORBES. Okay. Last question I want to ask you on that, and then I will move on. You told me that the—you answered, the chairman said, your biggest worry was the unfunded Central Command tempo that I think you said would be $400 million to $500 million.

I want to put slide eight up here for you and ask you which do you worry about more, spending the $500-and-some million that you say it would cost, almost $600 million to move the carrier to Mayport, or doing the unfunded Navy requirements that are about $523 million? And I take it, if they are requirements, they are requirements to do the mission.

[Slide eight can be found in the Appendix on page 112.]

Admiral GREENERT. I worry about the long-term strategic consequences of not having but one carrier port on the East Coast.

Mr. FORBES. You think that is more important than the $523 million of unfunded requirements that you have here?

Admiral GREENERT. I do. Yes, sir.

Mr. FORBES. Okay. And you think that is more important than the unfunded requirements that your fellow vice-chiefs have down for the Marine Corps, the Air Force, and the Army.

Admiral GREENERT. I don't want to speak for them.

Mr. FORBES. I am asking your opinion.

Admiral GREENERT. My opinion? I have what I have here, which is my concern for the strategic dispersal and the fact that I have one carrier homeport on the East Coast. We consider that a very high priority.

Mr. FORBES. The last slide I will put up is slide nine, where there are a lot of people—this was Loren Thompson testifying before the Seapower Subcommittee, and he said, "We are spending $4 billion a day in this government that we do not have, and meanwhile our share of global gross domestic product has fallen from 32 percent to 24 percent in one decade, so to spend that kind of money to get no additional gain in terms of military capability is bordering on scandalous." I happen to agree with him.

[Slide nine can be found in the Appendix on page 113.]

Mr. FORBES. Last question I am going to ask, and I apologize for taking so much time. This is an important issue to many of us.

General—for all three generals—do any of you know what presumptions the QDR made with regard to force readiness? In other words did the QDR assume our forces would be 75 percent ready, C–1 or C–2, 85 percent ready, 100 percent ready? Do we have that information or not?

General CHIARELLI. We know for the Army, sir, and I believe all the forces that the QDR accepted the idea of a rotational base in our Army. We are looking at establishing that rotational base that has in it one corps, five division headquarters, 20 brigades, and 90,000 enablers with a strategic hedge in the trained ready force of approximately half of that.

Based on going to a rotational way of providing forces to the COCOM commanders, we know we will have a portion of the force that will be in reset coming out of that rotation. It could be as high as a third to a quarter.

Mr. FORBES. General Amos, do we know what basis that we assumed our forces would be on the QDR in terms of the readiness—what percentage?

General AMOS. Sir, to the best of my knowledge that I know of, I don't know of any presumptions in the QDR that said it assumed certain force readiness levels. I know when we participated in it, and the Marine Corps has never been a fan of what we call tiered readiness where you have those forward deployed forces that are what you would call 100 percent ready, and then you have the forces back home that are at a significantly less, and it becomes a bathtub, and you start working your way.

We are forced into that right now by virtue of the current fight in Afghanistan, so no question about it. The forces that come home are at a probably what we would call C–3 or C–4 for readiness, and that could be equipment for sure back home. We know that for a fact. And then it will be personal turnover and some of the things that General Chiarelli is talking about.

But I am unaware of an assumption, Congressman Forbes, of a specific readiness level as we went into the QDR.

Mr. FORBES. General Chandler.

General CHANDLER. Congressman, I am also not aware of any specific percentage. Our rotation is based on the Air Expeditionary Force, as you know. Those forces are trained and ready to go. We, like the Marine Corps, have been forced to a certain level of tiered

readiness to ensure that those forces that go forward have the equipment they need and are properly trained.

Mr. FORBES. Good. Thank you.

And now I will just close by saying, if you would, get back to us if you do find out that there was an assumption in the QDR of any percentage of readiness. The only reason is we would like to know what that assumption was to make sure we are there, and we funded you up to there.

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

[The information referred to can be found in the Appendix beginning on page 117.]

Mr. ORTIZ. I will go to my good friend from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

General Chiarelli, seeing as how this is an operational and maintenance hearing, I very much appreciate your efforts to get some MRAPs to the training installations. One of the things that one of the base commanders brought to my attention is that since a lot of these vehicles are being returned from Iraq, that they are going to need a significant amount of time for maintenance.

Have you programmed back into possibly providing some additional MRAPs for training installations? And again, I will harp on home. Camp Shelby, to the best of my knowledge, is at any given moment training these 5,000 troopers to go to Iraq or Afghanistan—with 19 MRAPs. Now, that really doesn't seem to fit the standard of the Army, "We train as we fight." And it takes nothing into account as far as the fact that some of them are going to be down on a given day.

Given that a lot of that equipment is leaving Iraq and not all of it is suitable for the Afghan environment, you know, what effort is being made to take some of those vehicles with fixed axles that will not be useful in Afghanistan and trying to get them to the training installations?

General CHIARELLI. Well, Congressman, I know you know that we have begun a pilot program at Red River to go ahead and rebuild MRAPs. We will have 53 of them in that pilot program this year, and that is going to significantly improve the maintenance and reset of MRAPs coming back.

We have over 500 MRAPs that are set in the training base today. And at the same time, you know, we are trying to do a balance between the requirements of what is needed down range, and we don't have any yet that have come out of Iraq that have not been needed in Afghanistan, even the larger models.

And I have got to tell you were a little nervous that we had 500 back here, remembering what happened with up-armored Humvees at one time. But we have been able to do this. I know we are opening a basic MRAP line again to get some additional MRAPs for Afghanistan. I expect the numbers to increase here as we meet the requirements in Afghanistan and pull additional forces out of Iraq.

And my commitment to you is to restore that training base and get the numbers we need as rapidly as we possibly can. The only thing I would tell you that I think is something that helps to obviate that risk right now, and I really believe this, is the trainer that we have put at places like Shelby, that allows folks to train on the

MRAP much the same way we train on our aviation simulators. This is an excellent trainer that I think helps to obviate, but I, like you, would like to see more in the training base. And we will get them there as quickly as possible.

Mr. TAYLOR. Admiral Greenert, I will admit that I am a supporter of putting our nation's missile defense on ships. What I am concerned about, based on some of the things that have been said earlier, I am not convinced that the Navy has budgeted the increased steaming days that will be required to have that sort of presence around the world. I am not convinced that the Navy has budgeted for the additional fuel that is going to be needed to keep those vessels under way, and I am not convinced the Navy has budgeted for the number of ships we are going to need to fulfill that mission.

So a couple of quick questions. Number one, what is your fuel budget for 2011? What was it compared to 2008 when we had high fuel prices?

Secondly, again, I have heard now three CNOs tell me they needed 313 ships in the Navy, and yet this year the budget request would retire more ships than are delivered to the Navy. I think the CNO asked for permission to retire 10. Only seven are being delivered. That doesn't get us to 313. That is going in the other direction.

And so with that in mind, to what extent have you looked at alternatives for a service life extension of the FFGs until the Littoral Combat Ships are delivered and we can start growing the fleet again? And so I will leave you with those two questions.

Admiral GREENERT. Thank you, Congressman. If I may, I will address the ballistic missile defense question first.

We have been doing what we call long-range search and track. That is a national missile defense force since 2004. I happen to have some experience. I was out at the 7th Fleet in Japan when we started that. And we were concerned as well at that time about the additional cost of fuel, wear and tear on the ships when we assumed that mission where we keep ships on call. They are really on a tether, if you will, based very much on our indications and warning for a missile launch.

We found that in fact it did not substantially increase our ship operating costs. We were able to continue the multi-mission function of those ships as the case may be, and as you are well aware, in 2006 and also again in 2009, we had increased tensions. We had launches by North Korea in that case. So we have some experience. I appreciate your interest in that, and we have to keep our eye on it.

As we look at our phased adaptive approach requirement in Europe for fiscal year 2011, we are looking very closely at just exactly what you said. Where do we have to position the ships so that we can be in position, if called upon to conduct that mission? It is really about having the sensors in place, the sensor is able to get in place very quickly, and, of course, the weapon is in place with the right command and control.

I will have to get back to you on the price of fuel in 2008 versus 2011. I am pretty confident it is substantially greater, and to your point.

[The information referred to can be found in the Appendix beginning on page 117.]

Admiral GREENERT. If I may, your second question, we did a—I won't call it rudimentary, but we have to do some more close look at the feasibility of doing a service life extension program for our fast frigates, our FFGs, retirement.

We took about five or six, took a look at the whole mechanical and electrical condition of those ships and what it would take to extend those ships 5 years, from 30 to 35 years. And that would, looking at—we have to look at anything from the hull thinning—the hulls are actually thinner. We are looking at the preservation. We are looking at the diesels. We looked at the engines, the gas turbines. It goes on.

Pretty good look at those five ships, but I think we need to take a broader look at it. We need to take a broader look at the combat systems. But what we found out is for about $4 billion, we think that is about right to extend those ships 5 years to be able to employ them with the systems that we have out here today.

We still aren't sure that they will have the right command and control so that they can talk to the rest of the fleet today. Most of our FFGs operate almost independently, because they just can't integrate with the strike groups today. They don't have the command and control. It is where they are in the age and the life of their ships.

I think it is a valuable exercise, and if I may, that is not a good word. It is not an exercise. It is a valuable consideration. Right now, *Freedom* is deployed. I think you know that, sir. She is on her third week of deployment and already down in Southern Command and has three drug busts.

The speed and the maneuverability and the capability of that class of ship speaks pretty well right now. It is doing well right now. We have a lot of work to do to evaluate the Littoral Combat Ship, but with budgets being tight, if we extend the fast frigates, if we extend those ships 5 more years and spend the requisite amount, $4 billion, we might get a better class of ship and more capability putting that money into Littoral Combat Ship. Thank you, sir.

Mr. TAYLOR. Again, given that this is an O&M hearing, is anyone in your organization having the Secretary of the Navy, and Mr. Stackley in particular, take a look at the fuel consumption of the two competing varieties of Littoral Combat Ship as one of the factors in the decision in the down select?

Because I would hope that we would—fuel is obviously going to be a factor. I can't see it but getting more expensive as time goes on, and I would hope that the Navy is at least considering—and I don't know which one is more fuel efficient, but at least taking a look just to see which of the two varieties is more fuel efficient over the 20-plus years that we anticipate having those ships in the fleet.

Admiral GREENERT. Yes, sir. I can tell you that fuel consumption is a factor within that look.

Mr. TAYLOR. Okay.

Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman.

Gentlemen, may I thank you all for your service to this nation? I realize that you have a global view in your jobs, but if you would permit me to be parochial for a bit.

And, Admiral, you have got five minutes to relax for a second.

First to General Chiarelli, if you could, I know you are very much aware of the Dugway Proving Ground, which has had an 800 percent increase of workload since 9/11, but the facilities have not. And in fact, Bio Level 3 labs have now spilt into temporary trailers, which has now been about a decade of temporariness, if that is a word, and yet even though there is a safety concern that we have still yet to get into any kind of Army Future Years Defense Program (FYDP).

Dugway is a remote area. It has that commissary that is 50 years old and undersized. And it is 65 miles from the nearest civilization. I know we have had a chance sometimes coming close to have you visit out there. I have appreciated that. I am not actually asking for that, because it is a long way to get out there.

But I would ask your consideration once again for Dugway, for the facilities that are out there and the upgrades they need, as well as the Tooele Army Depot, which has—I know this is not a Military Construction (MILCON) hearing, but they haven't had a MILCON upgrade since I have been elected, and those are two facilities, I think, that have high opportunity to be having greater utility, especially for the Army.

And if you will just consider that, you don't even need to respond at this time, but I would appreciate your consideration on those two areas. The delegation has talked to you about those in the past, and I have appreciated that.

General Chandler, if I could, I was going to ask you some questions. I appreciate your talk about the ICBM at the very beginning in your statement, and I did have some specific questions about the Enhanced Use Lease (EUL) there at Hill Air Force Base because, obviously, the 526 ICBM support group has been separated from their prime interrogation contractor for almost a decade now as well—well, not necessarily a decade, but it is a temporary one that is becoming more permanent.

I just received word, though, that you are close to a cusp on a final solution to that, so if I could just encourage you and your staff to work with General Hoffman and the Air Force Materiel Command to make sure that we push that to a completion, especially before any legislative language is needed, let me thank you and your office for getting us that far and ask that we just go over the edge and finally get that finished. I would appreciate it.

But I do have one question that deals once again with the industrial base for the ICBM. I still have certain concerns with the warm line that we are doing. The Navy, for example, has on, I think, their D–5 12 motor a year project to keep the warm line viable.

In the budget for the warm line for the ICBM Project Minuteman III, you have $46 million in fiscal year 2011 for three motors, even though the industrial base says it takes six to maintain a warm line. But I am also concerned that in 2012 that $46 million is cut

to $10 million, and then to $13 million. Fiscal year 2013 it is down to zero.

And I do have some concerns on how you anticipate keeping a warm line functionable to make sure that the M–III, which is, as General earlier this morning said, is still the cheapest and most effective leg of the triad. How are you going to keep them viable so that this program of record stays through 2030?

General CHANDLER. Well, Congressman, first, let me say we will continue to work the EUL. That is something that is receiving a lot of attention with the Chief. I spoke with General Hoffman yesterday. There is no debate about the fact that having that capability inside the fence is good. The issue we need to work our way through our requirements that will stand the test of time, and we will continue to work that.

There was a meeting today, I understand, between the Air Force as well as the contractor, and we will continue to work that. We, like you, would like to bring this to closure.

Regarding the ICBMs, I have spoken with the people on the staff. There is a disagreement, frankly, between what we think is viable to keep the line open and what we think we are going to need in the future. I would ask you to let us continue to work a plan, if you will, that will get us to where we are going with solid booster motors, as well as where we are going with the Minuteman III, knowing that prompt global strike may in fact become a part of this.

But we will continue to work this issue as well. I take your point with regard to how you maintain an industrial base at the pace that it is laid out, but this is an issue that we will look at in the 2012 pond.

Mr. BISHOP. I appreciate that, and I appreciate your commitment to look at that. That is very kind.

And, Admiral, I don't know if I can solve your problem at all, but if I could recommend the Great Salt Lake in my district, we don't have any hurricanes. I know it is landlocked totally, but the Army Corps of Engineers, Environmental Protection Agency (EPA) and Congressman Oberstar still tell me it is part of the navigable water system of the United States, so it may be an option for you.

Obviously, Chairman, I yield back.

Mr. ORTIZ. Mr. Kissell.

Mr. KISSELL. Thank you, Mr. Chairman.

And thank you, gentlemen, for being here today.

General Chiarelli, you had mentioned in your remarks something about as we try to get back to a more normal time of maybe 12 months deployed, 24 months at home, that that may not hit the Airborne quite as quick and just wonder if you could elaborate on that a little bit.

General CHIARELLI. I may have misspoken, Congressman. I meant our aviation soldiers, not the Airborne per se. Our aviators right now are going at about a one-to-one dwell right now, and the demands on Army aviation are great. We are putting about 70 hours a month on our Chinooks in Operation Iraqi Freedom in Iraq and about 40 to 50 hours a month in Afghanistan.

And there is some absolutely amazing work being done, being able to turn that equipment out of both of those theaters on a basic

rotation that has got you going 12 months deployed, 12 months at home, 12 months deployed, or just a little bit over 12 months. I see the demand on Army aviation going down slower than the rest of the force.

Mr. KISSELL. Now, correct me if I am wrong, but are we not looking to two more Combat Aviation Brigades in the Army?

General CHIARELLI. We are. One of them, of course, is a consolidation of assets to make the 12th Combat Aviation Brigade. And we are looking at a 13th that we want to stand up as quickly as possible to take some of the pressure off of the force and hope to have initial elements from the 13th, which will be a new build, in place by—not the entire Combat Aviation Brigade, but possibly a battalion or two by 2014.

Mr. KISSELL. So where we have them the most stress in terms of the lack of downtime is the same area we are looking to build the new brigades.

General CHIARELLI. That is exactly right. We are trying to take pressure off of our Combat Aviation Brigades.

Mr. KISSELL. And in just thinking in that regard, which also is what we should be doing is building that up, if we are using that much, what problems, potential delays beyond the obvious do you see in trying to get two additional brigades in a time period when there is such stress in this area? Where are these troops coming from, the equipment?

I know the National Guard is expressing concerns you might be taking equipment from them or delaying equipment coming to them. I just wonder if you can mention that a little bit.

General CHIARELLI. For the 12th Combat Aviation Brigade, we have the equipment. We are really consolidating resources that we have into a single Combat Aviation Brigade, standing down some separate battalions, so to speak, and moving them into a Combat Aviation Brigade.

For the 13th brigade we will need new equipment. And in order to get some of that capability out early, we are working with the National Guard to check on the possibility of using some of their equipment for that early build with a payback. This could in fact be a good deal for the National Guard, because our plan would be to pay them back with equipment, new helicopters coming off the lines.

Mr. KISSELL. Okay. Thank you, sir.

General Chandler, in the last Defense Appropriations Act, there was an amendment that would require the chief of staff of the Air Force to get back to this committee by March 1st concerning BRAC at Fort Bragg. With the great influx of troops and flag officers into Fort Bragg, there was concern that the Air Force at Pope Air Force Base would not have equal rank to be able to do the proper planning, communication and discussions with the flag officers, of which there were supposed to be 34 on base.

And we haven't gotten that response yet, and I noted that last week, I believe it was, to the chief of staff that we are still waiting on that, so if you could pass that along.

And also, last week we had some hearings with the chiefs of African Command, the European NATO Command, and Central Command. And two of the three said that one of their biggest worries

that keeps them awake at night is cyber security. Just wondering if, you know, in terms of operations, if you all have the similar concerns.

And they were supposed to get back to us also in terms of how they are proposing to deal with that. Just wondering if any of you all have those savings concerns and how you propose to deal with them.

General CHANDLER. Sir, if I can, first, I will go back and find your report or check with the status, and we will get back with it with regard to general officer housing.

[The information referred to can be found in the Appendix beginning on page 118.]

General CHANDLER. In terms of cyber, I would tell you that the Air Force views of cyber on an equal footing with air and space. It is an enabler for what we do. If we are not able to control cyber space, there is a good chance we will have a hard time in air and space as well. For that reason we have lumped our capabilities under Air Force Space Command and 24th Air Force, which will be the Air Force component of the new sub-unified command, Cyber Command.

It is going to be a growth industry. We have a lot of capability in the Air Force. What we didn't have was those concentrated under one commander in a place where we could get our hands on them readily and in fact present them to the combatant commanders. And I am sure that is probably part of the confusion that they expressed to you as well.

Mr. KISSELL. Any other thoughts there?

General CHIARELLI. Congressman, we, too, are organizing for cyber and have been organizing for cyber. We have recent decision to stand up our cyber, which will be a separate command aligned with United States Strategic Command. And it will be commanded by a three-star, and we are bringing our resources together to ensure that we have the most capable command possible to protect both the national and Army networks.

Mr. KISSELL. Thank you, gentlemen.

Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

I would like to address this question to General Chiarelli and Chandler. What concerns, if any, do each of you have regarding how much of your O&M requirement is being funded through OCO, particularly dwell maintenance? And when and how do you see that funding migrating back to the base budget? And you all may have addressed this one. I had to leave due to a speech on the floor, so I apologize.

But, General Chiarelli, would you like to start with that?

General CHIARELLI. Well, it concerns me, as we have, I think, been constant in stating to this committee and others that we see reset going on for 2 years, 2 to 3 years after we finish in both theaters. That is how long it is going to take to reset Army equipment.

We see that our normal budget for our depots—we have money migrating in 2011 to it, about $200 million. We have a total reset budget this year of over $10 billion in 2011. And we need the support of Congress to continue for that reset. We expect that reset

will be paid out of OCO until we get through this period, a majority of it.

Mr. ROGERS. Yes, I may have missed it when you said it earlier, but what impact would it have on the Army's readiness as far as reset, if we stay in Iraq longer than August 2010?

General CHIARELLI. Well, the equipment would have to be reset sooner or later, Congressman. It would just slow down the amount of work we see coming back to the depots this year. We have been able to meet most of the requirements for Afghanistan out of prepositioned stocks in the CENTCOM Area of Responsibility. And a majority of the equipment that is coming out of Iraq as we begin our drawdown will be coming back to the States and reset either in depots on installations or at other locations.

So if we had to leave more equipment in Iraq, it would in fact slow down the return of that equipment to the States.

Mr. ROGERS. Right. Thank you.

General Chandler, go back to the O&M question of being funded through OCO.

General CHANDLER. Yes, sir. We are concerned as well. As you know, we funded 65 percent of our weapons systems sustainment in our baseline. OCO funding brings that to 82 percent. That is a concern for us. Typically, we like to rotate the big-ticket items, aircraft and engines through depot on a periodic basis to not build a bow wave that you would suggest in terms of having to be funded outside the baseline.

That is why our number one unfunded priority goes to weapons systems sustainment to the tune of $337 million. Assuming that we are deferring the aircraft and the engines that we will have to defer, that is somewhere in the vicinity of about 54 aircraft through depot and about 102 engines that will not go through depot based on the risk we are taking in the shortfall in weapons systems sustainment.

So there is no doubt in our mind we need to get back on track to the methodology that we would like to use in terms of a steady flow through depot of things like aircraft and engines.

Mr. ROGERS. All right. Thank you.

And the last question I have is for General Chiarelli. What is your service's current plan for the disposition of MRAP vehicles upon conclusion of the wars in Iraq and Afghanistan?

General CHIARELLI. MRAP vehicles will in fact be moved into our formations. We have over 3,000 MRAP vehicles that will be part of our table of organization and equipment, particularly in combat service and combat service support brigades. And we will be establishing a number of sets of MRAPs that will be available for units that go into an environment that requires the MRAP vehicle.

Mr. ROGERS. So you do plan to reset them.

General CHIARELLI. We do plan to reset them, and that started the process that we are starting at Red River now to do that. I might add into that our depot base, depending on who I ask and what day of the week it is, I am told we need between $2.9 billion and $3.1 billion in the base to do our normal depot operations. And we are moving to get that amount in over the FYDP.

Mr. ROGERS. Great. Thank you very much.

Thank you, Mr. Chairman. I yield back.

Mr. ORTIZ. Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

And thank all of you for your service, especially to Admiral Greenert, who hails from Western Pennsylvania and who is a Steelers fan. That is always a good thing. Welcome, all of you.

My question to General Chiarelli, and you answered some of it with the reset question that Mr. Rogers asked. But you and General Amos, I believe, you testified in December saying that your general view was that there would be lower depot maintenance requirements, lower work at the depots. And in fact it doesn't seem that it is going to be lower.

From what you said that when we bring these vehicles back from Iraq, we are going to reset them. We are going to need to reset them. So I believe what you said is for the next couple of years, you are going to see a high level of reset activity and activity at the depots. Is that your view, generally?

General CHIARELLI. It is, Congressman, and the point I was trying to get back last year when I testified in front of the committee was the fact that because of the force buildup in Afghanistan before the forces came out of Iraq, equipment that we had coming back and going into reset was being diverted into Afghanistan.

Now that we have gotten past this first period, we expect toward the end of this fiscal year as those forces and that equipment come out of Iraq, we are going to see that return to the depots. And we feel properly postured to get that work into the depots.

Mr. SHUSTER. Good. And the work that is being done with the equipment that is going from Iraq to Afghanistan, that is being done in theater? And it is my understanding we have the contractors doing that work, resetting it before it goes to Afghanistan?

General CHIARELLI. It is not always reset. It is in fact brought up to a higher maintenance standard in Kuwait with some government workers and some contractors. But as that equipment comes out of Afghanistan, it, too, will come back and be put into the reset pool.

Mr. SHUSTER. Right. And I asked a question to General Myles a couple of weeks ago and asked with you the cost of that. And I am not sure anybody has determined, or at least told me, is the cost higher? I have heard with some estimates it is a lot higher to reset or repair, bring up to better, higher standard, doing it in theater than actually sending it back home and sending it to Afghanistan. Do you know what the numbers are?

General CHIARELLI. The issue is timing. I do not have the exact numbers. I will in fact provide those to you, but the issue here was timing. To take that equipment, send it all the way back home, reset it and then have to send it into Afghanistan, given issues there, would have been problematical. So we did not do a full reset. We brought it up to what we would call 1020 standards and got it as quickly as we could into Afghanistan.

[The information referred to can be found in the Appendix beginning on page 118.]

Mr. SHUSTER. And I would be interested at some point to see just what the cost differences are to reset it, raise the ramp up to standard of there versus here. So if you could get back to me on it, I would appreciate that.

And the final question is the long-term strategy with our depots. You had mentioned that some stuff will come back here and go to other locations. I take that other locations meaning maybe companies in the private sector.

And I just wanted to know the long-term strategy with our depots. Are we going to keep that core competency in place? I know we have spent about $100 million over the last several years making sure our depots have what they need. And is that our strategy to make sure that that core competency remains at the depots so that if something happens again, we have that surge capability?

General CHIARELLI. It is definitely our strategy. As you well know, we have begun this reset pilot for MRAPs in Red River. We are getting ready to kick off programs for transmissions for two of our helicopters in Corpus Christi. And we have structured our depots so there are about 70 percent government workers, 30 percent contractors.

We, because we did have a little bit less reset in a couple of our depots, had to lay off some workers earlier this year, but we were able to do that out of the contract force and ensure that we maintain our government force of about 70 percent at all our depots.

Our plans are to use our depots to their full advantage. I can assure you of that.

Mr. SHUSTER. And, of course, one of the ways to do that is make sure we spread the workload equally throughout them so that we don't weaken one of our depots or several of our depots. So I hope we do use that strategy as we move forward. So thank you. Thank you very much.

I yield back.

Mr. ORTIZ. Thank you. I think that we are almost finished. We have two more questions, and this goes to General Chandler.

The Air Force recently provided the committee with a classified report on your combat air forces restructuring plan. Most reports we get from you also, with an unclassified version, and I would like to ask that the unclassified version be provided to the committee immediately as soon as you can. And this would really help out the other members of the committee, who are interested in this issue.

And that is my only comment. It is not a question, but a comment, unless you want to make a statement on this.

General CHANDLER. No, sir. I would take that, and we will get back to you.

[The information referred to can be found in the Appendix beginning on page 117.]

Mr. ORTIZ. Thank you, sir.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Just, Admiral, coming back to you one more time and one more question, I want to preface this. Congressman Taylor mentioned that this is an O&M hearing, and in fact it is. The unfortunate thing is we don't get access to you guys very often.

And the second thing is that we have shortfalls in shipbuilding. We have shortfalls in the number of planes we have. And we have shortfalls in the maintenance we can get. So when we are spending $590 million someplace, we had better make sure we are spending it right, because we are going to have shortfalls somewhere else.

And that is why this question about the carrier is so important to me.

The other reason it is important to me is I will just tell you and just be out front with it. Several years ago before any of these EIS statements, before any of this thing was made, I was in the White House, and I heard President Bush say to a member of the Florida delegation, "We are going to get that carrier down there to you in Mayport." And I am not saying he wasn't doing what he thought was right, but that was before any of the studies were made. And it would be at least questioned sometime the decision and the motives for doing something.

