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THE IMPACT OF THE CURRENT BUDGET-CONSTRAINED ENVIRONMENT ON MILITARY END STRENGTH

HEARING

BEFORE THE

SUBCOMMITTEE ON MILITARY PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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THE IMPACT OF THE CURRENT BUDGET-CONSTRAINED ENVIRONMENT ON MILITARY END STRENGTH

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MILITARY PERSONNEL,
Washington, DC, Wednesday, February 27, 2013.

The subcommittee met, pursuant to call, at 2:03 p.m., in room 2118, Rayburn House Office Building, Hon. Joe Wilson (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, SUBCOMMITTEE ON MILITARY PERSONNEL

Mr. WILSON. Ladies and gentlemen, the hearing will come to order. The subcommittee today will focus on the harsh realities of maintaining an All-Volunteer Force in a budget-constrained environment, reducing end strength of the military services. Although I understand the fiscal realities, as I have made clear in the past, I have serious reservations about the end strength and force structure reduction plans for our military. America remains at war today and will continue at some level of persistent conflict globally with a ruthless and committed enemy for the foreseeable future, encouraged by outlaw rogue regimes. We must not forget the attacks of September the 11th, 2001.

Nevertheless, the task of reducing manpower is not easily accomplished, and must be done with great care and compassion to ensure the services keep faith with the service members and their families who have served our Nation through more than 10 years of war. The committee will hear from the witnesses on which authorities the Department of Defense [DOD] and each of the services plan to use to reduce end strength over the next several years.

We will also explore the impact of a yearlong continuing resolution and sequestration on the services' current end strength plans. As a reminder, the military personnel accounts are exempt in fiscal year 2013 from cuts under sequestration. But that does not guarantee there will not be a long-term impact on end strength levels. Of significant concern to me is that increasing fiscal pressure on the military services, especially the Army and Marine Corps, will compel them to move from gradual reductions in manning levels to precipitous declines. I am also concerned that if the military services are compelled to make more significant reductions than now planned, that the use of involuntary separation authorities will become the norm.

I would like to welcome our distinguished witnesses. The Honorable Jessica L. Wright, Acting Under Secretary of Defense for Per-

sonnel and Readiness; Lieutenant General Howard B. Bromberg, Deputy Chief of Staff, G–1, United States Department of the Army; Vice Admiral Scott R. Van Buskirk, Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education, U.S. Department of the Navy; Lieutenant General Robert E. Milstead, Jr., Deputy Commandant, Manpower and Reserve Affairs, United States Marine Corps; Lieutenant General Darrell D. Jones, Deputy Chief of Staff for Manpower, Personnel, and Services, U.S. Department of the Air Force.

I would also like to recognize that today is the first appearance before the subcommittee for Lieutenant General Bromberg and Secretary Wright. Welcome to both of you.

Ms. Davis is our ranking member, Congresswoman Susan Davis of California.

[The prepared statement of Mr. Wilson can be found in the Appendix on page 25.]

STATEMENT OF HON. SUSAN A. DAVIS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, SUBCOMMITTEE ON MILITARY PERSONNEL

Mrs. DAVIS. Thank you. Thank you, Mr. Chairman. I want to thank you for holding this hearing for the impact of the Budget Control Act and the impact that it is having on the force structure and end service strength of the services. And then what sequestration and the uncertainty surrounding the remaining fiscal year 2013 may also have on our budget and your operations. I also want to thank all of the—most of the witnesses for the opportunity to spend some time with you in the last few days.

The Budget Control Act [BCA] has already made the services, particularly the Army and the Marine Corps, take a hard look at their ability to sustain the current force. And while their decision to reduce end strength was based on the reduction in operational requirements, it was also a result of the reduction in funding imposed by the BCA. What concerns me is the additional reductions that are expected if and when sequestration sets in on March 1st. These significant reductions will be compounded when the continuing resolution under which our government, including the Department of Defense, are operating under. And that, as we all know, ends on March 27th.

The full committee has held a number of hearings on the impacts of sequestration and the continuing resolution, but none of these hearings have focused on potential solutions to this dilemma. So while I appreciate having this hearing to learn more of what sequestration and the potential impact of a full year CR [continuing resolution] could have on the Department, the only people, quite honestly, who can resolve this issue are the Members of Congress.

