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[H.A.S.C. No. 112–86]

THE FUTURE OF THE MILITARY SERVICES AND CONSEQUENCES OF DEFENSE SEQUESTRATION

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

HEARING HELD
NOVEMBER 2, 2011

U.S. GOVERNMENT PRINTING OFFICE
71–525 WASHINGTON : 2012

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THE FUTURE OF THE MILITARY SERVICES AND CONSEQUENCES OF DEFENSE SEQUESTRATION

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, November 2, 2011.

The committee met, pursuant to call, at 10:08 a.m. in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

OPENING STATEMENT OF HON. HOWARD P. "BUCK" MCKEON, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

Good morning. The House Armed Services Committee meets to receive testimony on "The Future of the Military Services and the Consequences of Defense Sequestration." To assist us with our examination of the impacts of further defense cuts to each of the military services, we are joined by all four service chiefs. Gentlemen, thank you for your service. Thank you for being here. I really appreciate your willingness to be here before the committee today. I can't recall the last time that we had all four service chiefs on the same panel. This is a unique opportunity for our Members and greatly assists us with our oversight responsibilities.

The committee has held a series of hearings to evaluate lessons learned since 9/11 and to apply those lessons to decisions we will soon be making about the future of our force. We have received perspectives from former chairmen of the Joint Chiefs of Staff, former service chiefs and commanders of the National Guard Bureau; former chairmen of the Armed Services Committees; outside experts; Secretary Panetta; and Chairman of the Joint Chiefs of Staff General Dempsey. Today, we have the opportunity to follow up on the testimony of the Secretary of Defense and Chairman of the Joint Chiefs of Staff to determine more closely the challenges faced by each of the Services.

As I continue to emphasize, our successes in the global war on terror and in Iraq and Afghanistan appear to be lulling our Nation into a false sense of confidence such as a September 10th mindset. Too many appear to believe that we can maintain a solid defense that is driven by budget choices, not strategic ones. But as we heard from witnesses again last week, defense spending did not cause the current fiscal crisis. Nevertheless, defense can and will be a part of the solution.

The problem is that to date, defense has contributed more than half of the deficit reduction measures we have taken, and there are some who want to use the military to pay for the rest to protect

the sacred cow that is entitlement spending. Not only should that be a nonstarter from a national security and an economic perspective, but it should also be a nonstarter from a moral perspective. Consider that word "entitlements." Entitlements imply that you are entitled to a certain benefit, and I can't think of anyone who has earned the right ahead of our troops. By volunteering to put their lives on the line for this country, they are entitled to the best training, the best equipment, the best leadership that our Nation can provide.

I hope our witnesses today can help us understand the ramifications of these possible cuts in relation to our force structure as well as our ability to meet the future needs of our national defense. How can we make sure the military is a good steward of the taxpayer's dollar without increasing the risk to our Armed Forces? Where can we take risk? But what changes would go too far?

With that in mind, I look forward to hearing from our witnesses today. With that, I yield to Ranking Member Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 51.]

STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH. Thank you, Mr. Chairman, and thank you for holding this hearing. It is an honor to be here with all four of our service chiefs. I appreciate your leadership for our military, and I also appreciate the series of hearings that this committee has had to examine the impacts of budget cuts and our deficit on the defense budget. I think it is critically important that we make smart choices in this difficult budget environment.

There is no question that our debt and deficit have placed enormous pressure on our country, but also most specifically on the Department of Defense and our ability to adequately provide for the national security. Defense is 20 percent of the budget. It is going to be part of the solution. But as the chairman points out, it already has been. As part of the debt ceiling agreement in August, the defense budget has agreed to somewhere between $450 billion and $500 billion in cuts over the course of the next 10 years. Getting to those cuts will be a great challenge. But it is wrong to think the defense budget has somehow been held apart from our debt and deficit problems. It is quite the opposite. It has been front and center.

So what we really need to hear from our witnesses today is, first of all, how they are going to handle those initial cuts over the course of the next 10 years; how they are going to do that in a way that continues to protect our national security. Because keep in mind, even though we do have debt and deficit problems, we also have growing national security threats. Certainly the threat from Al Qaeda and their affiliates remains. We have Iran and North Korea, who are both growing in capability and belligerence. And we also have the rise of China, both economically and militarily, just to name a few.

So our threats haven't gone away even though the money is going to become harder to come by. So how we are going to manage

that is critically important. Also, as the chairman said, to sort of point out the limitations on how far we can cut the defense budget beyond what we have already done, the true impact of sequestration, and how it would damage our ability to provide adequately for our national security.

I would ask the witnesses in that testimony to get specific about it. We have heard a great deal that if you cut below this level, well, it is a question of raising the risk level. What does that mean? I think our country needs to hear specifically if you cut this much, here is what we won't be able to do and here is how it can potentially threaten our national security.

So I applaud the witnesses, applaud the Department of Defense for going through the process of restructuring our defense budget, looking at a strategic review of where we are spending our money. That process is ongoing. I think it is critically important. And we look forward to hearing more about what choices you face and what we need to do to make sure that we adequately provide for our national security.

With that, I yield back.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 53.]

The CHAIRMAN. Thank you.

Now, let me please welcome our witnesses this morning. We have General Raymond T. Odierno, Chief of Staff of the U.S. Army; Admiral Jonathan W. Greenert, Chief of Naval Operations; General Norton A. Schwartz, Chief of Staff of the Air Force; and General James F. Amos, Commandant of the Marine Corps.

Gentlemen, thank you again for being here. I appreciate that, and we look forward to a candid dialogue this morning.

General Odierno.

STATEMENT OF GEN RAYMOND T. ODIERNO, USA, CHIEF OF STAFF OF THE ARMY

General ODIERNO. Thank you, Chairman McKeon, Congressman Smith, and other members of the committee. Since this is my first time to appear before you as the Chief of Staff of the Army, I want to start by telling you how much I appreciate your unwavering commitment to the Army and the Joint Force. I look forward to discussing the future of the Army and the potential impact of budget cuts on future capabilities, readiness, and depth.

Because of the sustained support of Congress and this committee, we are the best-trained, best-equipped, and best-led force in the world today. But as we face an uncertain security environment and fiscal challenges, we know we will probably have to get smaller, but we must maintain our capabilities to be a decisive force, a force trusted by the American people to meet our security needs.

Over the past 10 years, our Army—Active, Guard, and Reserve—has deployed over 1.1 million soldiers to combat. Over 4,500 soldiers have made the ultimate sacrifice. Over 32,000 soldiers have been wounded, 9,000 of those requiring long-term care. In that time, our soldiers have earned over 14,000 awards for valor, to include 6 Medals of Honor and 22 Distinguished Service Crosses. Throughout it all, our soldiers and leaders have displayed unparal-

leled ingenuity, mental and physical toughness, and courage under fire. I am proud to be part of this Army, to lead our Nation's most precious treasure, our magnificent men and women. We must always remember that our Army is today and will always be about our soldiers and their families.

Today, we face an estimated $450 billion-plus in DOD [Department of Defense] budget cuts. These will be difficult cuts that will affect force structure, our modernization programs, and our overall capacity. And it will incur increased risks. We cannot afford to repeat the mistakes of previous reductions. I respectfully suggest we make these decisions strategically, keeping in mind the realities of the risk they pose, and that we make these decisions together, unified, to ensure that when the plan is finally decided upon, all effort has been made to provide the Nation the best level of security and safety.

Our Army must remain a key enabler in the Joint Force across a broad range of missions, responsive to the combatant commanders, and maintain trust with the American people. It is my challenge to balance the fundamental tension between maintaining security in an increasingly complicated and unpredictable world and the requirements of a fiscally austere environment. The U.S. Army is committed to being a part of the solution in this very important effort. Accordingly, we must balance our force structure with appropriate modernization and sufficient readiness to sustain a smaller but ready force.

We will apply the lessons of 10 years of war to ensure we have the right mix of forces—the right mix of heavy, medium, light, and airborne forces, the right mix between the Active and Reserve components, the right mix of combat, combat support, and combat service support forces, the right mix of operating and generating forces, and the right mix of soldiers, civilians, and contractors. We must ensure that the forces we employ to meet our operational commitments are maintained, trained, and equipped to the highest level of readiness.

As the Army gets smaller, it is how we reduce that will be critical. While we downsize, we must do it at a pace that allows us to retain a high quality, All-Volunteer Force that remains lethal, agile, adaptable, versatile, and ready to deploy, with the ability to expand if required.

I am committed to this, as I am also committed to fostering continued commitment to the Army profession and the development of our future leaders.

Although overseas contingency operation funding will be reduced over the next several years, I cannot overstate how critical it is in ensuring our soldiers have what they need while serving in harm's way, as well as the vital role OCO [Overseas Contingency Operations] funding plays in resetting our formations and equipment, a key aspect of our current and future readiness. Failing to sufficiently reset now would certainly incur higher future costs, potentially in the lives of our young men and women fighting for our country.

Along with the Secretary of Defense and the Secretary of the Army, I share concern about the potential of sequestration, which would bring a total reduction of over a trillion dollars for the De-

partment of Defense. Cuts of this magnitude would be catastrophic to the military, and in the case of the Army, would significantly reduce our capability and capacity to assure our partners abroad respond to crisis and deter our potential adversaries, while threatening the readiness and potentially the All-Volunteer Force.

Sequestration would cause significant reductions in both Active and Reserve component end strengths, impact our industrial base, and almost eliminate our modernization programs, denying the military superiority our Nation requires in today's and tomorrow's uncertain and challenging security environment. We would have to consider additional infrastructure efficiencies, including consolidations and closures commensurate with force structure reductions to maintain the Army's critical capacity to train soldiers and units, maintain equipment, and prepare the force to meet combatant commanders' requirements now and into the future. It would require us to completely revamp our national security strategy and reassess our ability to shape the global environment in order to protect the United States.

With sequestration, my assessment is that the Nation would incur an unacceptable level of strategic and operational risk.

Mr. Chairman and members of the committee, I thank you again for allowing me the opportunity to appear before you. I also thank you for the support you provide each and every day to our outstanding men and women of the United States Army, our Army civilians, and their families. Thank you very much.

[The prepared statement of General Odierno can be found in the Appendix on page 55.]

The CHAIRMAN. Thank you.

Admiral Greenert.

STATEMENT OF ADM JONATHAN W. GREENERT, USN, CHIEF OF NAVAL OPERATIONS

Admiral GREENERT. Thank you, Mr. Chairman.

Chairman McKeon, Ranking Member Smith, Members of the committee, it is my honor and I am, frankly, quite excited to appear before you today for the first time as the Chief of Naval Operations. I very much thank you, Mr. Chairman, and Members of the committee, for all you have done for our sailors and their families throughout the years.

In the interest of trying the characteristic of a picture painting a thousand words, I have provided a little chart of where we are today, where your Navy is. We do our best operating forward at what I call the strategic maritime crossroads. We deploy from the ports in the United States—they are shown here as little dots—and in Hawaii. We have about 45 ships underway on the East Coast and West Coast collectively, which are preparing to deploy; 145 ships underway today, total. So that is about 100 ships deployed. About 35 to 40 percent of our Navy—your Navy—is deployed today. It has been that way for about 3 years. For a perspective, in 2001, we had about 29 percent of your Navy deployed.

We operate out and about around what I call the maritime crossroads, where commerce is, where the sea lines of communication are, because it is about ensuring economic prosperity around the world and influencing in all the theatres. Those areas, those cross-

roads, they look like little bow ties perhaps or little bows, depending on your background.

We operate from what I call cooperative security locations. Those are shown as little squares, from Guantanamo Bay in the Caribbean to Diego Garcia in the Indian Ocean to Singapore through Guam through Djibouti, Bahrain, and of course in the Mediterranean and in Rota. So we are clearly globally deployed.

We are required to be forward, flexible, and lethal, as we demonstrated in Libya, Somalia, off the coast of Yemen, and of course today in Afghanistan, where we provide about one-third of the close air support for our brothers and sisters on the ground. No permission is needed for our operations, and we are all United States sovereignty.

As I said, it is about freedom of the seas for economic prosperity. And as we change operations in the Mideast from perhaps a ground focus, your Navy and Marine Corps will retain the watch forward. We will deter, we will dissuade, and we will assure. We will be postured to fight as needed. We are your offshore option. We won't be intrusive. We are stabilizing, and we continue to build partnership capacity with allies and with our friends.

I just add as a clip, today there is a Chinese ship, a hospital ship, conducting operations in the Caribbean Sea, and has been on an around-the-world tour recently, doing their part, I guess, in the world.

Our focus in the future will be the Pacific and the Arabian Gulf, but we won't be able to ignore the other regions. Where and when trouble emerges next is really unknown. And as has been stated in this room many times, the future is unpredictable, as we know. We have to be prepared. We have to respond when tasked. And our challenge is to posture for that possibility.

But in the end, all that being said, we can never be hollow. We have to be manned, trained, equipped with a motivated force. We have to build the Navy of tomorrow—the ships, the aircraft, the unmanned systems, the weapons, and the sensors—and underpinning it all are our sailors and their families. We have to take care of the sailors, the civilians, and the families, and build, as I said, in the future the motivated, relevant, and diverse force of the future.

As John Paul Jones said years ago, and it still applies, "Men mean more than guns in the rating of a ship." But above all, we have to be judicious with the resources that the Congress provides.

As we look ahead to this current budget plan that we are working on, about a half of trillion dollars over 10 years, it is a huge challenge. There are risks. It is manageable with a strategic approach and with appropriate guidance given. On the other hand, in my view, sequestration will cause irreversible damage. It will hollow the military and we will be out of balance in manpower, both military and civilian, procurement and modernization. We are a capital-intensive force. Going in and summarily reducing procurement accounts here and there will upset quite a bit of our industrial base, which in my view, if we get into sequestration, might be irrecoverable.

In 1998, we had six shipbuilder companies. Today, we have two. We have six shipyards, going to five in 2013.

The impact of the Continuing Resolution if we go beyond November 19th, I just mention two areas of concern in the near term. In manpower, we are fine through November 18th. But we would need additional funds through Continuing Resolution language, if need be, because our manpower starts ramping up at that point. So we would need assistance in that regard in manpower in the continuing resolution.

Operations and management accounts are manageable through late in the first quarter. As we start the second quarter, Mr. Chairman, we would really be compelled to do what we have done in the past—defer maintenance, defer modernization of our shore sites, freeze travel, and maybe freeze civilian hiring, in that case, to get through. It depends on the date. But we have been engaged with your staffs. We appreciate their support and the support of this committee.

I thank you for the opportunity to testify, and I look forward to your questions. Thank you, sir.

[The prepared statement of Admiral Greenert can be found in the Appendix on page 60.]

The CHAIRMAN. Thank you.

General Schwartz.

STATEMENT OF GEN NORTON A. SCHWARTZ, USAF, CHIEF OF STAFF OF THE AIR FORCE

General SCHWARTZ. Mr. Chairman, Ranking Member Smith, and Members of the committee, thank you for the opportunity to appear before you today. I am privileged to be a part of this panel of service chiefs to share the obligation of service leadership with them and to represent the Nation's airmen.

I think that we all can agree that our men and women in uniform deserve all the support and resources that we can provide them and their vital mission in protecting the Nation, and on their behalf I thank you for your ongoing efforts to ensure that we care for our service members and their families.

In this time of sustained fiscal pressures, the Air Force joins its Joint and OSD [Office of the Secretary of Defense] teammates in helping to solve the Nation's debt crisis. Last year, the Air Force identified $33 billion in efficiencies as part of the broader Department of Defense effort to reallocate $100 billion from overhead to operational and modernization requirements. The Air Force subsequently found an additional $10 billion in the course of completing the 2012 budget.

We will continue to make extremely difficult decisions to prioritize limited resources and prepare for a wide range of security threats that the Nation will potentially face. But these difficult choices to assure effectiveness in a very dynamic strategic and fiscal environment must be based on strategic considerations, not compelled solely by budget targets. We must prudently evaluate the future security environment, deliberately accept risks, and devise strategies that mitigate those risks in order to maintain a capable and effective, if smaller, military force. Otherwise, a non-strategy-based approach that proposes cuts without correlation to national security priorities and core defense capabilities will lead to a hollowed out force similar to those that followed to a greater

or lesser degree every major conflict since World War I. If we fail to avoid the ill-conceived, across-the-board cuts, we again will be left with a military with aging equipment, extremely stressed human resources with less than adequate training, and ultimately declining readiness and effectiveness.

Those of us at the table remember when we faced similar difficult situations in the years after Vietnam and the Cold War. We therefore join Secretary Panetta and Chairman Dempsey in advising against across-the-board cuts, particularly the sweeping cuts pursuant to the Budget Control Act sequester provision. At a minimum, they would slash all of our investment accounts, including our top priority modernization programs such as the KC–46, the tanker; the F–35 Joint Strike Fighter; the MQ–9 Remotely Piloted Aircraft, and the Future Long-Range Strike Bomber. They would raid our operations and maintenance accounts, forcing the curtailment of important daily operations and sustainment efforts, and they would inflict other second and third order effects, some of them currently unforeseen, that will surely diminish the effectiveness and the well-being of our airmen and their families.

Ultimately, such a scenario gravely undermines our ability to protect the Nation. But beyond the manner in which the potential budget cuts are executed, even the most thoroughly deliberated strategy will not be able to overcome the dire consequences if cuts go far beyond the $450 billion-plus in anticipated national security budget reductions over the next 10 years. This is true whether cuts are directed by sequestration or by Joint Select Committee proposal or whether they are deliberately targeted or across-the-board.

From the ongoing DOD budget review, we are confident that further spending reduction beyond the Budget Control Act's first round of cuts cannot be done without substantially altering our core military capabilities and therefore our national security. From the perspective of the Air Force, further cuts will amount to further reductions in our end strength, continue aging and reductions in the Air Force's fleet of fighters, strategic bombers, airlifters, and tankers; as well as to associated bases and infrastructure, and adverse effects on training and readiness, which has been in decline since 2003.

Most noticeably, deeper cuts will amount to diminished capacity to execute concurrent missions across the spectrum of operations and over the vast distances of the globe. So while the Nation has become accustomed to and perhaps has come to rely on effective execution of wide-ranging operations in rapid succession or even simultaneously, we will have to accept reduced coverage in future similar concurrent scenarios if further cuts to the national security budget are allowed to take effect.

For example, the Air Force's simultaneous response to crisis situations in Japan and Libya, all the while sustaining our efforts in Afghanistan and Iraq, will be substantially less likely to happen in the future, as would effective response to other scenarios like Operations Tomodachi and Unified Protector, requiring concurrent action spanning across the globe in the operational spectrum; in this case, from humanitarian relief in East Asia, to combat and related support in North Africa.

In short, Mr. Chairman, your Air Force will be superbly capable and unrivaled, bar none, in its ability to provide wide-ranging game-changing air power for the Nation, but as a matter of simple physical limitations it will be able to accomplish fewer tasks in fewer places in any given period of time.

While we are committed to doing our part to bring the Nation back to a more robust economy, we are also convinced that we need not forsake national security to achieve fiscal stability. We believe that a strategy-based approach to the necessary budget cuts and keeping those cuts at a reasonable level will put us on an acceptable path.

Mr. Chairman, Congressman Smith, and Members of the committee, on behalf of the men and women of the United States Air Force, I thank you for your support of our airmen, certainly their joint teammates, and their families. I look forward to your questions, sir.

Thank you.

[The prepared statement of General Schwartz can be found in the Appendix on page 67.]

The CHAIRMAN. Thank you very much.

General Amos.

STATEMENT OF GEN JAMES F. AMOS, USMC, COMMANDANT OF THE MARINE CORPS

General AMOS. Chairman McKeon, Ranking Member Smith, fellow Members of the committee, thank you for the opportunity to testify about your United States Marine Corps. As we face the challenging times ahead, the Marine Corps reaffirms its commitment through its traditional culture of frugality. You have my word that the Marine Corps will only ask for what it needs, not for what it might want.

But before I begin, I cannot pass up the opportunity to briefly comment on your marines in Afghanistan. We continue to provide the best-trained and equipped Marine units to the fight. This will not change. Your marines continue to apply relentless pressure on the enemy and are setting conditions for success in the Helmand Province today. They have made great progress.

Our forward deployed marines continue to have all they need with regards to equipment, training, and leadership to accomplish the mission. Thank you for your continued support.

While our Nation moves to reset its military in a post-Iraq and Afghanistan world, it does so in increasingly complex times. As we explore ways across the Department to adjust to a new period of fiscal austerity, there emerges a clear imperative that our Nation retains a credible means of mitigating risk while we draw down the capacity and the capabilities of our Nation.

Like an affordable insurance policy at less than 7.8 percent of the total DOD budget, the Marine Corps and its Navy counterpart, Amphibious Forces, represent a very efficient and effective hedge against the Nation's most likely risk.

We are a maritime Nation. Like so much of the world, we rely on the maritime commons for the exchange of commerce and ideas. Ninety-five percent of the world's commerce travels by sea. Forty-nine percent of the world's oil travels through seven maritime

chokepoints. Many depend on us to maintain freedom of movement on those commons. We continue to take that responsibility seriously.

From the sea, we engage with and support our partners and our allies. We respond to crisis where we have no access rights or permissive facilities, and we represent our national interests around the world. When the Nation pays the sticker price for its marines embarked aboard amphibious ships, it buys the ability to remain forward deployed and forward engaged to assure our partners, confirm our alliances, deter our enemies, and represent our national interests. With that same force, our Nation gains the ability to globally respond to unexpected crises, from humanitarian assistance to disaster relief operations to noncombatant evacuation operations to counter-piracy operations. That same force can quickly be reinforced to assure access in the event of a major contingency. It can be dialed up or dialed down like a rheostat to be relevant across a broad spectrum of operations.

As America's principal crisis response force, we stand ready to respond to today's crisis, with today's force, today.

Finally, the American people believe that when a crisis emerges, marines will be present and will invariably turn in a performance that is dramatically and decisively successful—not most of the time, but always. They possess a heartfelt belief that the Marine Corps is good for the young men and women of our country. In their view, the Marines are extraordinarily adept at converting unoriented youths into proud, self-reliant, stable citizens—citizens into whose hands the Nation's affairs may be entrusted. An investment in the Marine Corps continues to be an investment in the character of the young people of our Nation.

Thank you for the opportunity to offer this statement. I look forward to your questions.

[The prepared statement of General Amos can be found in the Appendix on page 75.]

The CHAIRMAN. Thank you very much.

For the last few decades we have been spending money that we didn't have, and I would say probably all across the Government we have probably had some spending that included some waste. And that probably is true in the Defense Department, as in all other departments of Government.

I think Secretary Gates, looking ahead, seeing we were going to have some cuts a little over a year ago, asked you to find $100 billion in savings. He said that you would be able to keep that for things that you needed more, just balancing, finding efficiencies, finding ways to save money that had been spent for things that we didn't need as much as other things. You did that. And then he said you were only going to get to keep $74 billion of it; $26 billion I think was the number that had to be used for must-pay items.

In the course of that, he said we found another $78 billion that we would be able to cut out of future defense costs. Before that, he had been giving speeches saying we needed to have a 1-percent increase over and above inflation just to keep where we are in the future years. That $78 billion wiped that out and it also caused a reduction in end strength in the Army and the Marines of 47,000 by the year 2015.

And then the President gave a speech and said we had to cut another $400 billion out of defense. All of this has happened in the last year. And then we had the Deficit Reduction Act. And that had a number in it. We keep seeing that—$350 billion. But I met with Admiral Mullen not too long before his retirement and he said he had given you the number $465 billion that you had to come up with in savings over the next 10 years. That is already done.

So when we all came back to start this new Congress and we talked about the budget and everything had to be cut and everything had to be on the table, people need to understand that out of the first tranche of cuts that we made, it was almost a trillion dollars, and defense was half of the table. And you had already done it. Those cuts that we are talking about are going to kick in in next year's budget, but you have already made the steps of already making those cuts, and I am not sure that that is happening across the rest of Government and I know it is not happening in the area of entitlements, which we are looking to the special committee to come up with.

I think it is important that everybody understands that when we start seeing these cuts, they are going to find out that they are real. And as most of you have said, many of it is irreversible.

When I met over the weekend with Admiral Greenert, we were down in Norfolk and I got to meet with the crew of the *Cole*. One of them asked me, he said, I have been in the Navy now 12 years and they won't let me reenlist. I think that is just starting. And then another sailor asked me: What is going to happen to our retirement? What is going to happen to our future?

All of those things are going to start coming. We have had now five hearings, as I mentioned earlier, and then one that talked about the impact on the Services. This will be the sixth. And then we had one last week with three economists talking about what will be the economic impact. And we don't have the total number of jobs that will be lost out of uniformed personnel, out of civilians working in defense, and out of the contractors that make the things that our warfighters use to protect our Nation. We do know that if the sequestration hits, it will be about 1½ million jobs.

So we are talking about deep cuts in defense that will affect our readiness—it has to; that will affect, when it gets down to the bottom line, we are probably going to be talking about training. We are going to be talking about all of the things that we are trying to say are so important to have this top military, the best that we have ever seen in the history of this Nation, and all without a talk about threat or about strategy. It just comes from budget driven.

Now I know if we had a clean sheet of paper, the first thing we would probably do is say look at the risks that this country faces, that the world faces, that we are the ones that stand between the risk and the rest of the world. I just want to make sure that when these cuts all start happening, when all of our people in our districts and all of the people we represent start calling us and saying, as they have been telling me when I go home and talk to them: That isn't what we meant; we just wanted to cut the waste. We didn't want to cut the ability to defend ourselves.

I have seen this happen. We have played this movie before after World War I, after World War II, after Korea, after Vietnam. We

draw down so that we won't be prepared for the next one. That seems to be our DNA. I think we need to stop and take a breath and relook at this because some of these cuts that are coming down right now we are not going to be able to reverse next year or 2 years from now. This sailor that is leaving that has 12 years in the Navy, it is going to take 12 years to replace him.

General Schwartz, in your testimony you stated that the Department is confident that further spending reductions beyond more than $450 billion—I have heard numbers up to $489 billion that are needed to comply with the Budget Control Act's first round of cuts—cannot be done without damaging our core military capabilities and therefore our national security. This is very serious stuff that we are talking about.

Further, General Dempsey told us that certain cuts would be irrevocable. Nevertheless, the notion persists that the Department can weather further cuts for a couple of years, so long as we increase funding later.

That carrier that I saw those 20,000 people working on, if we just said, let's just put that on hold, you 20,000 people just take a little furlough, I have found though that many of them are addicted to eating and providing for their families. And we just ask them to take a little furlough and maybe next year we will come and pick up where we left off. You know, that is just not reality.

Can each of you tell us whether you agree with General Schwartz's assessment and provide us with examples of cuts that would have lasting impacts even if appropriations were increased in a year or two?

General.

General ODIERNO. Chairman, thank you. First off, I would remind everyone that as we look at cuts in the next 2 years or so upfront, that today the Army still has over 100,000 soldiers deployed forward in Iraq, Afghanistan, and other places. And yes, we are coming out of Iraq at the end of the year, but there is still a significant amount of burden that the Army will face, at least through 2014, and it is important to remember that as we look at 2013 and 2014 and the impact that that would have on our ability to train and ensure that they are ready and equipped and have the processes in place.

So some of the things, as you mentioned, we already are going to reduce our force structure to 520,000. And that is before we receive these additional cuts. And that will impact the OPTEMPO [Operational Tempo] of our soldiers. It will continue to impact the stress that is on the Army, its soldiers, its families. And as important—or not as important, but second in line, is equipment. And then ultimately this could—if we try to fund our soldiers and equipment, which are essential, it would then ultimately affect our training and our readiness as we look to deter in other areas as our enemies and adversaries watch us as we reduce our capabilities within our Army.

It would also require—we have already had to consolidate depots. We have had to consolidate other areas of manufacturing. That is allowing us to save, gain efficiencies. And additional cuts would cause us to look at that even further and challenge our ability in our own industrial base to provide for our soldiers and equipment

that we will need and readiness that we will continue to need. So it is across-the-board that we would be affected as we move forward.

General AMOS. Mr. Chairman, from our perspective, we share the same anxieties that my fellow service chiefs have over greater than a $450 billion addition to the bill. But what it will do for our Nation, there is no question it will reduce our forward presence.

Admiral Greenert talked today about the Chinese hospital ship that is down in our hemisphere. Our lack of forward presence as a result of drawing back because we can't afford the operations and maintenance funds to deploy forward, we can't afford the ships, we can't afford the personnel to be able to do that, will be filled by somebody. That void will be filled by another nation. And the net result, we don't know what that might be. But down the road it could mean a lack of access, a lack of ability to engage and shape a nation around the world that our country believes it is important to be involved in. So, forward presence.

There is no question that it will decrease our dwell time. As we shrink our force to pay the bill, we only have three ways that we can pay bills. One is in procurement, one is in personnel, and the other one is operations and maintenance. So you can dial those three dials in any combination, but there are three dials that we have.

So as you increase the level of burden of the debt on the military, you are going to reduce the force presence; in other words, our force structure. That is going to decrease dwell time between units. It is going to decrease the quality of life of our service members.

Finally, it will stagnate the reset. There is no doubt in my mind that we are going to struggle trying to reset the Marine Corps coming out of Afghanistan. For all our time in Iraq and Afghanistan, we purposely didn't rotate equipment in and out of there. We maintained it in theatre. We did maintenance in theatre and selectively rotated principal end items back. We don't have the depth on the bench to afford not to able to reset that equipment.

As it relates to irreversible damage, the kind that we cannot regain again, I will offer a couple of thoughts. One would be the industrial base for naval shipping. Admiral Greenert talked a little bit about that, and I am sure he will talk some more. That could be terminal. But selfishly, as I look parochially at the Marine Corps, the two capabilities that are being solely built throughout the world—the only place it is being built is the United States of America—and that is tilt rotor technology and that is the short takeoff and vertical landing of the F–35B. There is not another nation in the world. So if those lines were closed, that becomes terminal. That will become irreversible. You will not be able to gain that back.

The final and probably the most important point, because we are a manpower-intensive organization, is we will lose that leadership of those NCOs [noncommissioned officers] and those staff noncommissioned officers at the 5-, 6-, 7-year mark that have shouldered the burden of the last 10 years of our conflicts. We will lose that. They will leave. And it will take us another 6 to 10 years, as you said, to grow that sailor down in Norfolk or that staff NCO or NCO within the Marine Corps.

Admiral GREENERT. Thank you, Mr. Chairman. I think General Odierno and General Amos laid out the choices pretty well. Our choices are similar. But I go to, as General Amos said, the industrial base. Mr. Chairman, you were there. I was there.

So we brought a submarine in on budget—actually, under budget, and early. And that is because they are in that mix. They have got the welders there. They have got the people there. They are rolling. If we interrupt that, clearly we will pay a premium when we attempt to reconstitute because we won't have that efficient process going in place.