Then when the chairman asked you what you were really worried about, you said, "I am worried about the unfunded Central Command tempo and the $500 million for that." But when I asked you which is more important, you tell me the carrier. And I sit here and wonder, well, why isn't the Admiral sitting here saying, "I am worried to death that we aren't having that homeport of that carrier right now."

And the last question I just want to kind of nail in just so I understand, because I am just not buying the hurricane argument and some of the other ones. And, you know, you are telling me that the docking availabilities are going to be done in Norfolk. That is the bulk of the time.

On the other times that this carrier would be in port, I want to ask you this question. Are you concerned that two carriers are together, that three carriers are together? What is the tipping point for you? Because I take it even if you put this carrier down there, you are going to have times in Norfolk where you are going to have three carriers together, four carriers together. Does that bother you? And are we going to have to have five different ports for these carriers? Help me with that one, if you could.

Well, let us take the two-carrier scenario. Does that bother you?

Admiral GREENERT. No, Congressman. I am not concerned about two carriers together, three carriers together. We have three carriers together today in Newport News in maintenance.

The issue is that we don't have a second carrier port. We have through history. Mayport has been a carrier port for a long time. It is not about the Mayport. It is about a second port to have a carrier and the strategic dispersal. And it is important to us.

And in the context of the question given to me earlier by the chairman, it was he talked to me—I took it to mean O&M.

Mr. FORBES. So then——

Admiral GREENERT. He asked me what were my O&M concerns, and so I was trying to answer that question.

Mr. FORBES. And that is fair enough. So then your concern is really not that the carriers are bunched up together and something could happen to them together. You are just concerned that we don't have another homeport for another carrier. I mean, I am just trying to make sure I understand what you just told me.

Admiral GREENERT. I am concerned that we have on the East Coast with every other ship type that we have—SSBNs. We have two other ports other than Kings Bay where we can put SSBNs into, and every other type of ship—cruisers, destroyers, SSNs—other than a nuclear carrier. We have no second port and——

Mr. FORBES. To homeport it. But you could put it there that it would be worked on, correct?

Admiral GREENERT. Which ship?

Mr. FORBES. The carrier.

Admiral GREENERT. The carrier? Currently, no, sir. We would need to make changes to Mayport anyway to go in and to——

Mr. FORBES. But as far as working on the carrier in a catastrophic situation that you were talking about terrorists, you do have Newport News, who builds the carriers, and they could do the work on the carriers, if we needed to, correct?

Admiral GREENERT. They could. It is the same channel. We talked earlier about channels, navigational channels and that. It is Norfolk, Newport News——

Mr. FORBES. But you are not realistically worried about that channel being blocked, are you?

Admiral GREENERT. Which channel, Congressman?

Mr. FORBES. The Norfolk channel, 4,500 feet—are you worried about that?

Admiral GREENERT. Under the right set of circumstances, yes, I can.

Mr. FORBES. Tell me that set of circumstances, if you would.

Admiral GREENERT. A barge.

Mr. FORBES. You are saying one barge?

Admiral GREENERT. You know, our time together in Norfolk, I have seen maintenance being done on the channel on the NAV–8 up there by the Bay Bridge Tunnel.

Mr. FORBES. Is it your testimony—and just I will close with this, because we are talking about not only spending this money, but we are talking about having to move 700 men to Florida, if we do the work down there, because you are not talking about creating a new workforce down there.

You are talking about them paying per diem while they are down there. You are talking about them being away from their families. You are talking about doing all of the availabilities in Norfolk based on your testimony, some of those as much as 7 months at a time when we are bringing all those crews from Mayport to Norfolk to have to stay during that period of time away from their families.

And your testimony is to me today, just the last one, that you think a single barge could shut down the channel in Norfolk.

Admiral GREENERT. No, sir. A single barge likely couldn't shut down the channel in Norfolk. A single barge combined with the circumstances of shipping you gave me a few examples before—I mean, we could paint this picture perhaps a number of ways. I would give it to you, you know. I am not familiar with all of the exact distances, but I am saying there are chokepoints. There are certain points in the Norfolk and the tidewater area—the Hampton Roads area, excuse me, where there are critical areas.

The movement for nuclear work—I can't tell you the exact numbers. I don't know that it is 700, but that is an extraordinary number to do nuclear work today on a carrier.

Mr. FORBES. The average by the shipyard is 400.

Admiral GREENERT. Four hundred. And I can give you—I will research that and get you what kind of work packages we use today

when we do maintenance away from a nuclear repair facility such as Newport News or such as Puget Sound are such as Norfolk Naval Shipyard.

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

Mr. FORBES. Okay.

Mr. Chairman, thank you.

Mr. ORTIZ. You know, General Chiarelli, I just have one more question.

In a recent letter to the Army chief of staff, General Dempsey is the head of Training and Doctrine Command. He raised some serious concerns about how low manning loads in TRADOC were damaging TRADOC's ability to carry out its mission.

What are your thoughts on the issues raised in this letter? And what can the Army to in the near term to address the issues General Dempsey raised? Is the main issue simply lack of people, or is it lack of funding and personnel or O&M accounts?

For the committee to try to help in this area in this year's legislation, what can we do to be supportive of what you are owning?

General CHIARELLI. Mr. Chairman, I was briefed just before I came up here about the current strength at TRADOC. And they are currently about 71 percent strength. And you can look at 71 percent and realize that that is truly not their true strength.

As you know, TRADOC is part of the generating force, and we have cut the generating force from about 114,000 folks 10 years ago down to 92.1 today. And we have substituted many of those folks who used to wear uniforms with civilian contractors. And I think one of the things that General Dempsey talked about was the degreening of TRADOC.

TRADOC's problem, and when I quoted the 71 percent figure, that does not include the individuals that they have that have been tasked out as individual augmentees downrange. You see their numbers drop much lower than 71 percent when you take away those folks, because those folks who remain assigned to TRADOC, but for temporary duty downrange for 12 months.

So that exacerbates this issue. A large cut in the generating force and the fact that we have so many individual augmentees—over 11,000 today in the United States Army, and many of them come out of the generating force.

I think one of the things we all have to get past is kind of a Cold War thought process that we had when we talked about tooth to tail, and the generating force was always considered the tail. And we were always looking to try to increase tooth.

Well, in the very complex fights we are in today, that is requirements for what TRADOC does to train our soldiers every single day, both when they come in the Army and throughout their whole career, is absolutely critical to having the kind of leaders we need to fight these fights.

We are looking at the generating force and what we need to do to get it right-sized and ensure it has the number of "green suiters" they need to do the very important job they have to do.

Mr. ORTIZ. I think that——

Mr. Shuster, do you have a question?

Mr. SHUSTER. Yes, I have one question. And it is based on what Mr. Forbes said. He said, right, we don't get a whole lot of opportunity to spend time and get the question here. So I have a question, and actually it is a question I have heard Chairman Skelton ask before, and I think it is worthwhile asking you folks, all of you, to answer. It is what keeps you up at night.

And I would start with General Amos. What does keep you up at night, that keeps you—what are your concerns and——

General AMOS. Sir, probably the single thing that keeps me up at night is where are we going to be when VJ Day is declared and whatever that is going to look like and whatever criteria is going to be set, but when our nation says success, let us bring our men and women home, will Congress, will the American people, will the leadership of our government still have the stomach to understand that we are going to have to spend several more years with the effort and money to truly reset and re-capitalize this force.

Now, that worries me more than anything. You know, I read the same newspapers you do. I have the same sense of anticipation of where the budgets are going over the next couple of years, and it is going to pressurize, because there is certainly no slack in the requirement for equipment, people and that type of thing.

So that is the single thing that worries me the most is when it is done, will we have the stomach to be able to have the wherewithal to be able to recapitalize our force?

Mr. FORBES. Thank you.

General Chandler

General CHANDLER. Sir, I would say one of our biggest concerns is where we are going to be 10 to 15 years from now. Today we are rightfully trying to balance the fight we are in today with preparing for where we need to be tomorrow.

And as General Amos has expressed, there is a lot of pressure on budgets, whether it is weapons systems sustainment. One pressure we didn't talk about today are the personnel costs of maintaining the volunteer force that we have today, which is the best armed forces in the world, but doesn't come without a price.

Weapons systems and the costs accelerating around those, particularly the high-tech weapons systems and the business-oriented in terms of aircraft and things that go with them in terms of weapons are things that we are going to need to work our way through and think about as we look to where we need to be 10 to 15 years from today.

Mr. FORBES. Yes.

Admiral Greenert.

Admiral GREENERT. Thank you for the question. I am concerned about the compiling effect of the wear and tear on the equipment and the fact that we haven't come to grips with reset.

So a little bit about what General Amos said. If we don't reset the equipment and then when this war is over and folks say, okay, let us get on with for us the maritime strategy and whatever the National Command Authority requires of us. We have what we call in the Navy quality of service, and that is, basically, the condition of the equipment that our people operate, the ships, the aircraft that they are in.

And there is the stress on them right now, which is extraordinary, and I think we have to understand it. My colleagues to my right and left have—they are dealing with something bigger than the Navy, but we still have the same kind of issues that they have. And my hat is off to them with dealing with it.

We understand unit readiness pretty well. We understand people readiness reasonably well, what it takes for a person to be deployable. And we need to understand what takes our families to be prepared to help support these fine men and women that go out and do that. And I think we need to—it keeps me up at night understanding that, because we may recruit the individual, but we reenlist the family. And if we don't have that support unit and therefore the people in the future, then it doesn't matter how much force structure we have. Thanks.

Mr. FORBES. General Chiarelli.

General CHIARELLI. I won't repeat reset, but reset keeps me up at night for sure. The other thing that keeps me up at night is achieving balance. I think it is absolutely critical the Army get to a point where we have at least a majority of our folks two years or more at home between deployments.

And the other thing that concerns me is the importance of focusing on reset and the cost it is going to take to reset a force that has been run very, very hard for 8½ years.

I worry about our ability to modernize the force. In a period of diminishing budgets, in a very difficult time for our country, can we modernize? Can we take advantage of the great technological edges we have? Can we do what my personal Apple iPhone has been able to do? Come out with three successive models in a very short period of time, or are we stuck in a 10-year industrial cycle that just makes it so very, very difficult for us to move to the most modern of equipment.

So I worry a lot about that, given our recent experiences. We are trying to learn everything we can from them, but I think it is absolutely essential that not only do we reset the current equipment that we have got, but that we have a plan for modernizing our force so that we are ready for the threats of the future.

Mr. FORBES. Well, thank each of you for your answer. And I would just like to say I think it is extremely valid in the future. Where are we going to be? As the general said is America and Congress going to have the stomach to do it?

And I think our number one responsibility in the Federal Government is national security, the common defense. Everything else pales to that, and we have got to make sure we continue to reinforce that to the American people, because we have folks around the world that are getting smarter and getting stronger and buying this other equipment that would do us harm.

And we also, equally concerning to me, is we have allies that want to do less, and America is forced to do more. So I certainly think about those things with you and support everything you are doing and want to work with you in the future. Thank you.

Mr. ORTIZ. Thank you so much. This has been an outstanding hearing today, and thank you for being candid with us.

No, go ahead.

Mr. TAYLOR. Again, I would like to thank each of you gentlemen for your service to our nation, for being here today. But since I have the different services here, General Chandler, could you get me the price, a fully burdened price of a gallon of fuel or barrel of fuel, whichever you prefer, that you buy at—Air Force Base.

General Amos, the same thing for Camp Leatherneck in Afghanistan.

And General Chiarelli for either Regional Command (RC) South or RC East, whichever you prefer. A fully burdened cost to a gallon or a barrel of fuel. Okay.

[The information referred to can be found in the Appendix on page 118.]

Again, thank you, gentlemen, for being here.

Mr. ORTIZ. That is a very good question, because sometime back it came to my attention that when we talk about the transportation and the getting there and moving the gasoline, that when we pay all of that, and this is what I heard, that it comes to about $400 a gallon. I don't know whether this figure is close, but this is what I hear.

But thank you so much for responding to later on for the record for Mr. Taylor. And this has been a great hearing, and we are in this game together, and we are going to work with you, and we are going to give you as much as the Budget Committee gives us. This is how it works.

But I want to thank for your service. And I know, you know, the family goes through a lot, too. You have family, you have children, and it takes a lot from your daily life to be, you know, doing the work that you are doing, separated from your family. But thank you so much for what you do.

I want to thank the other members for being with us today. We have a very responsible subcommittee, and they want to do this the best. And I also want to thank the staff, because they do a lot of work. They do a lot of traveling so that we can come up with some of the answers to some of the questions that you might have.

Again, having no further questions, this hearing is adjourned. Thank you so much.

[Whereupon, at 3:58 p.m., the subcommittee was adjourned.]

A P P E N D I X

March 16, 2010

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 16, 2010

Opening Statement by Chairman Solomon Ortiz
Readiness Subcommittee Hearing on
Military Services' Fiscal Year 2011 O&M Budget Request
March 16, 2010

The subcommittee will come to order.

Today the Readiness Subcommittee meets to hear testimony on the military services' fiscal year 2010 Operation and Maintenance budget request.

I thank our distinguished witnesses from each of the military services for appearing before this subcommittee today to discuss funding for the services' readiness programs.

The Operation and Maintenance account is the single largest component of the Department of Defense's annual budget request. The military services' O&M accounts provide funding for such readiness areas as operating forces, mobilization, training and recruiting, and administration and service-wide activities.

For fiscal year 2011, the O&M portion of the total budget request comprises $283.1 billion. The FY11 total O&M request is $17.8 billion more than the FY10 request.

The FY11 total O&M request is broken into $167.9 billion in the base budget and $115.2 billion for Overseas Contingency Operations, or O-CO. Almost 40 percent of the total FY11 O&M request is for Overseas Contingency Operations.

The FY 2011 total budget request would increase the military services' O&M accounts by $15.2 billion over FY 2010.

Army and Marine Corps forces continue to deploy to Afghanistan and Iraq at the highest levels of readiness. But this readiness comes at the expense of non-deployed forces whose people and equipment are needed overseas.

Repeated deployments with limited dwell time continue to reduce the ability of the forces to train across the full spectrum of conflict. However, the Army and Marine Corps are beginning to experience small increases in time at home station as forces withdraw from Iraq.
The FY11 budget reflects this positive development by providing increased training funds for each of the services.

At the same time, however, Navy and Air Force readiness levels, which throughout the wars have remained relatively steady, are declining due to strains on people and equipment. The Navy has more than 12,000 sailors deployed ashore in the Central Command area of operations, where the Air Force has more than 6,600 people supporting the Army and Marine Corps.

With the Army and Marine Corps heavily engaged in Afghanistan, this development in Navy and Air Force readiness is troubling, as it increases the risk to national security if our military had to quickly respond to emerging threats.

The FY11 request provides funding to continue to support reset of equipment damaged or worn out through nine years of constant operations. The Army and Marine Corps together would receive more than $8.4 billion for equipment reset in FY11.

But I remain concerned that so much of the Army's and Marine Corps' depot maintenance budgets – upwards of 80 percent – is still funded through the O-CO request. At some point, depot maintenance funding must migrate back to the base budget.

The FY11 budget request increases funding for both Army and Marine Corps prepositioned stocks. This is the equipment that is situated throughout the world for quick access and movement to emerging theaters of operation.

While the current budget plan shows the Army and Marine Corps resetting all their prepo stocks by 2013, my fear is that budgetary pressures and other priorities will continue to drive that timeline further to the right.

The Navy's FY11 ship maintenance budget of $7.4 billion shows improvement over the FY10 level when the Navy had an unfunded requirement of almost $400 million, but pressures remain on the Navy O&M budget. This is evidenced by the FY11 unfunded ship maintenance requirement of $35 million which the Navy noted is driven by "current CENTCOM demand."

The budget for naval flight operations would increase by more than $875 million in FY11, but almost half of this growth is inflationary rather than real program growth. Shortfalls remain in

the naval flight operations account, which shows a $423 million unfunded aviation spares requirement in FY11.

The Air Force, too, is experiencing shortfalls in its flying hours program.

The FY11 Air Force O&M total budget request of $60.1 billion for active, reserve and Air Guard represents a 7.3 percent increase over FY10. But inflation and cost growth account for approximately $2 billion of the increase. And fuel price increases alone account for $1.1 billion of the increase in the base and $500 million of the increase in the O-CO.

The Air Force's number-one priority on its unfunded requirements list is weapons system sustainment, at $337 million.

In light of these budgetary realities, what the Subcommittee needs to hear from our witnesses today is where each of your services is taking risk in this budget request in terms of the impact on readiness.

Before I turn to my colleague from Virginia, I would also note that the FY11 budget continues the insourcing initiative the Department of Defense began in Fiscal Year 2010.

In FY11, the four services would insource more than 22,000 positions now held by contractors. The Department estimates that it will save more than a billion dollars through these efforts.

This comes at a time when we have learned that the commander of the Army Training and Doctrine Command is concerned about loss of core competencies and functions. TRADOC has decreased in size by 7,300 military positions and 4,500 Army civilian positions since September 2001, while the average daily workload requirement has steadily climbed.

To address this shortfall, TRADOC has employed more than 9,000 contractors, resulting in what the TRADOC commander termed a "de-greening" of the TRADOC force.

All of the services have expressed similar concerns regarding the loss of competencies, especially among their acquisition workforces.

Our witnesses today are four distinguished military leaders:

General Peter W. Chiarelli
Vice Chief of Staff of the Army

Admiral Jonathan W. Greenert
Vice Chief of Naval Operations

General James F. Amos
Assistant Commandant of the Marine Corps

and

General Carrol H. Chandler
Vice Chief of Staff of the Air Force

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

Opening Statement by Randy Forbes
Readiness Subcommittee Hearing on
Military Services' Fiscal Year 2011 O&M Budget Request
March 16, 2010

"Gentlemen, thank you for being here with us today. We know how busy you are and we appreciate you taking the time to come discuss with us the Fiscal Year 2011 budget request and the implications on force readiness.

"I am grateful to the Chairman for holding this hearing because I think this Committee needs to have a serious discussion about the importance of funding for operations and maintenance. It should be pretty clear to all of us that procurement of new weapons systems won't come as quickly—and quantities won't be as great—as we need.

"There is no doubt that we are dealing with record government deficits and our military is being asked to do more with less. As a result, shortages are forecast in our inventories of ships and aircraft in the decades ahead. That means that the gentlemen sitting before us today are going to have to get every ounce of service life they can out of the equipment they have.

"For this reason, I believe the requested increase in funding for the services' operations and maintenance accounts in Fiscal Year 2011 is appropriate and necessary. These funds will help restore previous year's shortages in ship, ground vehicle and aviation repair accounts—while also offsetting the rising cost of fuel. These funds are critical if we are going to get the expected service life out of the equipment we've already invested in, and I want to note that the Navy has made significant progress on reducing its unfunded ship maintenance requirements. We all know what happens to a new car if you don't have necessary maintenance taken care of at the appropriate time...it will leave you stranded on the side of the road. As we send our young men and women in to harm's way we must ensure that they will not be stranded because we failed to adequately fund the services' operations and maintenance requirements.

"I hope all of our witness will be able to address this and other challenges they face during their testimony. I also ask the Chairman, and all of our colleagues in this body, to work with us to ensure the increased funding in the Fiscal Year 2011 operations and maintenance budget request is provided to our war fighters."

RECORD VERSION

STATEMENT BY

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

BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

SECOND SESSION, 111TH CONGRESS

ON THE FISCAL YEAR 2011 OPERATION & MAINTENANCE FUNDING
FOR THE UNITED STATES ARMY

MARCH 16, 2010

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

Chairman Ortiz, Ranking Member Forbes, distinguished Members of the House Armed Services Committee's Subcommittee on Readiness. I thank you for the opportunity to appear here today to provide a status on the fiscal year 2011 (FY11) Operation & Maintenance (O&M) Funding for the United States Army.

On behalf of our Secretary, the Honorable John McHugh and our Chief of Staff, General George Casey, I would 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 have been at war for the past eight-plus years. With the support of Congress, the forces deployed are the very best manned, equipped, trained and led in the 234-year history of the United States Army.

That said, the prolonged demand and high operational tempo over the course of this two-front war have undeniably put a strain on our people and equipment. Our shared goal must continue to be to restore balance and sustain the high quality of our All-Volunteer Force for the duration of the current fight as well as for future operations.

The United States Army's FY11 Budget Request seeks to achieve the Army's four imperatives: our ability to ***sustain*** the Army's Soldiers, Families, and Civilians; ***prepare*** forces for success in the current conflict; ***reset*** returning units to rebuild the readiness consumed in operations and to prepare for future deployments and contingencies; and ***transform*** to meet the demands of the 21st century. The intent of this statement is to provide justification for the Army's request for O&M funding (base and OCO) in each of these areas.

The FY11 budget (base and OCO) requests $107.3 billion in O&M funding – a $7 billion increase from FY10. O&M is the largest portion of the total budget, at 43.7 percent, and will be used for Soldier and unit training; ground and air vehicle operating costs; depot maintenance; base operations, sustainment, restoration, and modernization; and a 1.4 percent civilian pay raise.

The Army's O&M base account grew by approximately $3,729M in FY11. $1,104M of this growth reflects increases in pricing and inflation. The remaining $2,625M provides funds to restore balance and supports a phased expeditionary cycle for units at various Army Force Generation (ARFORGEN) readiness levels.

The FY11 budget request also migrates $1B in funding for enduring missions from OCO into the base. This move is largely due to increased home station training resulting from the Operation Iraqi Freedom (OIF) drawdown. Specifically, the request supports readiness through increases in OPTEMPO, Depot Maintenance, Soldier well-being programs, facilities and infrastructure sustainment, training, systems and accountability improvements, and cyber and network security operations.

Sustain our All-Volunteer Force

Sustaining our All-Volunteer Force is our first imperative. The Soldier, as Secretary Gates has said, is our greatest strategic asset. Unfortunately, after eight-plus years of war, we continue to see the high OPTEMPO and prolonged stress and strain on our Force manifested in the increased demand for behavioral health counseling and drug and alcohol counseling; increased divorce rates; and increased numbers of Soldiers temporarily non-deployable from nagging injuries from previous deployments.

The FY11 O&M budget request includes $1.7 billion to standardize and fund vital Family programs and services to include welfare and recreation; youth services and child care; Survivor Outreach Services; and expanded counseling and rehabilitative opportunities for Soldiers and Family Members.

In particular, the budget request supports the Army's commitment to Soldiers and their Families through initiatives such as the Army Campaign Plan for Health Promotion, Risk Reduction, and Suicide Prevention (ACPHP) and the Global Assessment Tool (GAT) that provides individual feedback on five fitness dimensions. The request also provides increased funding for barracks modernization, and ensures facility Sustainment is funded at 90 percent of the Facility Sustainment Model.

Additionally, in collaboration with the National Institute of Mental Health, the Army began a 5-year, $50 million seminal study into suicide prevention (funded through RDT&E) that will help inform the ACPHP. The Army also began instituting our Comprehensive Soldier Fitness (CSF) program, an all-inclusive approach that puts mental health on par with physical fitness. By promoting resiliency and life-coping skills, we hope to help our Soldiers, Civilians, and Family Members to better deal with stress and other challenges. By enhancing the quality of life across our Army community, we believe we will see improvement in many other areas of concern, including suicides.

The Army has also initiated a comprehensive sexual assault prevention campaign, the Sexual Harassment/Assault Response Program (SHARP), focused on leaders maintaining a positive command climate, which encourages peer-to-peer intervention in an environment where Soldiers do not tolerate the types of behavior that, left unchecked, could lead to sexual assault.

To ensure Reserve Component Soldiers and their Families receive the same level of support and assistance, the United States Army Reserve established Army Strong Community Centers to support geographically-dispersed Soldiers and Families. Together with Army National Guard Family Assistance Centers and Soldier and Family Assistance Centers on active duty installations, these centers provide help to Soldiers' Families near their homes.

Prepare our Force

The FY11 O&M budget request funds manning, equipping, and training goals for the current operational environments. Today, we are continuing to transform the Army to a rotational model – the Army Force Generation (ARFORGEN). This model represents the core process for generating trained, ready, and cohesive units on a sustained and rotational basis – to meet current and future strategic demands.

The ARFORGEN process includes three force pools—Reset, Train-Ready, and Available. Each of the three force pools contains a versatile force package, available at varying time intervals based on its readiness level. The ARFORGEN process increases predictability for Soldiers, Families, employers, and communities, and enables our RC to remain an integral element of the operational force while providing the Nation with the strategic depth (i.e., those non-deployed units which are two to three years from commitment) and operational flexibility to meet unexpected contingencies.

Manning

The Army is currently implementing the Active Army temporary end-strength increase of up to 22,000 Soldiers approved by the Secretary of Defense in July 2009.

Eight-plus years of sustained combat operations have increased non-deployable rates in our units. These increasing non-deployable rates (from 11 percent in 2007 to 13 percent in 2009) require us to continue to overfill our deploying units. The Soldiers needed to overfill those deploying units come largely from resetting units, thus reducing individuals' dwell time and the strength of these and other affected units across the Army.

The temporary end-strength increase is substantially augmenting the enlisted fill of our Reset forces enabling more effective ARFORGEN-based manning, equipping and training processes required to get future deployers ready, thereby improving the overall readiness of our Army.

The decision was made to temporarily increase the Army end-strength by 15,000 Soldiers by the end of fiscal year 2010. This was to assist in improving fill of deploying units while mitigating the elimination of Stop Loss. We added 5,000 Soldiers in fiscal year 2009, and will add an additional 10,000 individuals in fiscal year 2010. The resulting Army end-strength will be 562,400 Soldiers.

The Army is assessing the need for an additional 7,000 Soldier growth for fiscal year 2011. This would bring us to the total 22,000 increase. The decision on whether or not to add the additional 7,000 growth is pending confirmation of our immediate demand, the pace of the drawdown from Iraq, and the requirement for forces in Afghanistan.

If the decision is made to add the additional 7,000 Soldiers, growth could be complete by end of 2nd quarter, FY2011. We would hold at that end-strength for the requisite 12 months before beginning the 18-month drawdown. Regardless of the decision on the 7,000 Soldier growth we

plan to return to the pre-increase end-strength level of 547,400 by the end of FY 2013.

Equipping

The Army greatly appreciates the tremendous support Congress has provided for our equipping needs, which has allowed deployed Soldiers and Army units to have the equipment needed to accomplish their missions. Because of your interest and support, today the American Soldier is the best equipped combatant in the world. Whatever the mission, from disaster relief in Haiti, to counter insurgency operations in Iraq and Afghanistan, Army Soldiers and units have the latest and most capable military equipment in the world.

Training

Training is a critical part of Army readiness, and the FY11 budget request reflects our focus to improve home station training, maintain capabilities at the Combat Training Centers (CTC), and continue building the Modular Army in order to set the conditions to achieve balance as future unit dwell times increase.

Fiscal year 2011 base OPTEMPO funding supports increased ground miles and increased flying hours. For the Active component, it funds ground OPTEMPO from 545 miles in FY10 to 583 miles in FY11. It funds Air OPTEMPO from 12.0 hours per crew month in FY10 to 12.3 hours in FY11.

The FY11 budget also increases available training range days from 184 funded in the FY 10 budget to 216 of 242 required training days and provides additional operations capability for the Training Support Centers that maintain and manage the Training Aids, Devices, Simulations and Simulators (TADSS).