We must find common ground and be willing to compromise for the future benefit of our country. Political posturing should not come at the expense of our brave men and women in uniform and their families. I look forward to hearing all of you and working with my colleagues on this committee and in the House to develop a rational, a commonsense approach to resolving these challenges.

Thank you, Mr. Chairman. And I look forward to our hearing.

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

Mr. WILSON. Thank you, Ms. Davis.

Secretary Wright, we will begin with your testimony. As a reminder, please keep your statements to 3 minutes. We have your written statements for the record.

STATEMENT OF HON. JESSICA L. WRIGHT, ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS, U.S. DEPARTMENT OF DEFENSE

Ms. WRIGHT. Mr. Chairman, thank you. Ranking Member Davis, thank you very much. Distinguished members of the committee. It is a pleasure to discuss the effects of sequestration as mandated by the Budget Control Act of 2011, and the ongoing continuing resolution for fiscal year 2013, on the Department of Defense and military personnel readiness of our total force. Sequestration, which is scheduled to go in effect in 2 days, would result in $46 billion funding reductions across the Department, a reduction of 9 percent of the total budget for 2013. This is the steepest decline of obligating authority in history. And an ongoing continuing resolution would compound that fiscal devastation.

On February 13th, Deputy Secretary Carter and Chairman Dempsey, all four service chiefs and the National Guard Bureau chief appeared before the full House Armed Services Committee. They testified on the significant impacts both on sequestration and the continuing resolution would have on our national readiness. Whether it is a canceled deployment of an aircraft carrier or reduced training of Army troops to maintain proficiency or the degradation of our Reserve Components, the results of the impact on readiness in our armed forces will be disastrous.

Managing readiness after a decade of war was bound to be a challenge, irrespective of our fiscal considerations. Now the services are beginning the difficult process of resetting and restoring our forces' ability to conduct a full range of military operations as required by the current defense strategy. I believe there is a very real possibility that the readiness and effects of sequestration or an operation under a continuing resolution would be devastating. These effects are likely to reduce readiness directly through the reduction of operation and training and indirectly through the effects of personnel and equipment. Some of those indirect effects are especially those that impact personnel pipelines, and it will take years to realize what they are and even longer to mitigate.

Moving forward, I do want to thank you for the legislative authorities that the Congress gave us in NDAA 2013 [National Defense Authorization Act], which allows us greater flexibility to manage our force structure and to ensure the least impact to our service members and our readiness.

Chairman Dempsey argued that we need flexibility to allocate our resources to our highest priorities. And when we are not allowed by legislation to touch individual pieces of our budget, readiness accounts inevitably, we pay the price. This is especially true in the terms of our military end strength. If sequestration is allowed to go forward with ongoing continuing resolution, the collateral damage will be seen in three major areas: Force readiness; im-

pacts on force level, capabilities and morale; and impact on support programs. However, the President made it clear that we will exclude military personnel accounts. And Secretary of Defense has given guidance that the Department will protect to the greatest extent possible caring for our wounded warriors, providing quality medical care, and, in addition, the Department is committed to such efforts as sexual assault prevention and response, suicide prevention, service member transition. Our warfighters, their families, our Nation's security should not and could not be put at risk by this fiscal policy such as sequestration.

Sir, and ma'am, thank you so much for the opportunity to speak with you today. And I look forward to your questions.

[The prepared statement of Ms. Wright can be found in the Appendix on page 28.]

Mr. WILSON. Thank you, Ms. Wright.

And Lieutenant General Bromberg.

STATEMENT OF LTG HOWARD B. BROMBERG, USA, DEPUTY CHIEF OF STAFF, G1, U.S. ARMY

General BROMBERG. Chairman Wilson, Ranking Member Davis, distinguished members of the committee. Thank you for the opportunity to appear before you on behalf of today's Army. Throughout our history, United States Army has never failed to respond to a threat to our Nation. Today, the greatest threat to our military readiness is the current dire fiscal uncertainty. The combined effects of yearlong continuing resolution and sequestration, along with the need to protect wartime operations, may result in particular severe reductions in funding to programs directly relating to the readiness of our force and the well-being of our soldiers and families. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army readiness for the next 5 to 10 years, putting national security at risk. The continuing resolution and funding to the Military Personnel Army, or MPA appropriation, is in excess of requirements. And the President has exempted it from sequestration.