Right now, looking just at nuclear ships—and that is where you and I were, sir—we have 90 percent of the sub vendors—these are the people that make reactors components, they make turbines and these sorts of things for the nuclear-powered ships—are single source. These folks, that is their livelihood, is this naval nuclear technology. So if we interrupt that, I don't know how many of these we lose or how we reconstitute it. Just don't know. As you said before, folks have to eat. So where will the welders go? Well, they will go somewhere else to work.

We have design engineers—pretty unique skill—to build nuclear carriers and build submarines. We are in the early stages, as you know, of designing our next SSBN [Ballistic Missile Submarine]. We need those folks. So giving them a holiday is probably not going to work. When the British navy did something similar, they were compelled to do it, it took them 10 years to get to build the next submarine, and that is really not very efficient, as we know. There will be layoffs, as we mentioned before.

To preclude that, we would have to go to force structure. So my pictorial here, you look around the world, so reduce force structure, where do you reduce the ships that are deployed? If you can't do that, then you will have to deploy them in a shorter cycle. We call that go into our surge.

When you were down in Norfolk you heard the sailor say, we are kind of tired, because we are on a pretty rapid pace and turnaround now. So this would go on the backs of sailors. And those ships, which we need more time to train and to maintain the ships so that when we do deploy them they are fully ready, as General Amos said, to do the job of the Nation. So we would be compelled to go there to reduce force structure.

So it is not a very good set of choices. But that is what we have to contend with. We have to do our best job realizing and figuring out in that regard.

Thank you, sir.

General SCHWARTZ. Sir, I can't amplify what my colleagues have said, except to emphasize that your soldiers, sailors, airmen, and marines are not going to go on break. I think that is wishful thinking.

General ODIERNO. Mr. Chairman, if I could follow up on that. We talked at a low level of specific points but I think it is also important to think about it in a more strategic sense in the impact. From an Army perspective, I think about our ability to prevent, our ability to win, and our ability to build. I would just like to talk about this for a minute.

Our ability to prevent is based on our credibility. And credibility is based on our capacity, our readiness, and our modernization. Our ability to win is based on us being decisive and dominant. If we are not decisive and dominant, we can still win, but we win at the cost of the lives of our men and women because of the time and capabilities that we have would not be equal to what we believe would allow us to win decisively. And third, as was discussed here with forward presence and other things, we have to be able to build. We have to build through engagement, through forward presence, through our ability to build partner capacity, our ally capacity, so we can go hand-in-hand in protecting not only the United States but our allies. And ultimately, that is what this is about. And all these things we just talked about affect that. I think that is my biggest concern as we move forward.

And we will have those who attempt to exploit our vulnerabilities if we are required to cut too much. They will watch very carefully at what we will do and they will challenge our credibility. They could miscalculate, which could cause some significant issues down the road for our own security.

Thank you.

The CHAIRMAN. Thank you. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. I agree very strongly with the industrial base argument that you just made. It is a matter of losing core capabilities that are critical to our national security. And having U.S. companies that are capable of those core capabilities is also critical. It is not that well understood. But our U.S. companies are great partners in our national security in many, many ways. And we have seen over the course of the last 10 to 15 years a reduction in that and an increase in our reliance on international companies to provide some core capabilities. We don't want to see that slip and we don't want to lose the skill sets of our workers that are necessary to that.

I also would like to add to that that it has an impact on the nondefense portion of our economy as well. The manufacturing skills, for instance, that are developed as we are trying to make some of our weapons systems have direct applications on the commercial side that lead to businesses, that lead to economic growth for us. So to hit that would be a very, very devastating impact on our economy.

I do also feel the same arguments, however, apply to infrastructure, apply to transportation and energy, and a lot of the systems that that portion of our Federal budget funds. And also to education. I was speaking with someone from somewhere in Virginia, saying they are talking about maybe going to a 3-day school week to try to accommodate some of the local budget cuts that are being hit. That impacts our national security and our defense as well.

And while I certainly agree with the chairman that mandatory programs, which are 55 percent of our budget, you can't deal with a 35- to 40-percent deficit and take 55 percent of the budget off the table, they, too, are important. Medicare, Social Security, Medicaid have a huge impacts on the quality of life for our citizens, which is why I have argued that revenue needs to be part of the equation, part of what we discuss. If we have these crushing needs across many different areas, part of it is making sure we have the money

to pay for them. And while certainly our spending has gone up significantly in the last decade, our revenue has gone down significantly in our last decade as a percentage of GDP [Gross Domestic Product]. So I think we need to put everything on the table and be responsible about it.

Those who may have watched the "super committee" [Joint Select Committee on Deficit Reduction] hearing yesterday, if the super committee's succeeding is that all stands between us and sequestration, then we have cause for concern. And we have an investment in trying to figure out a way to help the super committee succeed. And it is not rocket science. Put everything on the table, including revenue and mandatory programs. As long as those two things are off the table, all that is left is the discretionary budget.

I care about the portions of the discretionary budget that aren't just defense. But if you just care about defense, that is more than half of the discretionary budget. It puts us in a very, very untenable position.

The one question I have is you gentlemen have talked a great deal about our ability to project power and have a foreign presence. And I agree that that is incredibly important in maintaining our interests. One of the things that we frequently hear from folks who are looking for ways to save money in defense is overseas basing. Why do we have the troops we have in Asia, in Europe. I think you have done a pretty good job of explaining some of that. Talk a little bit more about how that foreign presence and the presence of those bases helps us and then also make clear the money. Because I think a lot of people don't understand that a lot of foreign partners pay the substantial amount of the costs of that forward presence. And if we were the to get rid of those foreign bases and simply bring those troops home, it would actually cost us more money, in addition to costing us some of the partnerships we have with countries like Korea and Japan. Could you lend a little bit of your expertise to explaining that?

General SCHWARTZ. Congressman Smith, if we want to be a global power, we have got to be out and about. And that implies having—and if we want to contribute to regional stability, that includes being forward. And that is, different aspects of the joint team can accomplish those tasks. But to be sure, if the Western Pacific, for example, is rising in strategic importance to the country, what we don't want to do—and you have heard the Secretary of Defense say this—is to arbitrarily reduce our presence there or reduce the capabilities, the breadth of capabilities that the team provides there. And this is true in other areas of the world.

Clearly, in some areas in the Western Pacific the allies do assist us and provide us resources for basing and facilities, and so on and so forth. This is true both in Korea and Japan. And it happens elsewhere.

Mr. SMITH. And if I may, General, when you say rising in importance, I think it is important to point out why. It is economics, primarily. Access to overseas markets is critical to our economic growth. Certainly, access to energy. We all focus on oil, natural gas, and all that. But also access to critical minerals that are necessary for our economy. And if we don't have that presence and China does, they are in a better position to cut off critical economic

needs for the health of our Nation. So that is the link that I think people need to understand.

I am sorry, go ahead.

General SCHWARTZ. I will just conclude by saying that a byproduct of that presence is access. If you want to have a power projection military, it requires some measure of access. Some require less than others, I acknowledge, but the bottom line is having relationships with others and having access to locations where one—"lily pads," if you will, from which you can project power is vitally important to our Nation.

Mr. SMITH. Thank you.

Admiral GREENERT. Thank you for the question, Mr. Smith. Again, my chart, the little squares where you see a foreign nation, that is what I call a place, because it is not really a base because that is their sovereign territory.

But we get on the order of—and it varies with the end rate; so that given—somewhere around $4 billion of host nation support from Japan. We have been partnered with them for over 60 years. They share information with us. They are an amazing forward-leaning, high-end ally. It is more than information sharing and it is more than host nation support, where they take care of our families. We wouldn't be able to do Operation Tomodachi if we weren't forward and right around there. We wouldn't have been able to do the operation in Libya if we weren't forward and somewhere around there. The Pakistan earthquake. The Pakistan floods.

If you go to Singapore, they have built a pier facility called Changi Pier, and they have provided that opportunity to us. That is host nation money. There is a command and control center there for humanitarian assistance, disaster relief, and they have offered us to use their piers for our deployments, to repair our ships, et cetera.

Same story in Bahrain. We have had decades of interaction of building a relationship there. And they, too, offer us to berth our ships, repair our ships. Of course, as you know, our headquarters are there for Navy Central Command.

So there is a host out there. You can see the advantage. And if we are not there, it is hard to influence. You can't surge trust and confidence. You have to build it.

Thank you.

Mr. SMITH. Thank you.

General ODIERNO. If I could just piggyback on the comments. Clearly, we are going to have to prioritize, though. There is going to have to be a prioritization that has to occur. As we develop a strategy, it will have to be based on that strategy where our forward presence is.

And as was stated, Korea, Japan, the Army has relationships where we have shared costs and enabled us to be forward deployed in Pacific Kuwait for a very long time. It has helped us in funding many of the forces and capabilities that we have in the Middle East. So these will continue. In fact, some places, based on our strategy, we might want to expand those relationships and in others we will have to look at: Is it still viable and do we reduce? But we would have to come up with new ways to engage and new ways to work with them.

As we look to Europe, one of the successes we have had is based on the relationships we have had and the forward presence we have had there, we have been able to develop our NATO [North Atlantic Treaty Organization] partners to work with us now in Afghanistan and as they did in Iraq and as they did in Libya. And that is because of the forward presence and continued work that we have done together for so many years.

So that is very critical. We might have to come up with some unique ways to do those in the future in some areas. But there are other areas where we just simply will not be able to do that and will even consider increasing presence in some areas. That is going to be based on where we believe our interests are. I think those are the discussions that we have to have as we move forward.

General AMOS. Congressman Smith, one last thought about this. From a purely altruistic perspective, there is an awful lot of economics with regards to foreign presence. When you take a look in the—especially in the Pacific area, the Southwest Pacific area, if you take a look at the chokepoints that are there and the maritime commerce is—as I said in my opening statement, 95 percent of the world's commerce travels by seas and oceans, and they travel through those seven chokepoints. If you just take a look at the Gulf of Aden, take a look at the eastern side off the coast of Africa, all the way out in clearly blue water, with the piracy, imagine that happening to a large degree down in the Southwest Pacific and start thinking about oil and commerce.

So, very selfishly, the commerce and the economics would want us—would seem to compel us to want to have forward presence.

A year ago, I am reminded, just—it was in November, when things began to get pretty exciting in Korea. As I look back on that now, personally, I wasn't sure how that was going to turn out. I wasn't sure that things were not going to escalate to a point we might find ourselves back in Korea at a significant footprint.

Our ability to have forward presence there in Korea, in Japan, to assure our allies, assure Japan that we have had an alliance for 70 years, is pretty significant. They do pay, to your point—our allies over there pay a pretty hefty price of their own moneys to forward-base and stage our U.S. forces there. So it is not completely without cost on them.

So I think economics and forward presence are important, sir.

Mr. SMITH. Okay. Well, one thing is absolutely clear. We are not going to have more economic opportunity in this country if we have less influence in the world. It doesn't work that way.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you.

My first question will be for the record because there will not be time for an adequate response here.

Many of us remember how, in 1950, a 540-man battalion-size task force of the 24th Infantry Division, under Lieutenant Colonel Charles Smith, was rushed to Korea on transport planes and moved north to block the enemy advance. Early in the morning of July 5, 1950, Task Force Smith took up positions a mile long just north of Osan. The North Koreans' advance was equipped with

T–34 tanks. Fire from two American 75-millimeter recoilless rifles did not damage the advancing T–34s. No anti-tank mines had been brought along, and anti-ship guns, a vital part of World War II armies, were no longer used.

As the enemy tanks continued, the Americans opened up with 2.36-inch bazookas. Second Lieutenant Ollie Connor fired 22 2.36-inch bazooka rounds at the North Korean T–34 tanks, all from close range, with little or no apparent damage. Although the task force had inflicted 127 casualties, they suffered 181 casualties and were so scattered it would thereafter be largely ineffective.

The Battle of Osan is a low point in American history. It symbolizes the price in blood our troops pay for ill-preparedness and inadequate equipment.

Another part of this story is that, at the end of World War II, a 3.5-inch bazooka had been developed, but the program was terminated as part of the defense reductions following World War II.

It is clear that if we continue to fight these discretionary wars at a time and place chosen, provoked by an enemy with weapons of his choosing, that any cuts in our military are going to put us in a position that we are going to be repeating the Army's experience at Osan or the Marines' experience at Chosin Reservoir.

But the reality is that we borrow 42 cents of every dollar we spend. If we spent nothing on our discretionary programs, if we had no government at all, we would still have a several-hundred-billion-dollar deficit. The reality also is that if further cuts in defense are not on the table and you do not have cuts in mandatory spending, you have to cut all of the other discretionary programs 50 percent to balance the budget. And balance we must, or we face bankruptcy as a country.

Assume that the super committee is going to default and the sequestration is going to be triggered. What can you do with the military that remains in your service? What kind of missions can you perform?

This will be enormously important in informing a study, a national strategy study, that we must conduct to determine how we are going to use our military in the future. If you would please include that for the record, because we do not have time here.

[The information referred to can be found in the Appendix on pages 89 and 90.]

Mr. BARTLETT. General Schwartz, on October 12, 2010, you were quoted on the F–35 competitive engine issue as saying, "If Rolls and GE [General Electric] are so confident that their product will succeed and bring value to the taxpayer, it would be nice if they put a little more against the $1.9 billion bill they would like the taxpayers to undertake."

This is exactly what the competitive engine contractors proposed to do, but instead of taking advantage of this opportunity, as evidenced by the original DOD F–35 acquisition strategy that supported competitive engine development—by the way, there never was a competition and the other engine won; that just didn't happen. Instead, the Pentagon supports a sole-source—what is, in effect, a $110 billion earmark, because there is no competition, for the next 40 years for the single-engine F–35 aircraft that is currently projected to comprise over 90 percent of the fighter planes

in all of our Services and a major part of the fighter planes for all of our allies.

The original development for the primary engine was to have been completed in fiscal year 2010, last year. It now is projected for completion in fiscal year 2015. The F–35 primary engine has been in development for 10 years, with another 4 years to go.

The Government Accountability Office in its F–35 engine study indicated there is an opportunity for significant savings to the F–35 engine program through competition and nonfinancial benefits, including contractor technical innovation and responsiveness. Further, former Secretary of Defense Bill Perry said in his acquisition study that competition through dual-source procurement competition is, and I quote, "the only way to control program costs."

Were you quoted accurately regarding contractor funding? If so, why do you now believe contractor self-funding for the competitive engine, particularly in this budget environment, isn't such a good idea?

And you ought to give most of this for the record because, I am sorry, our time has run out. Will you please tell us for the record why this is not a good idea now?

[The information referred to can be found in the Appendix on page 89.]

General SCHWARTZ. I would be happy to. But, briefly, sir, is, my comments were made prior to $400-plus billion. There simply is no money for competition at this point in time.

Mr. BARTLETT. But, sir, GAO says that it would decrease the funding needed, the competition would reduce the costs. They continue to contend that, sir.

General SCHWARTZ. Based on the information I have seen, sir, it would require development of two engines. With the test programs and all that is associated with that, there simply is no free money available to pursue a second development program.

Mr. BARTLETT. But, again, I say, sir, that the GAO says that it will save money, it will not cost money.

Thank you. I yield back.

General SCHWARTZ. Ultimately, it might.

The CHAIRMAN. Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

I would like to begin by thanking you gentlemen for being before us again today and for trying to take a stab at letting us know what the world would look like from a military perspective if we went into sequestration.

I think the $465 billion—and I have said this before, and I will say it again, Mr. Chairman—is a lot to put on the table. So I know we are trying to work through that, you are trying to work through that, and figure out how we do that. So I am not really excited about the super committee touching too much more in defense, and I am not really excited about them not getting their job done and going into a default position, if you will.

And I think there is a lot of things not many of you—although I know that it crosses across for all of you—cited some of the issues that are really looming in front of us, for example, cybersecurity, where we are truly—we are really somewhat in the dark right now

in trying to figure out just how we are going to attack that problem. I think that is going to take a lot more money than we think.

I am also looking at fact that when we talk about defense cuts in this process, we are not just talking about the Department of Defense, but we are talking about intelligence, we are talking about homeland security, we are talking about veterans. And when I look at the fact that we really, in a lot of ways, haven't addressed our returning soldiers and airmen, seamen, et cetera, marines who have been out there, and many of them who are going to need additional help, especially after all of those deployments and the types of hits that our people have taken physically out in Iraq and Afghanistan, there is a big underfunded issue in veterans and health care for those returning people.

So I am really concerned—you know, I work with Mr. Turner on missile defense and our nuclear arsenal, and there are a lot of issues there. We are going to have to plus-up in the next few years in order to get—especially if our testing goes well—to get back on track with missile defense, for example.

So I see there are a lot of places that need money in the future, and so I am not really thrilled about going into more cuts than the $465 billion.

But there is a majority, at least in the House, who do not want to put revenues, new revenues, on the table to pay for this. And if that is the case, I have a feeling that, if this super committee comes up with some solution they are going to present to the rest of us, we are going to see cuts in defense.

So my question to you is, where would you cut? I am not talking about another trillion dollars of cuts or another—but where would you cut? I mean, where—after the $465 [billion] that you are looking after, in each of your areas where would you suggest we point to? If there is some money that has to be put on the table to the super committee, where would you cut?

General SCHWARTZ. Ma'am, for us, the prime imperative is, whatever size we end up, we want to be a superb Air Force. So that means readiness needs to be protected. And, given that, the only two other areas where you can make reductions are in force structure—the size, the number of squadrons, the number of assets—and in modernization, that on which our future depends.

Ms. SANCHEZ. On force structures, I recall you have actually been decreasing——

General SCHWARTZ. We have.

Ms. SANCHEZ [continuing]. In the Air Force.

General SCHWARTZ. We have and we will to make the $450 [billion]-plus target. But the reality is that further reductions will drive us to yet lower levels of force structure and modernization.

Ms. SANCHEZ. Commandant?

General AMOS. Congresswoman——

Ms. SANCHEZ. Now, you got plussed up 20,000 or was it 40,000 marines in these two wars?

General AMOS. In 2006, we went up from 176,000 to 202,000. And we are planning on drawing down right now. We did a force structure review, I believe you are aware——

Ms. SANCHEZ. So when you draw down, are those troops, by definition, going to actually—the force structure is actually going to shrink?

General AMOS. Yes, ma'am, it certainly is. And the plan was to shrink to about 15,000 below that level, down to 186,000.

Ms. SANCHEZ. And that is under the $465 billion we are looking——

General AMOS. No, that actually was below that. With the added cost now, there is a very good chance we will end up below 186,000. And if we end up with more in the form of a sequestration or the super committee adds more bills to the Department of Defense, we are going to continue to go down.

So I would echo what General Schwartz says. You know, I think, collectively, we have all agreed that whatever force we end up with has to be the most capable and combat-ready force for our Nation. It will be a smaller force. The ramifications of that are some of what we have talked about: Less engagement, less presence, the quicker turnaround time in forts. You will reach a point where capabilities—you have capacity of the Force, which is numbers of units, squadron ships, they will come down. But eventually we will start seeing capabilities leave the military. So, I mean, that is some of the danger.

But, for us, it will be dial the Force down and then reduce the modernization and the procurement accordingly. But, at the end of the day, we have to end up with a Marine Corps that you can call upon and be confident that it will be able to accomplish its mission.

The CHAIRMAN. Thank you.

Mr. Thornberry.

Ms. SANCHEZ. And, Mr. Chairman, if I could just have for the record General Odierno's and the Admiral's comments on that, I would appreciate it. Thank you.

[The information referred to can be found in the Appendix on page 90.]

Mr. THORNBERRY. Thank you all for being here.

The chairman outlined what has already been reduced from the defense budget this year. Most Members of Congress, most Americans don't realize that. But you all have said that you can handle that much, that it is okay.

Most of us, I think, agree that another $600 billion in sequestration is not okay; that is unacceptable. But I think the greater danger is that some of our colleagues will say, "Well, if $465 [billion] is okay, why not $466 [billion] or another $50 billion or another $100 billion out of defense? And, after all, it is not the $600 billion, but it is just a little bit more. And if $465 [billion] is okay, why isn't that okay?"

And I would appreciate you all's answer to that argument, because I think that is the greater likelihood of what we face.

General ODIERNO. First, Congressman, I would say $465 [billion] is not "okay," it is something that we can manage. But it comes at risk. It does not come without risk.

In the Army's case, we have been asked to reduce to $520 [billion], but that is even before the $465 billion cut. And so we are going to have to significantly reduce the Army smaller to meet the $465 billion cut.

If it goes further, we will have to decrease the size of the Army even more, and we will now have to start significantly decreasing the National Guard and the Reserve Component along with it. So it will have dynamic and dramatic impacts on our ability to respond, whether it be not only abroad but in support of civil authorities, in support of national disasters, and other things.

So, once you get beyond $465 billion, we have taken all of the efficiencies we can take. We have taken out structure. We have reduced modernization, in my mind, in some cases lower than we really needed to reduce modernization, already. If we go beyond that, we now—it becomes critical, and it becomes a fact that we will no longer modernize. We will no longer be able to respond to a variety of threats. We will have to get to a size that is small enough where I believe, as I said earlier, we might lose our credibility in terms of our ability to deter. And that is the difference.

So it is not "okay" at $465 billion. It is something we have been able to work ourselves through, with risk. But anything beyond that becomes even higher risk.

Thank you, sir.

Admiral GREENERT. Sir, that little chart that I gave you, if you look at the number shifts, that is today. So we go to the, as we have kind of said, "okay"—and I agree with General Odierno, it is not necessarily okay. With a new strategic approach that says, this is what I want your Navy to do, my Navy to do in the future, then perhaps it is manageable. But that is less ships than you see on this little chart.

You go beyond that, we are probably talking about reducing force structure, for the reasons my colleagues described. We have to be a whole force, able to meet what you ask us to do today. We have to have our sailors organized, trained, and equipped to do that job, and motivated. The industrial base is fragile, as we have described before.

So what area of the world do we not want to be in, and where must we be? And then we have described Asia-Pacific, and the Arabian Gulf is there. And the risk to not be in those other areas—or if there, very episodically—is the risk we have to understand, in my view, to go forward.

Thank you.

General SCHWARTZ. Sir, I would give you one example. Weapons systems support is vitally important to maintaining the readiness of our platforms. It is spares, it is depot maintenance, it is flightline activity. And we are below 80 percent on the required funding for weapons systems support. That is an example of the risk we are taking. Incremental cuts that you talked about above that level will come out of accounts like weapons systems support.

We have got to have an Air Force and Armed Forces that our youngsters, who are the most battle-hardened ever, are proud to be a part of. And being good is a vital part of that. I see further incremental cuts, just marginal, as you suggested, as affecting those accounts that are not major programs but, rather, would reduce our readiness and therefore would be unacceptable.

General AMOS. Congressman, another example might be helpful. When we designed—as a result of Secretary Gates' direction last fall, when we designed the Marine Corps to come down from

202,000 down to some number, he told the Marine Corps, "I want you to take risk in the high-end missions." That means major contingency operations, major combat. And so we did. We built a Marine Corps using the lessons of 10 years of war, incorporated that in there, and came up with a Marine Corps of 24 infantry battalions and 186,800 marines.

That was a one-major-contingency-operation force. And what that means is that, without naming an operational plan, if we go to war, the Marines are going to go and they are going to come home when it is over. There will be no rotation of forces; there will be no dwell. There will be no such thing as dwell. It will just go on and come home when it is over.

So when we went to $465 [billion] and dropped another 5,000 marines, effectively—we are still in the process of working through that right now—we dropped the numbers of battalions below that. So we are at risk right now for being able to take your Marine Corps and deploy to a major contingency operation and do what our Nation expects us to do. So if you go beyond that, $1 billion, $2 billion, $5 billion, it is going to come down in force structure, and it will be capabilities and the ability to respond.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

And thank you to the witnesses, who, again, are re-enforcing the message we heard from Secretary Panetta a few weeks ago.

And one thing that we are hearing, sort of, in a lot of discussion and reports back, where we actually haven't really seen it, is that there is a strategic review that is sort of concurrent with trying to absorb this $465 billion reduction. And I just wondered, first of all, if somebody could sort of share with us where you think that strategic review is. Are we going to see that publicly at some point?

And why don't I just leave it at that and see if anyone can comment.

General SCHWARTZ. It is being vetted throughout the Department and the Executive Branch, and I think that it is likely that we will have that product available by the end of the year.

Mr. COURTNEY. And in terms of just, you know, programs that you are already, sort of, grappling with right now—and, General Schwartz, you know, one of them is the C–27, which I asked General Breedlove about last week at a Readiness Committee hearing that Mr. Forbes held. I mean, there has been a delay in terms of an August, sort of, milestone that was supposed to go forward.

And I guess what I think a lot of people are trying to understand is, is that decision tied to this strategic review-slash-$465 billion, again, reduction that you all are trying to figure out?

General SCHWARTZ. That decision is not final. But if it turned out that way, it certainly would be tied to the resource prioritization that is occurring and trying to tie that to the strategy.

Let me just say at the outset, sir, that this—if that occurs, it will be extremely painful for me personally. I made a commitment to George Casey that I would not—I would not make—I would not do this deal with him and then back out. That was 2 years ago.

Mr. COURTNEY. Right.

General SCHWARTZ. And so I have personal skin in this game. And if it turns out that way, it will be very painful.

But the logic on this is simply, the reductions that we are looking at require us to take out fleets of assets, not a few here and a few there, but to bring out all of the infrastructure and the logistics and all that that is related to fleets of aircraft. That is the only way for us to do what we have to do.

Mr. COURTNEY. Right.

General SCHWARTZ. But I—we have purchased 21 C–27s. There are 17 more to go. What the Department will do will be clear here in a couple of months, ultimately. But I want to assure you, and I have assured Ray Odierno, that the United States Air Force will support our Army or die trying.

Mr. COURTNEY. Right. And I totally believe every word you are saying. I guess what I am still trying to understand is, is this stress that you are living with right now, I mean, is that being driven by the $465 billion reduction or is it just sort of the uncertainty about what is going to happen next?

General SCHWARTZ. It is the former more than the latter.

Mr. COURTNEY. All right. Thank you. And that is helpful, just to sort of get that clear.

Admiral, welcome to the committee. And I just wanted to ask you, in terms of that strategic review that is ongoing right now, there are some press reports that Asia and the Pacific is really kind of where the whole, sort of, you know, organization is going to be sort of shifting its focus to. And I was just wondering if you had any comment in terms of whether or not that is what you see the Navy's, sort of, priority or just focus, you know, looking out at the strategic change or review that is going on right now.

Admiral GREENERT. Yes, Mr. Courtney, you have it right. That is the—the focus is Asia-Pacific, one; Arabian gulf, two. I think the Secretary testified to that recently.

If you look at the little chart I gave you, you can see that that is where we are at today. Four of the six defense treaties that our country is signed up to are in there. That is the emerging economic countries and the economy—that is where the, you know, sea lines of communication are at their highest. And there is an emerging China and other issues out there, as well, from counterterrorism to, obviously, North Korea.

So, yes, sir, I think you have it right.

Mr. COURTNEY. Great. Thank you.

And, lastly, you referred to the Libyan operations in your testimony. I just would want to, sort of, finish the thought there, that those three submarines are all going to be offline in about 10 years. And that is why we have to keep this build rate that, again, we have worked so hard to achieve this year.

Admiral GREENERT. Yes, sir. Good point.

Mr. COURTNEY. I would yield back.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

General Schwartz just commented that he would make a commitment that the Air Force would be there to support the Army or die trying. And I know the patriotism of all four of you gentlemen and

the men and women who serve under you. And it is a fact that if the President asked any of you to perform a mission, you would either perform that mission or you would die trying. And that has been your history.

And we hear a lot of different opinions about the impact of these cuts, whether it is $465 billion, $500 billion, whatever there is, or $600 billion more. Do you gentlemen have any historical background that you can offer this committee of where we have made similar types of cuts and the impact it has had to the lives of the men and women who serve in the Services that you represent? And do you know of any time when we have tried to make those kinds of cuts when the security situation in the world was as unsettled as it is today?

And any of you who would like to take a stab at that, I would just love to hear your thoughts.

Admiral GREENERT. Mr. Forbes, I will take a stab, if you don't mind.

Mr. FORBES. Please, Admiral.

Admiral GREENERT. I remember a little anecdote. I went to my first submarine; I am a lieutenant junior grade, an 02. I go aboard the submarine. We are about to get under way for a Western Pacific deployment. It is in the—it is 1979. We get on board and look at the ball caps, and there are people from several ships in the squadron—submarines in the squadron. We couldn't man up. We had, at the sonar display there, mess cooks who were being told, just when you see this, let me know. We had, as you looked at the parts around the ship, valves of different colors because they came from a different ship because we were cannibalizing them. And we got under way 2 days late, which was not necessarily unusual in that regard. And this is for a major deployment.

My point, sir, is, it is the people. We did not get that right—oh, by the way, there was this thing called "drug exempt" we used to have, where we had a drug problem and a serious drug problem, and it was okay if you came forward and said, "I used drugs," and therefore we said, "Okay, you are exempt" and they left. You could get out of, in this case, the submarine force.

So we can't go back there, sir. And that is a focus of the people. They make all the difference. We must build, in my view, around that as we take this on.

Thank you.

Mr. FORBES. Thank you.

General ODIERNO. Congressman, if I could—I would just echo those comments. In the '70s, post-Vietnam, and the issues we had with discipline standards and lack of direction for the Army, lack of modernization, a lack of standards. But I would also point out, in the '90s, following the fall of the Berlin Wall, where we believed that we would not have any significant amount of operations following that, and we cut the Army by a significant amount of individuals at that time, reduced our modernization program significantly, and we found ourselves actually engaged in more amount of operations during the '90s than any other time.

And I think that brings us to what Secretary Panetta has talked about, and Secretary Gates as well, is our inability to predict the future. And so it is about us being able to develop a strategy, focus

on Asia-Pacific, also then in the Middle East as a second part, but also our ability to respond to unforeseen contingencies.

And that gets specifically to readiness. And the mistake we have made in the past is that we have allowed our readiness to slip and then reduce our ability to forward deploy, reduce the ability of our soldiers, which always costs lives in the end when we do this. It also—the way we ramped down our Army in the '90s left huge holes in our leadership, both at the noncommissioned officer and officer levels, because of the way we went about reducing our forces.

So it is critical that, as we go through this, we be allowed to do this right. And that means it has to be constant over time, with a consistent ramp that allows us to maintain the capabilities of our leaders, both in our noncommissioned officers and our officers, as we go through this process. Because that ultimately will allow to us sustain our readiness and also allow us to expand, if we have to, more quickly, which might be required if we have an unforeseen contingency, sir.

General SCHWARTZ. Sir, I would only ask you to recall the American hostage rescue attempt in Iran. That is the classic example of what can happen, both the tragedy and the embarrassment of that event, if we don't do this right.