The FY 2011 O&M base budget request funds a total of 24 rotations through the Army's Combined Arms Training Centers (CTCs) and two Exportable Training Capability (ETC) events. The CTCs are in the initial phase to transition to Full Spectrum Operations (FSO); we plan to conduct a pilot FSO rotation in FY11.

Funding for Army Military and Civilian Leader Development programs remains constant in FY11. The Army sustains support for all the Army Leader Development Strategy initiatives. The Army projects increased enrollment in Professional Military Education programs as dwell time increases in FY12. We will increase resources to reduce the backlog created by years of insufficient dwell time.

The Army continues to increase investment in Language Qualification Training and Cultural Awareness Training. Additional funding includes increased Mobile Language Training Teams to support the Language Proficiency Enhancement Program in support of ARFORGEN, and funding for Language Training Detachments and for the Afghanistan/ Pakistan Hands Program.

The FY11 budget request funds increases in officer training and accessions. The commissioning mission increases from 5,100 in FY10 to 5,350 in FY11. The request also funds an 11.3 percent increase in enlisted and officer specialized skills training.

Reset

Overseas Contingency Operations (OCO) Reset funding has sustained the Army and maintained our operational readiness for the past 8 years. The FY11 O&M OCO budget request includes $7.8 billion to Reset Army equipment.

Reset is an essential element of readiness and restoring balance to the Army for known requirements. It is part of the cost of war, and it prepares our Soldiers and their equipment for an unpredictable future and evolving threats. Reset is a necessary process that must continue not only as long as we have forces deployed, but an additional two to three years after major deployments end to ensure future equipment readiness.

Reset is especially challenging given the extraordinary wear on vehicles, aircraft, and equipment in the harsh environments our forces operate in today. Coarse sand, fine dust, extreme temperatures, and high OPTEMPO erode sophisticated mechanical and electronic systems at altitudes and loads which near the edge of the aircraft design capabilities. Our rotary wing fleet, for example, operates up to six times non-combat usage levels.

Over the past year, our depot-level Maintenance Reset workload exceeded ~100,000 items of equipment; and, we expect to sustain this pace for as long as we have substantial forces deployed.

Reset timelines are directly related to the pace of the Iraq drawdown, operational decisions such as the OEF plus-up, available capacity within our industrial base (labor and physical plant capacities and long lead-time parts) and the availability and timing of funding. Given current projections, we would expect our requirements to decrease in the outyears as we complete the retrograde and Reset of equipment from Iraq.

Army Prepositioned Stocks

Army Prepositioned Stocks (APS) have repeatedly—most recently in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF)—fulfilled their primary purpose of enhancing the Army's strategic

agility. In order to restore balance to the Army's strategic readiness posture, it is necessary to "Reset" these war reserve stocks.

The FY 11 budget request funds APS at $400.7M, an increase of $120.9M. This funding will make available three Large Medium Speed Roll-on/Roll-off (LMSR) ships associated with APS Afloat that are currently in reduced operating status. These ships will carry one Sustainment Brigade with a Combat Support Hospital and an Infantry Brigade Combat Team. Additionally, the O&M funding requested in FY11 will partially reconstitute Prepositioned Stocks in Southwest Asia (APS-5); fund reconstitution and Care of Supplies In Storage (COSIS) for an Infantry Battalion with a motorized augmentation set in Afghanistan; and, fund COSIS for existing afloat APS stocks.

Transforming our Force

The Army is continuously evolving our capabilities to meet current and future strategic demands. We recognize that we must ensure our Nation has the capability and range of military options to meet the evolving challenges we face in the 21st century. As Army Chief of Staff, General George W. Casey, Jr. has stated, *"We need an Army that is a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to provide a sustained flow of trained and ready forces for full spectrum operations and to hedge against unexpected contingencies – at a tempo that is predictable and sustainable for our all-volunteer force."*

The centerpiece of our efforts is the shift to a modular construct focused at the brigade level, thus creating a more deployable, adaptable, and versatile force. This ongoing transformation has greatly enhanced the Army's ability to respond to any situation, quickly and effectively. However, the degree of impact continues to vary, for example, between

Brigade Combat Teams (BCTs), "enablers," the Reserve components, and individual Soldiers.

The FY11 budget request supports increases to integrated management systems for Army Business Operations, enhancing communications systems, personnel systems, and financial readiness. It also funds increases in cyber and network security to enhance computer network defense and protect our information systems from unauthorized access and use.

Overseas Contingency Operations (OCO) request

O&M also represents the largest portion of the OCO request, $63.4 billion or 62 percent, and will fund the day-to-day costs of the war, training to prepare units for deployment, force protection, in-theater maintenance and repair, drawdown of equipment from Iraq, and the Reset of Army Prepositioned Stocks and equipment returning from deployment. The OCO portion of the request also includes $628M for the training and sustainment of the temporary wartime increase in personnel – an increase of $242M from FY10.

The FY11 OCO request for O&M appropriations is $3.2 billion higher than the FY10 request ($63.4B versus $60.2B). Although the overall deployed force structure will be lower in FY11, the request reflects a full year of OEF operations at the increased force structure level and with significantly higher costs for transportation, in-theater maintenance, and support of new and expanded base camps in Afghanistan.

FY 2011 Budget Risks

Budget risk Army-wide is projected to be minimal if the $245.6 billion is appropriated as requested. The Army continues to identify, manage and mitigate risks resulting from changes in assumptions

underlying the FY11 budget build, past budget builds, or any unforeseen events. Risk has been identified in the following areas:

Sustained Demand

Since September 11, 2001, all deploying Army units are trained, led, and equipped to the highest levels prior to deployment. However, due to sustained demand, Army units are achieving this deployment readiness closer and closer to their arrival dates in theater.

OCO Funding

The Army continues to rely on OCO funding to meet the full scope of training and sustainment of our forces.

Personnel

Mobilization Assumptions include: no significant new missions; Iraq draw down will proceed on time, and end year at less than 50K end-strength; Afghanistan surge will proceed on time and not increase beyond the planned level; and, Active Duty Operational Support (ADOS) requirement for the Reserve Component will continue to decrease parallel to Iraq draw down.

Training

The Army continues to accept moderate risk in the base funding of unit training for all components; training at the CTCs due to the execution of Mission Readiness Exercises for deploying units; and funding of the Training Support Systems operations while units remain deployed.

Primary risks are in the acceleration of the drawdown in forces ahead of planned timeline; and the availability of OCO to support pre-deployment training for all components and readiness certification and validation during pre- and post-mobilization for the Reserve Components.

Base Operations Support

Base Operations Support (BOS) resources the Army's installation services worldwide, ensuring an environment in which Soldiers and Families can thrive, and provides a structure that supports a campaign quality, expeditionary Army. The FY11 budget request funds BOS programs at $9.1billion across all components, an increase from FY2010 of $241M. The budget request funds new Army Senior Leadership Initiatives (SLI) to support Soldier/Family well-being at garrison/installation level, to include ACPHP, SHARP; and Contract Security Guards in Europe previously funded with OCO now funded in base.

Although the Army has taken risk in BOS, the Army's Installation Management Command (IMCOM) continues to work closely with each installation to ensure its essential BOS needs are met. Earlier this month, the Secretary of the Army and the Chief of Staff, Army, announced the Army's plan to increase BOS funding by $500M in FY10.

Additionally, the Army will conduct a comprehensive mid-year review of all BOS accounts to ensure adequate funding is maintained to meet the Army's priorities through the remainder of the fiscal year. The Army's senior leaders anticipate working closely with Congress to make the necessary modifications to the Army's FY11 request as they relate to BOS needs across our installations. In the meantime, we are continuing to look for efficiencies and best practices in the use of BOS funds. You can be assured we will not shortchange Soldiers and their Families in the process.

Unknown Risk

We recognize that much of the risk we assume depends on minimal projected reductions in demand and corresponding savings; and the absence of unplanned events or a resurgence of tensions in 'hot spots'

around the world. If such unforeseen events occur, we will have to make the necessary adjustments, to include reallocation of resources.

However, based on the current situation and known risks, we are confident the FY11 O&M budget request, if appropriated in full, would improve the overall readiness of our Force by ensuring the Army is able to properly care for, train, equip and support our Soldiers, Civilians, and Family Members around the world.

Conclusion

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 eight-plus years. However, the fact remains that we have asked a great deal from our Soldiers, Civilians, and their Families.

Looking ahead, the Army must continue to sustain our All-Volunteer Force, modernize, adapt our institutions, and transform Soldier and Leader development. We must ensure we have a trained and ready Force that is well-prepared, expeditionary, versatile, lethal, sustainable, and able to adapt to any situation.

I assure the members of this committee – the Army's senior leaders are focused and working hard to address these challenges and to determine the needs of the Force for the future.

Chairman, members of the sub-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 FOR PUBLICATION UNTIL
RELEASE BY THE HOUSE
ARMED SERVICES COMMITTEE

STATEMENT OF

ADMIRAL JONATHAN GREENERT

VICE CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS

16 MARCH 2010

NOT FOR PUBLICATION UNTIL
RELEASE BY THE HOUSE
ARMED SERVICES COMMITTEE

Chairman Ortiz, Representative Forbes and distinguished members of the House Armed Services Readiness Subcommittee, it is my honor to appear before you to testify on the readiness of our Navy. Our Navy remains the preeminent maritime power, providing our Nation a global force for good. Our Sailors and civilians continue to perform exceptionally well around the world under demanding conditions. Many of them are engaged in combat operations ashore, and assisting the people of Iraq and Afghanistan by providing security and helping to build an enduring infrastructure. Many are working with coalition partners to enable safe passage of shipping, reassuring relationships with allies; building partnership capacity, providing security force assistance and providing deterrence through ballistic missile defense and coalition operations. Still, others are responding to emergent calls for disaster relief and providing humanitarian assistance in Haiti. These diverse operations are tangible examples of our Navy's core capabilities as described in our Maritime Strategy—"A Cooperative Strategy for 21st Century Seapower (CS21)". The 2010 Quadrennial Defense Review (QDR) validated the underlying principle in our Maritime Strategy: preventing wars is as important as winning wars. Additionally, the QDR found that U.S. security and prosperity are connected to the global commons; that deterrence is a fundamental military capability; and that partnerships are key to our strategy's success, and essential to the global stability. QDR's outcomes are consistent with the tenets of our Maritime Strategy. Naval operations are often one component of a joint force. Accordingly, it is my privilege to address the Committee alongside my fellow Service Vice Chiefs and the Assistant Commandant.

Coincident with our endeavor to build our future force, we remain engaged in supporting operations in Afghanistan, Iraq and all other Combatant Commander (COCOM) Areas of Responsibility. For the second year in a row, Navy has more Sailors on the ground than at sea in the Central Command (CENTCOM) area of responsibility. At sea in CENTCOM, we have more than 9,000 Sailors, including a Carrier Strike Group dedicated to providing air support to U.S. and coalition ground forces in Afghanistan, and combatants supporting ballistic missile defense, anti-piracy, maritime security, counter-terrorism, theater security and security force assistance. Navy Riverine forces are on their sixth deployment to Iraq, conducting interdiction patrols and training their Iraqi counterparts. On the ground, we have more than 12,000 active and reserve Sailors supporting Navy, Joint, and Coalition Forces, and Combatant Commander requirements. In Afghanistan, Navy Commanders lead seven of the 13 U.S.-led Provincial Reconstruction Teams. We have doubled the capacity of our Seabee construction battalions in Afghanistan, to support U.S. and coalition forces and provide critical infrastructure. Our Naval Special Warfare forces continue to be heavily engaged in combat operations. Our Explosive Ordnance Disposal detachments, many embedded in ground units, continue to conduct counter-improvised explosive device (C-IED) operations and train Iraqi and Afghan C-IED units. As we shift effort from Iraq to Afghanistan, demand for Navy Individual Augmentees (IAs) has increased. During a recent trip to CENTCOM in mid-February, I met many of our dedicated Navy men and women supporting these efforts and I could not be prouder of their contribution. Their professionalism, dedication and skill, are unmatched.

While operations in Iraq and Afghanistan continue to be the primary effort, our Navy remains globally engaged. We have 120 ships deployed--over 40 percent of our Fleet-- providing U.S. presence in every region of the world and demonstrating the capabilities of our Maritime Strategy. Our ballistic missile submarines are providing strategic nuclear deterrence, while our Aegis cruisers and destroyers are providing conventional deterrence in the form of ballistic missile defense in CENTCOM, the eastern Mediterranean, and western Pacific. Our Carrier Strike Groups and Amphibious Ready Groups continue to prevent conflict and deter aggression in the western Pacific, Persian Gulf, Arabian Sea and Indian Ocean. Their rotational deployments afford the U.S. the ability to influence events abroad, and the opportunity to rapidly respond to crises. Our Navy continues to confront irregular challenges associated

with regional instability, insurgency, piracy, and violent extremism at sea, in the littorals, and on shore. We recently published the "Navy Vision for Confronting Irregular Challenges" to refine how our Navy will plan, resource, and deliver a wide range of capabilities through tailored forces (e.g.: riverine, maritime civil affairs and security, and special operations), and through our multi-mission general purpose forces (ships and aircraft). We are partnering with U.S. Coast Guard law enforcement teams in the Caribbean to conduct counter-narcotics and to deny illegal traffickers use of the sea. We recently deployed USS FREEDOM (LCS1), our first Littoral Combat Ship, to US Southern Command. She is currently operating with counter-narcotics units in the Caribbean, and has already executed a successful drug interdiction. Her deployment, two years ahead of schedule, will allow us to more quickly evaluate her capabilities and incorporate operational lessons into the tactics, techniques and procedures of this new class of ships. We continue to strengthen relationships and enhance the capabilities of our international partners through maritime security activities such as global partnership stations in Africa, South America, and Southeast Asia. We reassure our allies through high-end training and operations in the Western Pacific and Europe.

Humanitarian assistance and disaster response operations continue in Haiti after a 7.0-magnitude earthquake devastated the nation. Within hours of the earthquake, we mobilized the aircraft carrier USS CARL VINSON (CVN70) with over a dozen helicopters, cargo aircraft, and extensive water-making capability; and quickly thereafter, the USS BATAAN (LHD5) amphibious ready group with heavy lift helicopters and command and control capability, a Reserve Cargo Handling Battalion, a Seabee construction detachment, and a Marine Corps expeditionary unit; our hospital ship USNS COMFORT (T-AH1) with medical personnel and supplies has completed over 850 major surgeries; a Navy dive and salvage team is working with Army dive teams to re-build piers in the port facility; P-3 surveillance aircraft have flown over 90 ISR missions; several surface ships with helicopters, and Military Sealift Command ships with fuel and cargo. Navy helicopters have transported over 900 medical evacuation patients to our off-shore hospitals and flown over 2 million meals-ready- to-eat (MRE) throughout the disaster zone. Our disaster relief effort continues there today as part of a comprehensive U.S. government and non-governmental organization response. Global demand for Navy forces remains high and continues to rise because of the ability of our maritime forces to overcome diplomatic, geographic, and military impediments to access while bringing the persistence, flexibility and agility to conduct a broad spectrum of operations from the sea.

Our readiness programs and their processes, which are designed to maximize the operational availability of our Navy force structure and infrastructure, have been able, thus far, to satisfy the evolving and dynamic requirements of the COCOMs. Demand for naval forces continues to increase and shows no signs of abating in the near future. Your Navy is ready, responsive, agile, flexible - and actively engaged around the world.

Realistically, our ability to meet increasing demand requires that we continue our efforts to balance resources to sustain afloat and ashore readiness, force structure, and the readiness of our Sailors and their Families. In the aggregate, the health of all of these programs describes our total capability and capacity to deliver capable forces ready for tasking. During the past nine years, sustaining the readiness of our force in a high demand operational environment has been aided by Overseas Contingency Operations (OCO) funds or similar supplemental funding. Despite this, both the high operational tempo and the reduced turn-around ratio (dwell) caused a high global demand for forces continue to increase risk to Fleet readiness, force structure and personnel. As we look to the future, we must holistically address the Fleet's operational availability requirements versus our global force management; and transition a supplemental resource dependency to a baseline budget that provides the

level of resource support necessary to meet the nation's maritime interests in an era of increasingly diverse, concurrent crises-- the "new normal".

We remain focused on ensuring we are ready to answer the call now and in the future. Last year, we stated our risk was moderate, trending toward significant, because of the challenges associated with Fleet capacity; increasing operational requirements; and growing manpower, maintenance, and infrastructure costs. This risk has increased over the last year. Trends in each of these areas have continued. We are able to meet the most critical COCOM demands today. But we are increasingly concerned about our ability to meet additional demands while sustaining a ready force through its expected service life by conducting essential maintenance and modernization to "reset" our Fleet; and procuring the future Navy so we are prepared to meet the challenges of tomorrow.

The cost to operate and maintain our Fleet has outpaced inflation by almost two percent each year. The need to balance between future fleet readiness and current readiness for operational requirements has resulted in risk. We increased our base budget OMN request by $3.5 billion, a 5.9 percent real increase in FY 2011 compared to last year. This request is tightly focused on meeting global COCOM OPTEMPO requirements, and on properly sustaining ships and aircraft to reach expected service lives, funding enduring flying readiness requirements in the base budget, and funding price increases, most notably in fuel. We request the support of Congress to fully fund the OMN request as we endeavor to fund enduring operations and maintenance in our base budget, and resource contingency operations and maintenance in OCO. The level of funding requested appropriately represents our "new normal".

Our FY 2011 budget request achieves the optimal balance among our priorities to build tomorrow's Navy, maintain our warfighting readiness and develop and support our Sailors, Navy civilians, and their Families. It is aligned with Presidential and Department of Defense guidance and it represents our Maritime Strategy and the 2010 QDR.

Resetting the Force: Prevailing Today and Ready for Tomorrow

In addition to conducting rotational deployments, we are meeting emerging Combatant Commander requirements for ballistic missile defense; electronic attack; intelligence, surveillance, and reconnaissance (ISR); combat support and combat service support; and maritime security force assistance. Our OPTEMPO in CENTCOM will continue as the combat mission ends in Iraq. Navy enabling forces will remain in CENCOM to provide various combat support/combat service support to Joint and coalition forces in the region. Concurrently, we will continue to maintain a forward-deployed force of about 100 ships globally to prevent conflict, support allies, and respond to crises.

The high OPTEMPO has placed additional stress on our Sailors and their Families, ships, and aircraft. We are operating (and therefore consuming) our Fleet at a higher than expected rate. Over the last decade, the size of our Fleet has decreased while our operational requirements have grown. Consequently, there are more ships at sea assigned to COCOMs today and fewer ships available for at-sea training, exercises, or surge operations. Our challenge is to balance the need to meet current operational requirements with the need to sustain Sailors' proficiency, and our ship and aircraft expected service lives.

Navy ships and aircraft are capital-intensive forces, procured to last for decades. Scheduled maintenance of our force structure, and training and certification of our crews between deployments is a

key element in the "reset" of the force. This "reset in stride" process is perhaps different from other Services. It enables our ships and aircraft to rotate deployments and provide continuous forward presence as well as be ready for sustained surge operations, such as the humanitarian assistance and disaster relief in Haiti recently. For Navy, "reset in stride" translates into decades of readiness for each ship and aircraft, a good return on investment. However, deferring maintenance and modernization risks sustained combat effectiveness of force structure and reduces expected service lives. Almost three-quarters of our current Fleet will still be in service in 2020. These "in-service ships" and submarines are a critical part of our 30-year Shipbuilding Plan and future inventory. Investment in the readiness of today's Fleet will yield dividends in future capability and capacity.

Navy has a "current value" in ships and aircraft of approximately $640 billion. We are perhaps unique in that our maintenance accounts maintain the force, modernize, and "reset in stride" for the service life of our platforms. Since increased emergent operations are consuming the expected service lives of Fleet units, at an advanced rate, Navy relies on OCO to fund overseas contingency operations and "reset-in-stride". Annual costs to own and operate the fleet represent about 3 percent of the capital value of our fleet assets. As we continue OIF/OEF, and sustain operating at a "new normal", operating and maintenance costs in our baseline accounts must keep pace.

Fleet Readiness: Operations, Maintenance, Expeditionary (Combat Support)

Fleet Response Plan (FRP)

The FRP is Navy's force generation construct and has an operational framework of four phases (maintenance, basic, integrated and sustainment). FRP has proven to optimize the return on training and maintenance, enhance Sailor proficiency, and ensure units and forces are trained and certified in defined, progressive levels of employable and deployable capability. It provides COCOMs and the National Command Authority a transparent readiness assessment of Navy forces—ready for tasking. An FRP cycle is defined as: that period from the end of a maintenance phase to the end of the next maintenance phase. For surface combatants, an FRP cycle is nominally 24-27 months. Maintenance completed during the "maintenance phase" supports the appropriate readiness during remaining phases of a cycle. Personnel manning processes within the FRP cycle maintain appropriate defined unit manning readiness levels throughout the entire FRP cycle. We do not allow personnel readiness levels to atrophy and then peak just before a deployment. Training processes in the FRP provide appropriate required levels of unit readiness in the Fleet Response Training Plan (FRTP), and sustain deliberate unit readiness levels throughout the phases of the FRP. In the aggregate, the FRP provides Navy forces with the capability to respond to the full spectrum of Navy roles and missions through traditional rotational deployments as well as emergent COCOM needs (Request for Forces (RFF)).

Today's global security environment has created emerging demands for Navy forces requiring more flexibility to respond to rotational deployments, and emergent RFFs from geographic COCOMs. While reaffirming the importance of Navy forward presence resourced through rotational deployments, changes in the global security landscape have highlighted the need for trained and ready Naval forces capable of responding on short notice "surge" requirements. The rotational aspect of the FRP makes it an inherently sustainable plan if properly resourced. Risk in achieving the desired level of presence or surge is determined by force structure decisions, the OPTEMPO of assets while deployed, personnel manning, a proper maintenance phase and the length and rigor of an FRTP.

The FRP is applied to every unit and group (carrier strike groups and amphibious ready groups). The required operational availability of forces is derived from the Global Force Management (GFM)

Plan and the "surge" requirements needed to support the most stressing operational plan. Our top priority is ensuring that forces are fully maintained, trained and ready to deploy.

Ship Operations

The FY 2011 ship operation budget request (including OCO) provides funding for ships to steam an average of 58 days per quarter (while deployed) and 24 days per quarter (non-deployed). This OPTEMPO enables the Navy to meet FRP and training/certification requirements with acceptable risk. Risk is mitigated through increased use of simulators, concurrent training and certification events while underway, and judicious use of fuel.

While Navy met all FY 2009 GFM commitments, and the operational requirements in support of OIF and OEF, some fiscal constraints resulted in degradation of readiness. Some unit training was prioritized to support FRTP training/certification only, and exercise and US port visits were deferred. Some ships deployed to theater "surge capable" and certified for planned theater operations, but not "Major Combat Operation (MCO)"ready. MCO is the FRTP goal. The FY 2009 mitigation strategy was intended to be the exception--sustaining Navy training readiness at these levels will have a cumulative risk to mission success in future operations. Crew proficiency can degrade in these circumstances.

Navy ships require routine corrective and preventive maintenance, assigned and conducted within the capability and capacity of the ship's crew. Deferring repair parts re-stock results in eventual inventory shortages, and will likely result in eventual deferred preventive maintenance. Deferred corrective maintenance by the crew reduces unit readiness and can result in increased workload and cost for shore-based repair facilities. Deferred preventive and corrective maintenance will cause degraded performance or failure of installed equipment during critical training events or deployments. Annual ship repair part obligations have remained relatively unchanged for several years. During FY 2009, Fleet operation mitigations (reduced OPTEMPO) helped reduce the impact of ship repair parts shortfalls until OCO funds were appropriated. However, an uneven temporal allocation of funds results in:

- Delayed funding (planning) for ship maintenance periods
- Delayed repairs (e.g., cross-decking parts to satisfy emergent requirements and requisitions)
- Deferred preventative maintenance
- Delayed storeroom re-stock of repair parts

Another factor in ship operations is the price of fuel. Fluctuations in fuel prices complicate the ability to precisely budget operating costs.

Ship Maintenance

The FY 2011 budget request (including OCO) resources the ship maintenance account to 99 percent of requirement. This includes carrier, submarine and surface ship dry-docking availabilities, anticipated voyage repair and 40 of 49 non dry-docking surface ship availabilities. We assess this to meet currently known requirements with an acceptable level of risk. A key factor in the Navy's 30-Year Shipbuilding Plan is the ability to reach the expected service life of our ships. Reaching full service life requires an integrated engineering approach to ensure the right maintenance is planned, funded and executed over a ship's lifetime. We are committed to the right level at the most efficient cost. An example of our effort to reduce the total cost of ownership, the submarine technical community has increased the operating interval for SSN 688 and SSN 774 class submarines through analysis of

engineered technical requirements and assessment of recently completed availabilities. This change will improve operational availability while reducing the cost of submarine life-cycle maintenance.

We made significant improvements in the way the Navy manages the maintenance and modernization of its surface force through efforts such as the Surface Ship Life Cycle Management (SSLCM) Activity and the Surface Ship Life Cycle Assessment Pilot Study. Partnering with the Fleet, the SSLCM Activity will assess and manage the maintenance requirements throughout the life cycle of surface ships, enabling more precise and accurate planning and budgeting. The SSLCM is modeled after two successful and similar programs; the Submarine Maintenance Engineering Planning and Procurement (SUBMEPP) Activity and the Carrier Planning Activity (CPA).

SSLCM is conducting a detailed technical review of surface ship class maintenance plans to make certain we understand the full maintenance requirement necessary to reach expected service life for these platforms. We have completed the update on two of our larger ship classes, the DDG 51 and the LSD 41/49 classes. SSLCM is now the designated life cycle organization responsible for maintaining the Integrated Class Maintenance Plans, building availability work packages, and providing technical oversight/approval for Fleet work deferral requests.

The cyclical nature of ship and submarine depot availabilities from year to year causes variations in budget requests and in annual obligation levels. Budget years with multiple ship-docking availabilities increase required funding. More maintenance scheduled in the private sector tends to increase funding in a given year. Nuclear powered carriers and submarines are on a strict time-based maintenance interval in order to maintain certification for unrestricted operations.

Surface ship availabilities are conducted almost exclusively in the private sector. Nuclear submarine and aircraft carrier availabilities are primarily conducted in the public sector, with selected availabilities completed by nuclear capable private shipyards (Electric Boat (Subs) and Northrop Grumman Shipbuilding (Subs/Carriers)). Whenever practical, maintenance is performed in the ship's homeport to minimize the impact on our Sailors and their Families. The Navy recognizes that both public and private sector maintenance organizations need a stable and level workload to maximize efficient execution. Navy works to level the workload to the maximum extent possible within operational constraints.

Air Operations (Flying Hour Program)

The Flying Hour Program (FHP) account provides for the operation, maintenance, and training of ten Navy carrier air wings (CVWs), three Marine Corps air wings, Fleet Air Support (FAS) squadrons, training commands, Reserve forces and various enabling activities. The FY2011 budget request (including OCO) resources the FHP account to achieve Training-rating (T-rating) levels of T2.5 for Navy and T2.0 for the Marine Corps. TACAIR (Tactical Aviation) squadrons conduct strike operations, provide flexibility in dealing with a wide range of conventional and irregular threats, and provide long range and local protection against airborne surface and sub-surface threats. FAS squadrons provide vital fleet logistics and intelligence. Chief of Naval Air Training (CNATRA) trains entry-level pilots and Fleet Replacement Squadrons (FRS) provide transition training to our highly capable, advanced Fleet aircraft. Reserve Component (RC) aviation provides adversary and logistics air support, makes central contributions to the counter-narcotics efforts, conducts mine warfare, and augments Maritime Patrol, Electronic Warfare, and Special Operations Support to OCO missions.