So military pay, pay raises, housing allowances, subsistence, and other pays are adequately funded. However, it will become necessary to move funds from the MPA account to cover additional funding shortfalls for critical programs. It is imperative that we preserve the readiness of our force. We simply cannot send soldiers into harm's way who are not trained, equipped, or ready for contingencies. Cancellations in training or reduction in support network required to feed, clothe, and maintain the health of initial entry soldiers would create a backlog within the personnel inventory that will exist well past fiscal year 2014.

This backlog would impact the Army's ability to maintain grade structure and future readiness. Loss of training is not recoverable and will have a negative impact for near-term readiness. Subsequently, a loss in confidence in the Army's ability to train, equip, and care for soldiers would damage recruiting and retention for many years to come. Under the Budget Control Act of 2011, the Army will have to cut $170 billion over 10 years and will reduce our Active Duty end strength from 570,000 to 490,000. The National Guard will be reduced from 358,000 to 350,000. And the

Army Reserve will be reduced from 206,000 to 205,000. This would accumulate to a net loss with our civilian reductions from 272,000 to 255,000 to about 106,000 soldier and civilian positions.

If sequestration occurs in 2013 and discretionary caps are reduced from 2014 to 2021, the Army may be forced to reduce an additional 100,000 personnel across the Active Army, National Guard, and U.S. Army Reserve in order to maintain a balance between end strength, readiness, and modernization. The Military Personnel Account may be exempt, but the second and third order effects are detrimental and will have direct impact on our future readiness.

While we must transform to a smaller Army, it is imperative we do so in a planned, strategic manner, without sacrificing programs that impact readiness and support for our people. Chairman Wilson, Ranking Member Davis, and members of subcommittee, I look forward to your questions and thank you for your the opportunity.

[The prepared statement of General Bromberg can be found in the Appendix on page 48.]

Mr. WILSON. Thank you very much, General. And we have Vice Admiral Van Buskirk.

STATEMENT OF VADM SCOTT R. VAN BUSKIRK, USN, DEPUTY CHIEF OF NAVAL OPERATIONS, MANPOWER, PERSONNEL, TRAINING, AND EDUCATION, U.S. NAVY

Admiral VAN BUSKIRK. Good afternoon, Chairman Wilson, Ranking Member Davis, and distinguished members of the committee. Thank you for holding this hearing to discuss the potential impacts of the current budget-constrained environment on military end strength. We are operating in a time of unprecedented uncertainty as we face the prospect of sequestration and the ongoing continuing resolution. Though military personnel accounts are exempt from sequester, impacts to sailors and their families can already be felt as we curtail deployments, make adjustments to training and maintenance.

These actions, while necessary, are disruptive and are a source of increased anxiety for our Navy families. Compounding these concerns is the potential for furlough of our Federal civilian employees, who are the backbone of many of our vital sailor and family support programs. While the Chief of Naval Operations has committed to protecting these programs, in many cases, the absence of the expertise and the corporate knowledge of our civilians that they deliver will be sorely felt.

While we do not anticipate that a CR or sequester will adversely impact near-term plans for achieving our end strength target, mitigation actions already taken and others about ready to be executed will significantly affect our ability to attract, recruit, develop, assign, and balance our highly skilled workforce beyond fiscal year 2013. Our force management actions have us closing the gap as we work towards our fiscal year 2013 Active end strength authorization of 322,700, and our Reserve end strength of 62,500.

We do not anticipate the need to further reduce aggregate end strength for either component this year. We are applying various force management levers as we balance and distribute the force and will, to the extent possible, apply voluntary measures before resorting to involuntary measures. As we stabilize the force, we

will adjust future end strength to pay anticipated force structure changes that may result from actions taken to meet sequestration requirements.

We have already begun taking actions. We have reduced advertising outreach and engagement opportunities, which are fundamental to attracting and recruiting our future force. Likewise, we are making tough budget decisions regarding training, education, and travel that inhibit our ability to deliver trained sailors for timely assignment, deployment, and distribution. If authorized to transfer funds with the fiscal year 2013 budget, we would apply funding for investments to restore the most critical operation and maintenance requirements.