General AMOS. Congressman, we have talked post-Vietnam and the '70s. That was a different international landscape than we have today. We all shared the same—interesting, in those days, we didn't classify because we were lieutenants. We didn't understand what a hollow force was, when we were taking out our wing panels off an F–4 and putting them on our other airplane so we could fly it. I mean, the significance of that hollow force, as I look back on it now, was—when I look back on it, it is embarrassing.

But the international landscape in the '70s and early '80s is different than it is now. This is a very dangerous next two decades we are in. I think that is the significant difference.

Mr. FORBES. And, gentlemen, none of us would pretend to have your heroism, but let me assure you of one thing. We won't go quietly in the night in trying to preserve and make sure that you are never going there again. Some of us have fought this $465 billion. We may have lost that battle; we don't intend to lose this second one. So thank you for being here and your testimony.

With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mr. Garamendi.

Mr. GARAMENDI. Thank you, Mr. Chairman.

Gentlemen, thank you very much for your service and for your thoughtful attempt to answer our questions.

As I have been listening to this, I am hearing all the reasons, in general, why we cannot do any cuts or limited cuts, but I have not heard specifics. Surely, in each of your organizations, you are doing some very serious planning about what cuts really mean. And it seems to be critically important for this committee and certainly for me as an individual to note precisely what you are planning at various levels of cuts. We know we have $450 billion. It may go to over $1 trillion. What exactly does that mean? Not in general about hollowing out, which may mean something but does nothing to inform me as to what a precise cut is.

Now, to try to understand what cuts might mean, I have asked my staff to go out and find out what others are saying. And we have gone to the far-right think tanks and the far-left think tanks and put together a matrix about cuts that they think are possible, ranging up to a trillion and slightly over a trillion dollars, including a certain Senator who thinks you can cut a trillion dollars. It is interesting, the way they match up.

And I would—I will share with you gentlemen that matrix, and I would appreciate a specific response from you. Is it possible? And, if so, what does it mean? That gives me some information.

I appreciate the general tone of this hearing. I understand that we need to do a lot of things. And one of the things that apparently is going to be done is some very serious cuts. What exactly can be cut? For example, do we need 5,300 nuclear weapons? Do we need a triad? Does the Marine Corps really need a new expeditionary vehicle? Or can we get by without a Marine Corps vertical-takeoff F–35 version?

Those are serious. But those are the real things. The generalities, yes, that is nice to hear, but we are getting very close to some specifics. What exactly is going to happen? This committee needs to know, and I certainly need to know.

I will share the matrix with you. If any of you would like to respond with some specificity, I would be very interested in hearing it.

General SCHWARTZ. Sir, well, I am sure all of us will be happy to respond to that.

[The information referred to can be found in the Appendix on page 93.]

General SCHWARTZ. The reality is that we all operate under certain limitations in the Executive Branch and that you can be frustrated, sir, but this is the way it is. It is not real until it is the President's budget.

Nonetheless, we certainly will do our best to respond. I can tell you that, in my case, we are talking about hundreds of aircraft, we are talking about thousands of people.

Mr. GARAMENDI. I understand the generalities. Which aircraft? What people? What bases? What does that mean?

And I understand that you have to wait. But as near as I can tell, this committee is looking at less than a month and a half where some decisions are going to be made by the United States Congress. And, frankly, at this point, we don't have much information other than bad things will happen. Well, yes. It is time for some specifics. What exactly is going to be on the table here?

General SCHWARTZ. We will certainly share, sir, your——

Mr. GARAMENDI. I know. I told the Secretary the same thing.

General SCHWARTZ [continuing]. Requirement with our leadership.

Mr. GARAMENDI. I yield back.

The CHAIRMAN. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

I would like to thank each of you for being here today. I particularly appreciate your service, your leadership. We have the best military in the world. I know firsthand. I have three sons currently serving in the Army, in the National Guard. I am grateful I have

a son who is in the Navy. I have a nephew in the Air Force. And, General Amos, my late father-in-law and late brother-in-law were very proud marines. So I cover—we are a joint-service family. And I want to thank you for what you do in bringing to the attention of the American people the danger of the level of these cuts to the security of our country.

Last week, I had the privilege of being with General Odierno at the Italian American Foundation dinner to honor military families. And, General, I want to thank you for your family's service—extraordinary service. You truly exemplify what is best about our country, and I appreciate everything that you have done and, particularly, the briefings that I had when I visited with you in Baghdad. They were right on point.

Additionally, I want to point out that, in today's *Roll Call*, we have Secretary John McHugh, the Secretary of the Army, who is a former Member of this committee, he has written a very thoughtful op-ed. It really backs up what Secretary Panetta has said of the need for a strong national defense.

Now, he concludes—and, General, if you could comment on this—"Just as we did not predict Pearl Harbor and 9/11, we cannot predict the future with any certainty. We can, however, remember the lessons of history. No major conflict has ever been won without boots on the ground."

And you being a military historian yourself, would you please comment on this?

General ODIERNO. Well, I think, of course, we think that, no matter what strategy we portray, we must have the ability to project power on the land. It is critical to whatever we do. And as we talk about the global commons, we talk about how we have access and being able to use the global commons, but, ultimately, the global commons is used by others to influence populations either to improve their ways or dominate a population. And, ultimately, what we need to do when that happens is we might be asked to solve that problem on land. And we have proven that over time and time and time again. So we must be prepared to do that, even though we only want to do that as a last resort. That is never something that we want to do; it is something we must do as a last resort.

So it is important that we have the capacity and the capability and credibility to be able to do that. Hopefully, we have enough where it will deter people from causing us to go and conduct significant land operations. But we must have the capacity and capability to deter. And that should always be a significant part of any strategy that we have, sir.

Mr. WILSON. And I appreciate you raising that point. Peace through strength, that is how we can avoid and reduce the potential of conflict.

And, General Amos, you hit on a series of specifics. And, to me, very important is that people need to understand, the American people, that the addition of military forces or a reduction of military forces, it has an extraordinarily negative impact. It just can't be done overnight, with experienced military forces, senior NCOs, junior officers.

You have expressed it, and I would like to hear from your colleagues how, when we talk about this, this is really real world

threatening our ability to respond. Beginning with General Odierno.

General ODIERNO. Sir, as I said previously, as you know, we have a hardened, battle-tested force, one that has known 10 years of combat, one where we have leaders that have grown up with nothing but combat capability and experience. And for to us move forward as an Army and as a joint force, we must be able to sustain these individuals who are capable and understand warfare, who understand the future, who can think through what we might face in the future, what are the capabilities and capacities we need.

We must remember that we have asked a lot of these individuals. Many of them have been deployed three, four, five times. And they believe that what we have done is important, and they believe we must sustain this capability over time. My concern is, if we start continuing to whittle away at our capacity and capability to such an extent, they could get frustrated. And if they get frustrated, they might decide to leave the Force. And it would then cause us to have a significant hole in the center of our Force, which is our leadership. And I am a strong believer that leadership can solve almost any problem if it is the right type of leadership.

Mr. WILSON. And not to cut off anybody else, but this has direct effect on military families. And we want the military families to be supportive of their loved ones who are serving.

Thank you.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you.

Thank you very much, Generals and Admiral, for being here. Thank you for your leadership, particularly.

I am going to follow up just on a personnel question or two, probably no surprise to you. I am wondering if, given the really serious situation that we are looking at, we are obviously focusing more on, kind of, a short-term sequestration and some of those issues. But in the long term, could you help me out with a discussion of what kind of reforms in the personnel system we should be looking at today? I mean, is this the time to address the military retirement issues? We know that the Defense Business Board has done that.

The other issue that I think is an important one is jointness in terms of health care. We know that, certainly, Walter Reed, Bethesda, while there are growing pains in that realignment, I think that, you know, we will be seeing how well that works. We know also San Antonio, Brooke Army Center has done that. Where are we on that issue?

And could we be thinking seriously about those reforms? Perhaps there are others that you would like to suggest, so that part of the question that the super committee is looking at is not just tomorrow and next year, it is 10 years out. Where are we on those reforms? How seriously are you looking at those?

General SCHWARTZ. Ma'am, I would just say at the outset that we can't look at one piece of the overall compensation package. It includes pay and benefits and so on, it includes medical care, and it includes retirement. And a concern that I think we all share, certainly that I have, is that we look at this piecemeal and we make choices on this or that without connecting the dots, and that if we

proceed with reform or change—and, certainly, we need to address this, to certainly have an intelligent discussion about it—we should not do this drip by drip. In other words, if we are going to do an adjustment, we should do it all in a comprehensive, one-time fashion so our internal audience can take this on and adjust and move on. What we don't need is, sort of, incremental change in this respect.

Briefly, with regard to DBB [Defense Business Board], there were some aspects of what the Business Board suggested that are interesting. But one thing they did not do—and I know you believe this—is there is nothing in that report about recruiting and retention. And what this whole package is about is recruiting and retention. And to make suggestions and then just blow off recruiting and retention just, you know, was not a solid approach.

General ODIERNO. If I could just add on the reforms, I echo General Schwartz's comments. I would just add to that that this is not something that we can rush into. It has to be something that is studied because of the second- and third-order effects it can have on our ability to sustain an All-Volunteer Force.

The impacts—people sometimes tend to overlook and believe, you know—overlook the sacrifices that are made, not only by the soldiers, but the families themselves and what they have given up so their soldiers and their marines and sailors and airmen can perform their duties. And all of this plays a role as we look at benefits and pay and retirement.

And I think we are taking a very quick, thin look at it right now, and it has to be something that is much deeper, does a study and understands the overall impacts it would have on the individuals and their families and the future of our All-Volunteer Force across all the Services.

Admiral GREENERT. If I may, ma'am, there is a piece—I completely agree with what General Schwartz and General Odierno said. There is another piece. At the conclusion of this, there will be a reaction by the Force. We will need to shape it. We will need to recruit, as General Schwartz said. And where we could use help is the authorities to do the right thing.

In my view, diversity is a big deal for the future. The skills that are out there to make our force motivated and relevant are such that we need to open our aperture in diversity. And that and the ability to shape the Force correctly, to be able to have a discussion with our people as to why we may need to shape it—maybe ask more in, maybe lay people off frankly, depending on how things go—that we can do it properly and dignified.

Mrs. DAVIS. General Amos?

Is there time?

Nope. Sorry. All right.

The CHAIRMAN. Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

Gentlemen, thank you for being here and your service.

The two roles on display here today, those are policymakers and implementers. Obviously, we have a real chasm between them, in a sense, of some of this stuff. Each one of you used the word "strategic" in trying to figure out how we go about squeezing the needs of the Nation into a smaller pie, so to speak.

As a policymaker, we would love to be able to have clearer information that says, all right, the Nation has these risks, and if you don't want to protect the Nation against this risk, then we can save money here and there.

There is a force-planning construct that you all operate under that has a variety of things that the Nation says it ought to be able to do at any one particular point in time. Should all of this encompass a review or a redo of that force-planning construct that says, "We are only going to do X, and all these other things that we might think are going to be necessary that are out there, we are just simply not going to do those," and help policymakers understand that there are risks to doing some of the things that even now have been agreed upon that you are trying to implement through your team?

So can you give us some comments about just, you know, what the overall backdrop of what you are trying to plan to do, should we change that first before we squeeze you guys through these square pegs that we are putting you through?

General ODIERNO. Congressman, I think, first off, it is about determining where our priorities are and what our strategies are. And I think we are talking about that now.

But, ultimately, it comes down to what—ultimately, what is the capacity and what we are able to do. And the force-planning construct will have to be looked at and will have to be changed. Because with the force reductions that we are looking at—the Air Force and Navy have taken some already; the Army is going to take a significant amount of force reduction—we are going to have to look at the planning constructs that we have. And we are going to have to be forthright and honest about what we can do and what we can't do, because there are going to be some things we no longer can do.

And I think we have learned some things over the last 10 years on what we thought we could do, and maybe we couldn't do them as it was now. And as we get into these deeper cuts, we are going to have to define and explain through our force-structure planning factors of what we are able to do and what we are not. And I think it absolutely has to be a part of what we are doing.

Admiral GREENERT. For me, Congressman, and for the Navy, where do you not think we need to be? And the little chart, that is where we are today; it will be less. And how much more, where, what geographic combatant commander we have to have a conversation with, and get a lot more innovative to conduct this influence or decide where the force structure can deploy to. Because we can't deploy quicker, if you will, just turn around quicker. We are at limit right now.

General AMOS. Congressman, there is an effort, as you are well aware of, right now that is going on within the Department of Defense and will eventually, as General Schwartz said, I think, find its way here, too, to Congress. That effort is informed by the future security environment. In other words, what do the next two decades portray? What does it tell us that the threats are that are out there? We have talked a little bit about that this morning in our testimony. And then based on that, then what do we need to do to mitigate that threat, those risks? Then how much can we afford?

Now it becomes informed by the budget. It gets informed by the fiscal realities.

And so we are in that process right now. The national strategy is being worked. It is a process that we are all a part of. And I just wanted to give you the confidence that this is being done the right way as we approach this. So we are just not ready yet to be able to say, then, precisely what is it you are not going to be able to do, but clearly there will be some things that we will not be able to do. And that will have resource implications, on force structure, procurement, and operations and maintenance.

Mr. CONAWAY. Thank you.

I was out at the National Ground Intelligence Center yesterday afternoon, or yesterday. And some of the things that they are considering as a part of this, the OCO funding going away and some of the other things, is they were able to say, here is the capacity and here is what it does, here is why it is important, and it will go away. Very clear. As a policymaker, you say, well, that is a capacity that we really need, that was important.

So, obviously, it is easy to do that on a small scale like there versus across the entire, you know, Department of Defense. But I do think our Nation needs to understand that with these cuts, even the $465 [billion], there are risks we will face that hindsight and Monday-morning quarterbackers, at some point in time, will say, "Shame on you for having done that."

Thank you, gentlemen.

The CHAIRMAN. Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Generals, Admiral, thank you very much for being here today, for your testimony, your incredible service to our Nation. We are all deeply in your debt.

Obviously, diplomacy, information, our military power, our economic power, these are all vitally important to our national security. All four pillars are important, not just one. And that, obviously, makes the fiscal solvency of our Nation a national security issue.

So, to ensure that we are never sacrificing our strategic needs just to pay the bills, obviously we have to make smarter decisions about where and how we spend our money and how we address current and future threats. And two areas that I have continuously focused on of the strategic defense of our Nation are the nuclear arena as well as in the area of cybersecurity, taking on the cyber front. We face particular challenges there, and we haven't quite gotten our arms around what those challenges are and how do we best guard against that threat.

But, in these areas, we face threats, obviously, from both peer competitors and asymmetric actors, which make them politically volatile and dangerous, and our investments in each of these areas are critically important. Yet both are threatened by the current budget situation.

So let me ask it this way. Our nuclear deterrent, obviously, must remain credible while we are simultaneously looking to components of our arsenal where we can save revenue, such as tactical nuclear arms, and continue smarter investments, such as the replacement for the *Ohio*-class submarine.

So, in cyberspace, the Department has made upgrades, upgrades to both our defensive systems and our strategic thinking, but we still have a long way to go to keep pace with the challenges and engagements our warfighters face every day in the digital realm.

So, on both these points, where can we be making more efficient investments in nuclear and cyber in order to soften any larger program impacts from constraining budgetary requirements?

General SCHWARTZ. Sir, I would say that cyber may be the only—or is the only one, two, or three areas in the entire Department portfolio that may grow, by necessity, just as you outlined, which means it will come from other places in the broader portfolio. We have Cyber Command. Each of us have component commands and expertise that both defends our nets and operates potentially in a more offensive manner. That is maturing, and it certainly needs your continued support.

With respect to the nuclear area, sir, I would make a personal appeal, and that is that this committee needs to influence the thinking of another jurisdiction, in Energy and Water, with respect to, in particular, the renovation of the B61 weapon. The reality is that that weapon is the item that is paired with our bombers, and it needs to be updated, the lifecycle improvement effort. And that needs committee support and, likewise, from Energy and Water since it is NNSA [National Nuclear Security Administration] that will perform that function.

Admiral GREENERT. I think General Schwartz had it right on cyber. I think we could look at the organizational construct that we are putting together; there may be efficiencies in that regard. But with regard to the criticality of the capability, there is no question. And it will probably grow.

With regard to strategic nuclear, how many *Ohio*-class replacements, submarines we need can be studied. What is the right number of force structure you need to deliver the effects that you need for the requirements, that is under deliberation as we speak. But the need to have credible, as you said, credible and reliable and one that actually provides deterrence, assured deterrence, is unmistakable. And that line has to be held.

Mr. LANGEVIN. Thank you.

With that, I want to thank you all for your testimony, and I may have some questions for the record.

General Schwartz, if I could just mention, a couple months back I had the opportunity to travel out to Creech. You and I discussed that. And I was grateful for the incredible work that is being done out there. And maybe we can talk in a closed setting at some point about some of my thoughts about that. But a great experience when I am out to visit our airmen out there, and I am grateful for their service. And next week I am traveling to Texas to visit the 24th Air Force. So I hope to get an up-close look at what is happening out there.

But thank you all.

General SCHWARTZ. Yes, sir. I look forward to it, sir.

Mr. LANGEVIN. I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

The panel needs to leave at 12:30. I am counting the number of Members we have left. It should work out just about right.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Gentlemen, thank you so much for your service to our Nation.

And I want to begin by noting that everybody that serves in our Armed Forces is special. They are special because they volunteer, they put their lives on the line to defend this Nation. But we also have a very elite force of airmen, marines, soldiers, and sailors that serve this country every day in some very, very challenging roles as we place them around the world in what we know continues to ever expand in their mission. I look at how we challenge them, and you look at what is happening in Afghanistan. And we have used them in more and more roles there, and, obviously, they are going to be there past 2014. We see a mission now in Central Africa.

As we watch and we see the history of what has happened there, we see some trends that I think ought to concern us. Just last month, a 29-year-old sergeant first class in the 75th Ranger Regiment was killed on his 14th deployment in the last 9 years. Fourteen times he boarded a plane knowing that he was going downrange in harm's way.

In a situation where dwell times were short, time back home was short, and they continue to be placed in some of the most challenging conditions anywhere on the face of the Earth—and, to their benefit, they serve this Nation, or, to our benefit, they serve this Nation. And they continue to make sure that they perform in a very admirable way under some very trying conditions.

My concern is this. With looming budget cuts and looking at the challenge we have going forward with resources, how are we going to continue to attract the quality men and women that we need across the Armed Forces in an All-Volunteer Force? Secondly, as we look to not only recruit the best but to retain the best, how are we going to make sure that the mission capability stays where it needs to be for this Nation to meet those challenges, especially when there are questions about each of the service branches' budgets, what may be cut, downsizing, the future pay of our men and women in uniform, their future benefits, and also their families' welfare? I think all those things are very, very concerning for me. And I wanted to get your perspective on how do we meet those challenges.

And I can tell you I am sure you all get the same questions that I get. I get questions on a daily basis from men and women that serve this Nation that are concerned about that. In fact, we track the communications that come into our office. At the top of the list for the past month have been service members and their families' questions about what is going to happen with my pay and my benefits, and what are you going to do to support military families.

So, gentlemen, I will turn it over to you and get you to give us your perspective on these things.

General ODIERNO. Congressman, first and foremost, as we go through this process of budget reductions, the first thing we think about are our soldiers and their families and the impacts it will have on them. And whatever programs that we develop into the future will ensure that we maintain programs that are good enough and, frankly, allow them to want to continue to serve. And we are focused on this. We are absolutely focused on this.

I think what we have to do as we look at this is it is about the profession of arms, it is about leader development, it is about people understanding the importance of what we do, why we do it, and it is about fair and balanced benefits and pay, retirement, medical care, that they can be assured that they will be taken care of and their families will be taken care of based on what we ask them to do.

I know I am being somewhat general here, but I want to tell you that we are absolutely focused like a laser on this in the leadership because it is so important to our men and women, and it is fundamental to the All-Volunteer Army and the All-Volunteer Force. If we miss this, it will do irrevocable damage to our capabilities.

And so I probably didn't answer you specifically, but I am telling you we look at this very carefully every day, sir.

Admiral GREENERT. We have a term in the Navy on budgeting called "fencing." Fence the programs. We are effectively fencing family readiness programs because whatever mission may be reduced, capacity is reduced, the problem is not reduced. As you mentioned before, the kids are tired and they come home and their families are tired, too, because that is who support them. So that has to be done right up front.

I think we need to hold a covenant. General Odierno kind of—I call it retain the covenant we have for them. They joined for a reason. There was, again, a contract that we had, and we need to own up to that contract to those that join.

Thank you.

General SCHWARTZ. Sir, I would just say that, as an example, like the Navy, we have said we are not going to cut school liaisons, we are not going to cut exceptional family member programs or child care. We will go other places because we understand that more than ever, that service in any of the Armed Services is a team sport.

General AMOS. Congressman, we coined the term "breaking faith"—or "keeping faith," which is the opposite of "breaking faith." We talked of pay compensation here this morning and we didn't really get to at what point is there a "knee" in the curve, where pay compensations begin to have an effect on the All-Volunteer Force. You go back to what Secretary Panetta began his tenure with. And he has got several principles. One of the key ones he always goes back to and every time he talks publicly is keeping faith. Now that can mean a lot of different things to folks. But for us in the Marine Corps, it means the institution, the people, the marines, the families that are out there in Twenty-Nine Palms, Pendleton, Camp Lejeune, Beaufort, look at us as an institution, a leadership, those that wear this uniform, and then those who are across the Potomac here in Congress, that we have their best interest at heart, that even though they understand there will probably be some adjustments in pay and allowances and that type of thing, but we have their best interests and we are not breaking faith with them.

That is pretty nebulous, but that is a sense. And the minute we lose that, then we will have a difficult time retaining them. We will have a difficult time bringing the people back in the first place. So that is the first point. It is the sense of faithfulness.

There is another side of this, which is interesting, which concerns me. There is also a sense of fulfillment in the young man or woman that joins the Marine Corps today. And you are aware of that. They are actually getting to do precisely what we advertise when we recruit them. There is a fulfillment. They may be on their fourth or fifth deployment. And I absolutely am not saying that that is easy or we should just continue to do this for the sake of recruitment. But there is a sense of feeling good about what they are doing for our Nation.

So as I look at drawdown, I look at coming out of Afghanistan, within this institution one of the things we are going to have to look at is; how do we address that need of sense of fulfillment of doing something that is important for our Nation?

I remember the inter-war years—the '70s, the '80s, the '80s to '90s, one that was pretty bleak. We were trying to seek missions. So that is going to have an effect on the retention. That is one of the challenges we are going to have to look at. But I think the programs, all the things we have talked about here, there is a sense that we will need that. It is not that we are buying people off. That is not it. But we are going to satisfy their needs and keep our arms around them and they are going to know that we are keeping faith with them.

Mr. WILSON. [Presiding.] Thank you, Mr. Wittman. We will proceed to Mr. Andrews of New Jersey.

Mr. ANDREWS. Thank you, Mr. Chairman. I would like to thank each of you gentlemen for what you have done for our country. We appreciate it very, very much.

I am hearing two points of consensus in the hearing today, and I think that we could rather easily achieve a third one and avoid the sequestration. The first point of consensus is that a great country can't live on borrowed money forever. You can't have a strong and growing economy by having a huge deficit and debt. The second point of consensus is that the sequestration—and I agree with this—is ill thought out, maybe not so much because of the number—we can argue about numbers—but because it is backwards. You shouldn't make decisions about defending your country by saying, Here's the number we are going to hit, now let's figure out what to do. You ought to make the decisions by saying what do we need to do for our country and then what number do we have to come up with to make that happen.

This is not meant for the panel, but meant for my colleagues. I think we could have a third point of consensus pretty quickly here, that we could have a $4 trillion deficit reduction plan that is three-quarters spending cuts. Probably the military spending cuts would not go beyond what is already in the August 1st law. If we had about a trillion dollars in revenue from the top 5 percent of people in the country—that is not for these gentlemen to debate, but it is for us to debate—we could have a deal. We ought to get one.

Now on to the issue of what the sequestration would mean and my point about let's not back into a decision on this. I think I heard several of you say that there is a strategic review, force review underway, and that would be shared with the committee when it is completed. Did I hear that correctly? Great. And do we have some sense of when that would be available for us to look at?

General SCHWARTZ. As I suggested earlier, I think at the end of the year. Toward the end of the year.

Mr. ANDREWS. The end of the calendar year?

General SCHWARTZ. Yes, sir.

Mr. ANDREWS. Thank you. Now, let me ask another question that is not rhetorical. Honestly, it is sincere. If you exclude the Overseas Contingency Operations and look only at the remaining core defense budget and you compare what we are spending in 2011 versus what we spent in 2001, in real dollars, in inflation-adjusted dollars, the core defense budget is 40 percent higher than it was in 2001. Our end strength is essentially the same. The number of ships and planes we have is essentially the same. About a quarter of that increase has been absorbed by greater compensation for our men and women in uniform. I am for that. Absolutely, I am for that.

Where did the other 75 percent of that go? In other words, we have increased the core defense budget by about 30 percent over what it was in 2001 in real dollars, excluding the Iraq and Afghanistan and excluding personnel increases and housing increases, education increases. Where is that 30 percent? Where is the money?

General SCHWARTZ. Well, one place where the money is, we had $35 a barrel oil in 2001, and it is now $135 a barrel.

Mr. ANDREWS. Yes, that is absolutely right. I know our fuel costs are high. And they would be a lot lower if we had independent energy sources. I agree with you.

Yes.

Admiral GREENERT. For us, shipbuilding and ship repair in some cases, the labor costs exceed the costs that we use for indices for inflation. Materials have also exceeded those indices that we use for when we procure.

Mr. ANDREWS. Do you know the order of magnitude of that excess?

Admiral GREENERT. I will follow up on that. It actually marks what some note as a difference—a noted difference in our costs for future shipbuilding, where we underestimate because we use indices——

Mr. ANDREWS. One issue that concerns me of a similar mind is if you look at our RDT&E [Research, Development, Technology and Evaluation], we had explosions in RDT&E accounts before we ever get to a fieldable weapon. I will just pick on one as an example of SBIRS [Space-Based Infrared System]. SBIRS, when it was originally looked at, was going to be $1 billion a copy. It is now going to be $4 billion or so a copy. It has all been in the RDT&E. Do you have any suggestions how we might get a better grip on the RDT&E phase?

General ODIERNO. If I could, a couple of things that we need to do. I think as we go through the process of procurement, we have to look at competition and how we increase competition, increase contractors' and private industry's use of their R&D to help us solve our problems. I think we are starting to figure that out. And I am pleased in some of the areas where we are able to do that.

The other thing is I think it might be a time to look at is, are we doing redundant and overlapping testing? Do we need to take a review of our testing requirements? And in fact sometimes we

have tests that are done by the private industry and yet we redo the tests because we have to meet certain regulations and requirements. I think those are areas that we could look at that could reduce those costs significantly.

Mr. ANDREWS. Thank you. I see my time has expired. Thank you, again, gentlemen, for your exemplary service.

Mr. WILSON. Than you, Mr. Andrews. We proceed to Mr. Duncan of California.

Mr. HUNTER. Thank you, Mr. Chairman. Gentlemen, thank you all for your service and all the time you have spent and your families have spent. General Amos, I was just over at the Marine Corps Birthday in the Library of Congress. And General Dunford did a great job filling in for you and he gave a great speech over there.

We like to talk about the families. I think my family, when I was in Fallujah, was at the Delmar Beach at Camp Pendleton. I don't think it was too tough for them. But that is the upside to being a marine and being able to be stationed on the West Coast.

Playing into Mr. Andrews' question, I would like to mention a couple of things. Where is the money? There are a lot of examples. He listed one. One is DCGS, Distributed Common Ground System. The Marine Corps is using Palantir right now, JIEDDO [Joint Improvised Explosive Device Defeat Organization] is using Palantir right now. The CIA [Central Intelligence Agency], the FBI [Federal Bureau of Investigations], the DOJ [Department of Justice], a lot of other organizations are using an intel software tool called Palantir because it is cheap. It comes out of a private company called PayPal. A lot of us in this room have used PayPal. But the Army insists going forward spending billions of dollars on DCGS's alpha, saying the big cloud is going to work at some point. It will be just like everybody else at some point in time. DCGS's alpha came into my office—the Army did—last week—or 2 weeks ago, and said, Here's what we got; we are going to have it soon. The problem is that they never really get there. And when you come with an off-the-shelf product that at the most to field it for the entire Army would be about $25 million, DCGS's alpha is still going to be about $2 billion or $3 billion out and does not have the capability as Palantir.

You have examples like that that I think any of us could find. The LCS [Littoral Combat Ship]. The Navy owns a ship right now in San Diego called the Stiletto. It is a carbon fiber-hulled ship that uses air entrapment technology. It is able to go 60 knots. It is totally stealthed out. The LCS is not stealthed out. The LCS is not an LCS. The LCS is a fast frigate. That is all it is. You can't operate next to China. They would shoot it out of the water in a heartbeat. It is not a real LCS. It is a fast frigate. So the Navy still doesn't have an LCS, but they have two different models of a fast frigate that are going to be used for different purposes based on what type of modular technology you place on it. It is still not stealthy. It is not as fast as the Stiletto, which the Navy owns, in San Diego.

So my point is, it is time to prioritize. I think one of the reasons we are here is because your predecessors, they didn't mislead us, but they said, hey, we are okay. We can do more with less. We will

be fine. We can get the job done, Congress. We can do what we need to do with what you have given us.

The reality is that one of the reasons we are at this point is because we are not going to able to do the job—you are not going to be able to do the job that you are asked to do any more with what you are given any more, period. I mean, we probably need to double or triple the number of MEUs [Marine Expeditionary Units] in the United States Marine Corps because of everything that is going on.

So we are going to need to be more expeditionary, not less, but we still seem bogged down in the old ways of doing things to where if it is not being made by Northrop Grumman, Lockheed Martin, Boeing, or one of the Big Five, then we are not going to do it, we are not going to look at it because it is not being done by one of those guys who has a lobbyist who was a former general who was a friend of somebody in DOD. That is how it works. That is the revolving door.

So my question I guess to everybody is how do we move forward and prioritize and get out of the same old ways of things that aren't the tried and true, they are the tried and failed, which has kind of gotten us to where we are. We keep spending money. And like Mr. Andrews said, we aren't getting the bang for the buck anymore. The money is going somewhere and it is not going into furthering current technology or discovering better technology. How are we going to avoid that? Because we are going to be doing more with less now. It is going to take some outside-of-the-box thinking to do it.