The aviation spares account supports 100 Type/Model/Series (TMS) aircraft and approximately 3,700 aircraft in the Fleet. Aviation spares are funded to 75 percent of the requirement and is a part of the Navy's Unfunded Programs List for FY 2011. This shortfall will delay delivery of spares across all TMS to outfit deployed Navy and Marine Corps operating forces, reducing aircraft readiness. It would also delay updates to air station spares packages which will impact readiness of aircraft in pre-deployment training in support of the FRP. The Navy is evaluating alternatives to manage this risk.

Aviation Maintenance

The Aviation Depot Maintenance account ensures operational aviation units have sufficient numbers of Ready for Tasking (RFT) aircraft to accomplish assigned missions. Shortages in the number of airframes, engines, or other components can detract from the number of RFT aircraft. The FY 2011 budget request (including OCO) resources the Aviation Depot Maintenance account to 96 percent of requirement. The 4 percent unfunded will result in a projected cumulative backlog of 21 of 829 airframes and 342 of 1,998 engines, leaving a backlog of acceptable technical and operational risk. The FY 2011 budget request ensures deployed squadrons have 100 percent of their Primary Authorized Aircraft (PAA), and supports achieving our 100 percent zero bare firewall engine goal. The Naval Aviation Enterprise (NAE) AIRSpeed strategy continues to deliver cost-wise-readiness by focusing efforts on reducing the cost of end to end resourcing, increasing productivity, and improving the operational availability of aircraft.

We request that you fully support our baseline and OCO funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our aircraft.

Strike Fighter Inventory Management

Our current force management measures are targeted at preserving the service life of our existing legacy strike fighter aircraft (F/A-18A-D). Therefore, we will reduce the number of aircraft available in our TACAIR squadrons during non-deployed FRTP phases, to the minimum required in order to meet training and certification. We will reduce our Unit Deployed TACAIR squadrons (UDP) from twelve aircraft to ten aircraft per squadron to match the corresponding decrease in Marine Corps expeditionary squadrons. We are accelerating the transition of five legacy F/A-18C squadrons to F/A-18 E/F squadrons, using available F/A-18E/F aircraft, and will transition two additional legacy squadrons using F/A-18 E/F attrition aircraft. These measures make available legacy strike fighter aircraft for High Flight Hour (HFH) inspections and, potentially, the Service Life Extension Program (SLEP). Taken together, these would provide the option to extend the service life of legacy aircraft and help manage the inventory. These measures will expend the service life of some F-18 E/F aircraft earlier than programmed. Accordingly, we are refining our depot level production processes to maximize throughput and return legacy strike fighter aircraft to the Fleet expeditiously to ameliorate Super Hornet life expenditure.

There are initiatives in place to extend the service life of our F/A-18A-D aircraft. HFH inspections, which have been in place for two years, provide the ability to extend the service life of our legacy F/A-18A-D aircraft to 8,600 flight hours. Further engineering analysis is underway to determine the SLEP requirements necessary to reach the service life extension goal of 10,000 flight hours should this course of action be required.

Naval Expeditionary Forces (Combat Support)

Our Navy continues to place significant emphasis on strengthening its expeditionary warfare forces to confront irregular challenges. The FY2011 budget request continues to support Irregular

Warfare (IW) requirements and promotes synergy in IW with the Marine Corps and US Coast Guard. But despite efforts to increase capacity, stress on the high demand and limited supply of expeditionary forces (EOD, Riverine, Seabee) requires continuous monitoring and the employment of mitigation strategies to ensure our forces meet CNO PERSTEMPO guidelines including deployment length, deployment periodicity (dwell goal 1.0:2) and homeport tempo (greater than 50 percent). During FY 2007 the EOD community dwell ratio was averaging 1.0:1. In FY 2008, EOD introduced mitigation options that increased their average dwell ratio above both CNO dwell minimum (1.0:2). Other communities such as P-3, Seabee, Riverine and EA-6B (Prowler) are currently above the minimum dwell ratio, but remain below the CNO's goal (1.0:2).

The budget request provides for the manning, training, operations, and maintenance of expeditionary forces under the purview of the Navy Expeditionary Combat Command (NECC) including: the Naval Construction Force (NCF), Explosive Ordnance Disposal (EOD)/Mobile Diving and Salvage (MDS), Riverine Forces, Maritime Expeditionary Security Forces (MESF), Navy Expeditionary Logistics Support Group (NAVELSG), Expeditionary Combat Readiness Center (ECRC), Maritime Civil Affairs and Security Training (MCAST), Navy Expeditionary Intelligence Command (NEIC), and Combat Camera.

Evolving warfighting missions and increases in COCOM demand for Theater Security Cooperation Programs (TSCPs) missions, building partner capacity, and security force assistance, have expanded the training and operational requirements for NECC Forces in every theater. For example, within the past 14 months, Navy Seabees have twice been called upon to enable the troop surge in Afghanistan. First, performing a "lift and shift" from Iraq to Afghanistan to support the arrival of the Marine Expeditionary Force, and subsequently, preparing for the arrival of the 30,000 additional troops directed by the "surge". The Seabees constructed Forward Operating Bases, Combat Outposts, and support facilities. To meet emergent training and global operational requirements associated with overseas contingency operations, NECC leverages OCO funding to provide the critical training and outfitting in theater and meet the dynamic missions they execute throughout the theater.

Based on GFM requirements, NECC deploys mission-specific units to fulfill COCOM requests. This involves employing traditional core capabilities in the Navy Expeditionary Combat Force, as well as emerging new mission capabilities that have been requested and developed over the last several years. Combining the disparate capabilities and capacity of these forces under a single type command structure has increased Navy's responsiveness to support existing and evolving irregular warfare missions in both rotational deployments and emergent COCOM needs (RFFs). Navy Riverine forces are now on their sixth deployment to OIF conducting interdiction patrols in southern Iraq and training their Iraqi counterparts.

NECC is providing the training, preparation, and administrative support oversight for the more than 13,000 IA and ad-hoc forces performing enabler missions in support of ground forces. At 40,000 Sailors, NECC represents about 12 percent of Navy manpower, yet operates with 1.5 percent of Navy Total Obligation Authority – a bargain considering the extensive capabilities they bring to COCOMs.

Training Readiness: Connecting us to Our Future Force

Ballistic missile proliferation continues to be a growing security concern to our nation. Maritime BMD is a core U.S. Navy capability. Our Navy's ability to train the force in a flexible and agile fashion remains a necessity in an uncertain strategic environment. We conducted our first BMD Fleet Synthetic

Training event this past year, proving the viability and effectiveness of integrated Navy, Joint and partner-nation BMD training. Our budget request continues to build this momentum to develop a comprehensive BMD training program.

The Fleet Synthetic Training program provides realistic operational training including seamless integration of geographically dispersed Navy, Joint, Interagency and Coalition forces. Providing efficient and effective synthesized training optimizes the Fleet Response Training Plan (FRTP).

The proliferation of advanced, stealthy, diesel submarines continues to challenge our Navy's ability to guarantee access in all global regions. Effective Anti-Submarine Warfare (ASW) training at sea with active sonar systems is a necessary part of our FRTP. Synthetic training can supplement, but not completely substitute for at-sea training. Navy remains a world leader in marine mammal research and we will continue our robust investment in this research in FY 2010 and beyond. Through such efforts, and in full consultation and cooperation with appropriate federal agencies, Navy has developed protective measures to mitigate the potential effects to marine mammals and the ocean environment from the use of mid-frequency active (MFA) sonar, while meeting ASW training. We will continue to work closely with our interagency partners to further refine our protective measures, as scientific knowledge evolves.

Over the last year, we completed environmental planning documentation for eight existing and proposed at-sea training and combat certification areas. We anticipate completion of planning documentation for another six areas over the next year, as we continue to balance our responsibility to prepare naval forces for deployment and combat operations with our responsibility to be environmental stewards of the marine environment.

Conducting night and day field carrier landing practice (FCLP) prior to at-sea carrier qualifications is a critical training requirement for our fixed-wing, carrier-based pilots to develop and maintain proficiency in the fundamentals of carrier aviation. We continue to seek additional airfield capacity in the form of an outlying landing field (OLF) that will enhance our ability to support FCLP training for fixed-wing, carrier pilots stationed at and transient to Naval Air Station Oceana and Naval Station Norfolk. The additional OLF capacity will allow Navy to meet training requirements and overcome challenges related to capacity limits, urban encroachment, and impacts from adverse weather conditions at existing East Coast facilities. Navy is committed to developing, with local, state, and federal leaders, a plan to ensure the OLF provides positive benefits to local communities while addressing Navy training shortfalls.

Learning and Development

Quality education and training of our Sailors provides unique skills that give us an asymmetric advantage over potential adversaries and sets us apart from every other Navy. To develop a highly-skilled, combat-ready force, we have fifteen learning centers around the country providing high quality, tailored training to our Sailors and Navy civilians. We remain committed to the professional development of the Navy Total Force, and continue to balance current and traditional education and training requirements with emerging mission areas such as cyber warfare, ballistic missile defense, and counter terrorism. We have completed 40 of 82 enlisted learning and development roadmaps, which describe in detail the required training, education, qualifications, and assignments required throughout a Sailor's career. We recognize the importance of providing our officers with meaningful and relevant education, particularly our Naval War College and Joint Professional Military Education (JPME), to develop leaders who are strategically-minded, critical thinkers, and adept in naval and joint warfare.

Cultural expertise, regional focus and linguistic expertise remain essential to Navy's global mission, and our budget request supports expansion of the Language, Regional Expertise, and Culture (LREC) majors program for NROTC midshipmen as well as implementation of the AF-PAK Hands Program, which will provide the joint force with enhanced language and cultural capabilities in Afghanistan and Pakistan.

Shore Readiness

Shore infrastructure supports and enables operational and combat readiness. It is an essential element to the quality of life and quality of work for our Sailors, Navy civilians, and their Families. Increasing costs in manpower and afloat-readiness, combined with emergent requirements compel us to take risk in Shore Readiness. To manage this risk, our FY 2011 shore readiness budget request places a priority on supporting Navy and Joint mission readiness, ensuring nuclear weapons security and safety, and improving our bachelor and family quarters, including sustained funding for our Homeport Ashore initiative. We are taking risk in other shore readiness areas and at current levels, the recapitalization of our facilities infrastructure is at risk.

To ensure our limited resources are applied to projects with the highest return on investment, we continue to use a capabilities-based Shore Investment Strategy to target shore investments where they will have greatest impact on critical capabilities, specifically investments associated with Navy warfighting requirements, improved quality of life, and Family readiness.

Despite challenges, we have made essential progress and improvements in nuclear weapons security, child care facilities, and bachelors' quarters.

American Recovery & Reinvestment Act (ARRA)

Your support and assistance through the American Recovery and Reinvestment Act of 2009 was very helpful. As you requested, we identified Military Construction projects for Child Development Centers and barracks and prioritized them while considering the ability to obligate funds quickly. We selected infrastructure and energy projects based on mission requirements, quality of life impact, environmental planning status, and our ability to execute quickly. Our aggressive execution schedule is on track, and construction outlays are ramping up swiftly. Due to a very favorable bidding climate, savings of over $100 million have been realized as of the end of December 2009. Following OSD guidance to invest in the 19 States and the District of Columbia with the highest unemployment rates, additional projects for use of these savings have been developed by Commander Navy Installations Command and submitted by OSD for approval. The list of supplemental projects contains a continued emphasis on critical repairs, Quality of Life and Work, energy consumption related projects, enlisted housing, and child development centers.

Energy and Climate

Energy reform is a strategic imperative. We are committed to changing the way we do business to realize an energy-secure future. In alignment with SECNAV's goals, our priorities are to advance energy security by, assuring mobility, expanding tactical reach, protecting critical infrastructure, "lightening the load", and greening our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons. Most of our projects remain in the demonstration phase; however, we are making good

progress in the form of an electric auxiliary propulsion system delivered last year on the USS MAKIN ISLAND (LHD 8), testing and certification of bio-fuels as drop-in replacements for petroleum, advanced hull and propeller coatings, solid state lighting installations, and policies that encourage Sailors to reduce their consumption through simple changes in behavior.

Thanks to your support, the American Reinvestment and Recovery Act (ARRA) funded Navy energy conservation and renewable energy investment in 11 tactical and 42 shore-based projects totaling $455 million. Tactical projects included alternative fuel, drive, and power systems for ships, aircraft and tactical vehicles. Ashore projects included alternative energy (wind, solar and geothermal) investments in ten states and the installation of advance metering infrastructure in three regions. Our FY 2011 budget continues to invest in tactical and ashore energy initiatives, requesting $128 million for these efforts.

In our Maritime Strategy we addressed maritime operations in an era of climate change, especially in the ice diminished Arctic. The CNO established the Navy's Task Force on Climate Change (TFCC) to develop policy, investment, and force-structure recommendations regarding climate change in the Arctic and globally over the long-term. Our focus will be to ensure Navy readiness and capability in a changing global environment.

Family Readiness and Sailor Care

We remain committed to the professional and personal development of our Sailors and Navy civilians, and support to their Families. We are in the process of expanding opportunities for service at sea to women in the Navy by offering assignments on submarines. Current plans are to accept the first cadre of female officers into the submarine training pipeline this year to facilitate their assignment aboard submarines as early as FY 2012. We intend to enhance support to our Sailors and their Families, including those who are wounded, ill and injured, through expanded child and youth care, Fleet and Family Support services, Navy Safe Harbor, and the Operational Stress Control program. We are aggressively addressing the rise in suicides over the last 12 months by implementing revised training and outreach programs for Navy leadership, Sailors, Navy civilians and Families to increase suicide awareness and prevention. To reduce sexual assaults, we will re-focus our leadership, change our cultural approach and insist on accountability. Led by the Sexual Assault Prevention and Response (SAPR) Office, a new direction for intrusive leadership by unit commanders and an emphasis of intolerance for sexual assault and related behavior in our Navy is underway. We remain committed to providing our Sailors and their Families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our FY 2011 budget request expands this network of services and caregivers to ensure that all Sailors and their Families, and our wounded, ill and injured receive the highest quality healthcare available. Navy Safe Harbor, Navy's Operational Stress Control Program, Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Workshop and Behavioral Health Needs Assessments (BHNAS) are critical elements of this continuum.

Navy Safe Harbor has been expanded and continues to provide non-medical support for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families through a network of Recovery Care Coordinators and non-medical Care Managers at 16 locations across the country. Over the past year, Safe Harbor's enrollment has grown from 387 to 542. Over 84,000 Sailors have participated in Operational Stress Control (OSC) training, which is providing a comprehensive approach designed to actively promote the psychological health of Sailors and their families throughout their careers while reducing the traditional stigma associated with seeking help. Our individual augmentees receive OSC training prior to deployment while the Warrior Transition Program (WTP) and Returning

Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. WTP, established in Kuwait and expanded via Mobile Care Teams to Iraq and Afghanistan, provides a place and time for individual augmentees to decompress and transition from life in a war zone to resumption of life at home. The RWW identifies problems, encourages Sailors to share their experiences, refers family members to essential resources, and facilitates the demobilization process.

Stress on the Force

As we continue to operate at a high operational tempo to meet our nation's demands around the world, the tone of the force remains positive. We continue to monitor the health of the force by tracking statistics on personal and family-related indicators such as stress, financial health and command climate, and Sailor and Family satisfaction with their services in Navy. Recent detailed survey results indicate that Sailors and their Families remain satisfied with command morale, the quality of leadership, education benefits, health care, and compensation. We remain focused on our connection with the Family at the unit level so that we have informed, prepared and resilient Families.

Suicide is a tragic event affecting Sailor, Family and unit readiness. We continue efforts at suicide prevention through a multi-faceted approach of communication, training, and command support designed to foster resilience and promote psychological health among Sailors. Navy's latest 12-month suicide rate of 13.3 per 100,000 Sailors represents a small decrease from the previous year's rate of 13.8 per 100,000 Sailors. Although suicides are significantly below the national rate for the same age and gender demographic (19.0 per 100,000 individuals), we are not satisfied. Any loss is unacceptable. We remain committed to creating an environment in which stress and other suicide-related factors are more openly recognized, discussed, and addressed. We continue to develop and enhance programs designed to mitigate suicide risk and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support, with the goal of reducing individual stress. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communication efforts are meeting their intended objectives.

Child and Youth Programs

Our Navy Child and Youth Programs, the top priority within Family Readiness Programs, provide high-quality educational and recreational programs for our Navy children. We are leveraging MILCON funding, Recovery Act funding, commercial contracts, and military-certified in-home care expansion to increase child care spaces and to meet our goal of placing children under care within three months of their request. By the end of 2011, we will meet this goal and will be in compliance with OSD's direction to provide child care to at least 80 percent of our military population. While we are meeting our child care capacity goals, recapitalization of our existing infrastructure is still required. In addition to increasing child care spaces, we are also adding 25,000 additional hours of respite child care and youth services for families of deployed Sailors and our wounded, ill and injured. Our child care and youth programs are a highly valued resource by our Sailors and their Families, and are an investment in the nation's future.

Bachelor Housing

Our bachelor housing program is currently focused on two goals: providing Homeport Ashore housing (at our Interim Assignment Policy) for our junior sea-duty Sailors by 2016 and eliminating our substandard (Q4) bachelor housing inventory by 2020. We appreciate the assistance of Congress to commence a Homeport Ashore initiative in Coronado, CA, with an FY 2009 Recovery Act bachelor housing project that will eliminate 1,056 spaces in the deficit. We are continuing this important Quality

of Life initiative by requesting $75 million in new construction in FY 2011 for bachelor housing in San Diego to provide an additional 772 spaces to our inventory. The PB11 Future Years Defense Plan contains six Military Construction projects that will provide the 4,305 spaces required to complete the Homeport Ashore initiative by 2016.

Family Housing

Our FY 2011 family housing budget request includes $68.2 million for family housing construction, improvements, planning, and design. This amount includes $37.2 million for replacement construction of 71 homes for naval base personnel at Naval Base Guantanamo Bay, Cuba and $28.4 million for 116 housing units in Japan. In addition, our FY 2011 budget request includes $329.7 million for the operation and maintenance of 10,000 Navy-owned homes and 3,700 leased homes.

Utilizing a combination of increased recapitalization funding and PPV authorities, the Navy met the SECDEF goal to fund by, FY 2007, the elimination of all inadequate military family housing units, which Navy defined as homes requiring repairs, improvements, or replacement costing more than $50 thousand. To establish common standards across all four Services, SECDEF redefined family housing condition ratings in 2009 to correlate with the Facility Condition Rating system used across DoD. This system classifies any unit in a Q3 or Q4 condition as inadequate. Navy has identified those government-owned units as Q3/Q4, most of which are overseas. These units represent 6 percent of the entire Navy inventory. Navy is on target to achieve the SECDEF goal that 90 percent of family housing to be at an adequate (Q1/Q2) condition by 2015.

Our portfolio management program collects and analyzes financial, occupancy, construction, and resident satisfaction data to ensure our PPV projects are optimized and performing as required and the services provided meet expectations. We regularly host PPV focus groups to assess the quality of privatized housing and housing services delivered to Navy families and make changes in Navy policies and procedures as required. We continue to receive very positive feedback from our Navy families. This enhanced oversight of our PPV partners meets required Congressional reporting and ensures Navy Sailors and their families continue to benefit from quality housing and services.

Individual Augmentees (IA)

Navy currently has over 11,000 Sailors serving as IAs worldwide. Since last year, Navy designated Commander, US Fleet Force Command (CUSFF) as the Executive Agent for Individual Augmentees, accountable to the CNO for the IA program. Through the efforts of USFF, including the creation of the Navy Preparedness Alliance to focus the efforts of our personnel assignment, Medical, Reserve, Ashore and Fleet leadership, the efficiency and effectiveness of the program has improved dramatically. For example, as testified to by our Sailors and their Families, notification to our Sailors of IA assignment has improved, and our IA "family support" programs are more effective.

More than 8,000 IA Sailors are on the ground in CENTCOM, serving in vital support roles across both adaptive core and temporary[1] mission areas such as provincial reconstruction teams, detainee operations, civil affairs, training teams, counter improvised explosive device (IED), intelligence, and medical support. As the focus shifts from Iraq to Afghanistan, we anticipate the demand for Sailors to support the joint force in non-traditional missions to remain at or above their present levels.

[1] Temporary – missions for which Navy does not have standard, mission-ready capabilities.

To better support our IA Sailors and their families, we have made significant progress in integrating the IA experience into a Navy career, ensuring IA duty enhances a Sailor's career and increased predictability associated with IA deployments. IA resourcing and support is a priority, and will require vigilance by Navy leadership.

Conclusion

In a recent statement, Secretary Mabus clearly described the mindset of our Navy.
"Our sea services are always forward-deployed, always forward-leaning. We do not rest or lie at anchor, waiting for the call. For the call is now, and unremitting - and so is our resolve."
We work to refine Navy readiness processes to ensure "Forces Ready for Tasking" are delivered whenever and wherever the Nation calls. In an increasingly interconnected and multi-polar world, the nature of challenges to our Nation's interests tomorrow could be different from the nature of the challenges that we face today. We are a force ready to fight our Nation's wars, but we are also focused on deterring or containing conflict regionally or locally. To deal effectively with today's myriad challenges requires established relationships of trust and confidence with potential partners all over the globe. Our Navy plays an enduring role in meeting that requirement through the execution of our Maritime Strategy. Our presence provides the opportunities to positively influence circumstances and events to protect or optimize our vital national interests. That presence also enables the Navy to respond to requests for humanitarian assistance and disaster recovery as needed.

Readiness is a matter of capable forces ready for tasking, with sufficient capacity. The return on investment in our readiness accounts is measured by the ability of the Navy to deliver required capabilities in rotational deployments and in response to emergent needs of the COCOMs. In a high demand environment with finite resources, achieving that readiness requires careful assessment of risk and consequences, a judicious balance of multiple, equally valid but competing requirements. The support of the Congress and this committee in effectively maintaining that balance is most appreciated.

I ask for your strong support of our FY 2011 readiness budget request and our indentified priorities. Thank you for your unwavering support and commitment to our Sailors, Navy civilians and their Families, and for all you do to make our U.S. Navy an effective and enduring global force for good.

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

SUBCOMMITTEE ON READINESS

16 MARCH 2010

Not public until
Released by the House Armed Services Committee

General James F. Amos
Commandant of the Marine Corps

General James F. Amos, USMC, is the 31st and current Assistant Commandant of the Marine Corps. A Naval aviator by trade, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General. Most notably he commanded the 3rd Marine Aircraft Wing in combat during Operations Iraqi Freedom I and II from 2002-2004, followed by command of the II Marine Expeditionary Force from 2004-2006. He subsequently served as the Commanding General, Marine Corps Combat Development Command and as the Deputy Commandant, Combat Development and Integration from 2006 to July 2008. General Amos was promoted to his present rank and assumed the duties of Assistant Commandant of the Marine Corps on 2 July 2008.

Operational assignments include tours with Marine Fighter Attack Squadrons 212, 235, 232 and 122 where he flew the F-4 Phantom II. In 1985 General Amos assumed command of Marine Wing Support Squadron 173. Later, transitioning to the F/A-18 Hornet, he assumed command of Marine Fighter Attack Squadron 312 and subsequently joined Carrier Air Wing Eight onboard USS Theodore Roosevelt (CVN-71). General Amos took command of Marine Aircraft Group 31 Beaufort, SC in May 1996.

General Amos' staff assignments include tours with Marine Aircraft Groups 15 and 31, the III Marine Amphibious Force, Training Squadron Seven, The Basic School, and with the MAGTF Staff Training Program. Promoted to Brigadier General in 1998 he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples Italy. During this tour he commanded NATO's Kosovo Verification Center, and later served as Chief of Staff, U.S. Joint Task Force Noble Anvil during the air campaign over Serbia. Transferred in 2000 to the Pentagon, he was assigned as Assistant Deputy Commandant for Aviation. Reassigned in December 2001, General Amos served as the Assistant Deputy Commandant for Plans, Policies and Operations Department, Headquarters, Marine Corps. General James F. Amos, USMC, is the 31st and current Assistant Commandant of the Marine Corps. A Naval aviator by trade, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General. Most notably he commanded the 3rd Marine Aircraft Wing in combat during Operations Iraqi Freedom I and II from 2002-2004, followed by command of the II Marine Expeditionary Force from 2004-2006. He subsequently served as the Commanding General, Marine Corps Combat Development Command and as the Deputy Commandant, Combat Development and Integration from 2006 to July 2008. General Amos was promoted to his present rank and assumed the duties of Assistant Commandant of the Marine Corps on 2 July 2008.

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Introduction

Chairman Ortiz, Ranking Member 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 with you today about the readiness of the United States Marines. My statement will address our efforts to create a balanced force capable of prevailing in current conflicts while preparing for other contingencies, 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. 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 (MAGTFs) for the future security environment are critical to the Marine Corps' success as the "Nation's Force in Readiness."

Readiness Assessment

The pace of operations for your Marines remains high, with over 27,000 Marines forward-deployed across the globe. In the U.S. Central Command area of operations, there are over 17,000 Marines deployed in support of Operations IRAQI FREEDOM and ENDURING FREEDOM. As you know, our mission in Iraq is now complete. After seven years of intense combat and nation building operations, the Marine Corps returned the Anbar Province to the leadership of Iraq. With exception of some Training Team members, our last piece of equipment and our last Marine departed Iraq this past week. In the course of the last eight 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 continue to report

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.

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 seaborne operations. These skills are critical to maintaining the Marine Corps' primacy in theater access 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. The current security environment has clearly justified the tradeoffs we have made to support Overseas Contingency Operations, but the uncertainty of the future makes it prudent to regain our capabilities to operate across the full range of military operations.

In addressing the challenges facing the Marine Corps, I have structured my statement along the lines of our key readiness concerns – equipment, personnel, military construction, training, amphibious shipbuilding, and caring for our warriors and their families. I will discuss the positive steps and proactive initiatives we are undertaking, with your support, to reset, modernize, and reconstitute the Marine Corps for an uncertain future. Finally, I will conclude with some of our ongoing initiatives and programs that address the care and welfare of our Marines and their families.

Equipment Readiness

Ensuring that our Marines are equipped with the most modern and reliable combat gear is a necessity. However, the requirement to fully resource deployed forces, often in excess of our tables of equipment, has reduced the availability of materiel essential to outfit and train our non-deployed units. Approximately 21.5% of all Marine Corps ground equipment and 38% of our aviation assets are deployed overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, to be used by the relieving unit. As of 1 Mar 2010, Marine Corps Logistics Command folded its flag, redeployed, and the final 21 trucks headed for Kuwait; we have completed the responsible drawdown from Iraq, our mission there is complete. While we reorient our effort to OEF operations, we have been transitioning a significant amount of equipment to Afghanistan. We continue to face significant home station equipment readiness challenges.