We ask that Congress act quickly to enact the fiscal year 2013 defense appropriations bill, or, at a minimum, provide us with the flexibility to reprogram funding between accounts to best position us to meet requirements for the national defense strategy.

I remain committed to working with Congress, particularly with this subcommittee, to provide information on the effects of the continuing resolution and sequestration. Thank you.

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

Mr. WILSON. Thank you very much, Vice Admiral.

And we have Lieutenant General Milstead.

STATEMENT OF LTGEN ROBERT E. MILSTEAD, JR., USMC, DEPUTY COMMANDANT, MANPOWER & RESERVE AFFAIRS, U.S. MARINE CORPS

General MILSTEAD. Good afternoon. Chairman Wilson, Ranking Member Davis, and distinguished members of the subcommittee, it is my privilege to appear before you today.

As our Commandant recently testified to you, sequestration will have a significant impact on our Nation's readiness, especially in the long term. It creates risk to our national strategy, our forces, our people, and our country, risks that will be further inflamed by a yearlong CR. We will have to make some tough decisions about which programs to maintain and which to streamline, or which to cut. We will do everything we can to maintain our highest priority programs that support our Marines, especially our wounded warrior care. But even some of these programs may be impacted if our civilian Marines are furloughed. Over 90 percent of our civilian Marines work side by side with our uniformed Marines in the operating forces, not walking around the halls of the Pentagon.

Approximately 68 percent are veterans, and they are security guards, our firefighters, teachers, therapists, and transition support personnel. However, no matter the implications, there are some things that must endure. We will continue to be our Nation's expeditionary force in readiness. We will be ready to rapidly respond to crisis around the globe and to ensure continued security to the American people. We will be always faithful to the trust which the American people have vested in us, and we must keep faith with our Marines to draw down in a measured and responsible manner. Your Marine Corps will continue to give you the best capability that can be squeezed from the precious resources you have allocated to us for our national defense. Our individual Ma-

rines are the Corps' most sacred resource, and they will always be so. I look forward to your questions.

[The prepared statement of General Milstead can be found in the Appendix on page 70.]

Mr. WILSON. Thank you very much, General. And as a Member of Congress who has had the privilege of representing Parris Island, I know what quality personnel you have.

We now proceed to Lieutenant General Darrell D. Jones.

STATEMENT OF LT GEN DARRELL D. JONES, USAF, DEPUTY CHIEF OF STAFF FOR MANPOWER, PERSONNEL AND SERVICES, U.S. AIR FORCE

General JONES. Chairman Wilson, Ranking Member Davis, and distinguished members of the committee. It is our honor to be here before you and testify today and to represent the 690,000 total force airmen serving this great Nation around the globe. The military, the men and women of our great service, and the Air Force are dedicated and innovative and hard-working. Without their selfless efforts, we could not succeed. Unfortunately, today our budgetary standoff is sending the wrong signal to our workforce. The sheer threat of sequestration brings uncertainty and angst to the force and as 1 March fast approaches, their angst is reaching a fevered pitch. Whether it is furloughing up to 180,000 dedicated civilian airmen, reducing our flying hour program within operational and training units, or cutting temporary duty funding to attend mission readiness training and professional development, the visible effects of sequestration will be significant and widespread. Less measurable but visible will be the chilling effect this measure has on the morale and institutional confidence of those 690,000 airmen I spoke of earlier.

We all recognize the significant fiscal challenges facing our Nation and agree we must all contribute to the Nation's solution. However, using arbitrary across-the-board cuts to achieve our fiscal goals is shortsighted and will impact our readiness levels in the near and the long terms. We urge you to do all that is necessary to avert the arbitrary cuts of sequestration and pass an appropriations measure. If sequestration is inevitable, we ask you to grant us reprogramming flexibility, relief from measures like the depot 50/50 rule and the acquisition 80/20 rule and other restrictions that were enacted in a normal budgetary environment but today limit our flexibility to mitigate the significant impact of both sequestration and the yearlong continuing resolution.

The Air Force has been in sustained combat operations for 22 years. I am deeply concerned about our people as they struggle even more with the stress and uncertainty of a looming sequestration and a continuing resolution.