General ODIERNO. Let me give you one example. Right now—and you are probably familiar with it—we now started this week—and it is our second one, we will have a third one—is our network experiment that is going on down at Fort Bliss, Texas. We have a unit out there where contractors, anybody, any size contractor can come in, provide a product that they think will meet the requirements for our network of the future. They can test it, they can try it out. It will be evaluated. Soldiers are actually using it. They will then provide them feedback. It is on their own dollar to bring that in there.

After we do this, we will choose the best of breed across a variety of small and large contractors on what might be the best system for us to use. And as fast as our networks change now and the technology continues to move, it will allow us to continue to upgrade every few years.

I think these are the kind of things we have to do where we see more competitiveness, which drives better products, which drives cheaper products for us in the end state. I would invite you to come out and take a look at that if you have not already. I am very encouraged by what is going on out there. It is those type of things that I think we have to do.

As we look at the JLTV [Joint Light Tactical Vehicle] that we are developing along with the Marine Corps, we have competitors coming in who are developing their own products, four or five different competitors, not necessarily one of the large defense contractors, who are coming up with systems and ways for us to look at and provide us options that I think will be much more fundamental and much more resource-friendly to us as we move forward.

So those are the kind of things we are looking at now and as we revamp and review how we want to do acquisition within the Army.

General AMOS. Congressman, there is actually a little bit of goodness that happens when you get pressurized fiscally. One of the things—and I know you are aware of this—we have roughly 40,000 vehicles in the Marine Corps. That is tanks, 7-tons, LVSs [Logistics Vehicle Systems], our AAVs [Amphibious Assault Vehicles], our MRAPs [Mine Resistant Ambush Protected], Humvees [High Mobility Multipurpose Wheeled Vehicles]. As we built that Marine Corps to come down to 186,000, we aggregately took the total vehicles in the Marine Corps down to about 30,000. Now of that, 23,000 or so are Humvees. As we look at JLTV with the Army, as we look at replacing the ground tactical vehicle strategy, we have had to go back and say, Okay, what is good enough? What is it that over the next 10 years will be good enough? And then how much modernization do you need?

There is a piece and a slice that need to replace utility vehicles with JLTVs. But do we need to replace all 20,000? The answer is no. Do we need 20,000 in the first place, utility vehicles? The answer is no. So we are doing that internally right now. We actually have the numbers. And we have built an affordable plan on ground tactical vehicles that is built on what is in fact good enough.

Now, we tried to do the same thing—in fact, we have done the same thing as we looked at aviation, which is a high-dollar cost item. You start taking a look at F/A–18s [Hornet multirole fighter jets], Harriers [AV-8B vertical/short takeoff and landing (V/STOL) ground-attack aircraft], recapitalization of the H–46s [Sea Knight cargo helicopters] with the V–22s [Osprey V/STOL transport tiltrotor aircraft], what is good enough, and then how long will this last. So I mean that is the goodness that is coming out of this stuff, and there is an awful lot of that going on.

The final point I would say is that especially down in your district you have seen the benefits of the energy efforts that the Marine Corps is doing at MCRD [Marine Corps Recruit Depot], at Miramar, with the methane plant; go to Twenty-Nine Palms, go to Barstow. We are beginning to save or significantly save a lot of money on energy. We are going to do the same thing in the expeditionary field. We have got marines—as you know, the Third Battalion Fifth Marines came back and they were our guinea pigs. They were the first prototype to carry this expeditionary renewable energy stuff into theater. We are on that big time.

So that is another way we can save. So that is some of the goodness that comes out of pressurizing our budget.

Mr. WILSON. Thank you, Mr. Duncan. A very important question.

Mr. HUNTER. Thank you, gentlemen. Thank you, Mr. Chairman.

Mr. WILSON. Our remaining witnesses can respond for the record because this is such an important issue that Mr. Duncan has raised.

[The information referred to can be found in the Appendix on page 91.]

Mr. WILSON. We now proceed to Mr. Johnson of Georgia.

Mr. JOHNSON. Thank you, Mr. Chairman.

General Odierno, following up on Mr. Hunter's question, the Army's DCGS–A intelligence program is years behind schedule and less effective than private sector alternatives used by other Services such as the Marine Corps. The Army is slated to spend billions in coming years trying to field this program, despite its consistent shortcoming. Will you pledge to take a hard look at this program as a possible source of savings?

General ODIERNO. Congressman, first, I am looking at every one of our modernization programs and procurement programs to see where we can get savings. I will certainly take an extremely hard look at this and I will actually provide you feedback to that look, both you and Mr. Hunter, as we go do this.

[The information referred to can be found in the Appendix on page 92.]

Mr. JOHNSON. Thank you, General. Also, General, do you foresee that the Army could potentially find savings by reducing the footprint of our ground forces on the European continent where our allies are or should be capable of defending their own territory?

General ODIERNO. Congressman, this will be part of the strategy review we do as we prioritize where we decide to put forces. And based on that strategy, if it is determined that we can reduce our commitment to Europe, we will work very carefully with our allies to take a look at that, sir.

Mr. JOHNSON. Thank you.

Admiral Greenert, how can the Navy develop better partnerships with the Chinese navy to establish a collaborative rather than adversarial relationship in maintaining international security? And is that a naive question or is it—I guess I should ask that first.

Admiral GREENERT. It is not naive at all, Congressman. We need to find those areas of security that we have common ground. And we are working on that. Counter-piracy today; the Chinese contribute to the counter-piracy effort in the Gulf of Aden. They are not a part of the coalition, but they are—you know, the defined coalition. But there are many nations that are not part of the defined coalition. They come in. They check in. We have liaison officers that swap. They are a relevant and tangible part of that. So there is that. There is counter smuggling, counter weapons of mass destruction on the seas, search and rescue.

So we need to look for those areas which are of common interest, develop those. That will get us to mil-to-mil relations. These things have a fits and starts part because we are part of the results of the political aspects of the relationship of our nations and the diplomatic part of it. But there are opportunities and we must continue to develop them to eliminate miscalculation. That is probably the main concern we would have. So we have a relationship.

Mr. JOHNSON. Thank you. General Amos, what would the Marine Corps F–35B fleet contribute in a major conflict that one of our carrier strike groups could not? Is the F–35B program an essential program to our national security? Is it on pace?

General AMOS. Congressman, I will start from the back and progress to your first question. It is on pace. In fact, it is ahead of schedule will right now. It is ahead of performance on tests—test plans, test flights, test points. The five engineering issues that they had a year ago at this time have been resolved through engineering

redesigns. In some cases, they are already installed on the airplanes. In some cases, the change has been approved and it will be fitted on the airplane in the early part of next year. So the engineering pieces have been fixed.

The airplane just came back from a very successful at-sea period for about 2 weeks. Two F–35Bs on the USS *Wasp* off the coast of Virginia, flying all their short takeoff and vertical landings. And the early reports on that—and I went out to see it with the Secretary of the Navy—the airplane performed fabulously.

Now what you get out of that airplane for our Nation is the capability to have, instead of just 11 carriers out and about doing our Nation's bidding with fifth-generation airplanes on it, you will have 22. Because the F–35B will be flying off the smaller carrier variant or what we call the large deck amphibious ship. So much like what is being operated off the coast of Yemen and the Gulf of Aden right now with the Harriers and off the coast of Libya in the early days of that operation. Those were short takeoff and vertical landing airplanes. Without that, our Nation reduces this capability to interact around the world by 50 percent.

Mr. JOHNSON. Let me ask you this last question about those trials on the USS *Wasp*. What was the effect of the F–35B's jet blast on the ship's surface?

I apologize for interrupting you, but my time is running out. I wanted to get an answer to that question.

General AMOS. It was negligible. The expectations were that it would be significant. It was shockingly negligible, to the point where reports—and I was onboard the ship—reports back from the ship's crew and the NAVSEA [Naval Sea Systems Command] folks were that it was insignificant.

Mr. JOHNSON. Very good. Thank you.

Mr. WILSON. Thank you. We proceed to Dr. Fleming of Louisiana.

Dr. FLEMING. Thank you, Mr. Chairman. And thank you, gentlemen, for being here today. Our panel, patriotic and distinguished careers, and we all appreciate the great work you are doing.

Let me say, first of all, that I get what you are saying—$465 billion in cuts that you are barely able to swallow and now we are talking about plussing that up to maybe a full trillion dollars over 10 years. And that takes us from a high risk level to a very dangerous level. And certainly I get that. That is precisely why I voted against the Budget Control Act, because I knew we would be here today talking about these problems.

My first question is for you, General Schwartz. We have talked a number of times in hearings and offline. I understand that there is a decision that has been made not to initially certify the new long-range strike bomber for nuclear operations and that Air Combat Command, not Global Strike Command, which was newly stood up I think only a couple of years ago, will be the lead major command on the program.

Can you please explain in detail the rationale behind these two decisions? Obviously, I am concerned about a de-emphasis on the nuclear rule. Again, let me kind of add in that with all these risks involved, that obviously makes this world a more dangerous place. But the one area where there is no tolerance for risk is in the area

of nuclear weapons. So explain that and give us an idea about that rationale, sir.

General SCHWARTZ. We certainly agree that there is no tolerance for error in that business. There are two aspects to this, Congressman. One is that the airplane will be dual capable. It will be both nuclear capable and it will be a conventional long-range strike platform as well. The logic is to design and to build the airplane to perform the nuclear mission. This will not be backed in later. This will be done in the design and build process. But not to certify immediately. And the reason is that we are trying to control costs. Part of that is controlling how elaborate your test process is. And we are going to phase this in a way that will initially introduce conventional capability, which is easier to test, less costly to test. And then, as we get closer to the time when the B–52 [Stratofortress strategic bomber] and the B–2 [Spirit stealth bomber] begin to age out, we will well in advance of that certify the airplane for nuclear operations.

Again, it will have the internals and all that is required. We simply won't do the test and certification, which is quite elaborate and includes electromagnetic pulse and so on, until a little bit later in the sequence. We think that is the prudential thing to do to bring this on cost and on time.

With respect to who is in charge, I am in charge. The Secretary of the Air Force is in charge. The fact is their Combatant Command is the lead command because they have the acquisition and requirements capacity in their headquarters. As you know, Global Strike is still somewhat new and will acquire that capability over time. But the idea was to give this to the command that had the capacity right now and we will certainly think about when the time comes who is the daddy rabbit for the platform.

Dr. FLEMING. Thank you, General. I might come back to you.

General Odierno, I have a question for you, sir. Is it true that certain requirements like the Army's longstanding need for additional land to support full spectrum training operations will require further resources in this constrained budget environment? For example, do you believe that the ongoing range expansion at the JRTC [Joint Readiness Training Center] at Fort Polk is a mission critical initiative even as the Army draws down its forces and alters its mix of units?

General ODIERNO. Congressman, as we draw down and as we come out of Afghanistan and other places, it is imperative that we continue to improve our jewels of our training programs, which is the National Training Center, the Joint Readiness Training Center, and CMTC [Combat Maneuver Training Center] in Europe, and make them the most capable and qualified so we are able to prepare ourselves for the upcoming threats, what they might be, and so we can properly train our soldiers. And so it is a very important part of our program. It will be reviewed like we review everybody else as you look at these budget cuts, but it is something we set a high priority on.

Dr. FLEMING. As you know, Fort Polk already has money set aside for land acquisition. That seems to be moving forward, although it has been slower than expected. So you feel that still is going to be a very important part of the future.

General ODIERNO. I believe that our training complexes, especially JRTC, are very important, and they will have a high priority as we do our review of our budget.

Dr. FLEMING. Thank you, gentlemen. My time is up, and I yield back.

The CHAIRMAN. Thank you, Doctor. We have one more, if we could extend.

Congressman Scott of Georgia.

Mr. SCOTT. Thank you, Mr. Chairman.

Gentlemen, I appreciate you staying past and taking the questions.

As you know, General Schwartz, I represent Robins Air Force Base. The Depot Caucus met with Secretary Donley yesterday. There were four members of the United States Senate and four Members of Congress there, including myself. Obviously, some of the information that was given to us we did not agree with and felt like there should have been a business case analysis prior to the decisions being made. And certainly I am personally disappointed that my Generals that I try to work with to represent our bases were asked to sign confidentiality agreements and that there could not even be dialogue between the command structure and a Member of Congress, who serves on this committee, who is doing what—I did not vote for sequestration; I am doing what I can to help you—prior to hearing from Secretary Donley. But one of the things Secretary Donley did do in that meeting—and he did it on three separate occasions—is commit that there would be no change to who the program managers reported to. And the program managers could continue to report to sustainment. He said that that would happen for at least the next 24 months and that there would be no changes to that unless there was a business case analysis presented to the Senate and Congress.

I appreciate his commitment on that, and I want to ask you for your support, that the program managers will continue to operate the way they currently do.

General SCHWARTZ. That is the Air Force position, sir, and I certainly support that. But I hope you will accept just gentle pushback here. It is interesting—and, by the way, the fact that there was interaction at the staff level——

Mr. SCOTT. Yes, sir, there was.

General SCHWARTZ. As you are aware. I agree there was not interaction at the principal level. I take note of that, sir. Reporting lines of authority—the question is: Where is the seam in this business between sustainment and acquisition? Our judgment was that we would have at each of the depots an acquisition element that would be aligned with the broader acquisition team but would represent their interests at the sustainment location and depot. That, to me, seemed to be logical. In other words, they would be a geographically separated unit.

I understand that any change is concerning about what it might portend, ultimately. And we didn't convince you or the other members of the caucus on this issue and so the Secretary made a commitment. And we certainly would stand by the Secretary's commitment. But all I would say is please allow us, again, to come back

to you, as he also said he would do, to make the case as articulate as we can about why we think we should organize this way.

Mr. SCOTT. And we would ask that a business case scenario be presented and that there be dialogue between the Members of Congress and the Generals that are operating the base. I don't think anybody on this committee or any of you are naive enough to think we can go through the type of budget reductions we are without some changes. I am certainly not. But that was a very serious concern to us. He did make that commitment yesterday. I am glad to know that you are onboard with that because there was some concern with the press release that maybe there had been some misunderstanding, if you will, in the room. Thank you for that.

Gentlemen, all of you play an important role in Georgia, whether it is the Marine Corps Logistics Base in Albany or Kings Bay or Benning. If I can ever be of assistance to you, please let me know.

Thank you. And thank you for your commitment, General Schwartz.

Mr. WILSON. Thank you, Congressman Scott. And thank each of you for your dedication for service members, military families, and veterans.

We are adjourned.

[Whereupon, at 12:40 p.m., the committee was adjourned.]

A P P E N D I X

November 2, 2011

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

NOVEMBER 2, 2011

Statement of Hon. Howard P. "Buck" McKeon

Chairman, House Committee on Armed Services

Hearing on

The Future of the Military Services and

Consequences of Defense Sequestration

November 2, 2011

The House Armed Services Committee meets to receive testimony on "The Future of the Military Services and Consequences of Defense Sequestration." To assist us with our examination of the impacts of further defense cuts to each of the military services, we are joined by the four service chiefs. Gentlemen, thank you for your service and I truly appreciate your willingness to appear before the Committee today. I cannot recall the last time we had all four service chiefs in the same panel. This is a unique opportunity for our members and greatly assists us with our oversight responsibilities.

The Committee has held a series of hearings to evaluate lessons learned since 9/11 and to apply those lessons to decisions we will soon be making about the future of our force. We have received perspectives of former chairmen of the joint chiefs of staff, former service chiefs and commanders of the National Guard Bureau, former chairmen of the Armed Services Committees, outside experts, Secretary Panetta, and Chairman of the Joint Chiefs of Staff General Dempsey. Today we have the opportunity to follow up on the testimony of the Secretary of Defense and Chairman of the Joint Chiefs of Staff to examine more closely the challenges faced by each of the Services.

As I continue to emphasize, our successes in the global war on terror, and in Iraq and Afghanistan, appear to be lulling our Nation into the false confidence of a September 10th mindset. Too many appear to believe that we can maintain a solid defense that is driven by budget choices, not strategic ones. But as we heard from witnesses again last week, defense spending did not cause the current fiscal crisis. Nevertheless, defense can and will be a part of the solution. The problem is that to date, defense has contributed more than half of the deficit reduction measures we've taken and there are some who want to use the military to pay for the rest, to protect the sacred cow that is entitlement spending.

Not only should that be a nonstarter from a national security and economic perspective, but it should also be a nonstarter from a moral perspective. Consider that word, *entitlements*. Well *entitlements* imply that you are entitled to a certain benefit, and I can't think of anyone who has earned that right ahead of our troops. By volunteering to put their lives on the line for this country, they are

entitled to the best training, equipment, and leadership our Nation can provide.

I hope our witnesses today can help us understand the ramifications of these possible cuts in relation to our force structure, as well as our ability to meet future needs of our national defense. How can we make sure the military is a good steward of the taxpayers' dollar, without increasing the risk to our Armed Forces? Where can we take risk, but what changes would go too far?

Statement of Hon. Adam Smith

Ranking Member, House Committee on Armed Services

Hearing on

The Future of the Military Services and

Consequences of Defense Sequestration

November 2, 2011

I would like to join the Chairman in welcoming General Odierno, Admiral Greenert, General Schwartz, and General Amos. In these times of budgetary uncertainty, your testimony is particularly important.

Our country faces a budget dilemma—we don't collect enough revenue to cover our expenditures. According to the House Budget Committee, we currently must borrow about 40 cents for every dollar the Federal Government spends. This problem must be addressed in two ways: Spending will have to come down, and we're going to have to generate new revenues.

Like many, if not most, of our members here, I share the view that large, immediate cuts to the defense budget would have substantially negative impacts on the ability of the U.S. military to carry out its missions. I am sure that both our witnesses share this view, and I hope the panel here today can help us understand the impacts of additional potential cuts. I am also deeply concerned about cuts to all non-entitlement spending, which bore the brunt of the recent deficit deal. If the "super committee" fails to reach a deal, then cuts through sequestration will only impose deeper and more dangerous cuts to our military and non-entitlement spending such as infrastructure, education and homeland security.

I believe that we can rationally evaluate our national security strategy, our defense expenditures, and the current mission sets we ask the military to undertake and come up with a strategy that requires less funding. We on this committee like to say that strategy should not be driven by arbitrary budget numbers, but by the same token not considering the level of available resources when developing a strategy is irresponsible. To that end, I congratulate the Administration for undertaking a comprehensive review of our current strategy. I know we all are looking forward to the results of that ongoing review. I for one believe that we can and must spend smarter and not just more.

It is also important that we address the revenue side of our budget problem. We must consider raising additional revenue. In order to avoid drastic cuts to our military and other important programs, revenue streams must be enhanced.

It is my hope that this hearing will help remind everyone here that we have to make some serious choices. Our budget must be looked at in a comprehensive manner. If we are serious about not cutting large amounts of funding from the defense budget, something else has to give. Large, immediate, across-the-board cuts to the defense budget, which would occur under sequestration, would do serious damage to our national security. In order to avoid large

cuts to the defense budget, we're going to have to stop repeating ideological talking points and address our budget problems comprehensively, through smarter spending and increased revenue.

Thank you again, Mr. Chairman, for holding this hearing. And thank you to our witnesses for appearing here today.

RECORD VERSION

STATEMENT BY

GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

FIRST SESSION, 112TH CONGRESS

ON

THE FUTURE OF THE MILITARY SERVICES
AND
CONSEQUENCES OF DEFENSE SEQUESTRATION

November 2, 2011

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

Thank you, Mr. Chairman, Congressman Smith, and members of the committee.

Since this is my first time to appear before you as the Chief of Staff of the Army, I want to start by telling you how much I appreciate your unwavering commitment to the Army and the Joint Force. I look forward to discussing the future of the Army and the potential impact of budget cuts on our future capabilities, readiness, and depth. Because of the sustained support of Congress and this committee, we are the best trained, best equipped, and best led land force in the world today. As we face an uncertain security environment and fiscal challenges, we know we will get smaller, but we must maintain our capabilities to be a decisive force – a force trusted by the American people to meet our future security needs.

Over the past 10 years our Army – Active, Guard, and Reserve – has deployed over 1.1 million Soldiers to combat. Over 4,500 Soldiers have made the ultimate sacrifice. Over 32,000 Soldiers have been wounded – 9,000 requiring long term care. In that time, our Soldiers have earned over 14,000 awards for valor to include 6 Medals of Honor and 22 Distinguished Service Crosses.

Our Army is and always will be about Soldiers and Families. Throughout it all, our Soldiers and leaders have displayed unparalleled ingenuity, mental and physical toughness, and courage under fire. I am proud to be part of this Army – to lead our Nation's most precious treasure – our magnificent men and women.

Today we face an estimated $450 billion plus in DOD budget cuts. We cannot afford to repeat the mistakes of previous reductions. I respectfully suggest that we make these decisions strategically, keeping in mind the realities of the risk they pose, and that we make these decisions together, unified, to ensure that when the plan is finally decided upon, all effort has been made to provide the Nation the best level of security and safety.

Our Army must remain a key enabler in the Joint Force across a broad range of missions, responsive to the Combatant Commanders, and maintain trust with the American People. It is my challenge to balance the fundamental tension between maintaining security in an increasingly complicated and unpredictable world, and the

requirements of a fiscally austere environment. The U.S. Army is committed to being a part of the solution in this very important effort.

Accordingly, we must balance our force structure with appropriate modernization and sufficient readiness to sustain a smaller, but ready force.

We will apply the lessons of ten years of war to ensure we have the right mix of forces. The right mix of heavy, medium, light, and Airborne forces; the right mix between the Active and Reserve Components; the right mix of combat, combat support, and combat service support forces; the right mix of operating and generating forces; and the right mix of Soldiers, Civilians, and contractors. We must ensure that the forces we employ to meet our operational commitments are maintained, trained, and equipped to the appropriate level of readiness.

As the Army gets smaller, it is the "*How we reduce*" that will be critical. While we downsize, we must do it at a pace that allows us to retain a high quality All-Volunteer Force that is lethal, agile, adaptable, versatile, and ready to deploy with the ability to expand as required. I am committed to this, as I am also committed to fostering continued commitment to the Army Profession, and adapting leader development to meet future challenges.

Although Overseas Contingency Operations (OCO) funding will be reduced, I cannot overstate how critical it is in ensuring our Soldiers have what they need while serving in harm's way, as well as the vital role OCO funding plays in resetting our formations and equipment, a key aspect of our current and future readiness. Failing to sufficiently reset now would certainly incur higher future costs, potentially in lives.

Along with the Secretary of Defense and the Secretary of the Army, I share concern about the potential of sequestration, which would bring a total reduction of over a trillion dollars for DOD. Cuts of this magnitude would be catastrophic to the military and – in the case of the Army – would significantly reduce our capability and capacity to assure our partners abroad, respond to crises, and deter our potential adversaries, while threatening the readiness of our All-Volunteer Force.

Sequestration would cause significant reductions in both Active and Reserve Component end strengths, impact the industrial base, and almost eliminate our modernization programs, denying the military superiority our Nation requires in today

and tomorrow's uncertain and challenging security environment. We would have to consider additional infrastructure efficiencies, including consolidations and closures, commensurate with force structure reductions, to maintain the Army's critical capacity to train Soldiers and units, maintain equipment, and prepare the force to meet Combatant Commander requirements now and into the future.

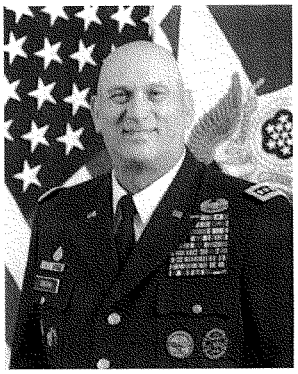
It would require us to completely revamp our National Security Strategy and reassess our ability to shape the global environment in order to protect the United States.

With sequestration, my assessment is that the Nation would incur an unacceptable level of strategic and operational risk.

Mr. Chairman, members of the committee, I thank you again for allowing me the opportunity to appear before you. I also thank you for the support that you provide each and every day to our outstanding men and women of the United States Army, our Army Civilians and their Families. The strength of our Nation is our Army. The strength of our Army is our Soldiers. The strength of our Soldiers is our Families. This is what makes us Army Strong. I look forward to your questions.

General Raymond T. Odierno

38th Chief of Staff for the U.S. Army



General Raymond T. Odierno, assumed duty as the 38th Chief of Staff of the U.S. Army on 7 September 2011.

A native of northern New Jersey, General Odierno attended the United States Military Academy at West Point, graduating in 1976 with a commission in Field Artillery. During more than 35 years of service, he has commanded units at every echelon, from platoon to theater, with duty in Germany, Albania, Kuwait, Iraq, and the United States. After his first assignment with U.S. Army Europe, General Odierno was assigned to the XVIII Airborne Corps Artillery at Fort Bragg, N.C., where he commanded two batteries and served as a battalion operations officer.

General Odierno returned to U.S. Army Europe serving as a battalion executive officer and division artillery executive officer including deployment for Operations DESERT SHIELD and DESERT STORM. He later commanded 2nd Battalion, 8th Field Artillery, 7th Infantry Division, and the Division Artillery, 1st Cavalry Division.

From October 2001 to June 2004, General Odierno commanded the 4th Infantry Division, leading the division during Operation Iraqi Freedom from April 2003 to March 2004. From December 2006 to February 2008, he served as the Commanding General, Multi-National Corps – Iraq (III Corps) as the operational commander of the surge of forces. Later, he served as the Commanding General, Multi-National Force - Iraq and subsequently United States Forces - Iraq, from September 2008 until September 2010. Most recently he commanded United States Joint Forces Command (USJFCOM).

Other significant assignments include: Arms Control Officer, Office of the Secretary of Defense; Chief of Staff, V Corps; Assistant Division Commander (Support), 1st Armored Division; Deputy Commanding General, Task Force Hawk, Albania; Director of Force Management, Office of the Deputy Chief of Staff for Operations and Plans; and Assistant to the Chairman of the Joint Chiefs of Staff where he was the primary military advisor to Secretaries of State Colin Powell and Condoleezza Rice.

General Odierno holds a Bachelor of Science degree in Engineering from West Point and a master's degree in Nuclear Effects Engineering from North Carolina State University. He is a graduate of the Army War College and holds a master's degree in National Security and Strategic Studies from the Naval War College.

General Odierno's awards and decorations include four Defense Distinguished Service Medals, two Army Distinguished Service Medals, the Defense Superior Service Medal, six Legions of Merit, the Bronze Star Medal, the Defense Meritorious Service Medal, four Meritorious Service Medals, the Army Commendation Medal, the Army Achievement Medal, and the Combat Action Badge.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

STATEMENT OF

ADMIRAL JONATHAN GREENERT

CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

ON

THE FUTURE OF THE MILITARY SERVICES AND CONSEQUENCES

OF DEFENSE SEQUESTRATION

2 NOVEMBER 2011

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Chairman McKeon, Ranking Member Smith, and members of the Committee, thank you for the opportunity to testify on the future of the military services and consequences of defense sequestration. This is my first time testifying before you as Chief of Naval Operations, and I am proud to represent more than 625,000 Sailors and Civilians serving their country in the United States Navy. It is through their courage and commitment to country that the Navy continues to be at the front line of our nation's efforts in war and peace. I look forward to working with you to ensure our Navy remains the world's preeminent maritime force - providing America offshore options to advance our national interests in an era of uncertainty. Through innovation, adaptation and judiciousness, I believe we can sustain our contribution to defense and be good stewards of our nation's resources.

As it has for more than 200 years, our Navy continues to deliver credible capability for deterrence, sea control and power projection to contain conflict and to fight and win our nation's wars. We remain forward at the maritime crossroads to protect the interconnected systems of trade, information and security that enable our nation's economic prosperity while ensuring operational access for the Joint force to the maritime domain and the littorals.

Since the terrorist attacks of September 11, 2001, the Navy has been an integral part of our nation's combat, counter-terrorism and crisis response operations. Currently, Navy's aircraft carriers and air wings account for about 30 percent of the close air support for our troops on the ground in Iraq and Afghanistan, and an even larger share of the electronic support missions that ensure the safety of our troops against IED attack. Navy SEALs led a joint force to capture Osama bin Laden and also rescued the M/V ALABAMA's crew. USS FLORIDA, a guided missile submarine, and the USS SCRANTON and USS PROVIDENCE, two attack submarines, launched over 100 Tomahawk land attack missiles at military targets in Libya at the outset of

Operation ODYSSEY DAWN. Earlier this year, our aircraft carrier USS GEORGE WASHINGTON and several of our cruisers and destroyers aided the Japanese after a Tsunami decimated portions of Honshu Island. To conduct warfighting and be ready to respond to such crises, on any given day more than 40,000 sailors are at sea and about 40 percent of our ships are deployed away from home.

Over the past 10 years we stretched our ships, aircraft and people to meet the growing needs of Combatant Commanders for Navy forces with a smaller Fleet. Since 2000, the number of ships in the Fleet decreased by about 10 percent. Yet, in the last four years alone, demand for carrier strike groups doubled, and requests for amphibious ready groups grew by 70 percent. As a result, each ship is underway about 15 percent more per year than in 2000, lengthening deployments and making deployments more frequent. Because deployments now cut into the time available to conduct maintenance on ships and aircraft and to train our crews, we have to tailor the readiness of some units to only those missions they will likely be tasked to do instead of the whole (design) range of missions they might be tasked to do. Less time for maintenance decreases the service lives of our ships and aircraft and makes maintenance more expensive because it is now less efficient and more emergent. In turn, growing maintenance costs offset the funds available for procurement and modernization, making it that much more difficult to recapitalize the Fleet.

Going forward, I expect the importance of Navy forces will grow as compared to today as we draw down ground forces in the Middle East and reset them. Nations like Iran and North Korea continue to pursue nuclear capabilities, while rising powers are rapidly modernizing their militaries and investing in capabilities to deny our forces freedom of action in vital regions such as the Asia-Pacific. To ensure we are prepared to meet our missions, I will continue to focus on

my three priorities: 1) Be ready to fight and win today; 2) Build the future force to fight and win tomorrow; and 3) Take care of our people and create a motivated, relevant and diverse force. Most importantly, I will work to ensure we do not create a "hollow force" that is unable to do the mission due to shortfalls in maintenance, personnel, enablers or training. We will not erode the support we provide to our Sailors, Civilians, and their families that sustains our all-volunteer force.

To pursue these priorities in a constrained fiscal environment, we will have to be effective and efficient. We will maintain our warfighting advantage against new threats using new technologies and operating concepts. We will use innovative ways to affordably operate forward, where we are most effective and can provide our nation options for influence and response. Additionally, we will be judicious with our resources (people, money and time) by more efficiently scheduling maintenance and adapting our Fleet Response Plan.

We must remain the world's preeminent maritime fighting force. In particular, our Navy will continue to dominate the undersea domain with sustained investment and effort in a network of platforms and sensors. The Joint force relies on us for assured access to deter conflict, fight wars, protect our allies and partners and advance our interests. We will sustain access below, on and above the water with new maritime and joint operational concepts such as Air-Sea Battle, and by operationalizing the electromagnetic spectrum and cyber domain.