Ground Equipment Readiness After eight years of sustained combat operations, our deployed equipment has been subject to significant wear and tear, harsh environmental conditions, and increased operating hours and mileage. Additionally, the weight associated with armor plating further increases the wear on our deployed vehicle fleet and accelerates the need for repair and replacement of these assets. Despite these challenges and higher utilization on already aging equipment, our young Marines are keeping this equipment mission-ready every single day. The high equipment maintenance readiness rates throughout the Marine Corps are a testament to their dedication and hard work.

The policy to retain equipment in theater as forces rotate in and out was accompanied by increased in-theater maintenance presence. This infusion of maintenance support has paid great dividends, with deployed ground equipment maintenance readiness above 90%. However, the Marine Corps is experiencing challenges with the supply availability of a number of critical equipment items at home stations. Supply readiness rates (On-hand vs Required) have decreased for home station units, while we work to meet the demand of deployed forces and those next-to-deploy. Shortages of critical equipment limit home station units' ability to prepare and train to their full core competencies and present additional risk in availability of equipment necessary to respond swiftly to unexpected contingencies.

The sourcing of equipment for the Marine Expeditionary Brigade (MEB) in Afghanistan over the past year, and the transition to a much larger Marine Expeditionary Force Forward (MEF(Fwd)), illustrates our equipment availability challenge. Equipment assets were pulled from across the entire Marine Corps to accomplish this task. To ensure the MEF(Fwd) is provided the newest and most capable equipment, over 34% of their equipment came via new procurement provided by Marine Corps Systems Command. Approximately 42% of the equipment came from within the Central Command area of operations, including items made available from units retrograding from Iraq; and about 4% of the required assets were sourced from our Logistics Command Maritime Prepositioning Ships Program and the Marine Corps Prepositioning Program in Norway. Although a concerted effort was made to minimize the impact on home station unit readiness, 20% of the equipment for I MEF(Fwd) needed to be drawn from our non-deployed operating forces. The net effect has been degradation in readiness at home station. For instance, the overall supply rating of Marine Corps units in Afghanistan is near 100 percent, while the supply rating of units at home station is less than 60 percent.

Ground equipment age continues to be a top readiness challenge as well. As equipment ages, more time, money, and effort are expended repairing it. Ultimately, the answer to achieving sustained improvements in ground equipment readiness is to improve logistics processes and to modernize with highly reliable and maintainable equipment. The Corps is achieving efficiencies by improving supply-chain processes, adopting best practices, and leveraging proven technological advances to facilitate responsive and reliable support to the Operating Forces.

Aviation Equipment Our aviation capability is a critical part of the MAGTF. Just like our ground force units, deployed Marine aviation units receive priority for aircraft, repair parts, and mission essential subsystems such as forward-looking infrared (FLIR) pods. Non-deployed forces, therefore, face significant challenges for available airframes and supply parts. Exacerbating the readiness challenges in our aviation fleet, most Marine aircraft are older, or are "legacy" platforms no longer in production, thus 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: Afghanistan, the Horn of Africa, and aboard ships around the world. While operating in these demanding areas, our aircraft are often doubling –sometimes, nearly tripling – the utilization rates for which they were designed.

Maintaining the readiness of aviation assets while training aircrew is a large effort, and one which Marine Corps aviation is meeting through a careful and ongoing program of mitigation, bridging legacy platforms to new aircraft. We are replacing our assault support and tactical aviation airframes through programs of record, which will provide the MAGTF with dependable and tactically dominant capabilities for decades to come. The key to our steady improvement of Marine Corps aircraft flexibility is maintaining the "ramp rates" at which we purchase these improved airframes.

Fleet Readiness Centers have been able to mitigate the strain on our aircraft materiel readiness through modifications, proactive inspections, and additional maintenance actions. These efforts successfully bolstered aircraft reliability, sustainability, and survivability. We expect requirements for depot-level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities.

Pre-positioning Equipment and Stores Marine Corps Prepositioning Programs are comprised of the Maritime Prepositioning Force (MPF), with three Maritime Prepositioning Ships Squadrons (MPSRONs), and the Marine Corps Prepositioning Program – Norway (MCPP-N). Since 2002, we have drawn equipment from our strategic programs and stocks to support combat operations, Operation UNIFIED RESPONSE, growth of the Marine Corps, and other operational priorities. While the readiness of the strategic prepositioning programs continues to improve, equipment shortages in our strategic equipment prepositioned stores have forced the Marine Corps to accept necessary risk in our ability to rapidly respond to worldwide contingency operations. With Congress' support, our end item shortfalls in the MPF and MCCP-N programs will be reset, in accordance with operational priorities, as equipment becomes available.

In-Stores Equipment In-stores equipment refers to our pool of assets that serves 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 was used heavily to meet equipment requirements in Iraq, and it continues to support our forces in Afghanistan. The availability, or supply rating, for in-stores assets has been degraded over the past years and limits our ability to rapidly respond to unexpected contingencies and to replace damaged equipment in the operating forces.

Equipment Initiatives To counter the readiness impact of damaged, destroyed or worn out equipment, the Marine Corps initiated a program to reset and modernize our force. The goal of our reset and modernization programs is 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. Over time, these initiatives will help to increase non-deployed unit readiness by enhancing home station equipment pools and pre-deployment unit training requirements.

Equipment Reset Reset consists of actions taken to restore units to a desired level of combat capability commensurate with a unit's assigned mission. It encompasses maintenance and supply activities that restore and enhance combat capability to equipment that has been damaged, rendered obsolete, or worn out beyond economical repair due to combat operations by repairing, rebuilding, or procuring replacement equipment. In light of the continued high tempo of operations in the CENTCOM AOR, and the delay in reset actions due to the diversion of equipment to Afghanistan, we estimate the cost of reset for the Marine Corps to be **$8 billion** ($3

billion requested in the FY11 OCO and an additional $5 billion reset liability upon termination of the conflict).

To prepare for the reset of equipment redeployed from Iraq, we created an OIF Reset Plan. The plan synchronizes Marine Corps reset efforts to ensure we effectively and efficiently reset equipment to support follow-on operations. Equipment being redeployed is inspected, sorted and redistributed in theater, or redeployed to CONUS to maintenance facilities. This equipment will then be repaired and distributed to fill shortfalls for established priorities. Equipment determined to be beyond economical repair will be disposed of and replacements procured.

Modernization 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 *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.

Ground Modernization Prompted by a changing security environment and hard lessons learned from eight years of combat, the Marine Corps completed a review of its Operating Force's ground equipment requirements. Recognizing that our unit tables of equipment (T/Es) did not accurately reflect the challenges and realities of the 21st century dispersed battlefield, the Corps revised T/Es for our operating units. This revision was synchronized with our modernization plans and programs, and provides enhanced mobility, lethality, sustainment, and command and control across the MAGTF. The new equipment requirements reflect the capabilities necessary, 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 estimate the cost associated with our revised tables of equipment to be $5 billion.

Aviation Modernization We are modernizing the aircraft we fly, even as we continue our long-range plan to replace our entire operational aircraft fleet with new or rebuilt airframes; changing the way we think about aviation support to our ground forces; and improving our capabilities to conduct operations in any clime and place. We are committed to an "in-stride transition" from twelve legacy type/model/series aircraft to six new aircraft, including the F-35B

Joint Strike Fighter, the MV-22 Osprey, the KC-130J, the CH-53K, and upgrades to our H-1 series helicopters. To help meet the growing intelligence, surveillance, and reconnaissance requirements of our operating forces, the Marine Corps is fielding three groups of unmanned aircraft systems. 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. These improvements will increase the Corps' aviation capability and MAGTF flexibility, and ensure our continued warfighting advantage.

Personnel Readiness

The Marine Corps is meeting all Operation ENDURING FREEDOM (OEF), and Operation UNIFIED RESPONSE requirements. The demand and associated operational tempo for Marines will remain high as we provide requested forces to Afghanistan. Meeting this global demand resulted in short deployment-to-dwell ratios for many units, with some deployed for as many months as they spend at home. Some of our low-density/high-demand units such as Intelligence, Communications, Explosive Ordnance Disposal, and certain aviation units, remain at about a 1:1 dwell ratio, with only moderate relief in sight for the near future. Insufficient dwell time negatively impacts our total force readiness because it leaves inadequate time to conduct full spectrum training and reconnect with families.

Another readiness detractor has been the need to task combat arms units, such as artillery, air defense, and mechanized maneuver to perform "in-lieu-of" (ILO) missions such as security, civil affairs, and military policing. Shortages of those skill sets created the need for ILO missions to meet the requirements for counter-insurgency operations in Iraq and Afghanistan. Although these mission assignments are necessary, they have degraded our readiness because these combat units are unable to train to and maintain proficiency in their primary skill sets.

Additionally, the Marine Corps is tasked to fill a variety of assignments for forward-deployed staffs, training teams, and joint/coalition assignments that exceed our normal manning structures. The manning requirements for these uncompensated Individual Augments (IAs), Training Teams (TTs) and Joint Manning Documents (JMDs) seek seasoned officers and staff non-commissioned officers because of their leadership, experience, and training. We understand that these augmentees and staff personnel are critical to continued success in Iraq and Afghanistan, but their extended absence has degraded home station readiness, full spectrum

training, and unit cohesion. This has become most evident in our field grade ranks. In addition to the IA, TT, and JMD billets, emerging requirements associated with activation of USCYBERCOM, the AF-PAK Hands program, AFRICOM, and increased SOCOM support have compounded the demand for Marine majors, lieutenant colonels, and colonels who would otherwise be assigned to key leadership positions in the operating force.

Personnel Initiatives In order to better meet the needs of a nation at war, the Corps has grown to its authorized active duty end strength of 202,000 (202K) Marines. This increase in manpower will ultimately result in a Marine Corps with three balanced Marine Expeditionary Forces (MEFs), and will help mitigate many of our operational tempo challenges described in the previous section. A balanced Marine Corps will provide combatant commanders with fully manned, trained, and equipped Marine Air Ground Task Forces (MAGTFs) that are multi-capable, responsive, and expeditionary. Additionally, our current end strength growth will increase our capacity to deploy forces in response to contingencies and to participate in exercises and operations with our international partners in support of the Nation's broader security objectives. It will also allow more time at home for our Marines to be with their families, to recover from long deployments, regain proficiency in core skills, and prepare for their next mission.

Thanks to the continued support of Congress, we have increased our infantry, reconnaissance, intelligence, combat engineer, unmanned aircraft, military police, civil affairs, and explosives ordnance disposal communities. Most of these units have already deployed to Iraq and Afghanistan, mitigating the need for additional ILO missions. We have realized improvements in dwell time for a number of stressed communities. Although the plan is progressing well, the growth in end strength will not result in an immediate improvement in reported readiness, because it takes time to train and mature our newly recruited Marines and units.

Military Construction

In conjunction with the Marine Corps' growth, military construction is critical to supporting and sustaining the new force structure and maintaining the individual readiness and quality of life for our Marines. Thanks to your support, we recently expanded our construction efforts and established a program that will provide adequate bachelor housing for our entire force

by 2014. Since the announcement of the Commandant's Barracks Initiative in fiscal year 2008, Congress has funded approximately 19,700 barracks spaces for our Marines. We ask for your continued support of this program to meet our 2014 goal. Concurrent with our new construction efforts is our commitment for the repair and maintenance of existing barracks to improve morale and quality of life.

Training Marines to Fight

In preparing Marines to fight in "any clime and place," the perennial challenge to our Corps is to attain the proper balance between core warfighting capabilities and those unique to current operations. Decreased unit dwell times and shortages of equipment in our non-deployed forces translate to a limited ability to conduct training on tasks critical to our core competencies, such as integrated combined arms, large force maneuver, and amphibious operations. Short dwell times between deployments and the need for many units to perform "in lieu of missions" have resulted in a singular focus on counter-insurgency training. Our Marines continue to be well trained for current operations through a challenging pre-deployment training program that prepares them for all aspects of irregular warfare.

Pre-deployment Training Program We have continued to improve our demanding, realistic and adaptive pre-deployment training program in order to properly prepare our operating forces for the rigors and challenges they face in OEF. The Pre-deployment Training Program (PTP) contains standards-based, skill progression training which is evaluated by commanders and assessed by our Training and Education Command at the final Mission Rehearsal Exercise. The PTP includes counter-insurgency combat skills, training in joint/coalition operations, working with our interagency partners, and increasing operational language sets and cultural skills. Unit after-action reports and unit surveys conducted by the Marine Corps Center for Lessons Learned (MCCLL) are shared Corps-wide and have influenced training changes to keep PTP relevant. For example, the Afghanistan Pre-Deployment Training Program, while similar in many facets to the PTP for Iraq, includes mountain warfare training, an increased emphasis on MAGTF combined arms training, and a focus on partnering and mentoring of host nation security forces.

While our PTP focuses on preparing Marine units for their next deployment, we are further enhancing our education and training programs to respond to ongoing changes in the security environment. Through the efforts of the MAGTF Training Command and organizations such as Marine Aviation Weapons and Tactics Squadron One, Marine Corps Tactics and Operations Group, the Center for Advanced Operational Culture Learning, the Security Cooperation Education and Training Center, Marine Corps Advisor Training Group, and the Marine Corps University, we are providing holistic training and education for our Marines across the range of military operations. Based on a continuous lessons learned feedback process, supported by the Marine Corps Center for Lessons Learned (MCCLL), we are building Enhanced MAGTF Operations capability which will make all of our MAGTFs more lethal, agile, and survivable.

Preparing for Future Conflict As challenging as it is to prepare Marines for the current fight, our forces must adapt to the ever-changing character and conduct of warfare to remain relevant. To meet the complex challenges in the emerging security environment, we are improving training and education for the fog, friction and uncertainty of the 21st century battlefield. We are focusing efforts on our small unit leaders—the "strategic non-commissioned officers" and junior officers—who will operate more frequently in a decentralized manner and assume greater responsibility in operations against hybrid threats.

To better prepare our Marine Air Ground Task Force to operate across the spectrum of conflict, we are developing an improved training and exercise program. When implemented, this program will increase our ability to maintain proficiency in core warfighting capabilities, such as combined arms maneuver and amphibious operations, while continuing to meet current commitments. Three important training concept exercises being developed are the Combined Arms Live Fire Exercise (CALFEX), the Marine Air Ground Task Force Large Scale Exercise (MAGTF-LSE), and a joint Navy-Marine Corps initiative titled Bold Alligator. The CALFEX will be a live-fire training exercise aimed at developing combined arms maneuver capabilities from individual Marine to regimental-sized units. It will incorporate lessons learned from today's conflicts, while training adaptable and flexible MAGTFs for the future. The MAGTF-LSE will be a scenario-based, service-level training exercise, scalable from Marine Expeditionary Brigade to Marine Expeditionary Force levels. It will develop the Marine Air Ground Task Force's capability to conduct amphibious power projection and sustained

operations ashore in a combined, joint, whole-of-government environment. Lastly, Bold Alligator is specifically designed to re-energize the Navy/Marine Corps' understanding of the intricacies of amphibious operations. The initial audience is Expeditionary Strike Group 2 (ESG2) and the 2nd Marine Expeditionary Brigade (MEB) who will participate in a number of planning seminars and simulated exercises in preparation for the fleet exercise scheduled in FY11. We envision that the Bold Alligator series will continue indefinitely and progress to include a wider range of participants.

Amphibious Shipbuilding

Amphibious warships provide distributed forward presence to support a wide range of missions from theater security cooperation and humanitarian assistance to conventional deterrence to assuring access for the Joint Force. In support of day-to-day Combatant Commander demands and in major combat operations, the number of amphibious ships in the Department of the Navy's inventory is critically important. As discussed in the fiscal year 2011 Shipbuilding Report to Congress, the Navy is reviewing options to increase the assault echelon to reflect a minimum of 33 amphibious ships to support assured access operations conducted by the assault echelons of 2.0 Marine Expeditionary Brigades (MEBs). The Navy and Marine Corps have determined a minimum of 33 ships represents the limit of acceptable risk in meeting the 38-ship amphibious force requirement.

Caring for our Warriors and Families

A critical part of our overall readiness is maintaining our solemn responsibility to take care of our Marines and their families. While Marines never waver in the ideals of service to Country and Corps, the needs of our Marines and their families are constantly evolving. With more than 45 percent of our Marines married, we believe that investment in our families is critical to the long-term health of our institution. Marines have reasonable expectations regarding housing, schools, and family support. It is incumbent upon us, with the generous support of Congress, to support them in these key areas. Marines make an enduring commitment to the Corps when they earn the title, Marine. The Corps, in turn, makes an enduring commitment to every Marine and his or her family.

Personnel and Family Readiness Programs Taking care of Marines and their families remains one of our highest priorities. With your help, we initiated a myriad of personnel and family readiness program reforms during fiscal years 2008 and 2009 with supplemental appropriations. As a result of extensive program assessments and evaluations, we have built these programs into our baseline, and our baseline budget in fiscal years 2010 and 2011 is $399 million per year. Key accomplishments through our transition phase include:

- Establishment of over 400 full-time Family Readiness Officer (FRO) positions at the unit level to provide direct support to the unit commander and families.
- Development of an inventory of Lifeskills training courses supported by full-time Marine Corps Family Team Building trainers.
- Transformation of the Exceptional Family Member Program (EFMP) to ensure enrolled family members have access to a continuum of care, while providing the sponsor every opportunity for a successful career. The Marine Corps EFMP has been recognized as a premier, full-service program to be used as a template for other services. Since 2007, sponsor enrollment has increased by 40 percent.
- Direct attention to suicide prevention. The loss of any Marine through suicide is a tragedy. With 52 suicides confirmed or suspected in 2009, the Marine Corps recorded its highest suicide rate since the start of OEF/OIF. We are taking proactive action, focusing on the important role of leaders of all ranks in addressing this issue.
- Enhancing Combat and Operational Stress Control capabilities to further assist leaders with prevention, rapid identification and early treatment of combat and operational stress. Through the Operational Stress Control and Readiness (OSCAR) program, we are embedding mental health professionals in deploying operational units to directly support all active and reserve ground combat elements. This will be achieved over the next three years through the realignment of existing Navy structure supporting the operating forces, and by increasing the Navy mental health provider inventory. The OSCAR capability is also being extended down to infantry battalions and companies by providing additional training to OSCAR Extenders (existing medical providers, corpsmen, chaplains, and religious program specialists) to make the OSCAR expertise more immediately available to Marines. In addition, we are training senior and junior Marines to function as OSCAR Mentors. In this capacity,

they will actively engage Marines who evidence stress reactions, liaison with OSCAR Extenders, and advocate for fellow Marines regarding stress problems. OSCAR Mentors will also greatly decrease the stigma associated with stress reactions, and help Marines take care of their own.

As we move forward, we are continuing to assess the efficacy of our programs and to empower Marines and their families to improve family readiness and maintain a positive quality of life. These initiatives and others demonstrate the commitment of the Marine Corps to our families, and highlight the connection between family readiness and mission readiness. We are grateful to Congress for your unwavering support of these important programs.

Improving Care for Our Wounded Warriors The Marine Corps is proud of the positive and meaningful accomplishments of the Wounded Warrior Regiment in providing comprehensive recovery and transition support to our wounded, ill, and injured Marines and Sailors and their families. The Regiment provides all active and reserve Marines with non-medical care without regard to the origin of the Marine's condition. Whether the road to recovery keeps Wounded Warriors in the Marine Corps or helps them transition to civilian life, the Regiment continues to develop programs that focus on Wounded Warriors' abilities and facilitates their recovery.

The Regiment's Recovery Care Coordinators serve as the primary point of contact for wounded, ill and injured Marines and their families. These coordinators help Marines meet individual goals for recovery, rehabilitation and reintegration. They also work with families and family caregivers to ensure they have the necessary information, care and support during these difficult times.

The Sergeant Merlin German Wounded Warrior Call Center, a Department of Defense Best Practice recipient, receives calls from active duty members, veterans and families seeking assistance in matters of Wounded Warrior care and transition. The call center also conducts important outreach calls to monitor injury recovery and distribute information on new programs offered by the Regiment, the Department of Defense, the Department of Veterans Affairs and other entities. Augmented by a staff of psychological health professionals, the call center also

provides critical assistance to those seeking help for Post Traumatic Stress Disorder and Traumatic Brain Injury.

Our Wounded Warrior Employment Cell, manned by Marines and representatives of the Departments of Labor and Veterans Affairs, identifies and coordinates with employers and job training programs to help Wounded Warriors obtain positions in which they are most likely to succeed and enjoy fulfilling careers.

The Marine Corps' commitment to our wounded, ill, and injured is steadfast. We are grateful for the support and leadership of Congress on their behalf. I would like to extend my personal thanks to you and all Members of Congress for your visits to our wounded, ill, and injured Marines and Sailors and their families in the hospitals and other facilities where they are being treated.

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.

As Marines continue to serve in combat, we must provide them all the resources required to complete the tasks we have given them. Now, more than ever, they need the sustained support of the American people and Congress to maintain readiness, reset the force during an extended war, modernize to face the challenges of the future, and fulfill the commitments made to Marines, Sailors, and their families.

On behalf of your Marines, I offer our sincere appreciation for your faithful support and thank you in advance for your ongoing efforts to support 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 202,100 Active and 39,600 Reserve Force Marines remain ready and capable as the "Nation's Force in Readiness"... and with your continued support, we will stay that way.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON READINESS
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: READINESS OF THE UNITED STATES AIR FORCE

STATEMENT OF: **GENERAL CARROL H. CHANDLER**
VICE CHIEF OF STAFF, UNITED STATES AIR FORCE

16 MARCH 2010

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

Introduction

Today, the United States confronts a dynamic international environment marked by security challenges of unprecedented diversity. Along with our Joint partners, the Air Force will defend and advance the interests of the United States by providing unique capabilities to succeed in current conflicts while preparing to counter future threats to our national security. Over the last year, the Air Force made progress in strengthening not only our readiness for today's operations, but also in fostering the flexibility required for the uncertain requirements of tomorrow. Through increased balance, our Service can maintain its readiness to meet the obligations set forth in the Quadrennial Defense Review: prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the all-volunteer force.

Daily Operations and Readiness

The Air Force is committed to readiness and on-going operations. After 19 years of continuous deployments and nine years of operations in Afghanistan and Iraq, these operations continue to stress both people and platforms. Since the events of 9/11, the tempo of our operations has continued to increase: we have executed more than 50,000 sorties supporting Operation IRAQI FREEDOM and almost 66,000 sorties supporting Operation ENDURING FREEDOM, delivered over 1.73 million passengers and 606,000 tons of cargo, and employed almost 1,980 tons of munitions. Additionally, we have transported nearly 70,000 patients from the CENTCOM AOR, and our combat search and rescue forces met the "golden hour" goal of transporting seriously wounded warriors to treatment facilities within 60 minutes of injury nearly 98 percent of time. Lastly, our aeromedical evacuation sorties moved critically injured warriors to regional hospitals within hours of injury, contributing to the 95 percent battlefield injury survival rate.

We are a global force that is dedicated to supporting combatant commander requirements from both the continental U.S. and overseas bases. Nearly 40,000 of America's Airmen, or about 7 percent of the force, are deployed to 263 locations across the globe, including 63 locations in the Middle East. Also, deployed Airmen currently fill about 5,300 Joint Expeditionary Taskings, helping the Joint team with critical combat and combat support functions. In addition to those deployed, nearly 219,000 Airmen--fully 43 percent of the force--support combatant commander requirements from their home stations in the continental U.S., Europe, and the Pacific each day. These Airmen operate the Nation's space and missile forces, process and exploit remotely collected ISR, provide national intelligence support, protect American airspace, actively engage with our allies and partners, and contribute in many other ways. Finally, defense of the homeland is a total force mission with a minimum of 40 aircraft from 18 locations engaged in operations at any given time.

FY11 Budget Request Overview

The FY11 Air Force budget request of $119.6B reflects our commitment to the Joint fight, and contributes to a refocused investment strategy emphasizing Joint force activities. This request balances providing capabilities for today's commitments and posturing for future challenges. We chose to improve existing capabilities whenever possible, and to pursue new systems when required. This approach to modernization and recapitalization keeps pace with threat developments and required capabilities, while ensuring responsible stewardship of resources. In developing this budget request, we also carefully preserved and enhanced our comprehensive approach to taking care of Airmen and Air Force families. In FY11 we will stabilize end strength at 332,200 active duty Airmen, reserve component end strength at 71,200, and Air National Guard end strength at 106,700.

Our FY11 $45.8B operations and maintenance (O&M) budget request supports operations at 80 major installations and funds air, space, and cyber operations, as well as intelligence, logistics, nuclear deterrence, special operations, and search and rescue capabilities. This O&M request is 8.5 percent above

the FY10 authorization due largely to fuel price increases, growth in enabling functions such as intelligence and communications, force structure transformations such as Joint basing and in-sourcing, and shifting focus toward new missions such as cyber capabilities supporting the stand-up of U.S. Cyber Command.

Personnel Readiness

Our dedicated Airmen are the foundation of the Air Force. Recruiting, training, and retaining an all-volunteer force requires significant investment. This investment drives the very effectiveness of our highly skilled and technically proficient force.

Deployed Forces

The Air Force can, at times, support combatant commands without forward deploying personnel. Some tasks, however, require physical presence. Nearly 40,000 airmen are forward-deployed to combatant commands on any given day, 55 percent for 179 days or longer. Approximately 75 percent of deployed Airmen support operations in Afghanistan and Iraq. Due to the capabilities required by current conflicts, a relatively small portion of our total force deploys more frequently than the force as a whole. Sixteen of the 132 enlisted specialties and eleven of the 125 officer specialties are considered "stressed" due to their deployment operations tempo. A number of programs are in place to bolster the manning in these career fields as well as mitigate potential negative effects on their families and personal wellbeing.

We will continue to provide the full range of air, space, and cyber capabilities to meet combatant commander requirements. Remotely piloted aircraft currently provide 41 continuous combat air patrols to U.S. CENTCOM. This number will grow to 50 by the end of FY11, and to 65 by the end of FY13. Over the last year we developed and fielded the Project Liberty program, providing additional airborne ISR capability. We are also increasing our deployed capacity in explosive ordnance disposal, intelligence, security, provincial reconstruction teams, tactical air control parties, and air liaison officers. As the surge

in Afghanistan ramps up, the Air Force will not only increase its presence in Afghanistan, but also increase our strategic airlift commitment, including mobilizing 2,400 guard and reserve Airmen.

Recruiting and Retention

We continue to meet both our recruiting and retention goals for nearly every Air Force career field. Recruiting among the active, guard, and reserve components has been solid. Active duty recruiting met FY09 goals and is on track for FY10 in all but the medical and health specialties. Officer recruiting for health professions dropped to 70 percent of the goal, and enlisted health specialties fell to 60 percent. The Air National Guard exceeded their enlisted recruiting goals in FY09, and they are on track to meet or exceed their desired number of accessions in FY10. However, the Air National Guard recently initiated a new campaign to improve officer accessions which are approximately 25 percent below their target.