Thank you for the opportunity to represent the Chief of Staff of the United States Air Force and all airmen today. And I look forward to taking your questions.

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

Mr. WILSON. I want to thank each of you for your heartfelt comments, and I know that we all appreciate your extraordinary service.

We will be proceeding with 5 minutes of questions from each person, and then I appreciate very much that Mr. Craig Greene will be maintaining the time. And we shall follow the time as we proceed.

Many of the drawdown authorities involve greater capability to involuntarily separate and retire service members with significant consequences on morale, as has been cited. Secretary Wright, what measures, if any, is DOD taking to try and maintain some parity across the services with respect to which separation measures are being used? Do you see an imbalance in these plans between the use of voluntary and involuntary separations? If not, do you see any challenges with fairness perceptions?

Ms. WRIGHT. Sir, thank you very much for the question.

The Secretary and the Deputy Secretary across DOD have indicated that they are striving for consistency across the Department. We have reached out to the services from the OSD [Office of the Secretary of Defense] level and have an understanding that the first method that they need to use when separating military members from the force is clearly in the voluntary zone. We have reviewed all of their plans, and they are consistent with that, to use a voluntary method to separate the service members.

Mr. WILSON. I am very concerned, though, that what we will see is involuntary separation. And so for each of our military witnesses, and beginning, General Bromberg, with you, to the right, on my side, and if your service is employing or forced to employ involuntary reduction measures, what special efforts do you intend to use to communicate with the force and mitigate the morale problems that are inevitable. Certainly, military families not just service members, but their families are so concerned.

General BROMBERG. Yes, sir. With respect to the Army, our first plan is to use or reducing our accessions to try to limit how many we bring in by year. And then let people naturally attrit out of the service through retirement or they decide not to stay with us. As we know, about 36 percent always leave the service after their first term of enlistment. Then after that point, in the case of the Army, we will come to a point where unfortunately we will have to use some involuntary separation measures. In the case of the Army, it will probably be about 24,000 enlisted and about 7,000 officers. What we plan to do, sir, is we plan to have constant dialogue, both through the press, through individual leadership being involved. In the case of officers who would be asked to retire early, we will have senior leaders talk to those officers. The same with noncommissioned officers. Senior noncommissioned officers will talk to everybody to ensure they understand the meanings.

In all cases, we are trying to maximize, to the greatest extent possible, in some cases, up to 18 months early warning or early notice that that person may have to retire. Unfortunately, not everybody will be retirement-eligible. But we do have the authority granted in the National Defense Authorization Act that will allow us to do early retirement at 15 years, so some people will be able to apply for that. There will be some that will have to leave the service, unfortunately, with just separation pay at the end of the day. We think we are being very aggressive, we think we are being very open, but again we are trying to use our accessions and our

normal attrition to get to where we need to be by the end of 2017 under today's Budget Control Act, not counting sequestration or other activities.

Mr. WILSON. Admiral.

Admiral VAN BUSKIRK. Chairman Wilson, after two decades of reducing our force structure and our personnel in the Navy, we are at a point where we were stabilizing our workforce. So currently that is based upon the force structure that we predict that we will have.

As we look at the impacts of sequestration, we anticipate that if we have to reduce our force structure that we would do that, reduce our force structure, we would reduce, accordingly, our manpower. But currently we see no need to use involuntary measures at this point. And, hopefully, as we can continue to stabilize the workforce, we will be in a position to where we are just maintaining voluntary measures that we will use to shape our workforce.

Mr. WILSON. Thank you.

General MILSTEAD. In the Marine Corps, we are taking down to 182,100. That is our figure. And as I have stated in my written testimony, we see no need at all to use involuntary measures. We are confident that we can maintain this measured and gradual descent without the need for involuntary measures, you know, and thank you very much for what you have given us to be able to do that. You have given us the force-shaping measures so that we can do this. The temporary early retirement authority, the VSP, Voluntary Separation Pay. These are paid by OCO [Overseas Contingency Operations], and so they are not coming out of the funds. You have given us early release authority, you have given us time and grade waivers. And these, we are confident, will be sufficient to get us down to that 182,100 by the end of 2016 without involuntary separations.

Mr. WILSON. Thank you. And concluding.