The budget reductions we are currently addressing as part of the 2011 Budget Control Act will introduce additional risk in our ability to meet the future needs of Combatant Commanders, but we believe this risk is manageable. Some strategic changes will be required in the Department of Defense to posture our forces, prepare for conflicts, and conduct combat and

stability operations. We are currently working through an emerging strategy as we complete the fiscal year 13 budget submission.

However, if the efforts of the Joint Select Committee on Deficit Reduction do not result in agreement and sequestration occurs, the Department of Defense and the Navy will have to rethink some fundamental aspects of what our military does. The current law does not allow the military to manage these reductions, but rather applies the cuts uniformly to each program, project and activity. Our readiness and procurement accounts would face a reduction of about 18 percent, rising to approximately 25 percent in the event military personnel funding is exempted from full sequestration. The size of these cuts would substantially impact our ability to resource the Combatant Commander's operational plans and maintain our forward presence around the globe.

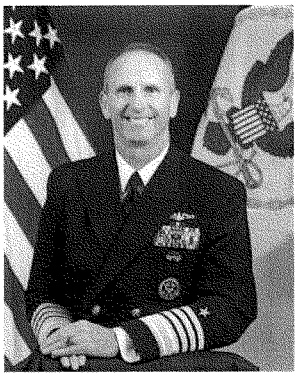
Some of the actions we would need to take under sequestration could have a severe and irreversible impact on the Navy's future. For instance, we may need to end procurement programs and begin laying off civilian personnel in fiscal year 2012 to ensure we are within control levels for January of 2013. As a capital-intensive force, we depend on consistent and reliable production from the shipbuilding and aviation industries to sustain our fleet capacity. If we end programs abruptly and some of these companies shut down, we will be hard-pressed to reconstitute them. And each ship we don't build impacts the fleet for 20-50 years.

I look forward to working in partnership with the Committee to ensure our Navy will remain able to deter aggression by operating forward and being ready to fight and win our nation's wars. By maintaining our current course and judiciously applying our resources, I am

confident we can come through this challenge and remain the world's most lethal, flexible and capable maritime force. Thank you for this opportunity to speak with you on the Navy's behalf.

Admiral Jonathan W. Greenert

Chief of Naval Operations



Adm. Jonathan W. Greenert is a native of Butler, Pennsylvania. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

His career as a submariner includes assignments aboard USS Flying Fish (SSN 673), USS Tautog (SSN 639), Submarine NR-1 and USS Michigan (SSBN 727 - Gold Crew), culminating in command of USS Honolulu (SSN 718) from March 1991 to July 1993.

Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).

Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: THE FUTURE OF THE MILITARY SERVICES AND CONSEQUENCES OF DEFENSE SEQUESTRATION

STATEMENT OF: GENERAL NORTON A. SCHWARTZ
CHIEF OF STAFF, UNITED STATES AIR FORCE

NOVEMBER 2, 2010

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

Ten years after 9/11, Airmen and their Army, Navy, Marine, and Coast Guard teammates continue to serve the Nation with distinction, performing admirably across a broad spectrum of operations. In particular, our service members have honed their skills to a fine edge after more than a decade of effectively conducting counterterrorism and counterinsurgency operations.

As we evaluate our strategy for the future, we must protect the progress that we have made by addressing the undeniable stresses and strains on our service members and their families, as well as the tremendous toll on our battle-worn equipment, resulting from more than a decade of sustained global operations. This is particularly true for the Air Force, which has been in sustained combat operations for more than two decades, dating back to Operation DESERT STORM.

We also must recognize and prepare for the ongoing evolution of a highly dynamic, increasingly complex geostrategic environment in which the proliferation of technology is allowing more and more actors to exert influence and effect desired outcomes. In order to attain a full-spectrum portfolio of capabilities that is prepared to address wide-ranging security threats, we must internalize the hard-fought, hard-learned lessons of the past decade of operations against primarily terrorist and insurgent elements, as we judiciously prepare for the possibility of future higher-end contingencies involving potential near-peer actors.

Because our Nation's debt crisis has a direct bearing on our national security, the U.S. military will also tighten its fiscal belt, and be a part of the solution to find our way back to a vibrant national economy. To this end, the Department of Defense began by identifying more than $100 billion in efficiencies, shifting the savings from overhead to operational and modernization requirements. In the Air Force alone, nearly $33 billion were reallocated to support required capabilities more directly. Moreover, we found an additional $10 billion in savings to contribute to deficit reduction as we completed work on the 2012 budget. The Air Force continues to review all areas of the budget—including force structure, operations and investment, and personnel—for further savings.

But to sustain the military's ability to protect the Nation against wide-ranging threats in a very dynamic strategic and fiscal environment, we will have to make extremely difficult decisions—for example, reducing investment in many areas, but also enhancing capabilities in others in order to compensate. These choices must be based on strategic considerations, not compelled solely by budget targets. A non-strategy-based approach that proposes cuts without

correlation to national security priorities or core defense capabilities will lead to a hollowed-out force, similar to those that followed every major conflict since World War I—a U.S. military with aging equipment, extremely stressed human resources, less-than-adequate training, and ultimately, declining readiness and effectiveness. We must avoid repeating this scenario by steering clear of ill-conceived, across-the-board cuts, which do not allow us to deliberately accept risks, to devise strategies to mitigate those risks, and to maintain a capable, if smaller, effective force. Instead, sweeping cuts of the sort in the Budget Control Act's sequester provision would slash our investment accounts; raid our operations and maintenance accounts, forcing the curtailment of important daily operations and sustainment efforts; and inflict real damage to the effectiveness and well-being of our Airmen and their families. Ultimately, such a scenario gravely undermines our ability to protect the Nation.

But beyond the manner in which potential budget cuts are executed, even the most thoroughly-deliberated strategy may not be able to overcome dire consequences if cuts go far beyond the $450 billion–plus in anticipated national security budget reductions over the next 10 years. This is true whether the cuts are directed by sequestration or by Joint Select Committee proposal, and whether they are deliberately targeted or across-the-board. From the ongoing budget review, the Department is confident that further spending reductions beyond the more than $450 billion that are needed to comply with the Budget Control Act's first round of cuts cannot be done without damaging our core military capabilities and therefore our national security.

From the perspective of the Air Force, whose "real" total obligation authority is already only 20 percent of the Department of Defense top-line—the lowest of any military service since World War II—further cuts will amount to:

- further reductions to our end strength, both civilian and military, despite the fact that the Air Force already is substantially smaller than it was ten years ago;
- continued aging and reductions in the Air Force's fleet of fighters, strategic bombers, airlifters, and tankers, as well as to associated bases and infrastructure;
- adverse effects on training and readiness, which has seen a decline since 2003; and
- diminished capacity to execute concurrent missions across the spectrum of operations and over vast distances on the globe.

A smaller Air Force, as a result of anticipated budget cuts, still will remain an unmatched, superbly capable force, but as a matter of simple physical limitations, it will be able to

accomplish fewer tasks in fewer places in any given period of time. Therefore, while the Nation has become accustomed to effective execution of wide-ranging operations in rapid succession or even simultaneously—for example, the Air Force's concurrent response to crisis situations in Japan and Libya, which ranged more than 5,500 miles in distance and the operational spectrum from humanitarian relief to combat airpower, all the while maintaining operations in Afghanistan and Iraq—it will have to accept reduced coverage in future similar, concurrent scenarios if further large cuts to the national security budget are allowed to take effect. Also, our Airmen and their families, throughout the Total Force, would face intensified deployment schedules, and our equipment would become aged and worn more quickly, because fewer resources would be available to commit to the Nation's emerging needs.

As part of our strategy to mitigate the effects of decreased capacity, we will continue to strengthen our international partnerships, especially where common interests and shared security responsibilities are involved. More importantly, we will continue to promote efforts toward advancing Joint interdependence, as the Chairman of the Joint Chiefs of Staff testified before this committee last week. This will require each military service "to maintain and be the masters of their core competencies and their unique service cultures, but…[to] operate as a single cohesive team." To meet the Chairman's intent, the Air Force will continue to make vital contributions to the Joint team's portfolio, integrating airpower's four unique, enduring qualities: (1) domain control; (2) intelligence, surveillance, and reconnaissance; (3) air mobility; and (4) global strike. These four core contributions—plus our unparalleled ability to command and control air, space, and cyber systems—will sustain the Joint team's advantage, and inform our analysis as we prioritize our efforts in each of the most critical dimensions: materiel, personnel, training, and readiness.

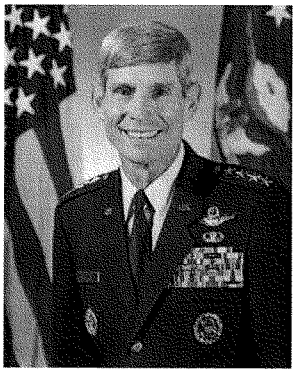
Reducing any of these core contributions, in addition to potential diminished capacities as discussed earlier, will fundamentally alter the complexion of your Air Force. We therefore are focused on sustaining and strengthening these core functions. Moreover, specific systems such as the F-35A, the centerpiece of our future tactical air combat capability; KC-46A, the backbone of our worldwide power projection capability and thus our Nation's global expeditionary posture; and the Long-Range Strike "family of systems," all represent substantial elements of our overall suite of capabilities and thus must all be pursued through disciplined—and certainly efficient—modernization efforts. Even though we are responsibly drawing down in Afghanistan

and Iraq, we know that historically, as U.S. forces withdraw from active combat, the relative requirement for airpower typically increases. By focusing on our core contributions, we are preserving the character of your Air Force—ready to continue responding effectively to the Nation's airpower and global power projection needs.

In short, Airmen remain fully committed to executing current missions effectively while building a future force according to operational risk, capability and capacity requirements, personnel and materiel needs, and prudent, if frugal, strategies for investment in modernization, recapitalization, and readiness. We do not have to forsake national security to achieve fiscal stability. If we undertake a strategy-based approach to necessary budget cuts, and keep those cuts to a reasonable level, we can assure our full-spectrum preparedness in providing our unique capabilities, affording a wider range of options for rapid, tailorable, and flexible power projection—*Global Vigilance, Reach, and Power*—on which our Nation's security and strategic interests rely.

General Norton A. Schwartz

Chief of Staff of the U.S. Air Force



Gen. Norton A. Schwartz is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 680,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Schwartz graduated from the U.S. Air Force Academy in 1973. He is an alumnus of the National War College, a member of the Council on Foreign Relations, and a 1994 Fellow of Massachusetts Institute of Technology's Seminar XXI. He has served as Commander of the Special Operations Command-Pacific, as well as Alaskan Command, Alaskan North American Aerospace Defense Command Region, and the 11th Air Force. Prior to assuming his current position, General Schwartz was Commander, U.S. Transportation Command and served as the single manager for global air, land and sea transportation for the Department of Defense.

General Schwartz is a command pilot with more than 4,400 flying hours in a variety of aircraft. He participated as a crewmember in the 1975 airlift evacuation of Saigon, and in 1991 served as Chief of Staff of the Joint Special Operations Task Force for Northern Iraq in operations Desert Shield and Desert Storm. In 1997, he led the Joint Task Force that prepared for the noncombatant evacuation of U.S. citizens in Cambodia.

EDUCATION

1973 Bachelor's degree in political science and international affairs, U.S. Air Force Academy, Colorado Springs, Colo.
1977 Squadron Officer School, Maxwell AFB, Ala.
1983 Master's degree in business administration, Central Michigan University, Mount Pleasant
1984 Armed Forces Staff College, Norfolk, Va.
1989 National War College, Fort Lesley J. McNair, Washington, D.C.
1994 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge

ASSIGNMENTS

1. August 1973 - September 1974, student, undergraduate pilot training, Laughlin AFB, Texas
2. October 1974 - January 1975, student, C-130 initial qualification training, Little Rock AFB, Ark.
3. February 1975 - October 1977, C-130E aircraft commander, 776th and 21st tactical airlift squadrons, Clark Air Base, Philippines
4. October 1977 - December 1977, student, Squadron Officer School, Maxwell AFB, Ala.
5. December 1977 - October 1979, C-130E/H flight examiner, 61st Tactical Airlift Squadron, Little Rock AFB, Ark.
6. October 1979 - November 1980, intern, Air Staff Training Program, Office of the Deputy Chief of Staff for Plans, Operations and Readiness, Headquarters U.S. Air Force, Washington, D.C.
7. November 1980 - July 1983, MC-130E flight examiner, 8th Special Operations Squadron, Hurlburt

Field, Fla.
8. July 1983 - January 1984, student, Armed Forces Staff College, Norfolk, Va.
9. January 1984 - April 1986, action officer, Directorate of Plans, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
10. May 1986 - June 1988, Commander, 36th Tactical Airlift Squadron, McChord AFB, Wash.
11. August 1988 - June 1989, student, National War College, Fort Lesley J. McNair, Washington, D.C.
12. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe, Patch Barracks, Stuttgart-Vaihingen, Germany
13. August 1991 - May 1993, Deputy Commander for Operations and Commander, 1st Special Operations Group, Hurlburt Field, Fla.
14. May 1993 - May 1995, Deputy Director of Operations, later, Deputy Director of Forces, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
15. June 1995 - May 1997, Commander, 16th Special Operations Wing, Hurlburt Field, Fla.
16. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii
17. October 1998 - January 2000, Director of Strategic Planning, Deputy Chief of Staff for Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
18. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla.
19. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska
20. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C.
21. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C.
22. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill.
23. August 2008 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS
1. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe, Patch Barracks, Stuttgart-Vaihingen, Germany, as a colonel
2. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii, as a brigadier general
3. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla., as a lieutenant general
4. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska, as a lieutenant general
5. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C., as a lieutenant general
6. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C., as a lieutenant general
7. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill., as a general

FLIGHT INFORMATION
Rating: Command pilot
Flight hours: More than 4,400
Aircraft flown: C-130E/H, MC-130E/H/P, HC-130, AC-130H/U, YMC-130, MH-53 and MH-60

MAJOR AWARDS AND DECORATIONS
Defense Distinguished Service Medal with two oak leaf clusters
Distinguished Service Medal
Defense Superior Service Medal with oak leaf cluster
Legion of Merit with two oak leaf clusters
Defense Meritorious Service Medal
Meritorious Service Medal with two oak leaf clusters
Air Force Commendation Medal with oak leaf cluster
Army Commendation Medal

EFFECTIVE DATES OF PROMOTION
Second Lieutenant June 6, 1973
First Lieutenant June 6, 1975
Captain June 6, 1977
Major Nov. 1, 1982
Lieutenant Colonel March 1, 1985
Colonel Feb. 1, 1991
Brigadier General Jan. 1, 1996
Major General March 4, 1999
Lieutenant General Jan. 18, 2000
General Oct. 1, 2005

(Current as of August 2009)

Not public until released by the
House Armed Services Committee

STATEMENT OF

GENERAL JAMES F. AMOS

COMMANDANT OF THE MARINE CORPS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

ON

THE FUTURE OF THE MILITARY SERVICES AND THE CONSEQUENCES OF SEQUESTRATION

2 NOVEMBER 2011

Not public until released by the
House Armed Services Committee

In an increasingly dangerous and uncertain world, the Marine Corps continues to provide capabilities our Nation needs to retain its status as the only credible remaining super power. As we face inevitable difficult resource decisions, we must also consider how we can best mitigate the inherent risk of a reduced defense capacity. Like an affordable insurance policy, the Marine Corps and the Navy's amphibious forces represent a very efficient and effective hedge against the Nation's most likely risks.

1. The current fight. We will continue to provide the best trained and equipped Marine units to Afghanistan. This will not change. This will remain the top priority for as long as we have Marines in harm's way. We have made great progress in Afghanistan; our fellow citizens expect no less of us for the duration of the war. We remain committed to achieving success. We will ensure that we draw down in Afghanistan in a way that responsibly transfers authority to our Afghan partners, and maintains pressure on the enemy. Our forward-deployed Marines have all that they need with regard to training, equipment, and leadership to accomplish the mission. The cost of ensuring that they have all that they need has been felt by those units back at home station. This fact impacts our ability to deal with another large scale contingency.

2. Future Security Environment. Our Nation and world face an uncertain future; we cannot predict where and when events may occur that might require us to respond on short notice to protect our citizens and our interests. In the past, there have always been times when events have compelled the United States to become involved, even when such involvement wasn't desired; there is no doubt that we will have do this again as we face an uncertain future. As we look ahead, we see a world of increasing instability and conflict, characterized by poverty, competition for resources, urbanization, overpopulation and extremism. Failed states, or those that cannot adequately govern their own territory can become safe havens for terrorist, insurgent and criminal groups that threaten the U.S. and our allies.

Already pressurized by a lack of education and job opportunities, the marked increase of young men in underdeveloped countries are swelling the ranks of disaffected groups, providing a more pronounced distinction between the "haves" and "have-nots." Over the last year we watched as the momentum of the Arab Spring toppled long-established governments, and re-shaped the political and military dynamics of an already troubled region.

Increasing competition for scarce natural resources like fossil fuels, food and clean water continue to lead to tension, crisis and conflict. The rise of new powers and shifting geopolitical relationships will create greater potential for competition and friction. The rapid proliferation of new technologies, cyber warfare and advanced precision weaponry will amplify the risks, thus empowering state and non-state actors as never before. These trends will exert a significant influence on the future security environment and, in turn, the ever-changing character of warfare. In the words of one of our former general officers, "two parallel worlds exist on this planet- a stable progressively growing, developing world and an unstable, disintegrating chaotic world. The two worlds are colliding." This is the world in which your Marine Corps must

operate. If we are to do our part to forestall future wars and conflicts we must remain engaged and involved.

3. Crisis response. Like it or not, America must maintain the ability to respond to crises- especially in unexpected places at unexpected times. History has shown that crises usually come with little or no warning, and often in conditions of uncertainty, complexity, and chaos. A full understanding of what is occurring, and what the best response should be, takes time. There remains an imperative for a force that can respond to crisis situations immediately and create options and decision space for our Nation's leaders. An on-scene force that can respond immediately reduces the risk that a situation will spin out of control as our nation's leaders attempt to determine a way ahead. America's ability to respond in the manner required is increasingly complicated by the fact that since the 1990s our nation has significantly reduced the number and size of our bases and stations around the world.

Crisis response must sometimes be measured in hours, if not minutes. When Marine forces rescued the downed Air Force F-15 pilot in Libya earlier this year, they did so from amphibious shipping in the Mediterranean, arriving and completing the rescue within 90 minutes of notification. Imagine how the dynamic in Libya might have changed if Quadafi had captured a US air crew. Within 20 hours of notification forward deployed Marine forces arrived in tsunami-devastated Japan and began to conduct search and rescue and humanitarian assistance and disaster relief missions- at times within the radioactive plume. Crisis response can't be done from the United States. It takes too much time to get there. Even if adequate infrastructure is available near the crisis site to support deployment of a crisis response force by air, maintaining and sustaining such a force by air is extraordinarily difficult.

It is imperative that our Nation retain a credible means of mitigating risk while we draw down both the capabilities and capacities of our forces. This is best done by forward deployed and positioned forces, trained to a high state of readiness, and on the scene. The Marine Corps was specifically directed by the 82nd Congress as the force intended to be "the most ready when the Nation is least ready." This expectation exists because of the costly lessons our nation learned during the Korean War when a lack of preparedness in the beginning stages of the conflict very nearly resulted in defeat. Because our Nation cannot afford to hold the entire joint force at such a high state of readiness, it has chosen to keep the Marines ready, and has often used them to plug the gaps during international crises, to respond when no other options were available.

4. Forward presence. Although the world is continuing to change and budgets continue to fluctuate, America's requirement to maintain a forward based force-in-readiness remains. Physical presence matters. It shows our economic and our military commitment to a particular region. It deters potential adversaries. It assures our friends. It permits response in a timely manner to crises.

Our nation has already significantly reduced the number and size of our force presence, our bases and stations around the world. U.S. Forces based in the continental

United States are challenged to respond quickly due to the tyranny of distance. The national blessing of being located between two great oceans bears the expense of having to traverse those oceans in order to respond to crisis in other parts of the world. If we are to maintain our status as a global power, we have a responsibility to respond to crises quickly.

Speed enables swift and certain projection of power and influence. When we respond from a forward posture, our response time is almost immediate—often before an adversary can position its forces optimally, or accomplish his objectives. Only when we are positioned forward can we provide the backing to diplomatic efforts that give our nation's leaders time to develop options and build coalitions. Often, U.S. citizens in other lands are put at risk if we are slow to respond or to evacuate them.

Maintaining a presence-helps provide stability to areas of strategic importance. We can build partner capacity through direct contact; increase our own awareness of dynamic developments and potential response options; control key objectives like ports, airfields, and chokepoints to ensure their safe and continued use should they become threatened; demonstrate resolve; assure our allies and partners; and provide relief and assistance quickly in the case of natural or man-made disasters.

Your Marine Corps remains forward deployed- particularly in the critical Pacific region. It is widely acknowledged that the Pacific is the future of our country from both an economic and a military perspective. We also recognize that for many years to come we will have security challenges in the Central Command area of operations. But even as we agree on the importance of these two critical regions, we can't ignore the rest of the world. History has shown that crises, conflicts, and challenges never occur where we want them to. . . we're not very good at predicting the future. Right now, Marines are engaged in multiple regions around the world such as Eastern Europe, Latin and South America, Africa and the Pacific Rim, conducting theater security cooperation activities and building partner capacity with our allies and partners. The goal of our engagement activities is to minimize the conditions for conflict and enable host nation forces to effectively address instability as it occurs. Engagement activities also provide our Nation with a stance for crisis response and quick footing for action when the need arises. As we look ahead to times of reduced manning and restricted access to overseas basing, Marines must be forward deployed and engaged on a day-to-day basis, working closely with our joint and allied partners. When crises arise, these same Marines will respond — locally, regionally or globally — to accomplish whatever mission our Nation asks of us.

5. Our maritime role and amphibious and expeditionary operations. As we consider the future, we do so with the sure knowledge that America is first and foremost a maritime nation. Like so much of the world, we rely on the maritime commons for the exchange of commerce and ideas. The sea dominates the surface of our globe (70% of earth's surface). 95% of the world's commerce travels by ship. 49% of the world's oil travels through six major choke points; on any given day 23,000 ships are underway around the world.

Many depend on us to maintain freedom of movement on those commons; we continue to take that responsibility seriously. The world's littoral regions—where the land and sea (and air) meet—are equally critical when securing freedom of movement. The littorals are where seaborne trade originates and enters its markets. The littorals include straits, most of the world's population centers, and the areas of maximum growth.

The Navy and Marine Corps team remain the solution set to fulfilling our global maritime responsibilities in these critical areas. Naval forces are not reliant on host nation support or permission; in the conduct of operations, they step lightly on our allies and host countries. With the increasing concentration of the world's population in littoral areas, the ability to operate simultaneously on the sea, ashore, in the air, and to move seamlessly between these three domains is critical. The Marine Corps' requirement to deploy and respond globally, engage regionally, and train locally necessitates that we leverage every form of strategic mobility- a combination of amphibious ships, high speed vessels, maritime preposition shipping, organic tactical aviation and strategic airlift.

Amphibious forces, a combination of Marine air ground task forces and Navy amphibious ships, remain a uniquely critical and capable component of both crisis response and meeting our maritime responsibilities. Operating as a team, amphibious forces provide operational reach and agility, they "buy time" and decision space for our national leaders in time of crisis. They bolster diplomatic initiatives by means of their credible forward presence. Amphibious forces also provide the Nation with assured access for the joint force in a major contingency operation. That same force can quickly be reinforced to assure access anywhere in the world in the event of a major contingency; it can be dialed up or down like a rheostat to be relevant across the range of military operations. *No other force possesses the flexibility to provide these capabilities and yet sustain itself logistically for significant periods of time, at a time and place of its choosing.* There is a reason why every Combatant Commander wants the presence of forward deployed amphibious forces on a routine basis, and each of them ask for that. They know that such forces mitigate risk, and give them the capability to deal with the unknown.

The inherent usefulness, capability, and flexibility of amphibious forces is not widely understood, as evidenced by the frequent, and incorrect, assumption that forcible entry capabilities alone define the requirement for amphibious forces. The same capabilities that allow an amphibious task force to deliver and support a landing force on a hostile shore enable it to support forward engagement and crisis response. *In fact, the most frequent employment of amphibious forces is for engagement and crisis response.* The geographic Combatant Commanders have increased their demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence and crisis response. In an era of declining access, this trend will likely markedly increase. Over the past year, amphibious forces have conducted humanitarian assistance and disaster relief efforts in Pakistan, they have supported combat operations in Afghanistan with ground forces and fixed wing aviation, they have responded to the piracy crisis on M.V. Magellan Star, they have supported operations in Libya, and assisted our allies in the Philippines and Japan. Modern amphibious assaults, when necessary, seek to avoid enemy strengths by exploiting gaps and weaknesses. An

example is the TF-58 assault that seized key terrain south of Kandahar 450 miles inland in 2001 shortly after the 9/11 attacks.

The Marine Corps defines itself as an "expeditionary" force. "Expeditionary" means that we're capable of operating in austere environments. When we deploy we bring the water, the fuel, the supplies that our Marines and sailors need to accomplish the mission. "Expeditionary" is not a bumper sticker to us, or a concept, it is a state of conditioning that Marines work hard to maintain.

6. Right-sizing in the face of new fiscal realities. The Marine Corps is fully aware of the fiscal challenges facing our Nation, and stands ready to further critically examine and streamline its force needs for the future. *We continually strive to be good stewards of the public trust by maintaining the very best financial management practices.* The Marine Corps remains the first and only military service whose financial statements have been deemed audit-ready. We are proud of our reputation for frugality, and we remain one of the best values for the defense dollar. During these times of constrained resources, we remain committed to refining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. When the Nation pays the 'sticker price' for its Marines, it buys the ability to remain forward deployed and forward engaged, to assure our partners, reinforce alliances, and build partner capacity. For 7.8% of the total DoD budget, our Nation gains the ability to respond to unexpected crises, from humanitarian disaster relief efforts, to non-combatant evacuation operations, to conduct counter-piracy operations, or full scale combat.

As Congress, and this Committee, work hard to account for every dollar, the Marine Corps is working to make sure that every dollar is well spent. In the end we know we're going to have to make cuts. As we provide our input we need to address three critical considerations -- strategy, balance, and keeping faith.

In an effort to ensure the Marine Corps was best organized for a challenging and dangerous future security environment, last fall we conducted a comprehensive and detailed force structure review to identify all dimensions of rebalance and posture for the future. The results of this effort have been shared with this Committee in the past. This effort incorporated the lessons learned from ten years of combat. We affirm the results of that strategy-driven initial effort, but we have also begun to readjust certain parameters of it based on the realities of spending cuts outlined in the Budget Control Act of 2011.

When we went through the force structure review effort, we built a force that can respond to only one major contingency at a time. It has been opined that one effect of sequestration might be to put a Marine Corps below the end strength level that's necessary to support even one major contingency. At the potential end strength level resulting from the sequestration, we're going to have to make some tough decisions and assume significantly more risk. We will not be able to do the things the Nation needs us to do to mitigate risk, or to meet the requirements of the Combatant Commanders. We won't be there to reassure our potential friends, or to assure our allies. And we certainly won't be there to contain small crises before they become major conflagrations. A

Marine Corps end strength level that could result from the sequestration presents significant risk institutionally and for the Nation. Responsiveness to Combatant Commander requirements such as contingencies and crisis response will be significantly degraded.

With regard to strategy, the Marine Corps is participating in the ongoing rewrite of national security strategy. Once this effort is concluded, we'll evaluate the resources available against the mission, then build the most capable force possible. We'll use what we learned during the force structure review effort as our point of departure, and make recommendations on how to best reshape the Marine Corps.

We cannot make cuts in a manner that would "hollow" the force. We have learned this lesson before during previous draw downs. The term "hollow force" refers primarily to the lack of readiness of U.S. forces to accomplish their missions. Readiness is the aggregate of the investment in personnel, training, and equipment to ensure that units that are prepared to perform missions at any given time. The Services have varying approaches to readiness. In order to manage investment and O&M costs, some Services judiciously reduce the readiness status of selected units during interim periods between scheduled deployments. This concept is referred to as "tiered readiness." In this concept, resources are limited and non-deployed units pay the costs to ensure that deployed and next-to-deploy units have sufficient personnel, equipment, and training. Over time, non-deploying, or rarely-deploying units, may be held at reduced readiness levels for indeterminate periods of time. Given our mission to be America's Expeditionary Force in Readiness, a tiered readiness concept is not compatible with the Marine Corps' missions because its non-deployed units are often called upon to respond to unanticipated and varied crises on a moment's notice.

The Marine Corps strives to maintain a high state of unit readiness and logistical self-sustainment capability. Even when not deployed, Marine units maintain higher levels of readiness, so they can deploy on short notice. This readiness posture allows the Corps to:

- maintain most of its operating force ready to respond quickly to crises and contingencies
- cycle battalions, squadrons and other units through rotations rapidly
- routinely build and deploy coherent, effective task forces without extensive work-ups
- maintain significant amounts of equipment in theater vice rotating most of it with each unit, thus reducing the costs of doing our Nation's bidding.

Organic logistics capabilities are vital to this practice. Too often, service logistics units fall prey to cuts that forfeit their ability to respond to crises. Naval forces—in particular, amphibious ships—are also essential to readiness. We must continue to invest in this highly utilized capability.

Finally, lower budget levels, end strength, and investment accounts will significantly affect contingency plans over time. Many of these plans depend on concurrent and/or sequential operations. Less capacity removes the capability for such operations. Operational plans, will necessarily be adjusted to accommodate the longer

timelines required to achieve desired objectives. Longer time to accomplish objectives in war can easily translate into increased loss of personnel and materiel, and ultimately places mission accomplishment at risk.

My promise to this Committee is that at the end of the day, we will build "the best Marine Corps" that our Nation is willing to afford. I intend to "keep faith" with our people. This term has deep meaning to the leadership of the Marine Corps. We expect much from those we recruit, and we remind them constantly of their obligations of honorable and faithful service. In return we must be faithful to the obligations we make to those who serve honorably. We must not break the chain of trust that exists. Precipitous personnel reductions are among the worst measures that can be employed to save money. Our all-volunteer system is built upon a reasonable opportunity for retention and advancement; wholesale cuts undermine the faith and confidence in service leadership and create long-term experience deficits with negative operational impacts. Such an approach cannot be quickly recovered from.

7. Redundancy. In the interest of austerity, there are many who try to argue that the Marines provide capabilities that are redundant when compared with other Services. This is not the case. "Redundant" means that no replacement is required if something is discarded. This is not true of the Marine Corps capabilities sets or of the way we have adapted to the future security environment and modern warfare. If the Nation lost its amphibious capability, it would have to pay for another Service to provide it. In short order the Nation would require a sustainable air-ground force able to operate from the sea- to respond to crisis's and contingencies. A force that comes from the sea requires specialized equipment and training. No savings would be gained because there is no redundancy. The nation would have to pay- and likely pay a higher price-to gain back what had been given away.