Both officer and enlisted retention remain strong. Enlisted retention is well above 95 percent overall, and in excess of our goals for mid-career enlisted Airmen. Although retention of mid-career officers in the contracting, special tactics, and health-related specialties is challenging, efforts are underway to mitigate shortfalls through targeted accession and retention bonuses. The FY11 budget request allocates $685M for targeted bonuses and retention incentives in part to fund Critical Skills Retention Bonuses for the specialties critically short of officers between 8-14 years of commissioned service, and Selective Retention Bonuses (SRB) for the enlisted force in 91 specialties. Enlisted SRBs remain our most effective and targeted retention tool, and this budget will improve this program's effectiveness by increasing the maximum enlisted retention bonus to $90,000. In the short-term, however, dealing with fewer Airmen exiting the force may be more challenging than meeting our recruiting and retention goals.

Total Force Integration

The Air Force is maximizing our capacity by leveraging the strength of National Guard and Reserve Airmen through associations with the active duty force. We are currently executing 142 Total Force Integration (TFI) initiatives that pool active, guard, and reserve personnel and equipment. Many of

these associations result in new missions for total force personnel as we seek greater balance. In conjunction with the National Guard Bureau and AF MAJCOMS, we are currently conducting a top-to-bottom assessment of our TFI processes to maximize the effectiveness of current and future associations.

Year of the Air Force Family

Air Force families bear the greatest burden at home when Airmen deploy. The Secretary of the Air Force and Chief of Staff established July 2009 through June 2010 as the Year of the Air Force Family. More than half way into this effort, we have completed our assessment of existing programs and are now recalibrating family support efforts. As part of this focus, we are on course to eliminate the known child care deficit at our Child Development Centers by 2012, increase spouse employment referral assistance, and add 54 school liaison officers to assist school transitions for the almost 175,000 school-age Air Force dependents. We augmented our exceptional family member program which supports more than 15,000 Airmen with special-needs family members. We also increased the quality of programs providing deployment and re-integration support to our Airmen and their families, and foresee adding a number of initiatives designed to enhance the resiliency of Airman in the face of emotional and psychological hardships related to the stress of deployments.

Suicide Prevention

Despite our focus on resiliency, too many Airmen are lost to suicide each year. There have been 16 suicides among active, guard, and reserve forces in the first quarter of CY10, three more than this time last year. In response, our Air Force Suicide Prevention Program is focusing on clinical and non-clinical intervention as well as leadership involvement at all levels. As part of this emphasis we fielded new training programs, improved access to mental health providers in primary care settings, and increased training for military chaplains. In the coming months we will roll out an updated clinical guide to managing suicidal behavior, tailor training for our higher risk populations, and emphasize suicide prevention in forthcoming Airmen resiliency initiatives.

Wounded Warriors

The Air Force is committed to taking care of its wounded Airmen. We fully support the Office of the Secretary of Defense programs designed to keep highly skilled men and women on active duty. If this is not feasible, the Air Force will ensure Airmen receive enhanced assistance through the Air Force Wounded Warrior program. We have 17 Recovery Care Coordinators at 15 locations dedicated to aiding the recovery, rehabilitation, and re-integration of Airmen, and we are adding 10 more care coordinators this year. This program, currently serving 664 Wounded Warrior Airmen, will provide lifetime support.

Aircraft Readiness

Although our aircraft inventory has seen extensive use in contingency operations and its average age continues to increase, the dedicated work and professionalism of our Airmen ensures we are ready. After retiring many of our oldest and most maintenance-intensive aircraft such as all KC-135Es and a fourth of the C-130Es, less than one percent of Air Force aircraft are grounded and fewer than five percent are flying with operational restrictions. Although we continue to meet combatant commander requirements, operations tempo continues to take a toll and many of our aircraft are increasingly unavailable due to required maintenance.

Consequently, modernization and recapitalization remain priorities. By accelerating the planned retirement of 257 legacy fighter aircraft, we are committed to a smaller, but more capable fifth-generation fighter force. These retirements freed more than 4,000 personnel to operate remotely piloted aircraft and to process, exploit, and disseminate intelligence. This shift accepts a moderate amount of warfighting risk due to decreased capacity, but is necessary to move forward to more capable and survivable next generation platforms. Within our mobility fleet, the recent release of a KC-X request for proposal began the process of recapitalizing our aerial refueling aircraft. The planned acquisition of 179 KC-X aircraft will help provide refueling capability for decades to come. Similarly, the recent release of the Mobility

Capabilities Requirements Study-2016 indicates that there is excess strategic airlift capacity. Consequently, the FY11 budget request proposes the early retirement of 17 of our oldest C-5As.

Combat Air Forces

The readiness of Combat Air Forces aircraft is adequate despite challenges from accumulating hours on our fleet faster than envisioned when these aircraft were fielded. The B-1, B-52, and F-15E did not meet aircraft availability standards due to maintenance and depot-related issues, and the F-22 fell short of the projected availability due to low observable maintenance requirements. Recent improvements in many F-22 system components and increased durability of low observable materials resulted in a 32-percent reduction in maintenance man-hours per flying hour.

Mobility Air Forces

The readiness of the Mobility Air Forces remains high while meeting robust and dynamic operational requirements. Our airlift fleet continues to provide strategic airlift as well as theater and direct support airlift missions moving personnel and a wide variety of equipment and supplies. We recently concluded a successful demonstration of direct support for the Army in Iraq, validating both the operating concept and the use of C-130s and C-27Js for that mission. The direct support mission is a matter of trust for the Air Force, and we are committed to providing this capability for the Joint Force. In addition, we will continue direct support through aerial delivery--a mission that airdrops supplies to isolated locations and is essential to the success of the Afghanistan strategy. Our airdrop requirements increased seven-fold in the last year.

Exercises

Green Flag and Red Flag are the primary pre-deployment close air support and large force composite training opportunities for most units deploying to contingency operations. These exercises continuously incorporate lessons learned from on-going operations. Both exercises include other services and more than 20 partner nations, contributing to Joint and Coalition interoperability.

Flying hour program

This is the first year the Air Force recalibrated our annual flying hour submission to reflect the amount of executable flying hours in light of deployment-related pilot availability. This change decreased the flying hour request by 162,000 hours, and is consistent with recent under-execution of peacetime flying hours and over-execution of overseas contingency operations hours. The revised request for 1.2M flying hours is fully funded within our budget request.

Nuclear Deterrence

Today we continue to strengthen the nuclear enterprise, which remains the number one priority of our Service. Air Force Global Strike Command, established in August of 2009, provides a renewed vigor and energy to the operation, training, and equipping of ICBM and nuclear-capable bomber forces. The stand up of a fourth operational squadron of B-52s in October 2009 enhances our readiness to perform nuclear deterrence missions, as well as support conventional mission requirements.

The sustainment of nuclear weapons was consolidated in the Air Force Nuclear Weapons Center (AFNWC), which manages nuclear weapons system life cycle sustainment. AFNWC is instituting a positive inventory control methodology for weapon system components and 100% accountability of all nuclear weapons related material. Finally, Air Force leadership instituted a more robust, standardized inspection capability that increased the rigor and intensity of the inspection and verification process to ensure our Air Force maintains the high standards required by the critical nuclear mission.

Of all the missions the Air Force ably accomplishes every day, none is more critical than providing strategic deterrence. Intercontinental Ballistic Missile (ICBM) crews sit nuclear alert everyday in underground facilities, just as they have for the last fifty years, and nuclear-capable fighter and bomber crews and their highly-capable weapon systems contribute to our deterrence posture.

Conclusion

Despite 19 years of sustained Air Force deployments, the personnel and aircraft of the U.S. Air Force are ready to face any challenge with precision and reliability. Although ongoing operations affect a portion of our readiness, we are balancing our force to ensure our personnel, weapon systems, equipment, and organizations are prepared for today's operations and tomorrow's uncertain challenges.

DOCUMENTS SUBMITTED FOR THE RECORD

MARCH 16, 2010

Norfolk vs. Mayport

	Response times to COCOMs	Transit times to Respective Training Ranges	Hurricane Risk	Man Made Disaster Risk	Physical Force Protection
Norfolk	**Slight** Advantage		**No** Advantage		
Mayport	**Slight SOUTHCOM** Advantage (HADR/GFS)	**Slight** Advantage	**No** Advantage	**Slight** Advantage	**Slight** Advantage

Bottom Line:

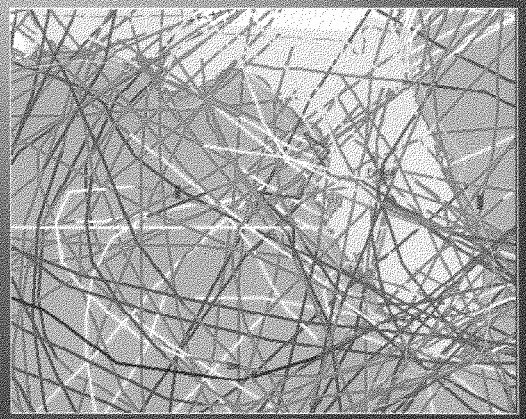
Most Compelling Strategic Rationale to Homeport a CVN/LHA in Mayport is as a hedge against a catastrophic event in Norfolk

"…they are very, very similar…Mayport fares quite well…" *Admiral Roughead, Chief of Naval Operation before the House Armed Services Committee Feb 24th, 2010 describing the hurricane risk between Norfolk, Virginia and Mayport, Florida.*

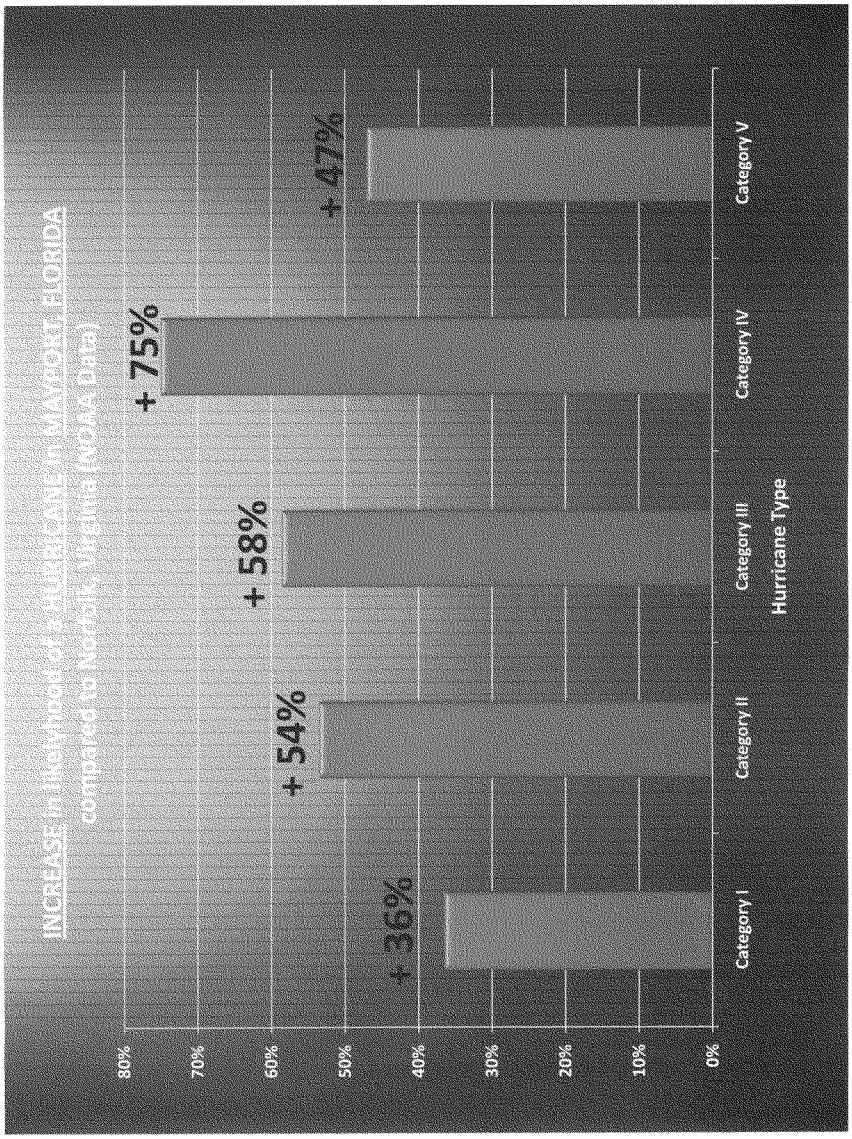
Category 1-5 Hurricanes within 10NM

(NOAA)

Virginia 1851-2005



Florida 1851-2005


INCREASE in likelihood of a HURRICANE in MAYPORT, FLORIDA
compared to Norfolk, Virginia (NOAA Data)
80%
70%
60%
50%
40%
30%
20%
10%
0%
+ 36%
+ 54%
+ 58%
+ 75%
+ 47%
Category I
Category II
Category III
Category IV
Category V
Hurricane Type

What's Next for Strategic Dispersal?
- SSBNs in Bangor, WA (ONE West Coast Base)
- EA-6B's in Whidbey Island, WA (ONE West Coast Base)
B-2 Whiteman AFB, Knob Noster, MO
SSBNs in Kings Bay, GA (ONE East Coast Base)
CVN's: FIVE Homeport Bases

Harbor Access

Pearl Harbor– 1100 ft wide
shore to shore

San Diego – 2000 ft wide
shore to shore

Bremerton, WA– 2000 ft wide
shore to shore

Harbor Access

Norfolk

-Channels is over 4,500 feet shore to shore, *widest* of all CVN homeports.

Mayport

- One channel about 1000 feet wide shore to shore. The *narrowest* of all CVN homeports.
- Easily blocked by rogue freighter, large personal pleasure craft or disabled naval vessel.
- Potential for another Pearl Harbor
- Little to no protection from hurricanes
- Direct access to open ocean may be hard to protect

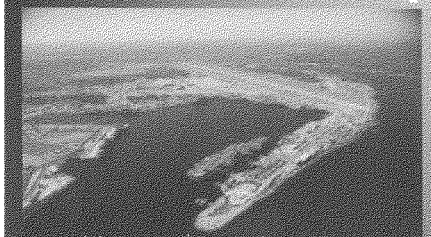
Norfolk Carrier Loading

NAVSTA Norfolk Two or More Carriers Simultaneously in Port						
	FY03	FY04	FY05	FY06	FY07	FY08*
TWO CARRIERS	61	139	152	128	108	61
THREE CARRIERS	67	63	59	88	84	61
FOUR CARRIERS	25	0	29	27	26	49
FIVE CARRIERS	0	0	0	0	0	34
TWO OR MORE CARRIERS	153	202	240	243	218	205

As of 25 June 08 (includes time with USS KENNEDY in port)

All Five Carriers in port at the same time just 1% of the time in the last 6 years.

Competing Priorities



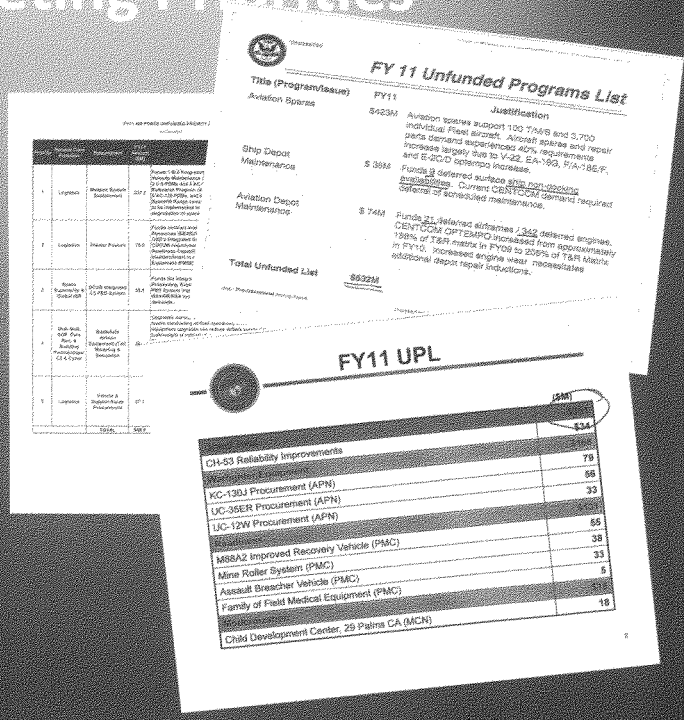
Adding a 6th CVN homeport: up to $1 billion

Unfunded Navy Requirements: $523 million

Unfunded Marine Corps Requirements: $351 million

Unfunded Air Force Requirements: $548 million

Unfunded Army Requirements: $359 million



FY 11 Unfunded Programs List

Title (Program/Issue)	FY11	Justification
Aviation Spares	$423M	Aviation spares support 100 T/M/S and 3,700 individual Fleet aircraft. Aircraft spares and repair parts demand experiences 40% requirements increase largely due to V-22, EA-18G, F/A-18E/F, and E-2C/D optempo increase.
Ship Depot Maintenance	$ 39M	Funds a deferred surface ship non-deploying availability. Current CENTCOM demand required deferral of scheduled maintenance.
Aviation Depot Maintenance	$ 74M	Funds 21 deferred airframes / 342 deferred engines. CENTCOM OPTEMPO increased from approximately 138% of T&R matrix in FY08 to 205% of T&R Matrix in FY10. Increased engine wear necessitates additional depot repair inductions.
Total Unfunded List	$932M	

FY11 UPL

	($M)
	$34
CH-53 Reliability Improvements	
	79
KC-130J Procurement (APN)	56
UC-35ER Procurement (APN)	33
UC-12W Procurement (APN)	
	55
M88A2 Improved Recovery Vehicle (PMC)	38
Mine Roller System (PMC)	33
Assault Breacher Vehicle (PMC)	5
Family of Field Medical Equipment (PMC)	
	18
Child Development Center, 29 Palms CA (MCN)	

"We are spending $4 billion a day in this government that we do not have and meanwhile our share of global GDP has fallen from 32% to 24% in one decade. So to spend that kind of money to get no additional gain in terms of military capability is boarding on scandalous."

MR. LOREN B. THOMPSON
CEO OF LEXINGTON INSTITUTE
JANUARY 20, 2010
U.S. House Armed Services Committee, Seapower and Expeditionary Forces Subcommittee

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

MARCH 16, 2010

RESPONSE TO QUESTION SUBMITTED BY MR. ORTIZ

General CHANDLER. On 17 March, 2010, the AF sent the requested information regarding an unclassified version of the CAF Restructure Report to Ms. Lynn Williams and Ms. Cathy Garman. This information included the executive summary, the environmental analyses, a summary of the manpower authorizations necessary for reassignment, the funding needed for FY2010–FY2015, and the re-investment plan. Also included was the appendix reviewing the AF fighters considered for force structure reductions. These documents are provided in this response.

TAB 1—CAF–R Executive Summary
TAB 2—CAF–R Tables
TAB 3—Appendix C—AF Fighters Considered for 10POM Force Structure Reduction
TAB 4—UNCLASSIFIED FY10 CAF Restructure Flow

[See page 30.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. FORBES

Admiral GREENERT. The notional maintenance schedule for a CVN reflects two continuous maintenance periods, known as Carrier Incremental Availabilities (CIA's), during its 32 month operating cycle. Each of these periods will last 30 days and will be conducted pier-side in Mayport. [See page 19.]

Admiral GREENERT. The notional maintenance schedule for a CVN reflects:

a) A Dry-docking Planned Incremental Availability (DPIA) once every third operating cycle (approximately every 8 years) for a total of four periods during its expected service life. This docking period, for an East Coast CVN, would take place in a Norfolk, VA area shipyard.
b) A 39 month Refueling and Complex Overhaul (RCOH) conducted at Northrop Grumman Shipbuilding in Newport News, VA at the mid point in the ship's life (about 23 years).

During periods when the Mayport CVN is in Norfolk, the facilities in Mayport will be available to perform maintenance on remaining CVNs, thus maintaining geographic dispersal capabilities. [See page 19.]

General CHANDLER. For the peak demand the QDR assumed that 100% of the combat coded forces would be available. However, an excursion was run to provide an estimate of force availability to account for a shorter warning time and a recovery from rotational activities. This equated to a force availability of 80% for the Air Force.

Clarifying information: For purposes of the force sufficiency analysis within QDR, the department used scenarios that were divided into 3 separate rotational periods. In the steady-state, non-surge period of activities, each of the services applied their service established rotational goals. For the Air Force that equated to 1:4 deploy-to-dwell ratio for the active component and 1:5 mobilization-to-dwell ratio for the reserve component. It was assumed that these rotational goals were sufficient to ensure a ready force to meet the rotational demands.

In the surge, major warfight period, full mobilization was assumed. Given, the warning timelines and sequencing of the scenario combinations it was assumed that 100% of the forces would be available. For the post-surge, stability and reconstruction period, QDR used 1:2 deploy-to-dwell ratio for the active component and 1:4 mobilization-to-dwell ratio for the reserve component. [See page 21.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. TAYLOR

Admiral GREENERT. The initial fuel budget request for FY2008 was $2.9 billion. The budgeted amount was adjusted three times during the year of execution due to increased fuel prices. As a result, total obligations for FY2008 were $4.8 billion. The fuel budget request for FY2011 is $4.1 billion. [See page 23.]

General CHIARELLI. [The information referred to was not available at the time of printing.] [See page 36.]

General AMOS. A contracting company for NATO named "Supreme" delivers fuel to 3 USMC locations in Afghanistan, namely Camps Dwyer, Leatherneck, and Delaram. The fully burdened cost of delivery of fuel to Leatherneck is $6.50 per gallon, which is paid to "Supreme". [See page 36.]

General CHANDLER. The Air Force buys fuel in Afghanistan from both the Defense Energy Support Center (DESC) and North Atlantic Treaty Organization (NATO). The DESC standard price to their Operation Enduring Freedom (OEF) customers is, currently, $2.82 per gallon to a "point of sale." This point of sale price includes all of DESC's costs up to the point of sale in Afghanistan to include the commodity cost, transportation, intermediate storage and distribution facilities, maintenance and upkeep costs and DESC labor and overhead costs. NATO also sells fuel to US forces in OEF, currently, for $6.50 per gallon. This price includes NATO's DESC-like costs plus the cost of distribution to their forward locations and the costs of running their bulk fuel installations. Neither DESC's nor NATO's standard price includes the logistics costs and associated force protection costs of onward movement from point of sale, such as to a combat outpost, incurred by the services.

The DESC and NATO prices are "burdened" with overhead. However, these "burdened" prices should not be confused with the "fully burdened cost of fuel (FBCF)" construct as contained within the 2009 National Defense Authorization Act. The FBCF construct, which is designed to be used in Service acquisitions of future systems, begins with the DESC standard price and adds the cost of Service logistic "tails" and any force protection needed to secure a fuel delivery beyond the DESC point of sale in acquisition tradeoff analyses. [See page 36.]

RESPONSE TO QUESTION SUBMITTED BY MR. SHUSTER

General CHIARELLI. The Army is not performing "Reset" per se in Kuwait, so it is not possible to provide a cost comparison. We are however repairing Army equipment that had been in use in Iraq, before transferring it to Afghanistan. The difference is in the scope of work—the repairs in Kuwait are generally just enough to ensure the item of equipment is fully mission capable; on the other hand, "Reset" not only makes an item of equipment fully mission capable, but it also ensures that the item of equipment meets the Army maintenance standard laid out in AR 750–1, in accordance with the applicable technical manuals, and also includes such maintenance actions as to eliminate the effects of delayed desert damage (for example, while inspecting a tank in accordance with the technical manual, removal of the turret from the hull would not be required; however, in Reset, because we want to remove the effects of operating for a year in the fine sand and dust prevalent throughout Iraq, we remove the turret, clean and service the race ring, all to ensure that any build up of sand and debris does not come back to haunt us down the road). Although the maintenance done in theater is to a lower scope than "Reset," the repairs we make in theater help ensure that equipment provided to our forces in Afghanistan is fully mission capable, without having to bring it all the way back to CONUS for repair. Finally, only a very small amount of the total maintenance workload conducted in theater is classified as "depot level" repair, but we do ensure that the Army captures those costs in our annual 50/50 depot level maintenance report—in some cases, that work is performed by depot (government) workers deployed forward from CONUS; in other cases, it is performed by contract … but in all cases, it is counted in the appropriate category for purposes of the 50/50 report. [See page 29.]

RESPONSE TO QUESTION SUBMITTED BY MR. KISSELL

General CHANDLER. Yes, there are sufficient AF Senior leaders at Pope AFB to sustain the mission. [See page 27.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 16, 2010

QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. What are the implications, in terms of O&M spending in the future, of keeping the Army Reserve and Army National Guard in an "operational reserve" status? Would current funding levels, which include OCO funding, have to eventually become part of the base budget request? Can the Army afford to do that?

General CHIARELLI. Current funding levels, including OCO O&M, allow the Reserve Components to sustain the ARFORGEN training strategy, which is a major component of operational reserve. The OCO funding would have to become part of the base budget in order to continue operational training. There are other components of "operational reserve" that are still being studied, for example full time support, that are not currently part of OCO. These would eventually have to be added to the base budget before the Reserve Components are a fully operational force. In order to get the Reserve Component to an "operational reserve" status, the Army would eventually need an increase in base funding.

Mr. ORTIZ. General Jack Stultz, the Chief of the Army Reserve, has said that the reserve component will need at least $1.5 billion more across the FY12–FY17 time period to maintain "operational reserve" status. Is that about the right figure?

General CHIARELLI. The $1.5B figure is a per year estimate for maintaining an "operational reserve" status. Across the FY12–17 time period, the total is approximately $9.2B. This amount includes additional collective training days and additional support needed. The Director, Army National Guard and Chief, Army Reserve have stated that this will help maintain an operational force by sustaining readiness levels and supporting increased participation of non-deployed Soldiers in Military Support to Civil Authority exercises, theater engagement programs and other Army requirements. We are also looking at more options during our FY12–16 process to determine costs of an operational reserve.

Mr. ORTIZ. The readiness levels of most non-deployed Army units remain very low, due to a combination of equipment shortfalls, personnel shortfalls, and a lack of time to train. How much will the readiness of non-deployed Army units improve in FY11, assuming the Iraq drawdown continues as planned? How much will dwell time increase? How much more dwell time will units need to really improve their readiness levels, in particular for full-spectrum operations training?

General CHIARELLI. Assuming responsible draw down operations continue on schedule in Iraq, the Army will make progress towards reaching our 2012 interim force rotational cycle goal of two years at home station for every year deployed for our Active Component (AC) and four years at home station for every year deployed for our Reserve Component (RC). Responsible drawdown from Iraq provides the Army with the flexibility that has been missing to build operational depth. To capitalize on this new flexibility, we have refined our force generation model to build full-spectrum readiness consistently and predictably, which will result in the formation of a full-spectrum force with capabilities to hedge against unexpected contingencies. Assuming the Iraq drawdown occurs in accordance with U.S. Forces-Iraq's plan, we will begin to build the contingency force in 2011, achieve the full contingency force by 2012, and have sustained operational depth by 2013. These measures will restore Army readiness and strategic flexibility to our Nation's leaders.

Assuming the drawdown in Iraq continues on schedule and no further troop increases are required for Afghanistan, the Army will achieve our intermediate Boots on the Ground (BOG) deployed to at home (Dwell) ratios of 1:2 for AC units and 1:4 for RC units in 2012.