In any future defense strategy, the Marine Corps will fill a unique lane in the capability range of America's armed forces. A *Middleweight* Force, we are lighter than the Army, and heavier than SOF. The Corps is not a second land army. The Army is purpose-built for land campaigns and carries a heavier punch when it arrives, whereas the Marine Corps is an expeditionary force focused on coming from the sea with integrated aviation and logistics capabilities. The Marine Corps maintains the ability to contribute to land campaigns by leveraging or rapidly aggregating its capabilities and capacities. Similarly, Marine Corps and SOF roles are complementary, rather than redundant. Special Operation Forces contribute to the counter-insurgency and counter-terrorism efforts of the Combatant Commanders in numerous and specialized ways, but they are not a substitute for conventional forces with a broader range of capability and sustainability.

Marine air is similarly not redundant. The US Air Force cannot come from the sea; nor are most of its aircraft suitable for expeditionary missions. The Navy currently does not invest in sufficient capability to operate their aircraft ashore once deployed—a requirement that has risen often in the past in support of both naval and land campaigns. If Navy aviation were to buy the capability to deploy effectively to austere ashore bases

from their ships, they would find it would cost as much, or more, than it costs them currently to do so on behalf of the Marine Corps.

8. Reset and modernization. Reset is distinguishable from modernization. There will be a cost when the Marine Corps comes out of Afghanistan. It is necessary to reset the force by addressing equipment shortfalls, and to refresh equipment worn out or degraded by years of combat. We currently estimate that bill to be about $3 billion. A few years ago that bill was in excess of $15 billion. With the help of Congress we have been able to reset the force for some years now, even as we continued to support operations both in Iraq, and Afghanistan. As we look to the future, we must address our deficiencies and replace the equipment that is worn out from operations in Afghanistan. Secondly, we must continue to modernize to keep pace with the evolving world.

The Marine Corps is currently undertaking several initiatives to modernize the Total Force. The programmatic priority for our ground forces is the seamless transition of Marines from the sea to conduct sustained operations ashore whether for training, humanitarian assistance, or for combat. Our ground combat and tactical vehicle strategy is focused on the right mix of assets, balancing performance, payload, survivability, fuel efficiency, transportability and cost. In particular, the Amphibious Combat Vehicle is important to our ability to conduct surface littoral maneuver and seamlessly project Marine units from sea to land in permissive, uncertain and hostile environments. We remain firmly partnered with the U.S. Army in fielding a Joint Light Tactical Vehicle that lives up to its name while also being affordable.

Marine Corps Aviation, which is on the cusp of its centennial of service to our Nation, continues its modernization that began over a decade ago. The continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where there often are few airfields available for conventional aircraft. It is also specifically designed to operate from amphibious ships — a capability that no other tactical aircraft possesses. The ability to employ a fifth-generation aircraft from amphibious shipping doubles the number of "carrier" platforms from which the United States can employ fixed wing aviation. Once fully fielded, the F-35B replaces three legacy aircraft — F/A-18, EA-6B and AV-8B — saving the DoD approximately $1 billion per year in operations and maintenance costs.

This program has been performing notably since January with more than 260 vertical landings completed and 98% of its key performance parameters met. It is ahead of schedule in most areas. The F-35B also recently completed a highly successful three-week, sea trial period aboard the amphibious assault warship USS Wasp (LHD-1). DoD has already purchased 32 of these aircraft. Delivery is on track, and we look forward to receiving them at Marine Corps Air Station Yuma just ten months from now.

The MV-22B Osprey continues to be a success story for the Marine Corps and the Joint Force. To date, this revolutionary tilt-rotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces the maneuver advantage

and operational reach unmatched by any other tactical aircraft. Over the past four years since achieving Initial Operational Capability, the MV-22B has flown more than 18,000 hours in combat, carried more than 129,000 personnel, and 5.7 million pounds of cargo. The MV-22B has made multiple deployments to Iraq, four with MEUs at sea, and it is currently on its fourth deployment to Afghanistan. The unprecedented operational reach of an MV-22B, embarked aboard amphibious shipping in the Mediterranean, was the sole reason for the rescue of a downed American aviator in Libya. Our squadron fielding plan is well under way as we continue to replace our 44 year old, Vietnam-era CH-46 helicopters. We must procure all required quantities of the MV-22B in accordance with the program of record. Calls by some to reduce MV-22B procurement as a DoD cost savings measure are puzzling. Their arguments are ill-informed and rooted in anachronisms when measured against the proven record of performance and safety this force multiplier brings to today's battlefields in support of Marines and the Joint Force.

9. Conclusions. The American people continue to believe that when a crisis emerges Marines will be present and "invariably turn in a performance that is dramatically and decisively successful - not most of the time, but always." They possess a heart-felt belief that the Marine Corps is good for the young men and women of our country. In their view, the Marines are extraordinarily adept at converting "un-oriented youths into proud, self-reliant stable citizens - citizens into whose hands the nation's affairs may be safely entrusted." An investment in the Marine Corps continues to be an investment in the character of the young people of our country.

The Marine Corps will only ask for what it needs, not what it wants. As Congress and DoD move forward with tough decisions on the future of our Armed Forces relative to the Budget Control Act of 2011, the crisis response capabilities the Marine Corps affords our Nation must serve as the compass in determining its ultimate end strength, equipping and training needs. Through it all, the Marine Corps will make the hard decisions and redouble its commitment to its traditional culture of frugality.

The Marine Corps has evolved over many years, many conflicts, and at a significant price in terms of both blood and treasure; we have served the Nation well time and time again. For a comparably small investment, the Marine Corps continues to provide the protection our Nation needs in an increasingly dangerous and uncertain world, and to preserve our Nation's ability to do what we must as the world's only credible remaining super power.

General James F. Amos

Commandant of the U.S. Marine Corps

On October 22, 2010 General James F. Amos assumed the duties of Commandant of the Marine Corps. General Amos was born in Wendell, Idaho and is a graduate of the University of Idaho. A Marine Aviator, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General.

General Amos' command tours have included: Marine Wing Support Squadron 173 from 1985-1986; Marine Fighter Attack Squadron 312 – attached to Carrier Air Wing 8 onboard USS Theodore Roosevelt (CVN-71) – from 1991-1993; Marine Aircraft Group 31 from 1996-1998; 3rd Marine Aircraft Wing in combat during Operations IRAQI FREEDOM I and II from 2002-2004; II Marine Expeditionary Force from 2004-2006; and Commanding General, Marine Corps Combat Development Command and Deputy Commandant, Combat Development and Integration from 2006 to July 2008. Additional operational tours have included Marine Fighter Attack Squadrons 212, 235, 232, and 122.

General Amos' staff assignments have included 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. Additionally, he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples Italy where 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, Headquarters, Marine Corps. From 2008-2010 General Amos was assigned as the 31st Assistant Commandant of the Marine Corps.

General Amos' personal decorations include the Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with Gold Star, Bronze Star, Meritorious Service Medal, Joint Service Commendation Medal, and the Navy and Marine Corps Achievement Medal.

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

NOVEMBER 2, 2011

RESPONSES TO QUESTIONS SUBMITTED BY MR. BARTLETT

General ODIERNO. With the Army that remains in service, there will be significant challenges and risk of a "hollow force." While analysis is on-going, the Army anticipates being able to support the most important parts of U.S. Strategy.

Sequestration will apply additional pressure on the balance of the Force specifically as it affects people and structures; equipment and modernization; readiness and training. Additionally, as a result of sequestration, the Army expects an impact on its forward engagement presence, and any long duration stability and support operations. [See page 19.]

Admiral GREENERT. After sequestration, our Navy will be capable of some of the same missions the fleet conducts today. Over the past year, Navy aircraft carriers and their aircraft supported troops on the ground in Iraq and Afghanistan with electronic warfare, surveillance, close air support and strikes. Navy surface combatants, submarines and aircraft delivered strikes as part of Operation ODYSSEY DAWN in Libya. Several ships aided our close ally, Japan, after a Tsunami devastated Honshu Island. And Navy SEALs led a joint force to capture Osama Bin Laden and also rescued the M/V ALABAMA's crew. After sequestration, our Navy will continue to be able to perform these missions but will be smaller—and less globally available—than the Navy today. With less ships, response times to crises will be longer, non-deployed forces will be less ready and naval presence will disappear from some regions. The development of new capabilities will be slowed and the fleet may be unable to overcome improvements by our potential adversaries in their efforts to deny Joint operational access.

The budget reductions we are currently addressing as part of the 2011 Budget Control Act introduce additional risk in our ability to meet the future needs of combatant commanders, but we believe this risk is manageable if we introduce and comply with a revised strategy for global force distribution. If sequestration occurs, however, the Department of Defense and the Navy will have to rethink some fundamental aspects of what our military should do. We would have to develop a new national security strategy that accepts significant risk in our ability to meet our defense needs. It would have to take into account reductions or terminations in major weapons programs, potentially including the Joint Strike Fighter, next generation ballistic missile submarine, and the littoral combat ship. And the strategy would have to address reductions in our maintenance and training accounts that will severely limit the ability of our remaining forces to meet combatant commander operational plans and engage with key allies and partners around the world. [See page 19.]

General SCHWARTZ. Further reductions driven by the Budget Control Act would require an enterprise-wide review of all Air Force resources and guidance from national and defense leadership on where to accept strategic and operational risk. The estimated reductions that would result from the sequestration provision would potentially drive elimination of lower priority missions and capabilities—capabilities that we would no longer offer the Joint team.

Sequestration would not produce an immediate across the board reduction in readiness, but mid- to long-term effects would translate into higher operations tempo with a smaller and and decidedly less capable force. The Air Force will continue to assess the risks and balance available funds among our force structure, readiness, and modernization accounts to deliver trained, ready, and capable Airmen and airpower for the highest priority mission areas. [See page 19.]

General SCHWARTZ. The General Electric/Rolls Royce Fighter Engine Team has offered to self-fund F136 development in FY12 with $100 million of their own funds. The Department estimates that $480 million is required in FY12 and a total of $2.9 billion to complete the development of the F136 engine. Therefore, $100 million is inadequate to carry out a meaningful development effort in FY12. In addition, the Government would likely incur additional cost if it has to provide F136 Government-owned property to support the self-funded effort. Given the current budget environment and pressure to reduce future defense spending, the Department supports the continued development of a single engine provider for the F–35.

Note: Since the time of the hearing, the contractor has stated that they will no longer pursue a self-funding plan. [See page 20.]

General AMOS. The Marine Corps does not know the precise impact sequestration would have on its readiness and capability; however, if the Supercommittee defaults, the large triggered defense cut will have serious repercussions. Uniform cuts of this magnitude could result in significant cuts to manpower, equipment, modernization programs, and training across the Service, leading to what is known as a "hollow force", one whose unit structure is preserved but is under-resourced to the extent of jeopardizing mission accomplishment. Sequestration also may lead to reductions in end strength that constrain the Marine Corps' ability to execute a major contingency with rotational forces over a prolonged period. It also would break faith with the "All Volunteer" force and their families who have sacrificed so much over the past ten years of constant combat operations. With sequestration, significant numbers of Marines responding to a major contingency, as in Iraq or Afghanistan, would likely remain deployed for longer periods with minimal time between deployments to rest, refit, and retrain. In turn, this scenario would result in unfavorable dwell time ratios, leading to increased levels of stress on Marines and their families. Also, if committed to a major contingency, the Marine Corps risks being severely limited in its ability to meet emerging requirements elsewhere in the world.

Cuts to ground and aviation modernization programs already jeopardize future readiness. Today the Marine Corps is challenged to replace aging platforms that have reached the end of their service lives or which have suffered accelerated wear reducing service life, which will result in the loss of critical warfighting capabilities. All this puts the Nation at risk of creating a force unable to keep pace with adversaries. To avoid "hollowness", the Marine Corps must achieve institutional readiness, which is a balance of:

- Recruiting/retaining high quality people, including appropriate compensation to recruit/retain a high quality force;
- Current readiness of the operating forces, including appropriate operations and maintenance funding to train to core missions and maintain equipment;
- Force sizing to meet combatant commander requirements with the right mix of capacity and capability; sufficient structure and personnel/manning levels to achieve required capacity;
- Real property and maintenance/infrastructure investment; and
- Equipment modernization, both ground and aviation.

After ten years of constant combat operations, the Marine Corps is not at an optimum level of balance today and must reset the force coming out of Afghanistan. We must also address modernization requirements to achieve balanced institutional readiness. [See page 19.]

RESPONSES TO QUESTIONS SUBMITTED BY MS. SANCHEZ

General ODIERNO. To meet the Army's share of the $450B plus Department of Defense cut target, we will make significant, but manageable, reductions. Specifically, this will require reductions in the AC and RC end strength, directly reducing the number of Brigade Combat Teams (BCTs), as well as requiring further reductions in the Civilian workforce. Necessary cuts to Research, Development and Acquisition funding, Military Construction, and Operations and Maintenance will result in greater risk to training and readiness and our ability to RESET the Force after ten plus years of operations in Iraq and Afghanistan.

It is imperative that as we implement these adjustments, our Army's readiness and our commitment to the Force remain steadfast. Cuts must be carefully and deliberately determined as they relate to manpower, modernization, training, maintenance, infrastructure and Soldier and Family support.

More than anything, we must ensure that once these cuts are fully implemented, we can still provide a Force capable of meeting the current National Military Strategy with enough flexibility to provide the National Command Authority the greatest possible number of options for an uncertain future. [See page 22.]

Admiral GREENERT. The Department of Defense has planned for budget reductions of over $450 billion over the next ten years. These cuts are already difficult and require the Department of Defense to assume some risk in our national military strategy, but we believe those risks to be manageable. Further reductions are not advisable and will require us to accept more risk in the protection of our nation's security.

Due to the potential impact of the choices made to meet the current reductions, Navy cannot independently tell you what it would cut next. There are no obvious

programs or activities the Navy can offer to meet further cuts. Going forward, we will have to make reductions based on an evaluation of the level of budget cuts and the strategic priorities DOD establishes to defend the nation. These decisions would be adjudicated with the other Joint Chiefs and the Secretary of Defense to ensure the new combined military force meets our national security requirements with manageable risk. However, my priorities remain the same for the Navy and my intention would be to:

- Prioritize readiness to ensure the force we have is fully mission capable
- Ensure our Sailors, civilians and their families are properly supported
- Sustain relevant Navy-unique capabilities that support the Joint Mission
- Ensure a coherent balance of capability and capacity of the force, and consider the stability of the industrial base

[See page 22.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. HUNTER

Admiral GREENERT. Constrained budgets and advancing threats will challenge to our ability to build the future force. We will need to get the most capability and capacity for our money. To maximize our capacity, we will prioritize procurement of ships and aircraft on proven designs that employ mature, dependable technologies. Platforms just entering the fleet such as the F–35 and Littoral Combat Ship (LCS) will be continued and bought in quantity to drive down technology risk and per unit cost. To improve capability, we will increasingly focus our research and development on what the platform carries, such as sensors, weapons, unmanned systems, and network capabilities. These systems can be developed more rapidly and at less cost than platforms, but when married to our proven ships and aircraft, they can dramatically improve the platform's capability.

We have experience in this model. Aircraft carriers, amphibious ships, and the littoral combat ships are inherently reconfigurable, with sensor and weapon systems that can evolve over time for the expected mission. As we apply that same modular approach to each of our missions, the weapons, sensors, unmanned systems, and electronic warfare systems a platform deploys will increasingly become more important than the platform itself. By shifting to modular capability, the Navy will be able to deliver the latest technologies to the forward deployed Sailor quickly and affordably.

We must also pay attention to how we acquire and manage the costs of ships and aircraft. This remains one of the Navy's biggest challenges, but we are taking action to reduce our acquisition costs and incentivize our industry partners to remain on schedule and maximize our return on investment. We strengthened acquisition policy to improve program oversight, control cost growth, and more effectively monitor contractor performance. The Department has also refined its internal 2–Pass/6–Gate review process to ensure requirements are set early and balanced against cost, and that this balance is visible and managed throughout the acquisition process. Through this enhanced internal review, Navy leadership challenges all aspects of the program (warfighting requirements, program execution, design, and construction efforts) to drive down engineering and construction costs while still meeting the core military requirements for the given platform. [See page 41.]

General SCHWARTZ. In addition to following the acquisition improvements outlined in the Weapon Systems Acquisition Reform Act of 2009, the US Air Force has implemented an Acquisition Improvement Plan (AIP) and other related initiatives that will address some of the key causes behind the development cost growth questioned here. It is through the efforts associated with these multiple improvement initiatives that the Air Force is gaining better control of the development process, containing development budget fluctuations, and providing for a more consistent, open, cost effective acquisition process.

One of the major implementations of the Air Force AIP relates to our approach to defining system requirements and conducting development. Proposed system requirements will now undergo a more rigorous senior leader validation and certification process to ensure the initial requirements are sufficiently finite, testable, and can be evaluated in source selection. Key performance parameters will be held to a minimum to eliminate program volatility and an incremental development approach will be utilized where feasible to better manage technical, schedule, and cost risks. Our ultimate objective is to develop a militarily useful and supportable capability within five years and avoid the prolonged development activities. Another major initiative within Air Force AIP is better visibility into program budgets and an improved sense of budget discipline. We've worked extensively with the Office

of the Secretary of Defense and within our Air Force Corporate Structure to improve budgeting and provide more program manager and contractor accountability for our programs. The ultimate intent is to better understand our target costs and then stabilize and hold the budgets to those goals. Establishing credible and consistent program cost estimates is the first step in program funding stabilization and compliments our initiative for clearer and simpler requirements. In the 2012 President's Budget, we added 84 new cost estimator positions and laid the groundwork for more strenuous budget reviews. During FY13 Program Objective Memorandum (POM) discussions, we conducted an unprecedented number of cost estimates and budget baseline reviews to better inform our POM decision makers and determine where we needed to stabilize program funding based on the most credible cost estimate.

To continue the momentum of AIP, the SecAF recently approved a follow-on effort called Acquisition Continuous Process Improvement (CPI) 2.0. This effort will continue to implement the OSD (AT&L) Better Buying Power (BBP) initiatives in the Air Force and continue our momentum towards improving our acquisition workforce skills.

As part of the effort to recapture acquisition excellence, the Air Force is also implementing increased scrutiny in contractor performance and a new approach to space platform procurements. The contractor performance focus is on controlling contractor overhead rates and matching profit to risk and performance. The Air Force is working with DCMA to drive down contractor overhead rates and improve contractor cost accounting factors and award fee processes to get the most for each Air Force dollar. With regards to space platform procurements, the Air Force is pursuing block buys of space vehicles to stabilize production and invest in competitive, Government-directed, research and development. It's expected that this revamped space procurement approach will incrementally improve production performance and increase affordability. A foundational component of the block buy construct is to provide a stable amount of research, development, test and evaluation re-investments annually that will mitigate impacts of parts obsolescence, address critical industrial base concerns, and sustain long-term architectures. [See page 41.]

RESPONSE TO QUESTION SUBMITTED BY MR. HUNTER AND MR. JOHNSON

General ODIERNO. The Vice Chief of Staff of the Army intends to meet with Congressional members to respond in person. In brief for the record—Schedule: The Distributed Common Ground System-Army Major Automated Information System (MAIS) is required to achieve a full deployment decision by December 2012. Its Initial Operational Test and Evaluation (IOT&E) is scheduled this fiscal year. All is in accordance with acquisition rules and is on schedule. Savings: The Army began investing in the DCGS–A family of systems in order to modernize and enhance 9 legacy programs of record including signals intelligence, imagery intelligence, weather/targeting, and national intelligence capabilities. In 2006, an Acquisition Category III DCGS–A capability was approved to address urgent wartime requirements by enhancing the all-source analysis systems, as well as deploying quick reaction capabilities (QRC) requested by Warfighters. In order to leverage the nation's previous investments in these legacy and QRC intelligence capabilities, as well as the developmental program, the Army streamlined the DCGS–A acquisition strategy to combine the best of all these investments into a converged software baseline. This revised acquisition strategy brings enhanced capabilities to the field faster, accelerating fielding to the force by at least four years. An independent program cost estimate was conducted by the Deputy Assistant Secretary of the Army for Cost and Economics (DASA–CE) and a cost benefit analysis for using the software strategy estimates a cost avoidance of $3 billion within the program. Private sector alternatives: The DCGS–A program, which has adopted the Intelligence Community (IC) information technology way ahead, has invested in hardware, software and people from dozens of industry partners to implement commercial best practices and innovative software solutions. The Army consulted with Army users, IC members, and Service counterparts and concluded that no organization has committed to wholesale use of Palantir and no single industry partner can provide the enterprise solution that meets all of our Army Intelligence requirements. The transition to a software-centric model within a robust computing framework allows for entrepreneurial expansion from across the nation by creating jobs in smaller innovative, flexible companies while relying on our traditional industrial base for necessary platforms. [See page 42.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. GARAMENDI

General ODIERNO. Everything is on the table—to include, military and civilian force structure, readiness, and modernization. The magnitude of these cuts would be devastating. The indiscriminate nature of the reductions would not give the Army flexibility to provide a force that is ready to deal with unknown contingencies. However, we are bound by the Office of the Secretary of Defense and the Office of Management and Budget to wait for specific budget guidance before providing the impacts you request.

In general, such reductions would require the Army to consider force structure options below the already planned decreases; would drive shortfalls in our readiness accounts; would reverse efforts to improve our infrastructure; and would desynchronize our investment and modernization strategies.

We risk breaking faith with our Soldiers and their Families who have performed superbly over ten years of continuous conflict. Sustaining the all-volunteer force is absolutely essential for the Army's ability to support our Nation's defense. While recognizing the Nation's deficit challenges, it is imperative that any future reductions to Army's budget be based on comprehensive strategic analysis. We must ensure that we preclude hollowing the Army by maintaining balance in force structure, readiness, modernization efforts, and commitments to the all-volunteer force. The Army will take a comprehensive approach towards executing these potential cuts to ensure we do not create a hollow Army. [See page 28.]

Admiral GREENERT. Compared with the President's budget plan for FY 2012, the Department of Defense is already planning a combined reduction over the next ten years of more than $450 billion. This reduction is being developed in conjunction with a new defense strategy and both the strategy and the resulting budget are still being completed. These cuts are difficult to make and will require us to take some risks, but they are manageable. However, if sequestration is triggered it would require an additional $500 to 600 billion dollar reduction over the next ten years. The impact of these reductions would be devastating to the Navy.

Sequestration applies uniform percentage cuts to each "program, project, and activity"—this means that every weapons program, research project, and military construction project is cut by an equal percentage. DOD and DON leadership is not allowed to manage or prioritize these reductions causing our readiness and procurement accounts to face a reduction of about 18 percent, rising to approximately 25 percent in the event military personnel funding is exempted from full sequestration.

With this magnitude of reduction to each procurement and construction account, the Navy would be forced to terminate or significantly reduce most large procurement or military construction programs. We simply cannot buy three quarters of a ship, submarine, or building. Specifically, the Navy may need to delay and reduce the total quantity of the next generation ballistic missile submarine, delay or terminate unmanned ISR systems, terminate the Joint Strike Fighter program, and cancel the Littoral Combat Ship and associated mission module acquisitions. The combination of these measures and other cost-saving proposals will result in a fleet of fewer than 230 ships, the smallest level since 1915. These reductions and cancellations will likely cause cost overruns and schedule delays due to increased overhead costs per unit and industrial base workforce reductions that will further complicate the execution of the programs and program elements that remain.

Although our military personnel accounts can be exempted from sequestration, our civilian personnel accounts cannot. The Department of Defense would be required to reduce its civilian personnel by about 20%. This would result in the smallest civilian workforce the DOD has had since becoming a department. [See page 28.]

General SCHWARTZ. Sequestration would drive an additional reduction of 10 percent above the Budget Control Act reductions to the Air Force FY13 budget request and the Act directs reductions equally spread across all programs, projects, and activities. For military personnel (MILPERS), Office of Management and Budget indicates the President might exempt MILPERS accounts, which will correspondingly increase the reductions to all other accounts. This would have a broad impact across the Air Force and necessitate multiple reprogramming actions to preserve critical Air Force capabilities.

The Department of Defense has proactively pursued a budget reduction/efficiencies strategy and the Air Force has taken its share of reductions over the past two decades. As a rule, budget reductions should be informed by strategy. Arbitrary reductions as prescribed by sequestration will drive program restructuring, deferrals, and terminations in our investment portfolio. All investment accounts will be negatively impacted, including our high-priority Acquisition Category 1 modernization efforts such as KC–46A, F–35A, and MQ–9. Reduced operations and Mainte-

nance (O&M) accounts would drive reductions in areas such as flying hours and weapon systems sustainment; curtailment of training; civilian hiring slowdowns and potential reduction-in-force actions; reduced daily operations to only mission critical operations (i.e. training, supplies, equipment); and deferral or cessation of infrastructure enhancements and new mission bed downs. Absorbing these reductions would negatively impact readiness and "hollow out" the force, and simultaneously make our ability to cover any emergent execution year requirements (e.g., fuel price increases or Libyan-type episodic operations) extremely difficult.

The Air Force understands that no Government agency will be immune from reductions as we tackle our deficit reduction challenges. However, budget reductions must remain strategy-based and congruent with national objectives. Reductions without corresponding relief from mission requirements would be detrimental to the Air Force's ability to support the Joint warfighter. [See page 28.]

General AMOS. Yes, the Marine Corps requires an Amphibious Combat Vehicle (ACV) to replace our legacy Amphibious Assault Vehicles (AAV) that have been in service for more than 40 years. The programmatic priority for our ground forces is the seamless transition of Marines from the sea to conduct sustained operations ashore whether for training, humanitarian assistance, or for combat. The Amphibious Combat Vehicle is important to our ability to conduct surface littoral maneuver and seamlessly project Marine units from sea to land in permissive, uncertain and hostile environments. The ACV is a central component to our Ground Combat and Tactical Vehicle strategy that is focused on the right mix of assets, balancing performance, payload, survivability, fuel efficiency, transportability and cost.

The former Expeditionary Fighting Vehicle (EFV) program was established to replace the AAV but was ultimately determined to be unaffordable. That program was canceled in January of 2011 . Upon the EFV program's cancelation, we conducted a Capabilities Based Analysis to study Marine Corps' operational requirements and current and future threats. When those requirements and threats were measured against the current AAV's capabilities, several gaps (command and control, mobility, force protection, survivability, and lethality) were reaffirmed and documented in the Initial Capabilities Document (ICD) for the ACV. The Joint Requirements Oversight Council validated the gaps and capabilities in the ICD in October of 2011. We are currently conducting an Analysis of Alternatives (AOA) to determine a cost and operationally effective solution to the capability gaps identified in the ICD. Potential solutions range from a significant upgrade of our current AAV fleet to a completely new vehicle. In parallel with the AOA, we are conducting studies to underpin the quantity of vehicles needed to support operational requirements.

Given the threats we will face in the future and the traditional need for the Marine Corps to operate in austere and expeditionary environments, the Short Take-Off Vertical Landing (STOVL) F–35B is clearly the tactical aircraft needed to meet our operating requirements at sea and ashore. Once fielded, the F–35B will support the Marine Air Ground Task Force from now until the middle of this century. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine aviation almost one hundred years ago. From the expeditionary airfields and agile jeep carriers of World War II, to close air support in proximity to troops in Korea and Vietnam, to forward basing on cratered runways and taxiways throughout Iraq, through to today's fight in Afghanistan, and the flexible expeditionary response demonstrated in Libya; our ability to tactically base fixed wing aircraft in close proximity to our maneuvering ground forces has been instrumental to our success on the battlefield.

The STOVL F–35 is a capability that allows the Marine Corps to provide fixed-wing aviation assets to support the Combatant Commanders where land-based or carrier-based aircraft are not present. Additionally, it doubles the number of naval platforms capable of carrying fixed-wing strike aircraft and increases the number of usable airfields worldwide for these aircraft. [See page 28.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

NOVEMBER 2, 2011

QUESTION SUBMITTED BY MR. FRANKS

Mr. FRANKS. General Schwartz, you stated in your testimony that any further budget cuts beyond those necessary to comply with the Budget Control Act's first round "cannot be done without damaging our core military capabilities and therefore our national security." Practically speaking, you and I share the concern that further cuts will amount to "continued aging and reductions in the Air Force's fleet of fighters, strategic bombers, airlifters, and tankers, as well as to associated bases and infrastructure." Specifically, I'm concerned about the F–35A, which you call the "centerpiece of our future tactical air combat capability." As you know, some people are calling for the F–35 program to be mothballed. Can you please provide assurances that the F–35A will continue to be a vital and viable program and the future of the Air Force, and that the Air Force is committed to having this fighter in the near future?

General SCHWARTZ. The Air Force must modernize our aging fighter force and that modernization depends on the fifth generation capabilities of the F 35A. There is no alternative to the F–35 program. The Air Force remains committed to maintaining air superiority and holding any target at risk and the F–35A is required to fulfill that commitment. In addition, the F–35A brings the benefit of increased allied interoperability and cost sharing across the Services and our partner nations.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. General Odierno, you stated in your opening remarks that "We cannot afford to repeat the mistakes of previous reductions." End-strength reductions and force structure changes will certainly impact Army's O&M account, requiring commensurate reductions in associated infrastructure, maintenance, sustainment, and training. What actions is the Army taking to ensure that critical and deliberate planning is completed to ensure reductions are directly linked to workload, and that appropriate workforce mix is maintained? We have heard a lot about civilian workforce reductions, and while appealing, that workforce is difficult to reconstitute in future years if workload, readiness, or risk require civilian performance. What are you doing to ensure policies promulgated by the USD(P&R) regarding workforce mix, in-sourcing, and reliance on contracted services are being adhered to preclude conversion of work to contract performance as you drawdown military and civilian levels and revise force structure?

General ODIERNO. The Secretary of the Army directed that civilian reductions not be implemented by realigning work to contractors, which has been promulgated in Assistant Secretary of the Army (Manpower and Reserve Affairs) policy guidance to the field. The Assistant Secretary of the Army for Manpower and Reserve Affairs has also issued guidance to enforce the statutory prohibitions against direct conversions of civilian employees to contractor performance.

Ms. BORDALLO. General Odierno, you stated that you must ensure "the right mix of operating and generating forces, and the right mix of soldiers, civilians, and contractors." What specifically does that mean in practical terms? What criteria are you applying to ensure military personnel aren't being used as "borrowed labor" for functions that don't contribute to readiness? How are you linking civilian and contracted support structures to workload and how does this reconcile with the direct to hold to FY10 civilian funding levels? How is P&R guidance on workforce mix and insourcing being applied across the Army to ensure this "right mix"?