The Army's long term BOG:Dwell goal is 1:3 AC and 1:5 RC. The Army's temporary growth and changes in global force demands ensure a steady state balance to long term BOG:Dwell in 2015.

The Army estimates that approximately 70% of the AC and 80% of the RC Brigade Combat Teams will achieve the BOG:Dwell goals of 1:2 AC and 1:4 RC by 2011. The remainder of the force will continue to see their dwell rate increase and should meet these goals by 2012.

Mr. ORTIZ. It is our understanding that the Army is revising its depot maintenance requirements process to synchronize with ARFORGEN and integrate core

workload and fleet management. Please describe what is driving this revision and what the Army hopes to achieve.

General CHIARELLI. That is correct—the Army has aligned the process to determine depot maintenance requirements to better support Army Force Generation (ARFORGEN), to better synchronize fleet management requirements over the Program Objective Memorandum (POM), and to incorporate Title 10, SEC 2464 Core Depot Requirements. The new process captures depot maintenance requirements across both the base and OCO, and incorporates them into a single database. This will allow the Army to look forward as it considers base and reset requirements in a synchronized fashion across the Future Years Defense Program. Army depot maintenance priorities are based on ARFORGEN equipping needs to support training, readiness, and deployment requirements, and will be based on equipment availability, reliability, and the unit's status in the ARFORGEN pool.

The Army's new process also recognizes and prioritizes core requirements as a key parameter. The Army requests appropriate funding for core depot requirements to ensure that the Army's industrial base retains the knowledge, skills and abilities needed to sustain our critical warfighting equipment throughout the system's lifecycle. Incorporating fleet management strategies into our depot maintenance requirements determination process ensures that the POM addresses both current readiness/combat damaged equipment, and also future requirements based on OPTEMPO/age parameters.

All this will ensure that the Army is postured to provide capable and reliable equipment that meets the Army's readiness standards, as well as to maintain or reduce operational and support costs. Our expectation is that the combination of these efforts will enable the Army to develop a synchronized depot maintenance budget that is forward looking, tied to ARFORGEN and ensures that the Army's industrial base remains a critical and viable component of our sustainment strategies. This process recognizes that the Army's industrial base is sized and funded to meet the Army's current and future equipment sustainment needs and will provide predictability and stability to our depot workloads and support core depot requirements.

Mr. ORTIZ. What would be the impact on equipment reset and Army training and readiness if the Army were to remain in Iraq longer than the August 2010 withdrawal deadline?

General CHIARELLI. The military is currently scheduled to sustain 50,000 personnel past August 2010, through December 2011. Any troop levels higher than those currently scheduled would impact on equipment reset, training, and readiness. The Army would have to adjust equipment reset priorities to source the additional deploying units, thus degrading the Army's efforts to build operational depth and hedge against unexpected contingencies. Unit dwell times would not improve as quickly as we projected under the current OIF Responsible Drawdown Plan. Training cycles would remain constrained, limiting our capacity to conduct full spectrum operations training. Finally, the Army would have to continue the practice of filling units with personnel late in the force generation lifecycle, which lessens the time personnel have to train with the unit before they deploy.

Mr. ORTIZ. How does the FY11 budget request prepare each of your services for future conflict?

General CHIARELLI. The President's Budget for Fiscal Year 2011 will enable the Army to sustain our Soldiers and Families, continue preparing our Soldiers for success in the current conflict, reset them effectively when they return, and continue to transform them for an uncertain future.

Specific to preparing for the future, the FY11 budget request supports three key Army goals. First, the Army is committed to improving individual and collective training to better prepare Soldiers and leaders for a complex and challenging operational environment. Second, we continuously work to provide our formations with effective equipment in a timely manner that maintains our technological edge and protects our most critical resource—the Soldier. Finally, we must transform the Army to a rotational model using Army Force Generation or ARFORGEN. This is our core process for generating trained, ready, and cohesive units on a sustained and rotational basis to meet future strategic demands.

For example, the FY11 budget supports training and sustainment of Army forces to include individual skills and leader training; combined arms training toward full spectrum operations; and adaptable, phased training based on the ARFORGEN process.

The FY11 budget also invests $3.2 billion in Brigade Combat Team (BCT) modernization programs that include procurement of the first incremental changes packages for Infantry BCTs, research, development, testing and evaluation for subsequent change packages, and the development of the Ground Combat Vehicle. Additional investments in the FY11 budget provide funding to begin equipping a thir-

teenth combat aviation brigade and support the increase in intelligence, surveillance, and reconnaissance platforms.

Mr. ORTIZ. What concerns do each of you have regarding how much of your O&M requirement is funded through OCO, particularly depot maintenance? When and how do you see that funding migrating back to the base budget?

General CHIARELLI. The OCO O&M dollars for depot maintenance support the Reset of our equipment as it returns from combat operations. Over the next several years, as the number of deployed forces decreases, this Reset requirement will decrease. However, we expect that OCO Reset funding will be needed two to three years after the return of all deployed forces. As fewer forces are deployed, home station OPTEMPO and training increase. This will drive an increased reliance on base budget funding in OPTEMPO and depot maintenance that we will see over the next few years.

Mr. ORTIZ. What impact has OMB's new rules regarding what can be and cannot be included in the OCO request had on your services' requests for reset funding?

General CHIARELLI. The impact of the OMB criteria has been minimal with respect to Reset. The rules allow for replacement or repair to original capability (to upgraded capability if that is currently available) of equipment returning from theater. Procurement-funded Recapitalization to enhance a system's capabilities, if that Recapitalization is performed to meet war-related requirements (such as adding armor), is also permitted. Of concern for the Army is OMB's determination that procurement funding must be executed within 12 months. A better metric for procurement funding might be based upon the delivery schedule of an equipment item.

Mr. ORTIZ. For logistics support that is being brought back in-house to be performed by service personnel, do your services have the necessary technical data packages?

General CHIARELLI. Yes. As a rule, only the systems that have available technical data packages are returned for organic depot maintenance support. If a technical data package is not available there is not an effort to return the system for organic depot maintenance.

Mr. ORTIZ. What criteria have been established for determining which functions should be insourced?

General CHIARELLI. Depot maintenance planning and source of repair determination is an integral function of the integrated logistics support process. Representatives from all involved parties (acquisition, logistics, legal, headquarters and others) are involved in the process. It starts with the Core Logistics Assessment and finalizes with the Depot Source of Repair decision. Guidance is provided by numerous documents, but most notably in AR 700–127 and AMCR 750–10. The intent is to ensure Army compliance with statutes affecting the performance of depot maintenance operations, especially in 10 USC 2464, commonly referred to as the CORE statute. As the law proscribes, each Service will maintain a core capability to perform depot maintenance for equipment identified for potential combat operations. Generally speaking, the program office establishes an ad hoc committee to initiate this effort. This committee, frequently referred to as a sustainment integrated process team, develops the CORE requirements on behalf of the program manager. The team also initiates documentation for approval of these requirements, which then becomes the basis for determining those functions that will be "in-sourced."

Mr. ORTIZ. What plans do your services have in place to assist contractor employees whose functions may be insourced?

General CHIARELLI. We plan to fill our vacancies using the applicable civil service hiring rules. If a contractor chooses to reduce its workforce as a result of changes associated with execution of in-sourcing policy, individual contractor employees may be eligible to apply for the in-sourced or other government positions. Some may also be entitled to veterans' preference.

Mr. ORTIZ. Please provide details of all corrosion mitigation and prevention costs in your services' FY11 budget request.

General CHIARELLI. The Army has budgeted significant dollars to fight against corrosion. While not specifically identifiable in the Army Budget as corrosion mitigation funds, corrosion considerations are embedded in every activity throughout equipment life cycles.

The Army has only one separate program element (PE) identified for corrosion prevention and control (CPC) in the Army budget which, is 423013 for Operations and Maintenance (OSD PE 0708012A). This PE was established with funding for the Army Materiel Command to support five validated CPC activities: development and tracking of corrosion performance metrics, collection and reporting of corrosion data, rapid revision of corrosion specification, implementation of mature technologies, and overall program management. For FY11 the Army requested $4.339M for CPC in PE 423013.

The vast majority of Army CPC efforts are not funded out of PE 423013 but are embedded in other PEs and other functions as part of regular operations throughout the Army—functions such as material selection, production, packaging, storage, preservation, provisioning, standardization, training, regular maintenance, etc. These efforts play a critical role in preventing or controlling corrosion but are often ignored when discussing CPC activities. The amount of funds specifically budgeted for CPC are virtually impossible to isolate from the regular activities and costs of the total effort.

Mr. ORTIZ. How are your services handling the reset of equipment being redeployed from Iraq to original capability before it goes to Afghanistan?

General CHIARELLI. Equipment transferred from Iraq to Afghanistan is inspected and repaired in Kuwait under the oversight of U.S. Army Central Command so that it is fully mission capable and suited for current operations. Maintenance actions in Kuwait on equipment headed to Afghanistan does not constitute reset.

Mr. ORTIZ. Given that significant amounts of equipment are moving directly from Iraq to Afghanistan, what is the impact on your services' equipment reset and the reset budget?

General CHIARELLI. The Army is factoring this equipment into its Overseas Contingency Operations budgeting and workload forecasts so the movement from Iraq to Afghanistan merely delays reset costs. Equipment from Iraq is sent to Kuwait where it is repaired to fully mission capable status before being shipped to Afghanistan. These maintenance actions do not constitute reset. Such equipment will not return for reset in FY10 or FY11, decreasing our requirements in those years, but will still require reset upon redeployment from Afghanistan.

Mr. ORTIZ. What is the status of Army and Marine Corps prepositioned stocks? To what extent have your services drawn from prepositioned stocks over the past two years and what funding shortfalls currently exist with respect to your services' prepositioned materiel? What funds have been included in the FY11 budget requests to alleviate shortages? What shortage areas remain the greatest concern for your services?

General CHIARELLI. The Army reports readiness status for APS Unit Equipment Sets that are fully operational or plan to be operational in the near future. Detailed readiness levels are classified but projected levels of fill for APS–3 and APS–5 unit equipment sets are as follows:

1) APS–3 Afloat Army Strategic Flotilla (ASF) IV Theater Opening/Port Opening Package (TO/PO) uploaded on the USNS Watson is currently enroute to the Pacific area of operations after completing a cargo maintenance cycle at Charleston, SC. The TO/PO Package has 97% Equipment On Hand (EOH) level of fill.
2) The APS–3 Afloat Infantry Brigade Combat Team (IBCT) with motorized augmentation set that will be uploaded on two Large Medium Speed Roll-on Roll-off (LMSR) ships in September and November 2010 has a projected 90% EOH level of fill. The Army plans to increase this level of fill prior to upload through available equipment from reset/repaired OIF retrograded equipment, depot, and new production.
3) The APS–5 Southwest Asia (SWA) Heavy Brigade Combat Team (HBCT) with motorized augmentation set located in Kuwait, originally planned to be fully operational on 31 Mar 2010, is delayed to Mar 2011 due to the recent issue of medium and heavy tactical wheeled vehicles, Material Handling Equipment, and SINCGARS radios in support of the Operation Enduring Freedom (OEF) Expansion. The HBCT currently has an 87% EOH level of fill which includes all tracked vehicles. The motorized augmentation set has 83% EOH fill. The Army plans to fill equipment shortages over the next year from reset/repaired Operation Iraqi Freedom (OIF) retrograded equipment, depot, and new production.
4) The APS–3 Infantry Brigade Combat Team (IBCT) with motorized augmentation set currently located in Kuwait has a 94% EOH level of fill; the motorized augmentation set has 99% EOH fill. Medium & Heavy Tactical Wheeled Vehicles, Tractors, Vans and Container Handlers were issued to help fill OEF Expansion requirements. This APS IBCT will become the APS–3 Army Strategic Flotilla II IBCT when no longer required by CENTCOM in SWA.
5) The APS–5 Infantry Battalion with Forward Support Company and motorized augmentation set located in Afghanistan has 74% EOH fill and is planned to be fully mission capable by Sep 2011, IAW the approved APS 2015 Strategy.

Over the past two years, more than 2600 pieces of APS equipment have been issued in support of operations in OEF & OIF (OIF Surge and OEF Expansion). Ex-

amples of equipment drawn are tactical wheeled vehicles, trailers, engineer equipment, material handling equipment, communication equipment, and generators. APS funding (~$7B OMA and OPA) is required from FY11–15 to maintain APS and complete the rebuilds of APS–5 (Fires Brigade and two Sustainment Brigades) and APS–3 (Sustainment Brigade and IBCT).

The FY11 budget request (Base & OCO) to execute the APS 2015 Strategy tasks to be accomplished in FY11 totals approximately $2B. This includes Other Procurement Army (OPA) funding of ~$1.5B and Operations and Maintenance Army (OMA) funding of ~$545M. This funding will allow the Army to reconstitute portions of the APS required in the 2015 APS Strategy and provide for Care of Supplies in Storage for APS–3 and APS–5; further, this budget request funds five uploaded APS–3 Large Medium Speed Roll-On Roll-Off (LMSR) and container ships; and returns three LMSR ships from reduced operating to full operating status.

For APS, shortages of tactical wheeled vehicles, generators, engineer, materiel handling, and communications equipment remain the greatest concern.

Mr. ORTIZ. What issues have precluded your services' achievement of the full reconstitution of prepositioned stocks? What is the current cost estimate of resetting or refilling prepositioned materiel and equipment to ensure compliance with requirements of current operations and the National Military Strategy?

General CHIARELLI. Several issues impact the speed with which the Army is able to fully reconstitute its prepositioned stocks. The main issue is the competing demand for equipment between units in combat operations, units in training at home station, and Army Prepositioned Stock (APS) requirements. Using APS–5 to illustrate, the Army has nearly completed the rebuild of APS–5 twice, but each time when reconstitution was nearly complete, a new requirement developed (first in Iraq, and most recently in Afghanistan), that caused us to issue some of the APS–5 stocks. This is not necessarily bad, as this APS set is doing precisely what it is intended to do—provide the warfighter a ready source of equipment for contingencies. The Army will continue to aggressively pursue the reconstitution of APS within competing priorities and available resources. We remain confident that APS reconstitution will be complete by 2015.

Mr. ORTIZ. The total cost to reconstitute and maintain Army Prepositioned Stocks across the Future Year Defense Plan (FY11–15) is approximately $7B.

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

Mr. ORTIZ. One finding of the recently completed Mobility Capability Requirements Study 2016 was that the type of equipment in the prepositioned stocks may need to be reconsidered in terms of capabilities needed first in the warfight. What consideration are your services' giving to this finding, and what consideration are your services giving to potentially restructuring your prepositioning program, including locations?

General CHIARELLI. Although Mobility Capability Requirement Study 2016 (MCRS–16) findings are a consideration in the analysis of Army Prepositioned Stocks (APS), APS composition and disposition are primarily driven by Combatant Commander Operational Plan (OPLAN) requirements. APS provides forward positioned equipment and sustainment stocks for maneuver and support formations employed in early phases of operational plans. The strategic purpose of APS is to support the warfight force flow needs, reassure allies, and provides Flexible Deterrence Options (FDO). There are two types of APS sets: a) Land-based sets are regionally aligned sets that provide a robust, forward presence to deter potential hostile forces, and should deterrence fail, provide combat capability to defeat the enemy. b) Afloat equipment sets are multi-apportioned sets (not tied to a single regional scenario) providing strategically-agile, forward positioned, persistently present full spectrum operations capability that reinforce land-based sets in support of priority OPLAN requirements. In addition to priority OPLANs, APS supports an array of additional Combatant Commander operations, including counter-insurgency, irregular warfare, Humanitarian Assistance/Disaster Relief, Non-combatant Evacuation, Theater Security Cooperation, Building Partnership Capacity and training exercises. MCRS future scenarios and potential considerations are based on assumptions that are not entirely firm or precise. The mixture of versatile combat and support sets allows maximum agility and relevant support within the current operational environment. As Combatant Commander plans evolve, APS composition and disposition is reviewed and adjusted as necessary.

Department of the Army is conducting an assessment that will take into account Guidance for the Employment of the Force, the MCRS–16 analysis, an examination of updated war plan requirements and ongoing operations. The results of this assessment will be fully coordinated with the Joint Staff and United States Transportation Command, and incorporated into emerging APS strategies.

Mr. ORTIZ. How does the Quadrennial Defense Review strategy of supporting one rather than two major combat operations simultaneously change your services' calculation of war reserve requirements and how has this affected the FY11 budget?

General CHIARELLI. The defense strategy articulated in the 2010 Quadrennial Defense Review (QDR) includes "maintaining the ability to prevail against two capable nation-state aggressors." The Army is analyzing the QDR to determine how it affects war reserve planning factors and force structure. The end result will be war reserve requirements aligned with the QDR and a defense strategy to fight two major combat operations simultaneously. The QDR did not have a direct effect on the Army's FY11 war reserve budget, but it will influence future budget requests.

Mr. ORTIZ. What underlying requirements do your services use to build and rebuild their prepositioned stocks? Do these requirements vary by APS? Do these requirements reflect changes in your services' overall manning and deployment strategies?

General CHIARELLI. Army Prepositioned Stocks composition and disposition are primarily driven by Combatant Commander Operational Plan (OPLAN) requirements. APS provides forward positioned equipment and sustainment stocks for maneuver and support formations employed in early phases of operational plans. The strategic purpose of APS is to support the warfight force flow needs, reassure allies and provide Flexible Deterrence Options. There are two types of APS sets: a) Land-based sets are regionally aligned sets that provide a robust, forward presence to deter potential hostile forces, and should deterrence fail, provide combat capability to defeat the enemy. b) Afloat equipment sets are multi-apportioned sets (not tied to a single regional scenario) that provide strategically-agile, forward positioned, persistently present full spectrum operations capability to reinforce land-based sets in support of priority OPLAN requirements. In addition to priority OPLANs, APS supports an array of Combatant Commander additional operations including counter-insurgency, irregular warfare, Humanitarian Assistance/Disaster Relief, Non-combatant Evacuation, Theater Security Cooperation, Building Partnership Capacity and training exercises. As Combatant Commander plans evolve, APS composition and disposition is reviewed and adjusted as necessary.

Yes, based on the Guidance for the Employment of the Forces and Joint Services Capabilities Plan for directed OPLAN and Concept of Operation Plan requirements. The APS afloat assets are used to support multiple Combatant Commanders' warfight requirements and are not tied to a single scenario. The mixture of mission and enabler capabilities provides Combatant Commanders with operational flexibility. The APS ground based sets support rapid deployment and early entry forces in high threat environments.

Yes, APS strategy development is directly linked to changes in the Army Force Generation process, force packaging and deployment strategy.

Mr. ORTIZ. What is your services' current plan for the disposition of MRAP vehicles upon conclusion of the wars in Iraq and Afghanistan? Will they be reset and made part of prepositioned equipment? If so, how many and where? What number of MRAP vehicles will be retained by your service and for what purpose?

General CHIARELLI. The Army expects to retain over 15,000 Mine Resistant Ambush Protected Vehicles (MRAPs)/MRAP–All-Terrain Vehicles, which will be placed in the force structure, and we have developed a draft allocation plan for the return of MRAPs from theater. This plan is currently under review by Army senior leaders. The proposed plan will reset vehicles as they are retrograded from theater and place a majority of the MRAP Fleet in Task Organized Brigade Combat Team sets that will deploy when MRAP levels of protection are required, similar to Army Prepositioned Stocks. Approximately a quarter of the MRAPs will be placed in Transportation, Explosive Ordinance Disposal units, and echelon above brigade Medical units. In these cases, MRAPs are either displacing other platforms or filling platform shortages. A limited number will be placed in training sets, to be drawn upon by units to conduct driver and collective training as required and for Sustainment Stock and War Reserve. This proposed allocation plan provides operational flexibility and mitigates the storage and maintenance burden on home station units.

Mr. ORTIZ. A significant number of non-standard items of equipment have been procured to support ongoing operations in Iraq and Afghanistan. What types of equipment does this category include? What is your service's plan for the disposition of this equipment, including the cost to repair and maintain it? If retained at the organizational or depot level, what are the expected storage requirements? Are repair, maintenance and storage requirements reflected in the FY11 budget?

General CHIARELLI. Non-Standard Equipment (NS–E) has played a significant role in enhancing the Army's capabilities. The MRAP, the various types of IED de-

feat devices, base entry intrusion protection systems, and commercial power generation equipment are some examples.

Disposition procedures for NS–E no longer required in Iraq (or Afghanistan) are laid out in a detailed HQDA order, but generally, our first priority is to redistribute those items to meet needs elsewhere in the CENTCOM area of operations. If not required anywhere in CENTCOM, by the Army, another Service, or another U.S. Government agency, then items will either be stored for future use, or disposed of. The Army has painstakingly gone through each item of NS–E that we own, and predetermined whether it is something we will retain, or something we will dispose of.

Retained NS–E will be stored as part of Army Pre-positioned Stocks (APS), or in a CONUS supply depot. "Retained NS–E" will be stored until it is re-distributed to meet a future requirement, a decision is made to make it a Program of Record and integrate it into the force, or the requirement for it no longer exists (at which time it will be disposed of). The Army will budget for "Retained" NS–E that is either stored or left in use in units. An example is the MRAP. By FY11, MRAP sustainment will be incorporated as part of APS and in some cases, added to unit tables of organization and equipment, like all other materiel authorized for use in units. "Retained" NS–E for which the Army does not have an enduring need, yet has utility to support potential future missions will be reset in theater using Overseas Contingency Operations (OCO) funds and stored.

Not-to-be-Retained items will not be brought back from Southwest Asia, but rather will be redistributed in theater or disposed of. The Not Retained NS–E that is excess to CENTCOM requirements is being offered to the Department of State (US Mission Iraq) and the National Association of State Agencies for Surplus Property (NASASP), or for Transfer to Coalition or host nation. Examples of Not Retained NS–E equipment include: exercise equipment; computers and monitors; office furniture; air conditioners; and commercial generators. It is important to note that some NS–E does not meet U.S. specifications or U.S. Customs clearance requirements, has been in theater for a number of years and is now beyond its expected useful life.

Mr. ORTIZ. Please explain the statement "The Navy's FY 2010 OCO appropriation did not fully capture OEF execution requirements" and describe the pressures that this realization has put on your FY11 budget request, particularly the flying hour program.

Admiral GREENERT. Submission of the FY10 OCO budget request in May 2009 occurred as the Navy was shifting to a much higher flight hour OPTEMPO associated with longer flights into Afghanistan than into Iraq, and to a higher Carrier Strike Group presence reflected in the CENTCOM Commander's Request for Forces. A portion of these OPTEMPO increases were included in the FY10 Supplemental Request, and they were fully captured in the FY11 OCO Request. The combination of the FY11 OCO Request and FY11 baseline budget support the higher OEF OPTEMPO overall, and the required level of FY11 flying hours in particular.

Mr. ORTIZ. Reset for the Navy has not had the same focus as Army and Marine Corps equipment reset because Navy forces are being applied in a different manner in support of OIF and OEF. Please explain the Navy's approach to reset and the challenges the Navy faces in this area, especially for the Navy Expeditionary Combat Command.

Admiral GREENERT. The Navy Expeditionary Combat Command (NECC) approach to reset is similar to Army and Marine Corps reset. It is composed primarily of equipment deployed to a theater in support of a specific ground combat contingency operation. For instance, equipment in OIF is transferred to staging areas where it is received and inspected. At the staging area, disposition is made to either divest or retrograde. In general, Mine Resistant Ambush Protected (MRAP) vehicles, communications equipment, and small craft are retrograded, while other equipment is evaluated based on condition and economic analysis. If a piece of equipment will cost more to transport and repair than to replace, the equipment will be divested. A significant portion of the life support equipment (e.g., tents, field gear, etc.) is not economical to transport/repair. This equipment is divested in country through Defense Reutilization Management Office (DRMO) and replaced by the appropriate systems command (SYSCOM). Retrograded equipment is repaired through the SYSCOM overhaul process and prepared for redeployment. Specifically, two Seabee battalion equipment sets (construction equipment), Maritime Expeditionary Security Force small craft and squadron equipment sets that had been in OIF for over six years constitute a significant portion of the reset requirement. NECC's reset requirements are also related to the Personal Gear Issue (PGI), tool kits, and special equipment associated with continuous EOD platoon deployments. Additionally, the presence within OIF of a Riverine Squadron since February 2007 with its combatant craft, tactical equipment, life support, and communications gear requires attention.

Finally, Navy Expeditionary Logistics Support Group and Combat Camera equipment are also included in the FY11 reset plan. NECC and Naval Facilities Engineering Command (NAVFAC) are also exploring opportunities with the Army and Marine Corps to overhaul equipment in theater at existing facilities. NECC and all Naval assets will have reset requirements that will exist after OIF/OEF ends as we evaluate, restore, or replace equipment upon return to CONUS. These requirements are being evaluated and will change as OPTEMPO and capability requirements change.

The Navy's biggest challenge with reset is establishing the appropriate baseline OPTEMPO for the future. Our OPTEMPO in CENTCOM will continue as the combat mission ends in Iraq. Navy enabling forces will remain in CENTCOM to provide various combat support/combat service support to Joint and coalition forces in the region. Concurrently, we will continue to maintain a forward-deployed force of about 100 ships globally to prevent conflict, support allies, and respond to crises. Navy ships and aircraft are capital-intensive forces, procured to last for decades. Scheduled maintenance of our force structure, and training and certification of our crews between deployments is a key element in the "reset" of the force. This "reset in stride" process is perhaps different from other Services. It enables our ships and aircraft to rotate deployments and provide continuous forward presence as well as be ready for sustained surge operations, such as the humanitarian assistance and disaster relief in Haiti recently. We are perhaps unique in that our maintenance accounts maintain the force, modernize, and "reset in stride" for the service lives of our platforms. Since increased emergent operations are consuming the expected service lives of Fleet units, at an advanced rate, Navy relies on OCO to fund overseas contingency operations and "reset-in-stride".

Mr. ORTIZ. What price has the Navy paid for pulling out of its engineered approach to maintenance? Was Navy onboard manning cut too deeply? How is the Navy correcting this situation?

Admiral GREENERT. The Navy has always utilized an engineered approach to maintenance with a focus on reducing maintenance costs while increasing operational availability. In the late 1990s, the Navy shifted its practices from calendar-based periodicities and long industrial periods for its surface ships to a maintenance regime that relies upon the principles of reliability-centered maintenance and condition-based maintenance. This transition instituted the conduct of Phased Maintenance Availabilities of shorter duration that reduced the time the platforms were unavailable for deployment. These changes resulted in a focus on short term, "get the ship underway" type of work, instead of life cycle focused work associated with tanks, structures and distributed systems, which added risk to our ability to reach the expected service life for our surface ships.

In May 2009, Navy established the Surface Ship Life Cycle Maintenance (SSLCM) Activity to provide life-cycle support for all classes of surface ships comparable to the engineering planning and support provided to nuclear powered submarines and aircraft carriers. The primary mission of this organization is to provide centralized life-cycle management of the surface ship Class Maintenance Plans (CMPs) to support fleet operational requirements and to enable ships to achieve expected service life. The SSLCM Activity has completed engineering assessments of maintenance requirements for DDG 51 and LSD 41/49 class ships, resulting in a more robust technical foundation to support programming and budgeting decisions.