General ODIERNO. The Assistant Secretary of the Army for Manpower and Reserve Affairs issued guidance limiting the use of Borrowed Military Manpower (BMM) to include restricting BMM to within a Soldier's military occupational specialty, limiting the duration of BMM, fencing deploying units, and requiring cost benefit analysis. Additionally, the Assistant Secretary of the Army for Manpower and Reserve Affairs is responsible for determining the requirements for the generating force (military, civilian, and contract) based on workload and available funding.

Ms. BORDALLO. General Odierno, you spoke of resetting equipment in theater rather than rotating it out. As you know, much attention has been paid to the role

of contractors in theater—as well as the sustainment, infrastructure, and maintenance support provided to the Department by the private sector. However, as we shape the force of the future and discuss the likely impact the possibility of retirement and compensation reforms will have on the Department's ability to recruit and retain a ready and capable force, what steps are being taken to ensure that the future mix of the Department's workforce is appropriately balanced? Declining end-strengths and civilian personnel limitations would seem to lead to a "default" of contracted support to meet future operational needs (similar to the post 1990s drawdown). What controls are being implemented, related to contracted service levels, to prevent favoring one element of the Total Force overt another?

General ODIERNO. The Assistant Secretary of the Army for Manpower and Reserve Affairs issued guidance to enforce the statutory prohibitions against direct conversions of civilian employees to contractor performance and issued further guidance limiting the use of Borrowed Military Manpower (BMM). I understand that the Assistant Secretary continues to work diligently to ensure compliance and identify functions at risk of inherently governmental performance or unauthorized personal services based on the contractor inventory. Additionally, the Assistant Secretary of the Army for Manpower and Reserve Affairs is responsible for determining the requirements for the generating force (military, civilian and contract) based on workload and available funding.

Ms. BORDALLO. The Under Secretary of Defense for Personnel and Readiness submitted a report over the summer in response to a Committee request to assess the Department's shift from using contract security guards. The authority to rely on contract security guards is expiring at the end of this fiscal year. How many contracted security guards does the Army, Navy, Marine Corps and Air Force have across its installations, as well as in theater, and what are you doing to reduce that reliance? Will the Army, Navy, Marine Corps or Air Force meet the ratios required by law for having civilians or military perform that work? And what protections are there to ensure Soldiers aren't performing routine functions that do not contribute to the overall mission readiness?

General ODIERNO. I understand that we are currently refining the process to more robustly consider operational risk and document the contractor requirement. The Army is evaluating the possibility of using civilian employees to perform these currently contracted functions where military police law enforcement units are not available, when authority to contract expires at the end of Fiscal Year 2012. The Assistant Secretary of the Army for Manpower and Reserve Affairs issued guidance limiting the use of Borrowed Military Manpower (BMM) to include restricting BMM to within a Soldier's military occupational specialty, limiting the duration of BMM, fencing deploying units, and requiring cost benefit analysis.

Ms. BORDALLO. This committee has heard of specific instances across the Air Force, Marine Corps and Army where work performed by Government employees is being directly converted to contract performance. Section 2461 of title 10 prohibits the conversion of work currently performed (or designated for performance) by civilian personnel to private sector performance without a public-private competition, which are currently precluded under a moratorium from being conducted. Specific instances reported to this Committee include work at Minot, Eglin, Lackland AFBs, Army's Installations Management and Medical Commands as well as in Albany, Georgia. While these are just some instances, the pressures of the budget and decreases in civilian workforce levels make this a very real concern across the entirety of the Air Force. Please address these three instances and also what actions are being taken to preclude such illegal conversion of work across the Air Force in the future?

General ODIERNO. The Secretary of the Army directed that civilian reductions not be implemented by realigning work to contractors. The Assistant Secretary of the Army for Manpower and Reserve Affairs issued detailed guidance to enforce the statutory prohibitions against direct conversions of civilian employees to contractor performance. I understand that the Assistant Secretary of the Army (Manpower and Reserve Affairs) is coordinating with Medical Command (MEDCOM) regarding the corrective action in the case of the direct conversion issue and is assessing the facts associated with the Army Installation Management (IMCOM) and Medical Commands.

Ms. BORDALLO. There is significant focus placed on the health and well-being of the industrial base and the impact on the economy as we enter this era of budget decreases for the DOD. And as was noted in an earlier hearing, the industrial base is not only our builders of weapons systems and platforms, but also companies that provide services. Yet, there has been significant concern with overreliance on contracted services within the Department which in the past resulted in the in-sourcing of certain services. Is there an office within the Army, Air Force, Marine Corps or

Navy that is tasked and resourced to assess the "health and well-being" of the Department's organic capabilities and competency base within the civilian workforce in this era of budget decreases? Specifically, how can the Army, Air Force, Marine Corps or Navy prevent further increasing reliance on services provided by the private sector in facility related, knowledge based, and equipment related services, among others, as its military and civilian personnel are so drastically being cut?

General ODIERNO. The Assistant Secretary of the Army for Manpower and Reserve Affairs is responsible for determining the requirements for the generating force (military, civilian, and contract) based on workload and available funding. In addition, under its Civilian Workforce Transformation effort, the Assistant Secretary of the Army for Manpower and Reserve Affairs is conducting competencies-based analysis to ensure the proper skill sets and staffing of our organic workforce to support emerging threats and required new competencies.

Ms. BORDALLO. What actions is the Navy, Air Force, and Marine Corps taking to ensure that critical and deliberate planning are completed to ensure reductions are directly linked to workload, and that appropriate workforce mix is maintained? We have heard a lot about civilian workforce reductions, and while appealing, that workforce is difficult to reconstitute in future years if workload, readiness, or risk require civilian performance. What are you doing to ensure policies promulgated by the USD(P&R) regarding workforce mix, in-sourcing, and reliance on contracted services are being adhered to preclude conversion of work to contract performance as you drawdown military and civilian levels and revise force structure?

Admiral GREENERT. Workforce balance and in-sourcing skill sets are some of the principles the DON and USD(P&R) staff use to establish the appropriate mix of military, civilian, and contractor employees in our workforce to affordably accomplish its missions. In addition to having "the right skill set in the right position," our workforce must be appropriately sized to meet baseline workload requirements while maintaining the flexibility to meet emerging needs. Therefore, each major command (Budget Submitting Office (BSO)) within the DON has the ability to hire civilians within the command's budget to allow for staff attrition and anticipated workload demands.

Contracts for services and contracted functions are reviewed annually by BSOs based upon identified priorities. The Department is currently limiting growth in civilian positions to reduce overhead. This reduces the number of overall positions we will in-source, but balances the skill sets of our workforce and alleviates redundancy. The Department is currently monitoring the impact of the overhead efficiency efforts taken during FY11 (and will continue doing so in FY12) through specified periodic reviews with the DON and OSD staff.

Ms. BORDALLO. Admiral Greenert, you stated that you may have to "freeze civilian hiring" beyond the first quarter in the event of a continuing resolution. What mechanisms does the Navy have in place to preclude work for being absorbed by contractors in such an event? Specifically, the Navy hasn't taken any actions, despite clear Congressional direction, to work with P&R and adapt the Army's approach to the inventory of contracts for services. Accounting for direct labor hours of contractors as the law requires would help the Navy get an accounting of its contracted services and ensure that in this era of civilian personnel constraints, we do not shift to increased reliance on contracted services. What progress is being made in this area?

Admiral GREENERT. As directed in the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) memo, "Implementation Directive for Better Buying Power—Obtaining Greater Efficiency and Productivity in Defense Spending," the Department of the Navy established the Senior Services Manager (SSM) organization within DASN (Acquisition and Procurement). The SSM, along with the DON financial and manpower communities, is tracking the reduction of services acquisition including the 10% reduction in headquarters support contractors directed by SECDEF and the 15% reduction in certain administrative support categories directed by the Office of Management and Budget. The SSM is tracking these reductions as part of a review of services portfolios to identify opportunities for increasing efficiencies and reducing costs.

The SSM is actively engaged with DON and OSD stakeholders to develop the required tools to manage services contracting requirements as part of the total force. DON (DASN(Acquisition and Procurement)) submitted a plan of action and milestones to USD(P&R) to inventory contractor work as directed in the FY08 NDAA, and leverage the Army's CMRA as directed in Section 8108 of Public Law 112–10. As described in the POA&M, DON will gather direct labor hours for contracted services work, define reporting requirements in new contracts, and activate the annual reporting of FY12 contractor data by October of 2012.

Ms. BORDALLO. The Under Secretary of Defense for Personnel and Readiness submitted a report over the summer in response to a Committee request to assess the Department's shift from using contract security guards. The authority to rely on contract security guards is expiring at the end of this fiscal year. How many contracted security guards does the Army, Navy, Marine Corps and Air Force have across its installations, as well as in theater, and what are you doing to reduce that reliance? Will the Army, Navy, Marine Corps or Air Force meet the ratios required by law for having civilians or military perform that work? And what protections are there to ensure Soldiers aren't performing routine functions that do not contribute to the overall mission readiness?

Admiral GREENERT. At the start of FY12, Navy had 485 contract guards across 70 installations under PL 107–314 authorization. The Navy entered FY12 exceeding the NDAA07 reduction requirement and ratios, and will meet the NDAA07 requirement to eliminate our reliance on these guards completely by end of FY12. We have accomplished this reduction and transition through a combination of Government civilian replacements, technology and automation investments, and by reducing the overall security guard requirement. The Navy awarded all non-guard and routine Security services (e.g. vehicle pass and registration) under OMB Circular A76 which ensures our military Security professionals are performing only critical, inherently governmental functions.

Ms. BORDALLO. There is significant focus placed on the health and well-being of the industrial base and the impact on the economy as we enter this era of budget decreases for the DOD. And as was noted in an earlier hearing, the industrial base is not only our builders of weapons systems and platforms, but also companies that provide services. Yet, there has been significant concern with overreliance on contracted services within the Department which in the past resulted in the in-sourcing of certain services. Is there an office within the Army, Air Force, Marine Corps or Navy that is tasked and resourced to assess the "health and well-being" of the Department's organic capabilities and competency base within the civilian workforce in this era of budget decreases? Specifically, how can the Army, Air Force, Marine Corps or Navy prevent further increasing reliance on services provided by the private sector in facility related, knowledge based, and equipment related services, among others, as its military and civilian personnel are so drastically being cut?

Admiral GREENERT. The Department of the Navy's (Navy and Marine Corps) growth in contractor support resulted in part from the significant drawdown of the civilian workforce in the 1990's, which is currently being revitalized through Acquisition Workforce, Defense Acquisition Workforce Development Fund, and other initiatives. The Offices of the Assistant Secretaries of the Navy for Manpower & Reserve Affairs, Research Development & Acquisition, and Financial Management & Comptroller have partnered to ensure all statutorily required organic capabilities are maintained, ensure Government employees are equipped to provide oversight of resources and programs, and assess requirements for military, civilian employees, and contractors to sustain a proficient and flexible workforce. Under OMB Circular A–76 Performance of Commercial Activities, the Department prepares an annual inventory of commercial and inherently governmental activities.

Ms. BORDALLO. What actions is the Navy, Air Force, and Marine Corps taking to ensure that critical and deliberate planning are completed to ensure reductions are directly linked to workload, and that appropriate workforce mix is maintained? We have heard a lot about civilian workforce reductions, and while appealing, that workforce is difficult to reconstitute in future years if workload, readiness, or risk require civilian performance. What are you doing to ensure policies promulgated by the USD(P&R) regarding workforce mix, in-sourcing, and reliance on contracted services are being adhered to preclude conversion of work to contract performance as you drawdown military and civilian levels and revise force structure?

General SCHWARTZ. The Air Force continually strives to provide an optimal workforce mix that supports its strategic objectives, its daily operation, and provides for effective and economical administration. In accordance with Department of Defense (DOD) direction, the Air Force routinely looks at ways it can improve its workforce mix. Instructions set forth in Department of Defense Instruction (DODI) 1100.22 (Policy and Procedures for Determining Workforce Mix), as well as Federal Acquisition Regulations 7.5, Defense Federal Acquisition Regulation 207.5 and Air Force Instruction (AFI) 38–204, Programming USAF Manpower, provide the overarching guidance for Air Force workforce mix determinations. To that end, the Air Force performs a comprehensive annual Inherently Governmental and Commercial Activities (IGCA) review to ensure it has the proper work force mix. This review allows the Air Force to evaluate the total workforce's categorization as inherently govern-

mental, military essential, or a commercial activity subject to review for private sector performance.

All Military Departments brief USD (P&R) on its IGCA Inventory results within three weeks of the annual submission. This process ensures that the processes used to establish the composition of our workforce are predicated on defense missions, are consistent with DOD policy, and provide a means for continual improvement as we seek to achieve the proper balance of military, DOD civilian, and private sector support.

Ms. BORDALLO. General Schwartz, what mechanisms does the Air Force have in place to prevent work from being absorbed by contractors as a result of the drastic cuts recently announced to the Air Force's civilian workforce? Specifically, the Air Force hasn't taken any actions, despite clear Congressional direction, to work with P&R and adapt the Army's approach to the inventory of contracts for services. Accounting for direct labor hours of contractors as the law requires would help the Air Force get an accounting of its contracted services and ensure that in this era of civilian personnel constraints, we do not shift to increased reliance on contracted services. What progress is being made in this area?

General SCHWARTZ. The Air Force continues to work closely with OUSD(C), OUSD (P&R), and OUSD (AT&L) to fulfill contractor accounting mandated by Congress. We are using the two million dollars provided in Section 8108 of the 2011 Department of Defense Appropriation Act to leverage Army's Contractor Manpower Reporting Application for our use. This system will capture contractor-provided labor hours and other associated factors. We provided OUSD(P&R) our implementation plan as directed in Section 8108. This plan establishes, beginning 1 Oct 2012, that as new contracts for services are awarded, performance work statements will require contractors to report the data elements needed to answer the mandates of Section 8108 and 10 U.S.C. § 2330a.

We are tracking, on a monthly basis, our use of contractors performing knowledge-based services, service support, and advisory studies to ensure that we achieve already programmed reductions. These actions, coupled with the current monthly tracking of the financial obligations of contract usage, facilitate prevention of inappropriate migration of workload.

Ms. BORDALLO. The Under Secretary of Defense for Personnel and Readiness submitted a report over the summer in response to a Committee request to assess the Department's shift from using contract security guards. The authority to rely on contract security guards is expiring at the end of this fiscal year. How many contracted security guards does the Army, Navy, Marine Corps and Air Force have across its installations, as well as in theater, and what are you doing to reduce that reliance? Will the Army, Navy, Marine Corps or Air Force meet the ratios required by law for having civilians or military perform that work? And what protections are there to ensure Soldiers aren't performing routine functions that do not contribute to the overall mission readiness?

General SCHWARTZ. The Air Force security contract portfolio does not include installations in combat theaters; those forces are managed by Combatant Commanders.

The Air Force portfolio of security guard contracts peaked at approximately 2,000 contractor personnel full-time equivalents in Fiscal Year 2007 and for Fiscal Year 2012 totals about 700. Consistent with statute, all contracts are anticipated to end by last day of Fiscal Year 2012.

Consistent with expiring authorities, the Air Force, over the last several years, has replaced the majority of the contract security guards that were performing these functions while military personnel were deployed with 1,300 General Schedule term over-hire police positions, not permanent. Over-hires have been used since the deployments are not permanent; the Air Force will continue to use over-hires as a means of maintaining installation security when military forces are deployed.

Of the remaining 700 Fiscal Year 2012 contract personnel, 600 are Overseas Contingency Operations (OCO) budgeted/funded. These contractors are temporary replacements for deployed Air Force Security Forces (military police). These Air Force Security Forces (military police) are assigned to installation security tasks when not deployed. Of the 600 OCO contractors, 400 are being converted to General Schedule police officers on term over-hire appointments. Installation security is being enhanced by the conversion of security guards into more highly trained police officers. About 150 contract positions are not being converted due to reduced military deployments and availability of military personnel. As Air Force military personnel return from deployments to their primary jobs at home station, temporary replacements will no longer be needed. The release of the civilian term over-hires has no impact on force protection standards.

Of the current Air Force portfolio, the remaining 150 of the 700 contractor equivalents are being converted to permanent General Schedule positions. These baseline budget contract positions were transferred to the Air Force from sister Services as a result of Joint basing.

The Air Force manages manpower to ensure that military personnel are not required to routinely perform functions that do not contribute to the overall mission readiness. Since the attacks of 9/11, the Air Force has increased installation security manpower by 15 percent (about 3,000 personnel) and has provided flexibility to commanders in meeting their force protection responsibilities.

In the Air Force, reliance on contracted security guards was temporary in nature. Of the 2,000 Air Force contracted security positions overall, only 100 are projected to be sourced permanently through the Joint base realignment baselining.

Ms. BORDALLO. This committee has heard of specific instances across the Air Force, Marine Corps and Army where work performed by Government employees is being directly converted to contract performance. Section 2461 of title 10 prohibits the conversion of work currently performed (or designated for performance) by civilian personnel to private sector performance without a public-private competition, which are currently precluded under a moratorium from being conducted. Specific instances reported to this Committee include work at Minot, Eglin, Lackland AFBs, Army's Installations Management and Medical Commands as well as in Albany Georgia. While these are just some instances, the pressures of the budget and decreases in civilian workforce levels make this a very real concern across the entirety of the Air Force. Please address these three instances and also what actions are being taken to preclude such illegal conversion of work across the Air Force in the future?

General SCHWARTZ. Policy guidance was issued throughout the Air Force that implemented a moratorium on public-private competition in accordance with 10 U.S.C. § 2461. The Air Force investigated the allegations of civilian to contractor direct conversions at Minot, Eglin, and Lackland AFBs and found that no direct conversions occurred. The manpower, legal, and contracting communities will continue to communicate and mandate compliance with National Defense Authorization Act guidance and future Under Secretary of Defense (Personnel and Readiness) (USD (P&R)) policies to all key stakeholders.

Ms. BORDALLO. There is significant focus placed on the health and well-being of the industrial base and the impact on the economy as we enter this era of budget decreases for the DOD. And as was noted in an earlier hearing, the industrial base is not only our builders of weapons systems and platforms, but also companies that provide services. Yet, there has been significant concern with overreliance on contracted services within the Department which in the past resulted in the in-sourcing of certain services. Is there an office within the Army, Air Force, Marine Corps or Navy that is tasked and resourced to assess the "health and well-being" of the Department's organic capabilities and competency base within the civilian workforce in this era of budget decreases? Specifically, how can the Army, Air Force, Marine Corps or Navy prevent further increasing reliance on services provided by the private sector in facility related, knowledge based, and equipment related services, among others, as its military and civilian personnel are so drastically being cut?

General SCHWARTZ. Instructions set forth in DODI 1100.22, Policy and Procedures for Determining Workforce Mix, as well as Federal Acquisition Regulations 7.5 and Defense Federal Acquisition Regulation 207.5, are guidance the Air Force uses to ensure organic capabilities are not contracted to the private sector. Additionally, the Air Force performs an annual Inherently Governmental and Commercial Activities review to ensure those capabilities remain within the Government. Our collective manpower and personnel community (A1) assesses the "health and well being" of the civilian workforce. To prevent further increasing reliance on services provided by the private sector the Air Force has two mechanisms in place:

1) Funding of service contracts is closely scrutinized and limited; and
2) the Deputy Chief Management Officer monitors financial metrics to ensure dollars and the associated work do not inappropriately migrate to the private sector.

In-sourcing has been, and continues to be, a very effective tool to rebalance the workforce, realign inherently governmental and other critical work to Government performance (from contract support), and in many instances to generate resource efficiencies. Those contracted services that meet the in-sourcing criteria (consistent with governing statutes, policies, and regulations) will be in-sourced several ways:

1) absorbing work into existing Government positions by refining duties or requirements;
2) establishing new positions to perform contracted services;

3) eliminating or shifting equivalent existing personnel from lower priority activities; or
4) on a case-by-case basis, requesting a Department of Defense exception to the civilian funding levels.

Ms. BORDALLO. General Schwartz, you stated that cyber was of maybe three areas in the entire department portfolio that may grow by necessity. Acquisition has been another focus area for the Department and the Congress, as has financial management. Growing these areas to meet the emerging mission and oversight necessary, you indicated it will have to come at the expense of other areas in the broader portfolio. What such portfolios can afford to be minimized and how is that consistent with the strategic human capital planning that Personnel & Readiness is focused on?

General SCHWARTZ. The Air Force has applied a holistic, competency-based approach in order to identify efficiencies and allow growth in areas such as acquisition and cyber. Our proposed reductions preserve the Air Force's core capabilities and ensure continued support to Combatant Commanders. Corporately, the Air Force has sought efficiencies through management headquarters reductions, eliminating overhead, merging like functions, and streamlining the way installation support services are provided to include partnering with communities.

Ms. BORDALLO. What actions is the Navy, Air Force, and Marine Corps taking to ensure that critical and deliberate planning are completed to ensure reductions are directly linked to workload, and that appropriate workforce mix is maintained? We have heard a lot about civilian workforce reductions, and while appealing, that workforce is difficult to reconstitute in future years if workload, readiness, or risk require civilian performance. What are you doing to ensure policies promulgated by the USD(P&R) regarding workforce mix, in-sourcing, and reliance on contracted services are being adhered to preclude conversion of work to contract performance as you drawdown military and civilian levels and revise force structure?

General AMOS. The Marine Corps conducted a self-initiated, capabilities-based Force Structure Review (FSR) one year ago in order to answer this exact question regarding reductions directly linked to workload. The Marine Corps employed a panel of senior officers (O–6) representing all elements of the Marine Corps. The panel received guidance from the Commandant, applied operational planning scenarios of the future, and developed a force structure that satisfied both from a capabilities perspective. In this way, the Marine Corps directly tied anticipated operational workload to planned reductions in manpower. The results of the FSR detailed a Marine Corps force that is specifically tailored in capability to anticipated workloads. Additionally, the Marine Corps is presently conducting a review of all civilian billets and service contracts. This three phase review began in July of 2011 and will be completed in December. We are also developing polices supporting the direction given by Under Secretary of Defense for Programs and Resource. These polices will be published in Marine Corps Orders which guide the development of our Total Force.

Ms. BORDALLO. The Under Secretary of Defense for Personnel and Readiness submitted a report over the summer in response to a Committee request to assess the Department's shift from using contract security guards. The authority to rely on contract security guards is expiring at the end of this fiscal year. How many contracted security guards does the Army, Navy, Marine Corps and Air Force have across its installations, as well as in theater, and what are you doing to reduce that reliance? Will the Army, Navy, Marine Corps or Air Force meet the ratios required by law for having civilians or military perform that work? And what protections are there to ensure Soldiers aren't performing routine functions that do not contribute to the overall mission readiness?

General AMOS. The only contract security guards supporting the Marine Corps are currently at the National Museum of the Marine Corps near Quantico, Virginia. Next year, these nine guards will be replaced by civilian police from the Marine Corps Civilian Law Enforcement Program. The Marine Corps is in compliance with legal ratios. Although the Marine Corps has civilian contractors performing routine support functions (e.g. 911 dispatch, alarm monitoring, vehicle pass and registration, police supply, court liaison, physical security, commercial vehicle inspection, and other support tasks), contractors are not involved in core security/policing work. Having civilian contractors available in a supporting role allows Marine military and civilian police to focus exclusively on access control measures and other appropriate security and police tasks.

Ms. BORDALLO. This committee has heard of specific instances across the Air Force, Marine Corps and Army where work performed by Government employees is being directly converted to contract performance. Section 2461 of title 10 prohibits

the conversion of work currently performed (or designated for performance) by civilian personnel to private sector performance without a public-private competition, which are currently precluded under a moratorium from being conducted. Specific instances reported to this Committee include work at Minot, Eglin, Lackland AFBs, Army's Installations Management and Medical Commands as well as in Albany Georgia. While these are just some instances, the pressures of the budget and decreases in civilian workforce levels make this a very real concern across the entirety of the Air Force. Please address these three instances and also what actions are being taken to preclude such illegal conversion of work across the Air Force in the future?

General AMOS. Marine Corps Installation Command recently examined an allegation that civilian positions at our base in Albany, GA were being directly converted in contravention of 10 USC 2461. After ascertaining the facts and reviewing the applicable legal provisions, we have determined that no direct conversions or improper use of contractors has occurred there.

Ms. BORDALLO. There is significant focus placed on the health and well-being of the industrial base and the impact on the economy as we enter this era of budget decreases for the DOD. And as was noted in an earlier hearing, the industrial base is not only our builders of weapons systems and platforms, but also companies that provide services. Yet, there has been significant concern with overreliance on contracted services within the Department which in the past resulted in the in-sourcing of certain services. Is there an office within the Army, Air Force, Marine Corps or Navy that is tasked and resourced to assess the "health and well-being" of the Department's organic capabilities and competency base within the civilian workforce in this era of budget decreases? Specifically, how can the Army, Air Force, Marine Corps or Navy prevent further increasing reliance on services provided by the private sector in facility related, knowledge based, and equipment related services, among others, as its military and civilian personnel are so drastically being cut?

General AMOS. Yes, there is such an office that exists in the Department of the Navy (DON). Namely, The DON created the Office of the Director for Services Acquisition within the Office of the Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management to assess the "health and well-being" of the Department's organic capabilities and competency base within the civilian workforce. To prevent increased reliance on services provided by the private sector in facility related, knowledge based, and equipment related services, we have conducted a comprehensive review of all civilian structure across the service for the purpose of determining those critical positions that we must retained based upon the projected financial environment. The results of that review are being assessed at the service manpower management level and will ultimately be presented to the service leadership for consideration and decision. Those determinations will drive further decisions regarding how to source any shortfalls to mission demand signal.

QUESTIONS SUBMITTED BY MR. SCHILLING

Mr. SCHILLING. Gen. Odierno, you stated that sequestration would mean that you would have to look at infrastructure efficiencies. Can you expand on how this would affect the organic base? How would our arsenals, the organic base that helps the Army to be a ready force, be affected?

General ODIERNO. If sequestration were to occur and funding were to decrease to the suggested limits, the Army would have to implement a plan to cease funding less critical functions and functions that can be deferred. We have not yet determined which installations, programs or functions will be listed first for the operational forces, the organic base supporting them or our industrial base. Concerning the Army Arsenals and the rest of the organic industrial base, as the effects of the overall drawdowns ripple through the Army, resources will decrease causing industrial workload to do the same. As that occurs we will have to look at a number of options, all of which will potentially include decreases in personnel and capability at the Army Arsenals and other industrial facilities. Our intent will be to implement budget decrements in a logical and organized way to ensure we have a balanced organization capable of executing the total spectrum of requirements from high intensity operations to organic industrial maintenance.

Mr. SCHILLING. Adm. Greenert, you talked about having to end procurement programs. Can you expand on how many procurement programs you would need to end? In ending these programs, you mentioned that some businesses would face the possibility of shutting down and have long-term consequences to the fleet. Can you speak to how that would harm the military's industrial base's ability to "keep warm"

in case of war and what that would mean to our reaction time as a country? Would this also place our warfighters at risk?

Admiral GREENERT. Sequestration applies uniform percentage cuts to each "program, project, and activity"– this means that every weapons program, research project, and military construction project is cut by an equal percentage. DOD and DON leadership is not allowed to manage or prioritize these reductions causing our readiness and procurement accounts to face a reduction of about 18 percent, rising to approximately 25 percent in the event military personnel funding is exempted from full sequestration.

With this magnitude of reduction to each procurement and construction account, the Navy would be forced to terminate or significantly reduce most large procurement or military construction programs. We simply cannot buy three quarters of a ship, submarine, or building. Specifically, the Navy may need to delay and reduce the total quantity of the next generation ballistic missile submarine, delay or terminate unmanned ISR systems, terminate the Joint Strike Fighter program, and cancel the Littoral Combat Ship and associated mission module acquisitions. The combination of these measures and other cost-saving proposals will result in a fleet of fewer than 230 ships, the smallest level since 1915. These reductions and cancellations will likely cause cost overruns and schedule delays due to increased overhead costs per unit and industrial base workforce reductions that will further complicate the execution of the programs and program elements that remain. The DOD has estimated that these effects may result in order quantity reductions by one third or more of the original, even though the accounts will only be cut by approximately 25%. Reducing production quantities, eliminating skilled personnel, and closing production lines will stress individual companies fiscally and operationally, and destabilize the small group of companies that comprise Navy's industrial base. If these actions are taken, our partners in the industrial base will be hard-pressed to reconstitute its highly skilled workforce and re-open these production lines, to provide our nation additional war fighting capacity in the event of prolonged conflicts. The inability to rapidly reconstitute and employ this national asset will increase the risk to war fighters.

Mr. SCHILLING. Gen. Schwartz, you stated that the Air Force would still be the best in the world even with these cuts. However, we must get used to a smaller Air Force if sequestration goes forward. Can you elaborate to how much of a squeeze this would put on our military as a whole if the Air Force cannot meet as many missions as it has for the last 20 years? What will this smaller Air Force mean in terms of modernizing our force and the work the Air Force does with our industrial base?

General SCHWARTZ. Further reductions driven by the Budget Control Act would require an enterprise-wide review of all resources and the potential elimination of lower priority missions and capabilities currently assigned to the Air Force. The Air Force will stay focused on strategic priorities and continue to build and improve key capabilities that support those priorities, while reducing other capabilities that we can no longer offer to the Joint team. It is likely that across the board reductions will be required to meet budget projections—including force structure and infrastructure—to avoid hollowing the force.

The Air Force, regardless of its size, will continue to rely on national technology and the industrial base to develop, produce, and sustain the weapon systems and equipment required to fulfill our national security obligations in the air, space, and cyber domains. As our force structure adjusts to the emerging fiscal realities, so will the demands the Air Force places on the industrial base.

Mr. SCHILLING. Gen. Amos, you mentioned that organic logistics capabilities are vital to a high state of unit readiness and logistical self-sustainment capability. Can you expand on what you mean by organic logistics capabilities?

General AMOS. At all warfighting levels, the Marine Corps operates as a Marine Air Ground Task Force (MAGTF), a balanced air-ground-logistics team. Logistical self-sufficiency is an essential element of the MAGTF enabling our ability to rapidly deploy and sustain ourselves for extended periods upon arrival in hostile, austere, and uncertain environments without reliance on host nation support. This means that the Marine Corps' logistics mission, at all command and support levels, is to generate MAGTFs that are rapidly deployable, self-reliant, self-sustaining, flexible, and capable of rapid reconstitution. Moreover, a MAGTF's logistics capabilities and accompanying supplies enable it, depending on size, to self-sustain its operations for extended periods while external resupply channels are organized and established.