Onboard manning on surface ships has been reduced as a result of optimal manning initiatives. The analysis conducted for that effort focused on ensuring that ships are assigned sufficient numbers of trained people to stand the watches required to operate the ship in battle. There was a conscious decision to move part of the maintenance workload from the smaller ship crews to shore maintenance organizations. Simultaneously, the Navy implemented separate actions to consolidate maintenance organizations in a drive for efficiency and reduction in shore infrastructure.

The number of people who are actually onboard a ship can be different from the Navy Manning Plan for that vessel for a variety of reasons, including Individual Augmentee assignments, unplanned losses, temporary injury or illness situations and the timing associated with Sailors' detaching and reporting. Recent INSURV inspections and other independent assessments have determined that the optimal manning effort might have gone too far in the case of ships that deploy for lengthy periods without regular access to fully equipped maintenance facilities. The situation is under current review and will be addressed in the next budget cycle.

Mr. ORTIZ. What training actions is the Navy taking in response to the recent dramatic increase in removals of commanding officers for cause, including six firings in the first three months of this calendar year?

Admiral GREENERT. Navy leadership takes the recent detachments for cause among commanding officers very seriously. We are assessing the situation to determine whether there are common threads that indicate a need for systemic changes in training. Our preliminary review suggests that the detachments have not been the result of any single underlying cause associated with failure in the training or commanding officer selection processes, but have been largely attributable to personal behavior or failure of leadership issues. Commanding officers are required to maintain high standards of leadership and conduct, and current training emphasizes these requirements. Should we identify specific issues that warrant changes in training, we will promptly implement the necessary changes.

Mr. ORTIZ. Secretary Mabus last month discussed the Navy's substantial increase in operation and maintenance funding as a critical component of military readiness. The subcommittee has advocated for conditioned based maintenance as a means of cost savings by allowing real-time monitoring of a ship's components, thereby allowing the crew to repair machinery in advance of catastrophic failures. CBM also reduces the logistical footprint necessary to conduct costly and time-consuming bow-to-stern examinations. As the Navy engages in cost-effective decisions to build the most capable force, what is being considered to integrate CBM systems into ships' design rather than retrofitting after commissioning?

Admiral GREENERT. The Navy employs a variety of Condition Based Maintenance (CBM) Systems on our in-service platforms today, most notably the Integrated Condition Assessment System (ICAS) which is installed on 103 platforms with 26 programmed for installation. For new ship designs, CBM systems and processes are integral elements of both the DDG 1000 and the Littoral Combat Ship (LCS) systems, as required by OPNAVINST 4790.16A, Condition Based Maintenance (CBM) Policy. Both ships have reduced manning levels relative to previous ship classes of the same size, which as a design parameter has driven the need to take CBM to new levels of analysis and detail. In DDG 1000, instrumentation that monitors system performance is coupled with distance support systems that provide enhanced information exchange that enables greater shore based support to the ship and its crew. LCS is also implementing CBM in order to meet maintenance strategy requirements as defined in the Capability Development Document (CDD). LCS conducted a Failure Mode, Effects and Criticality Analysis (FMECA) for key systems, and implemented CBM processes that identify critical components and externally induced degradation factors, that when combined with future ship operations requirements, enable the prediction of the best time to conduct maintenance. This reliability engineering-based CBM approach, designed in up front, maximizes the ship's operational availability, reduces the frequency of unplanned maintenance, reduces overall maintenance costs and minimizes the maintenance burden on the crew. Systems for which CBM is being developed for DDG 1000 and LCS can then be used, either directly or with some modification, for either existing ships (backfit) or reused in the design of future ships (forward fit), providing similar benefits for those ships.

In addition to the DDG 1000 and LCS Classes, the LPD 17 Class has CBM systems installed during construction and new construction DDG 51 Class ships (DDG 113 and follow) and the Ship-to-Shore Connector (SSC) will have CBM systems as part of their design.

Mr. ORTIZ. How does the FY11 budget request prepare each of your services for future conflict?

Admiral GREENERT. The Department's objectives, priorities and budget are aligned with the National Defense Strategy, and address the requirement to train and maintain a force capable of executing Combatant Commander Operational Plans (OPLANs), preventing/deterring conflict, and prevailing in a range of future contingencies. The FY 2011 budget supports Fleet Response Plan OPTEMPO, providing the training and surge capability to meet today's OPLAN requirements, as well as those of future contingencies, effectively and decisively. The FY11 budget resources ship and aircraft depot maintenance requirements to 99% and 96%, respectively. These investments are key to ensuring that today's force is not only available for current contingencies, but are maintained in proper condition for future engagement.

Mr. ORTIZ. What concerns do each of you have regarding how much of your O&M requirement is funded through OCO, particularly depot maintenance? When and how do you see that funding migrating back to the base budget?

Admiral GREENERT. The Navy is currently engaged with the Office of the Secretary of Defense to assess funding and requirements, and in particular to properly characterize the distinction between enduring baseline and OCO requirements. Findings from this effort will serve as the basis for adjusting ship and aircraft depot maintenance requirements and funding profiles.

Mr. ORTIZ. What impact has OMB's new rules regarding what can be and cannot be included in the OCO request had on your services' requests for reset funding?

Admiral GREENERT. OMB's guidelines for funding of OCO requests have not limited the Operation & Maintenance accounts reset funding. Depot Maintenance funding for the Navy's air, ship and ground forces is in line with the level of operational effort being expended in support of the ongoing overseas contingencies.

OMB rules do impact reset funding of assets experiencing high contingency operation OPTEMPO wear and tear, which has caused "stress losses" (accelerated fatigue life consumption) mainly within the aviation community, and to a lesser extent on ground equipment within the Dept of Navy. These stress loss assets (reduced operating life remaining) represent a growing reset cost that will have to be addressed in order to properly restore the Navy to full operational capability.

Mr. ORTIZ. For logistics support that is being brought back in-house to be performed by service personnel, do your services have the necessary technical data packages?

Admiral GREENERT. DASN (A&LM) is not aware of any specific DoN examples of logistics support that is being brought back in-house to be performed by service personnel. The current DoDINST 5000.2 requires that program managers have a Data Management Strategy (DMS) that includes defining the "data required to design, manufacture, and sustain the system; as well as to support re-competition for production, sustainment, or upgrades". When creating a DMS, a program manager must also assess the merits of including a priced contract option for the future delivery of technical data and intellectual property rights not acquired upon initial contract award and identify the risks to the program by not obtaining those data rights. The DMS is a recent requirement, therefore, the status of individual programs would need to be evaluated on a case-by-case basis.

Mr. ORTIZ. What criteria have been established for determining which functions should be insourced?

Admiral GREENERT. The identification of contract support efforts and services appropriate for in-sourcing positions began with a review the Section 807 (10 USC § 2330a(c)) inventory of contracts and evaluating new workload requirements to ensure they are appropriately resourced and staffed by military, government civilians, or contractual efforts. This process, led by OSD P&R, is ongoing. Section 2463 of Title 10 United States Code requires the Department of Defense to ensure consideration is given to using DoD civilian employees to perform functions that are performed by contractors but could be performed by DoD employees. The DoD has issued guidance that implements these provisions and provides the appropriate authorities and tools for making determinations to in-source the performance of functions that are inherently governmental, closely related to inherently governmental, inappropriately contracted personal services or exempt from private sector performance. Further, contracts in which government employees can perform the services more cost effectively or contracts that are performing poorly may also be candidates for in-sourcing under 10 USC § 2463.

Mr. ORTIZ. What plans do your services have in place to assist contractor employees whose functions may be insourced?

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

Mr. ORTIZ. Please provide details of all corrosion mitigation and prevention costs in your services' FY11 budget request.

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

Mr. ORTIZ. As the nation's strategic reserve forces, what impact will emergent Request for Forces have on execution of your FY11 readiness budget?

Admiral GREENERT. The impact of Request for Forces (RFF) on the execution of the FY11 budget is dependant on the nature and scope of the RFFs, which are approved by the Secretary of Defense. RFF impact spans the range of shifting forces from other previously planned Combatant Commander missions, deploying additional forces that are in Fleet Response Plan surge-ready status, or activating units in Reduced Operating Status. When forces shifted to a higher OPTEMPO AOR (e.g., PACOM to CENTCOM) are deployed from a surge-ready status, or are activated from a Reduced Operating Status, incremental (unbudgeted) costs are incurred, requiring supplemental funding or mitigation from other requirements. The unbudgeted emergent costs can be significant. For example, the incremental flying hour costs alone of shifting a Carrier Air Wing from a non-CENTCOM AOR to CENTCOM are on the order of $20M per month.

Mr. ORTIZ. What is the status of Navy and Air Force prepositioned stocks? To what extent have your services drawn from prepositioned stocks over the past two

years and what funding shortfalls currently exist with respect to your services' prepositioned materiel?

Admiral GREENERT. The Navy prepositioned material loaded on to each of the Maritime Prepositioned Squadrons (MPSRONs) is currently at 99%. The Navy is currently in the midst of deploying new equipment, the Improved Navy Lighterage System (INLS) and Waterfront Equipment (WE), which replace aging and outdated material currently onboard ships.

Overall, there remains a mix of old and new equipment because several of the ships have not rotated through their maintenance cycle in order to replace their equipment. All ships will have the new INLS and WE by the summer of 2011.

Navy lighterage and 35 pieces of Civil Engineering Support Equipment (vehicles, generators, etc) were drawn recently in support of the Haiti relief operations. All the Navy lighterage has been returned to the ships. The Navy has accountability and visibility of the Civil Engineering Support Equipment which will be returned shortly via surface lift.

Otherwise, over the past two year the Navy prepositioned equipment has only been drawn for exercise purposes. Equipment is typically utilized for a period of 30–60 days and then returned onboard the ship.

The Navy does not have a funding shortfall for its prepositioned material, however it should be noted that the Navy does not have "fenced" funds strictly to support its prepositioned material.

Mr. ORTIZ. How long will it take the Marine Corps to recover key core warfighting capabilities following cessation of operations in Iraq and Afghanistan?

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

Mr. ORTIZ. How important is reset to the Marine Corps' ability to sustain equipment for current operations in Afghanistan and to provide for ongoing training of non-deployed and next-to-deploy units?

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

Mr. ORTIZ. How much of the increased maintenance costs for the MV–22 are captured in the FY11 budget request? How does the Marine Corps plan to mitigate the shortfall?

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

Mr. ORTIZ. How are your services handling the reset of equipment being redeployed from Iraq to original capability before it goes to Afghanistan?

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

Mr. ORTIZ. Given that significant amounts of equipment are moving directly from Iraq to Afghanistan, what is the impact on your services' equipment reset and the reset budget?

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

Mr. ORTIZ. What is the status of Army and Marine Corps prepositioned stocks? To what extent have your services drawn from prepositioned stocks over the past two years and what funding shortfalls currently exist with respect to your services' prepositioned materiel? What funds have been included in the FY11 budget requests to alleviate shortages? What shortage areas remain the greatest concern for your services?

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

Mr. ORTIZ. What issues have precluded your services' achievement of the full reconstitution of prepositioned stocks? What is the current cost estimate of resetting or refilling prepositioned materiel and equipment to ensure compliance with requirements of current operations and the National Military Strategy?

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

Mr. ORTIZ. One finding of the recently completed Mobility Capability Requirements Study 2016 was that the type of equipment in the prepositioned stocks may need to be reconsidered in terms of capabilities needed first in the warfight. What consideration are your services giving to this finding, and what consideration are your services giving to potentially restructuring your prepositioning program, including locations?

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

Mr. ORTIZ. How does the Quadrennial Defense Review strategy of supporting one rather than two major combat operations simultaneously change your services' calculation of war reserve requirements and how has this affected the FY11 budget?

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

Mr. ORTIZ. What underlying requirements do your services use to build and rebuild their prepositioned stocks? Do these requirements vary by APS? Do these requirements reflect changes in your services' overall manning and deployment strategies?

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

Mr. ORTIZ. What is your services' current plan for the disposition of MRAP vehicles upon conclusion of the wars in Iraq and Afghanistan? Will they be reset and made part of prepositioned equipment? If so, how many and where? What number of MRAP vehicles will be retained by your service and for what purpose?

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

Mr. ORTIZ. A significant number of non-standard items of equipment have been procured to support ongoing operations in Iraq and Afghanistan. What types of equipment does this category include? What is your service's plan for the disposition of this equipment, including the cost to repair and maintain it? If retained at the organizational or depot level, what are the expected storage requirements? Are repair, maintenance and storage requirements reflected in the FY11 budget?

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

Mr. ORTIZ. How does the FY11 budget request prepare each of your services for future conflict?

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

Mr. ORTIZ. What concerns do each of you have regarding how much of your O&M requirement is funded through OCO, particularly depot maintenance? When and how do you see that funding migrating back to the base budget?

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

Mr. ORTIZ. What impact has OMB's new rules regarding what can be and cannot be included in the OCO request had on your services' requests for reset funding?

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Mr. ORTIZ. As the nation's strategic reserve forces, what impact will emergent Request for Forces have on execution of your FY11 readiness budget?

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

Mr. ORTIZ. What is the status of Navy and Air Force prepositioned stocks? To what extent have your services drawn from prepositioned stocks over the past two years and what funding shortfalls currently exist with respect to your services' prepositioned materiel?

General CHANDLER. With regard to general War Reserve Materiel (WRM), over the past two years 370 vehicles, 221 pieces of aerospace ground equipment, 403 fuels operational readiness capability equipment assets, and 6,138 miscellaneous pieces of equipment have been drawn from prepositioned stock to support Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF), and theater security pos-

ture and exercise requirements. Additionally, the Air Force Basic Expeditionary Airfield Resources (BEAR) program has deployed the equivalent of 43 initial housekeeping sets (capable of supporting 550 personnel per set), one stand-alone Swift BEAR housekeeping set (capable of supporting 150 personnel), and an additional 12 mobile electric power-12 (MEP–12) generators in support of OIF/OEF over the past two years. As BEAR converts from the initial housekeeping set to unit type code (UTC) configuration, there are 3,807 UTCs that are mission capable and 2,368 UTCs that are either partially or non-mission capable.

Currently, the total shortfall in Air Force prepositioned materiel is $905.3 million dollars. The Air Force is requesting an additional $315 million dollars in overseas contingency operations to re-set these assets. There is an additional shortfall of $211 million across the future year defense plan to fund BEAR Air Force Central operations.

Mr. ORTIZ. While the O&M budget shows a 7.3% increase, much of that is based on inflation and fuel costs and other cost-growth factors. We are concerned that readiness within the Air Force may be continuing to decline as a function of aging aircraft and increased optempo. What actions is the Air Force taking to improve its readiness?

General CHANDLER. The Air Force is addressing readiness using a two-fold approach. First, aging issues are addressed through predictive sustainment engineering, service life extension, and component improvement programs. Second, the Air Force is investing in procurement and recapitalization for the F–35, KC–X and legacy aircraft modifications. Overseas Contingency Operations have presented a constant challenge since late 2001, and the Air Force has dealt with increased operations tempo by modifying our deployment construct to account for surges and capture actual risk levels, and deploy-to-dwell ratios.

Mr. ORTIZ. Weapons system sustainment is funded at 82 percent, with only 63 percent covered in the base budget. What risks are being taken with that level of funding? And does the Air Force deem this as acceptable risk now that you have determined that you'll need service life extension programs on almost all of your aircraft to meet your inventory requirements in the out-years?

General CHANDLER. At 65 percent funding for weapon system sustainment (WSS), the Air Force will experience some risk in materiel readiness. To balance Air Force resources and ensure our highest priorities are funded, the Air Force requested overseas contingency operations funding ($2.3 billion) to meet contingency requirements. This additional funding brings the Air Force to an 82 percent funding level and ensures balanced risk across the Air Force WSS portfolio. The drop in the percentage of requirements funded in the baseline is the result of requirements growth out-pacing funding growth. The level of risk associated with 82 percent funding resulted in weapon system sustainment being the number one requirement on the unfunded priority list.

Mr. ORTIZ. With the end of the production line for the F–22, and the delay in the JSF schedule, how does that now affect the assumptions that the Combat Aircraft Restructuring plan was based upon? Will these facts affect how the Air Force moves forward with the retirement of 250 additional legacy aircraft?

General CHANDLER. There are no impacts to the Combat Air Force Restructure (CAF–R) Plan assumptions. The CAF–R plan assumed that the F–22 production would end at approximately 187 aircraft and the F–35 will be replacing F–16s over the next 20 years—a slip to IOC will have minimal impact to the overall war fighting risk of the plan. A recent independent study by RAND concluded that the Air Force will need more fifth-generation fighters, long-range strike capability, and critical munitions in the near-to-mid term, with or without the restructure. The retirement of 257 legacy aircraft does not significantly add to these risks.

The delay in F–35 IOC will also not impact the execution of the plan. QDR assessments indicate that the programmed force of strike aircraft will be sufficient to defeat potential adversaries, including those with advanced anti-access capabilities; however, we have accepted an increased level of risk. The AF has also postured the A–10 and F–16 fleets for potential F–35 program delays as this aircraft is being designed and fielded as their replacement.

Mr. ORTIZ. Were the commanders at our overseas bases consulted and included in the decisions made related to the CAF restructuring plan? Was Bruce Lemkim, deputy under secretary of the Air Force for International Affairs, consulted regarding the impact of the reductions on the service's ability to build partnership capacity?

General CHANDLER. All affected Major Commands (MAJCOMs) and the Reserve Component were involved in the decision to restructure the Air Force fighter force, and in developing the plan to identify the bases and units that would be impacted. Throughout the Air Force Corporate Process, the International Affairs Directorate

of the Air Force Secretariat (SAF/IA) was represented and involved in developing the Combat Air Forces Restructuring plan. When the reductions directly affected activities and functions for which SAF/IA provides oversight, SAF/IA provided appropriate input to the process, such as advocacy for sufficient aircraft to conduct tuition-based international training. It is important to note that the Air Force Component Commanders are responsible to define requirements for operational forces necessary to accomplish their mission, including building partnerships (BP) in their AOR. SAF/IA assists the Air Force Component Commanders in helping partner nations develop appropriate air power capabilities in accordance with US national objectives.

Mr. ORTIZ. How was the Air Force decision made to accelerate the retirement of legacy fighter aircraft? Are you worried about the potential gaps that could be created in our homeland defense systems, such as Air Sovereignty Alert?

General CHANDLER. The decision to accelerate the retirement of legacy aircraft was made after evaluating our requirement for force structure to fulfill the National Military Strategy with a tolerable level of risk. Savings from the accelerated retirement allowed the Air Force to increase its capacity in several mission priorities such as the nuclear enterprise and intelligence, surveillance, and reconnaissance. Homeland defense is a DoD priority mission, and the Air Force anticipates no gaps in our ability to support Operation NOBLE EAGLE due to legacy fighter aircraft retirement.

Mr. ORTIZ. The GAO made a number of recommendations related to the Air Force Air Sovereignty Alert mission. What is the status of implementing those recommendations?

General CHANDLER. The January 2009 GAO report to Congress titled "HOMELAND DEFENSE: Actions Needed to Improve Management of Air Sovereignty Alert Operations to Protect U.S. Airspace" provided us with five recommendations to improve air operations. Since its publication, we have continuously tracked our progress in fulfilling the recommendations made by the GAO. The Air Force is on track to institute the GAO recommendations.

Update and implement the homeland air defense alert program action directive (PAD): The Air Force completed a review of all PAD required actions, verifying that each has been accomplished. The Air Force incorporated pertinent PAD issues into a comprehensive policy document currently undergoing final approval.

Update the Air Force homeland defense policy, homeland operations doctrine, and CONOPS to incorporate & define the roles and responsibilities for homeland air defense alert operations: The GAO report provided additional substance and specifics for updating Air Force Policy Document 10–8, *Homeland Defense and Civil Support.* A revised version of this document is undergoing final approval, and incorporates GAO findings and recommendations. It also incorporates information from the DOD *Strategy on Homeland Defense & Civil Support,* the roles and responsibilities of OASD (HD & ASA), and details from the program action directive. This Air Force Doctrine Document will be subsequently reviewed at a regularly scheduled interval.

Incorporate the homeland air defense alert mission within the Air Force submissions for the 6-year Fiscal Year Defense Program (FYDP): Since Fiscal Year 2004, the Air Force has incorporated the Homeland Defense mission in its submission of the Air Force Program Objective Memorandum for the 6-year FYDP. Additionally, the 2009 National Defense Authorization Act (NDAA) required that Air Force provide Congress with a report regarding expenditures on the ONE mission.

Develop and implement a plan to address any projected capability gaps in homeland air defense alert units due to the expected end of the useful service lives of their F–15s and F–16s: Defense of the homeland is a priority mission of the Air Force—we will not back away from that responsibility. The Air Force anticipates no potential gaps in our ability to support ONE caused by legacy fighter aircraft retirement.

Add Operation NOBLE EAGLE to Units DOC Statements: As of August 2009, as recommended by the GAO report, we completed inserting the requirement for air defense alert into the Designed Operational Capability statements for all units engaged in ONE. As a result, the unit readiness to perform the mission will be specifically monitored.

Develop and implement a formal method to replace deploying units that still provides unit commanders flexibility to coordinate replacements: Under the Secretary of Defense-approved Global Force Management construct, combatant commanders and NORAD state requirements for forces through US Joint Forces Command (USJFCOM). Subsequently, USJFCOM requests forces from Air Combat Command (ACC), the Air Force forces provider. ACC currently has a formal process in place to meet USJFCOM sourcing requests, using successive steps to cover ONE alert op-

erations for a deploying unit. Since 9/11, all USJFCOM requests for Air Force sourcing have been fulfilled.

Mr. ORTIZ. There have been conflicting reports on the numbers of Air Force augmentees in theater and whether that number will decrease or increase as a result of the drawing down of forces in Iraq and the surge of forces into Afghanistan. What impact does the augmentee mission have on the overall Air Force mission? How does it affect Readiness?

General CHANDLER. We remain fully engaged in supporting the Joint team, anticipating a slight rise in the number of Air Force augmentees in theater from approximately 1,500 in Fiscal Year 2010 to 1,600 in Fiscal Year 2011. This increase will impact the mission, diminishing our organized, trained and equipped unit capabilities. In addition, augmentee sourcing is generally supported by Field Grade Officers and Senior Non-Commissioned Officers, which adversely affects unit leadership, training, and capability. Air Force end-strength does not account for augmentee tasks which are over and above postured capability. Additionally, augmentees tend to be tasked to high tempo capability areas such as Intelligence, Communications, Logistics Readiness, etc, further exacerbating sustainment of rotational sourcing. Despite these challenges, we will continue to be *"All In",* providing the needed support to the war-fighting commander.

Mr. ORTIZ. The flying hour program has been decreased by a significant amount in the FY11 budget request. Please explain.

General CHANDLER. The Fiscal Year 2011 peacetime flying hour program is fully funded. Due to Overseas Contingency Operations (OCO) taskings, the Air Force historically under-executed peacetime hours and over-executed OCO hours. The peacetime flying hour program was optimized for Fiscal Year 2011 to bring the President's Budget in line with expected peacetime execution. If OCO taskings decrease in future years, contingency hours will be realigned to the peacetime program.

Mr. ORTIZ. How does the FY11 budget request prepare each of your services for future conflict?

General CHANDLER. With the FY11 budget request, the Air Force is balancing today's demands with preparing for a wide range of potential future conflicts. Specifically, the Air Force has invested Research, Development, Test and Evaluation (RDT&E) and Procurement funds towards expanding our Intelligence, Surveillance, and Reconnaissance (ISR) capability, supporting the increased focus on Irregular Warfare and Building Partnerships, and developing new and emerging technologies.

Our RDT&E request invests in critical technology and competitive concept exploration for Long Range Strike, a "family of systems" to provide responsive global force projection and precision force application for military utility in the 2020 plus timeframe. The RDT&E request will also begin KC–X tanker development, continue F–35 flight testing and F–22 3.2 software development, and enhance our legacy fighter capability with F–15 Active Electronically Scanned Array (AESA) radar development.

Our procurement request invests in 5th Generation fighters and improves ISR capability with buys of 22 F–35 Lightning II aircraft, and 40 unmanned aircraft (36 MQ–9 Reapers and 4 RQ–4 Global Hawks). Additionally, we're investing in MQ–1 Predator datalink, ground control, and sensor modifications, as well as target location accuracy and high definition video for the MQ–9.

Our increased focus on Irregular Warfare and Building Partnership Capacity is highlighted in our FY11 request with procurement of 15 Light Mobility Aircraft (LiMA). This commercial off the shelf (COTS) aircraft will help prepare partner nations (PN) to defend and govern themselves by demonstrating airlift capability consistent with PN needs and anticipated methods of employment.

Mr. ORTIZ. What concerns do each of you have regarding how much of your O&M requirement is funded through OCO, particularly depot maintenance? When and how do you see that funding migrating back to the base budget?

General CHANDLER. The Air Force's current baseline maintenance and sustainment funding is insufficient to cover both baseline and OCO requirements. Depot maintenance, a subset of the Weapon System Sustainment (WSS) portfolio, includes both organic and contract maintenance, sustaining engineering and technical order updates. Despite continuous increases in baseline funding for weapon system sustainment since 2003, requirements growth has continued to significantly outpace funding growth. The Air Force took measured risk across our WSS requirements in the FY11 budget, funding only our highest priority requirements. For these reasons, WSS is the top priority submission on Air Force unfunded requirements list. Reductions of OCO funding without a proportionate shift to the baseline budget will further increase risk in WSS, possibly to untenable levels. Per OSD guidance, a migration of OCO funds to baseline budget will begin in fiscal year 2012 for Air Force depot maintenance requirements.

Mr. ORTIZ. What impact has OMB's new rules regarding what can be and cannot be included in the OCO request had on your services' requests for reset funding?

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

Mr. ORTIZ. For logistics support that is being brought back in-house to be performed by service personnel, do your services have the necessary technical data packages?

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

Mr. ORTIZ. What criteria have been established for determining which functions should be insourced?

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

Mr. ORTIZ. What plans do your services have in place to assist contractor employees whose functions may be insourced?

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

Mr. ORTIZ. Please provide details of all corrosion mitigation and prevention costs in your services' FY11 budget request.

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

QUESTIONS SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. General Chandler, the President's Budget Request includes a proposal that would reduce the Air National Guard's C–130 inventory by 21 planes in order to shift them to the active Air Force. I understand that 13 of these planes would be shifted due to BRAC and the closing down of the Puerto Rico Air Wing. However, I am troubled that eight C–130s from eight unnamed states would also be shifted to the Air Force, thereby reducing each of those Air National Guard Wing's Primary Assigned Aircraft to only 7 C–130s. What reasoning and analysis are behind this decision? Is the Air National Guard not more cost effective than the active Air Force when performing the same training missions? Lastly, did the Air National Guard provide any input when this decision was made?

General CHANDLER. The Air Force fully appreciates the dedication of our Air National Guard and Air Force Reserve Total Force partners, and we understand the concerns that you and others have raised regarding potential movements within the C–130 fleet. We are currently working with Active, Guard, and Reserve leadership to ensure that we have the most effective balance to support the Air Force's operational requirements, the mission needs of the states, and the required formal training, and to ensure we are postured for long-term readiness.

We expect to complete this review by no later than early May; we will inform you as soon as we reach a final decision.

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