Mr. SCHILLING. Gen. Amos, you also mentioned that reset is distinguishable from modernization. How will a decrease in modernization affect the current fleet, the future fleet, and the current industrial base, both private and organic?

General AMOS. As we look forward, we must address our deficiencies and replace the equipment that is worn out from operations in Iraq and Afghanistan over the past decade. This process is known as reset and is wholly separate from modernization. Modernization entails judiciously developing and procuring the right equipment we will need for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. While budgetary pressures will likely constrain modernization initiatives we will mitigate that pressure by continuing to prioritize and sequence both our modernization and our sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. We recognize that our planned reduced force structure following our commitment in Afghanistan will necessitate some level of decreased modernization. However, any sizeable reductions in this regard could impact our ability to posture ourselves for response against future adversaries and threats.

We are currently undertaking several initiatives to modernize the Total Force. The programmatic priority for our ground forces is the seamless transition of Marines from the sea to conduct sustained operations ashore whether for training, humanitarian assistance, or for combat. Our ground combat and tactical vehicle strategy is focused on the right mix of assets, balancing performance, payload, survivability, fuel efficiency, transportability and cost. In particular, the Amphibious Combat Vehicle is important to our ability to conduct surface littoral maneuver and seamlessly project Marine units from sea to land in permissive, uncertain and hostile environments. We are firmly partnered with the U.S. Army in fielding a Joint Light Tactical Vehicle to replace critical light combat weapon carriers. The two initiatives are sequenced to minimize budget bulges during their procurement phases and both programs will rely on a competitive and effective U.S. automotive and combat vehicle industrial base for more than the next decade. We have just completed the modernization of our medium tactical truck fleet and are moving toward completion of our heavy tactical truck fleet modernization. As we move into the sustainment phases for these vehicles, a healthy organic maintenance depot capability supported by a reliable parts supply will be necessary to keep the vehicles at a high state of readiness. Our remaining fleet of over 14,000 HMMWVs will require a similar maintenance capability.

We are nearing completion of our ground fire support modernization with the completion of fielding of M777A2 howitzers, High Mobility Artillery Rocket Systems, and Expeditionary Fire Support Systems. Sustainment of those critical platforms is similarly dependent on a stable maintenance and supply capability. Our modernization focus will shift from platforms to munitions to seek greater ranges and increased precision while also seeking effective replacements for artillery cluster munitions.

Another critical modernization effort is the Ground/Air Task Oriented Radar (G/ATOR), an expeditionary, short-medium range radar with state of the art technology against low observable threats. G/ATOR replaces five legacy radars with a single, multi-mission system, reducing life-cycle costs similar to JSF replacement of current air frames. G/ATOR supports Air Surveillance/Air Defense, Ground Weapons Locating and Air Traffic Control mission sets, and has the potential to replace aging radar systems across multiple Services. Currently entering the developmental test phase, the radar will begin low rate initial production in 2013. At the same time the Marine Corps is managing critical modernization programs across the spectrum of command, control, intelligence and surveillance.

Marine Corps Aviation, which is on the cusp of its centennial of service to our Nation, continues its modernization that began over a decade ago. The continued development and fielding of the short take-off and vertical landing (STOVL) F–35B Joint Strike Fighter remains the centerpiece of this effort. Once fully fielded, the F–35B replaces three legacy aircraft—F/A–18, EA–6B and AV–8B. DOD has already purchased 32 of these aircraft. Delivery is on track, and we look forward to receiving them at Marine Corps Air Station Yuma just nine months from now. The MV–22B Osprey continues to be a success story for the Marine Corps and the joint force. Our squadron fielding plan is well under way as we continue to replace our 44 year old, Vietnam-era CH–46 helicopters. We must procure all required quantities of the MV–22B in accordance with the program of record. Unmanned Aircraft Systems (UAS) will continue to play a vital intelligence, surveillance and reconnaissance role from the platoon through Marine Expeditionary Force level and modernization of our Group 1 and 2 classes of UAS ensures this critical capability is carried into the future.

When combined with the capabilities of our individual Marines and the flexibility of the Marine Air Ground Task Force, all of the above initiatives enable the Marine Corps as a responsive, multi-capable expeditionary force in readiness today and well into the future. These combined efforts require and support a stable organic mainte-

nance capability, an innovative industrial base and an efficient supply chain. There will likely be significant impacts to the U.S. industrial base if large scale programs such as our aircraft and shipbuilding production lines are shut down due to decreased procurement in our current acquisition strategy. Once shut down, these lines simply cannot be restarted later at a moment's notice; and there likely would be ripple effects at the subcontractor/small business level from which parts and other supplies are made to support these programs. Moreover, the technical expertise of those working in these fields can atrophy over time or be attracted to competitor nations, impacting our national security. Therefore, it is critically important that all prevailing factors be weighed when making the tough decisions on modernizing the Corps for the future.

QUESTION SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. General Odierno, as the Army continues its ongoing efficiency reviews and continues work on the FY 2013 budget request, how are you working to ensure that the Army's organic manufacturing capabilities are preserved? What is the Army doing to ensure that the arsenals, ammunition plants, and depots are workloaded sufficiently to maintain their critical capabilities? Additionally, how are you working to ensure that the organic manufacturing workforce, and the skills they have developed over the last decade that will be critical to our ability to respond to future contingencies, are being maintained?

General ODIERNO. The Army has committed to maintain workload and skill sets for our arsenals and ammunition plants by exploring Foreign Military Sale opportunities to manufacture components for foreign nations; investing in arsenal and ammunition plant infrastructure (facilities & equipment) to ensure that they are modernized with advanced technological capabilities; encouraging arsenals to partner with commercial firms to meet future requirements; and encouraging involvement with the Program Managers (PMs) at the beginning of the acquisition process to optimize consideration of arsenal plant capabilities. The Army has taken a number of steps to ensure that our depots are postured to support base requirements by identifying and prioritizing core depot requirements; sizing our organic base facilities, infrastructure, and workforce to meet and sustain those core depot requirements; and using proven practices like Lean Six Sigma to ensure that our maintenance depots maintain their core competencies and capabilities to meet future requirements. The Army continues to invest in the manufacturing arsenal infrastructure to ensure that our facilities are modernized with advanced technological capabilities. Facilities capital investment improvements alone totaled close to $25 million (M) in Fiscal Year 2011 (FY11) and are expected to remain at this level through the Five Year Defense Plan. Mechanisms such as Public Law 105–261, Section 806, and Procurement of Ammunition provide the Army authority to limit procurement of ammunition to the National Technology and Industrial Base to maintain facilities for furnishing ammunition. The Army also began, a year ago with the FY12–16 Program Objective Memorandum (POM), to realign the depot maintenance resource prioritization process to ensure that workloads required to meet core depot requirements are fully resourced. This process ensures that, at a minimum, our organic maintenance depots will retain the critical skills and capabilities to repair our key warfighting equipment in order to sustain our core depot capability requirements annually. Permanent workforces at the depots are sized to sustain core depot workload requirements with temporary and contractor workforces adjusted accordingly as fluctuations in workloads occur. This process was implemented during the depot maintenance requirements determination and budget process for FY13–17 POM and will continue into the foreseeable future.

QUESTIONS SUBMITTED BY MR. SCOTT

Mr. SCOTT. Currently, the Army is considering two program solicitations for small arms—one for a new Individual Carbine to replace the M4 & M16 and another for product improvements to the current M4/M16 platform. In your judgment, does the Army have the funds to do both?

General ODIERNO. The Army currently has enough funding to execute both programs. However, funding for the programs in Fiscal Year 2019 and beyond will depend upon the Army's revised priorities for that time frame and allocation of funds to meet those priorities across all Army programs. It is also dependent upon the outcome of the Individual Carbine competition and a possible decision to completely equip the Army with carbines.

Mr. SCOTT. In recent testimony, both General Ham of AFRICOM and General Mattis of CENTCOM commented about the utility of Joint STARS in their theaters. Could you describe how Joint STARS was used in Libya and the importance of its battle management/command and control role there and for future conflicts?

General SCHWARTZ. The Joint Surveillance Target Attack Radar System (JSTARS) aircraft and its on-board Battle Management/Command and Control (BMC2) system was used over Libya to provide real-time detection, tracking, and attack coordination against ground moving targets. During the Libyan operations, the Air Force surged the JSTARS aircraft from March through October 2011 without reducing support to Operation ENDURING FREEDOM. The Joint STARS provided wide area sensor data of Libya and was effective in detecting, classifying, tracking and dynamically targeting regime forces.

Mr. SCOTT. Last February, you told this committee that an important study was underway to determine future investments in Joint STARS and the study would be released in the "late spring" [of 2011]. In the fiscally constrained environment we're in, it seems upgrading a proven platform best serves to reduce costs and help meet warfighting needs. It appears Joint STARS will be around for a long time and modernization makes sense. From your testimony earlier this year: Where are you with the Joint STARS study—when will it be released, and what are your plans to modernize Joint STARS in the upcoming years, FY13 and beyond?

General SCHWARTZ. Air Combat Command (ACC) has worked diligently on the Synthetic Aperture Radar/Moving Target Indicator (SAR/MTI) and Joint STARS mission area Analysis of Alternatives (AoA) with cost, risk, and effectiveness analysis to "evaluate materiel solutions to fulfill all, or part of, the Departments overall SAR/MTI requirements."

The detailed results of this two-phased analysis were presented to the Air Force Requirements Oversight Committee (AFROC) on 15 September 2011. The AFROC directed the AoA team to pare down their list of alternatives by providing actionable cost, risk, and effectiveness results. ACC provided the SAR/MTI Joint STARS Mission Area AoA Final Report to the AFROC for validation on 30 November 2011. Now that the AFROC has validated the Final Report, we anticipate its release by the Vice Chief of Staff of the Air Force in early 2012.

The Air Force has several JSTARS modernization projects in FY133 and beyond. These include: installation of an Enhanced Land Maritime Mode (ELMM) modification to add maritime and improved land tracking radar modes; 8.33 kHz VHF radios with Single Channel Ground and Airborne Radio System (SINCGARS) voice and data communication; new Cryptographic Modernization Program (CMP) compliant Multifunction Information Distribution System Joint Tactical Radio System (MIDS JTRS) radios for Link-16 communication with other aircraft; and new Clipper Operator Workstation (OWS) computers and Radar Airborne Signal Processors (RASP) to address Diminishing Manufacturing Sources (DMS).

Mr. SCOTT. General Mattis stated he needed more Joint STARS in CENTCOM and that GMTI was the number one intelligence shortfall reported by his field commanders. Are you doing everything you can to maximize the availability of this key aircraft given the growing demands by the combatant commanders?

General SCHWARTZ. The Air Force continues to work diligently to maximize the employment availability of the Joint Surveillance Target Attack Radar System (JSTARS) in the CENTCOM area of responsibility to best meet overall mission requirements. Over time, we have managed the JSTARS as a limited supply/high demand asset by maintaining steady state combat capability in CENTCOM with the capacity to support short-term surges such as Operations ODYSSEY DAWN and UNIFIED PROTECTOR.

The JSTARS, which includes the E–8 aircraft, the ground based Joint Services Work Station and the Common Ground Station, has provided ground moving target information and airborne battle management and command and control (C2) to Combatant Commanders since the 1991 Gulf War. The Air Force currently has 12 JSTARS aircraft serving on the front lines with another five aircraft for training and backup inventory.

In this challenging fiscal environment we must carefully balance modernization requirements against basic sustainment needs. Despite limited funding, the Air Force has identified several key modernization projects that will deliver much-needed capability improvements throughout the fleet. This includes aircraft modifications to improve the radar tracking of maritime and land targets and updated VHF radios with ground and airborne voice and data communication capability. Additionally, integration is planned for Link-16 capability to connect JSTARS with other aircraft. Development is also underway to integrate new computers and radar processors that will improve system performance and address diminishing manufacturing sources issues.

QUESTIONS SUBMITTED BY MS. HANABUSA

Ms. HANABUSA. Should the Super Committee fail to act and the Government heads toward sequestration what would your branch of service look to first as a means to find additional savings?

General ODIERNO. Should the Super Committee fail to act and the Government heads toward sequestration, the Army will look toward balanced reductions in all Army accounts (manpower, force structure, maintenance, equipment, training, and infrastructure accounts in all components). Disproportionate changes in any one account risks creating an Army out of balance. The Army is committed to responsible management of the required budgetary cuts and not jeopardizing the effectiveness and safety of our Soldiers at war. However, cuts of this magnitude could be devastating, and effecting every aspect of the Army and challenging our ability to sustain an All Volunteer Force.

Ms. HANABUSA. Should the Super Committee fail to act and the Government heads toward sequestration what would your branch of service look to first as a means to find additional savings?

Admiral GREENERT. Sequestration applies uniform percentage cuts to each program, project, and activity by individual budget line item. This methodology for reduction, required in the Budget Control Act, does not allow the Department of Defense or the Navy to adjust our reductions.

Ms. HANABUSA. Should the Super Committee fail to act and the Government heads toward sequestration what would your branch of service look to first as a means to find additional savings?

General SCHWARTZ. The Department of Defense has proactively pursued a budget reduction/efficiencies strategy and the Air Force has taken its share of reductions over the past few years. Further cuts should be based on changes in strategy and corresponding reductions in force structure. Additional reductions would drive programs to be restructured, reduced and/or terminated in the investment portfolio. All investment accounts would be impacted including our high-priority Acquisition Category I modernization efforts such as MQ–9, Joint Strike Fighter, and KC–46A. Sequestration would drive potential internal realignment and loss or de-scoping of military construction projects. The Air Force would need to implement actions to the operations and maintenance appropriation such as reductions to flying hours and weapon system sustainment; curtail training; slowdown civilian hiring and implement potential furloughs or reductions in forces; reduce daily operations to emphasize mission critical operations (i.e. training, supplies, equipment); and defer/stop infrastructure investments and mission bed downs. Absorbing these reductions would drive readiness impacts "hollowing out" the force while making our ability to cover any emergent execution year requirements (i.e., fuel price increase or Libya operations) extremely difficult.

Ms. HANABUSA. Recently, General Dempsey and Secretary Panetta have both stated that we need a forward deployed presence in the Pacific. In your opinion, where specifically does this forward presence need to be placed?

General AMOS. Forward deployed Naval expeditionary forces are vital in the Pacific where the ocean is the dominant domain. National policy and the Commander of United States Pacific Command (PACOM) determine the specific location of forward deployed Marines in the Pacific Rim Area of Responsibility. The Marine Corps is working closely with PACOM to determine how best to posture the Marine Corps to support operational requirements in the Pacific.

Forward presence is both a combination of land and sea based Naval forces. The enduring bases in Okinawa and mainland Japan have served U.S. National Security interests well for over 60 years. Rotational presence in locations such as Korea, Australia, the Philippines, and Singapore reassures our allies and partners. Sea basing using amphibious warships is uniquely suited to provide the Combatant Commander with flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases or imposing our presence on a sovereign nation. Sea basing offers forward deployed presence, which serves as deterrence and provides a flexible, agile response capability for crises on contingencies. Maritime prepositioning also offers the capability to rapidly support and sustain Marine forces in the Pacific for training, exercises, or operations.

Ms. HANABUSA. You have mentioned that the USMC has the capability to provide forward expeditionary forces in the Pacific. Within the context you are using it, what constitutes an expeditionary force (in terms of the number of troops, equipment, supplies, training capability and readiness level)? Why do you believe the USMC is uniquely suited to provide this capability as it relates to the overall mission in the PACOM AOR?

General AMOS. Forward deployed Naval expeditionary forces are vital in the Pacific where the ocean is the dominant domain. The completeness and sufficiency of the MAGTF across the range of military operations as well as its expeditionary naval character make it conspicuously relevant in the Pacific where no other forward deployed component of the Joint Force possesses the flexibility to operate simultaneously in the required sea, air, and land domains.

Forward presence is both a combination of land and sea based Naval Forces. This is exemplified by the forward basing of III Marine Expeditionary Force in the Pacific. The enduring bases in Okinawa and mainland Japan and presence of Marines there have well-served U.S. national security interests well for over 60 years. Rotational presence of Marines in locations such as Korea, Australia, the Philippines, and Singapore reassures our allies and partners. Sea basing using amphibious ships is uniquely suited to provide the Combatant Commander with flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases or imposing our presence on a sovereign nation. Sea basing offers forward deployed presence, which serves as deterrence and provides a flexible, agile response capability for crises on contingencies. Maritime prepositioning also offers the capability to rapidly support and sustain Marine forces in the Pacific for training, exercises, or operations.

National policy and the Commander of United States Pacific Command (PACOM) determine the specific location of forward deployed Marines in the Pacific Rim Area of Responsibility. The Marine Corps is working closely with PACOM to determine how best to posture the Marine Corps to support operational requirements in the Pacific.

Marines organize around the Marine Air Ground Task Force (MAGTF), which is our principal warfighting organization for conducting missions across the range of military operations. The MAGTF is a scalable, versatile force that is able to respond to a broad range of contingency, crisis, and conflict situations. There are four types of MAGTFs: the Marine Expeditionary Force (MEF), the Marine Expeditionary Brigade (MEB), the Marine Expeditionary Unit (MEU), and the Special Purpose MAGTF (SPMAGTF). The chart below depicts the approximate sizes of the MEU, MEB, and MEF in terms of personnel, supplies (logistical sustainment), and equipment:

	MEF	**MEB**	**MEU**
TROOPS	~20–60,000	~14–17,000	~1,500–2,500
SUPPLIES	60 days	30 days	15 days
EQUIPMENT			
VEHICLES	~493*	~115*	~32*
AIRCRAFT	~348	~178	~29

* Only accounts for M1A1 Tanks, Amphibious Assault Vehicles, Light Armored Vehicles, and Artillery Howitzers.

MAGTFs are expeditionary in nature and are trained to deploy aboard amphibious ships, which provides commanders with great operational flexibility. They are balanced force packages containing organic command, ground, aviation, and logistics elements. The MAGTF's fixed- and rotary-wing aircraft, ground combat forces, and full range of logistics capabilities make it a complete combat formation with the required capabilities to operate across the spectrum of conflict. This completeness of capability, combined with sufficient capacity (mass and combat power), give the MAGTF the ability to respond to unexpected crises from humanitarian disaster relief efforts and non-combatant evacuation operations to counter-piracy operations, raids, or precision air strikes. When rapidly reinforced, the MAGTF can assure access anywhere in the world in the event of a major contingency and, along with the joint force, prosecute a major land campaign.

Ms. HANABUSA. Should the Super Committee fail to act and the Government heads toward sequestration what would your branch of service look to first as a means to find additional savings?

General AMOS. To ensure the Marine Corps is best organized for the challenging future security environment, we conducted a comprehensive and detailed force structure review aimed at identifying a balanced force that is postured for the future. Using the lessons learned from 10 years of constant combat operations, the re-

view arrived at an end strength of 186,800 following our commitment to Afghanistan. The Marine Corps affirms the results of that initial strategy-driven effort, but has begun to readjust its parameters based on the fiscal realities of spending cuts outlined in the Budget Control Act of 2011.

If sequestration is "triggered", the Marine Corps likely will be driven to a force structure significantly below 186,800 Marines. We will also be forced to reduce our reset and modernization programs that are required to meet the demands of the modern battlefield, and there would be negative impacts to our operations and maintenance accounts. These decisions collectively could result in a high degree of risk at a time when the world is increasingly more dangerous.

Equally as important, sequestration will make it difficult for the Marine Corps to be "the most ready when the nation is least ready" as directed by the 82nd Congress. Sequestration would likely result in a decreased forward presence of Marines which in turn would degrade our responsiveness to contingencies and crises. Moreover, the dwell time of service members would be reduced, impacting the quality of life for our Marines and their families. In addition, sequestration would slow the necessary reset of our equipment coming out of Afghanistan. In short, a reduced Marine Corps end strength level combined with reduced modernization and operation and maintenance accounts presents unacceptable risk both institutionally and for the Nation.

We also must be faithful to the obligations we have made to those who serve honorably, and guard against breaking the chain of trust that exists with them. This idea is central to the concept of the All Volunteer Force. Sequestration-initiated cuts with precipitous reductions in manning, early retirement boards and the like would cause us to break faith with our Marines and their families who have sacrificed so much over the past decade.

Through it all, we will make the hard decisions and redouble our commitment to our traditional culture of frugality. We will continue to ask only for what we need, not what we want. Ultimately, we will build the most capable Marine Corps the nation can afford.

QUESTIONS SUBMITTED BY MR. GRIFFIN

Mr. GRIFFIN. Has the Air Force analyzed what effect sequestration would have on Air Force Bases. Could it result in another BRAC?

General SCHWARTZ. A Base Realignment and Closure (BRAC) round would require specific authorizing legislation. While a sequester would clearly worsen the Air Force's facilities surplus by forcing across the board reductions in Air Force activities it would not itself result in a BRAC.

Mr. GRIFFIN. What effect would sequestration have on the future of the C–130 Avionics Modernization Program. Have there been any discussions of reducing the number of C–130s that would receive the AMP?

General SCHWARTZ. Based on the ongoing Department of Defense budget review, we are confident further spending reductions beyond the Budget Control Act's first round of cuts cannot be done without substantially altering our core military capabilities and therefore our national security.

In the current fiscal environment, the Air Force will continue to closely evaluate modernization programs and how they relate to future strategy and capability while also considering budgetary limitations. Like most Air Force modernization efforts, C–130 AMP is currently being evaluated in terms of future Global Mobility strategy as well as cost versus benefit relative to the legacy C–130 fleet.

Mr. GRIFFIN. The Air Force continues to experience a high operations tempo, which has resulted in detrimental effects on equipment such as engine and structural fatigue, deterioration, corrosion, and increased rates of component failures. The increased tempo also delays routine maintenance. What effect would sequestration have on our C–130s and other airlift planes that provide essential services to our troops overseas?

General SCHWARTZ. In a sequestration environment, the Air Force will need to make sustainment and modernization decisions to optimize readiness for all weapon systems, which includes our C–130s and other airlift systems. The Air Force will identify maintenance to defer based upon capability priorities in line with Department of Defense priorities and guidance. Without updated funding status, force structure changes, flying hour distribution, and prioritized distribution of sustainment funds, an accurate assessment of impacts to specific systems cannot be made. Presently, the Air Force has not deferred any required depot maintenance for airlift platforms, including the C–130.

QUESTIONS SUBMITTED BY MR. PALAZZO

Mr. PALAZZO. The navy is short about 30 ships from the 313 goal set by Secretary Mabus as the minimum necessary to meet current operational needs. How does the navy intend to reach its goal in the budgetary environment, especially when current shortfalls in maintenance funding have left one in five of existing vessels unfit for combat?

Admiral GREENERT. Although less that the 313 ship floor, the current Navy battle force of 284 ships provides a fleet capable of meeting Combatant Commander demands with manageable risk. Going forward, our current shipbuilding and aviation plans balance the anticipated future demand for naval forces with expected resources. With anticipated funding being flat or declining in the future, we will focus our investments to ensure the battle force has the capability for Navy's core missions such as ensuring Joint operational access and the capacity to remain forward in the most critical regions. Our plans also take into account the importance of maintaining an adequate national shipbuilding design and industrial base.

Our deployed ships are materially fit for combat. Ships that are in deep maintenance are not ready for combat operations and are a normal part of our ongoing Fleet Readiness and Training Process. As for operating ships, recent readiness reports by the fleet indicate that the trend of higher failure rates by surface ships on inspections by the Navy Board of Inspections and Survey is turning—and we will remain vigilant and proactive. We conducted a review of Surface Force readiness over the last year, which identified a number of root causes. These include reduced surface ship and intermediate maintenance center manning and the disestablishment (by BRAC 1995) of the surface ship life cycle engineering organization. These changes stopped updates to ship class maintenance plans, eliminated the technical support to plan maintenance periods, and reduced the ability of crews to complete required maintenance.

To address these problems, we put executive-level oversight in place and initiated a multi-prong plan to improve surface ship readiness. This plan includes increases to surface ship manning, restoring organizations to plan and manage ship lifecycle maintenance, and reestablishing technical support for planning and conducting maintenance periods. These corrections are all in place or in progress. We also significantly increased the FY 2011 and FY 2012 baseline Ship Maintenance budget submissions (compared to FY 2010). Today, Navy's maintenance account is fully funded.

While our ability to plan and conduct maintenance is much more comprehensive, an additional factor affecting surface ship readiness is the high operational tempo of the last ten years. Since 2001, underway days per ship increased by 15 percent while fleet size decreased by 10 percent. This reduces the time a ship is available in port to conduct maintenance—even if it is pre-planned and fully funded. The Navy is investigating options to improve the balance between presence and pre-deployment training and maintenance requirements, in order to achieve a sustainable level of operations that is consistent with the size of the fleet.

Mr. PALAZZO. Can we get to 313 ships? If not what is the impact to readiness?

Admiral GREENERT. The Fiscal Year 2012 Long-Range Shipbuilding Tables submitted to Congress show the fleet reaching 313 ships by Fiscal Year 2019. The main assumptions behind this plan are that our ships reach their expected service lives and that we and our shipbuilders can continue to build and deliver ships on schedule.

Today, these key assumptions are not being met. Since 2000, the fleet has about 10% fewer ships, and on average each ship spends about 15% more days underway each year to meet Combatant Commander demands. The greater amount of underway time comes at the expense of training and maintenance. Today we are unable to complete all the maintenance needed on each ship and aircraft, reducing their service lives. Resources alone cannot alleviate this issue. We will need to establish a sustainable level of deployed forces through the DOD Global Force Management process. In conjunction with adjusting the GFM plan, we are adjusting our Fleet Readiness and Training Plan to establish a sustainable operational tempo and complete required maintenance and training between deployments. This will constrain the number of ships and aircraft we deliver to Combatant Commanders in the future, but will ensure ships and aircraft reach their expected service lives and help avoid a further decrease in fleet capacity.

To reach our ship inventory goals, we also need to build and deliver ships on schedule. We continue to work to reduce costs and incentivize our industry partners to remain on schedule and maximize the Navy's return on investment. To reduce costs in general, our shipbuilding strategy leverages existing designs and proven technologies as much as possible. The Department has also refined its internal 2–

Pass/6–Gate review process to ensure requirements are set early and balanced against cost, and that this balance is visible and managed throughout the acquisition process. The Navy has strengthened acquisition policy to improve program oversight, control cost growth, and more effectively monitor contractor performance. The ability to build and deliver our fleet on time and under cost continues to require the combined effort of and collaboration between the Navy, the Congress, and the shipbuilding industry.

Mr. PALAZZO. Air Force Vice Chief of Staff Gen. Philip Breedlove testified last week that the Air Force will "not back off of the requirement" to deliver goods to ground forces, but he said it's no longer clear whether the Air National Guard's newest airlifter, the C–27J, or the C–130 will fill that role. He said "that is still pending and is all part of this ongoing budget review" I know many of my colleagues on the Committee care deeply about the C–27J program, and this statement startled a few of us.

Could you please clarify and elaborate on General Breedlove's statement?

General SCHWARTZ. Based on the ongoing Department of Defense budget review, we are confident that further spending reductions beyond the Budget Control Act's first round of cuts cannot be done without substantially altering our core military capabilities and therefore our national security. In the current fiscal environment, the Air Force will continue to closely evaluate all weapon system programs and how they relate to future strategy and capability while also considering budgetary limitations. Like most Air Force airlift programs, the C–27J program is currently being evaluated in terms of future Global Mobility strategy as well as cost versus benefit relative to the legacy C–130 fleet. No decision has been formalized and the Air Force is working with the Joint Staff and Office of the Secretary of Defense to review all options to minimize risks given increased fiscal constraints.

QUESTIONS SUBMITTED BY MRS. ROBY

Mrs. ROBY. I proudly represent the Second District of Alabama that has Fort Rucker-the home of the U.S. Army Aviation Center of Excellence. Recently, we had the privilege of Chairman McKeon visiting the base and to see the training that our rotary wing aviators go through and the great work that our soldiers are doing there. Our rotary wing war fighters have been key to our mission in the Middle East.

However, helicopter incidents are the third-leading cause of fatalities in the Iraq War. In Afghanistan, in 2008 helicopter-related losses was the number 1 cause of deaths with direct fire being the second cause and IED attacks as third. Weather-related issues, disorienting brownout conditions, engine failure, wire strikes and flying into terrain of which the pilot was unaware accounts for 80 percent of Iraq and Afghanistan helicopter losses. Environmental conditions affect every facet of rotary wing operations. However, many of these losses can be mitigated with various new technologies, glass cockpit, and other capabilities to give the pilot the necessary tools.

My question is how is the Army moving to encompassing these new instruments and capabilities to provide the war fighter with the necessary tools to mitigate many of these causes of helicopter incidents?

General ODIERNO. Every aircraft currently under procurement has a fully modernized cockpit which includes flight symbology for all modes of flight, moving maps and enhanced flight controls improving controllability.

The Army is demonstrating significant improvement in the most damaging class of accidents attributed to Degraded Visual Environment (DVE). This improvement can be attributed to the ongoing aircraft modernization investment. However, DVE remains a significant factor in the majority of non-hostile accidents. Despite noted improvements, the Army continues to evaluate potential systems to enhance the pilot's ability to maintain situational awareness when visual references are lost. In addition, we are seeking focused solutions including active radar penetrating sensors to "see through" brownout in the non-modernized fleet which may also supplement our modernized fleet's capability. As technology improves, the Army will continue to develop the right mix of mission planning systems, symbology, flight controls, displays and sensors to turn DVE from a hazard to a tactical advantage on the battlefield.

Mrs. ROBY. In working with the bases in my state, I understand the Army has a goal to have a joint multi-role aircraft for rotary wing transport on the books by 2030. The concern is that emphasis has been placed on modernizing our current rotary wing fleet and we may have lost sight on moving to a new platform. Current platforms are going limited even with modernization in several areas that we must

move forward including: need crafts to go faster than 200 knots, reducing logistic footprint and reduce fuel consumption. With all of the concerns of what the action of Joint Select Committee on Deficit Reduction will have on DOD appropriations, what will the possible reduction in appropriations do in impacting that deadline?

General ODIERNO. Reductions in appropriations for the Department of Defense could delay the development of technologies that could be applicable to the Joint Multi-Role Aircraft (JMR). Stable funding is key to developing and maturing these required technologies.

The Army fully intends to continue to pursue development of the JMR to fill capability gaps that cannot be addressed now because current technologies are either infeasible or too immature. These capability gaps are in the areas of survivability, lethality, performance, maintainability, supportability, flexibility, and versatility. Development of the JMR will lead to common aircraft components that will be scalable in size and will provide a common aircraft architecture to support mission-specific equipment packages to meet future vertical lift requirements.

While the Army pursues the development of the JMR, it must also continue with modernization efforts on current platforms to ensure that Army aviation units are modular, capable, lethal, tailorable, and sustainable. These modernization efforts mitigate capability gaps until the JMR technologies mature.

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