General JONES. Mr. Chairman, the Air Force for the last 2 years has been on a multiyear program to get us to our end strength by the end of fiscal year 2012. We are very fortunate to meet that goal and basically be right on target at the end of the year. Our goal for fiscal year 2013 on the Active side is 3,340 less. With the reduced amount of time, once we have a budget solidified to get to that, we do have concerns whether we will be able to reach that at the end of the year using voluntary programs, but we believe we will. We will be using no extraordinary involuntary programs this year.

In fiscal year 2014, we are not sure if we are going to be able to meet our end strength without possibly having to resort to the Selective Early Retirement Boards. But ours is more of a force-shaping program where we are looking at year groups and specific career fields to reduce our forces while maintaining our accessions. We are cutting accessions on the enlisted side by 2.6 percent in fiscal year 2013 and no reduction on the officers' side of the house, because we think it is very important to maintain our seed corn as we go forward so that we don't create bathtubs that we have to live with for 20 years.

Mr. WILSON. Thank you, each one of you, for your comments. And we now proceed to Ms. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. I know you have been talking about your drawdowns. I am just wondering, if sequestration does move forward, could you expand on some other timelines that you would be looking at? And would those, any of those include any additional drawdowns?

Ms. WRIGHT. Ma'am, I am going to have to defer to the services individually when they talk about their particular end strength and how sequestration would affect that particular end strength.

Mrs. DAVIS. Okay.

General BROMBERG. Yes, ma'am. In the case of the Army, we are examining right now if sequestration takes effect, would we have to accelerate our ramp, our downturn ramp right now away from the plan that we currently have. We could potentially have to do that in order to balance readiness, modernization, and overall end strength. In that case, we could see ourselves blowing by the estimates that we have right now for end strengths for each year. And if sequestration happens, just looking at the overall balancing again across all the budgetary requirements, we could see ourselves coming down as much as 100,000 out throughout the future years. Still doing the research on that, and we could provide you more information. But that is what we are right in the middle of doing right now.

Mrs. DAVIS. What is the timeline? When would you have to begin to make those decisions? We are looking at, obviously, March 1st and then the 27th in terms of the CR. What timeline are you looking at to actually make those decisions?

General BROMBERG. Yes, ma'am. If the discretionary cap is not going to be lifted, then we will probably make the current downturn path decision probably in the next 30 to 60 days. Because we just know we won't have the money to maintain that. As far as the larger reduction decisions, those would come out as we further develop the budget for 2014 through 2018 and beyond.

Mrs. DAVIS. Is that the same basically for all of you? Or is there anything else you would like to add?

General JONES. In the Air Force side of the house, ma'am, unless sequestration would were to go for an extremely long time that would cause significant reductions in force structure, we wouldn't need to take the force any smaller.

General MILSTEAD. For the Marine Corps, 182,100. We have done a detailed analysis through a force structure review group and other such measures to see what the Marine Corps needs to be to meet our defense strategic guidance. And that number is 182,100. We are confident, regardless of sequestration, even regardless of a continuing resolution, that we can get down to 182,100, given those force-shaping measures that you have given us. But it is important to point out to go back what Chairman Wilson stated, that the President has chosen to protect the MIL PERS [Military Personnel] accounts in this fiscal year. Given that, we can maintain this glide slope.

Should that not be the case in the outyears, then, yes, ma'am, there is some hard decisions are going to have to be made. Because you are going to have to take that 2.3 cents on the dollar right out of those MIL PERS accounts and you are going to have to get rid

of people. But for the time being, we are optimistic that we will continue to have the MIL PERS accounts deferred.

Mrs. DAVIS. Thank you. It is one thing not to have those accounts touched through this. But we have also talked about the fact that many civilians may be furloughed. And this affects our families. And so I wonder if you could talk a little bit more about that. And what is the I guess the perception, too, in terms of the questions that you are getting in terms of other benefits that might be affected by this.

Admiral VAN BUSKIRK. Ma'am, I just came from Norfolk this past Friday where I had a chance to, all hands calls, not just with the Active and Reserve Components, but the civilians as well. And I will tell you the mood is angst, concern. The Active Duty Components and Reserve looking at the civilian workforce that they work side by side with on a day-to-day basis in our home port and our fleet concentration areas, looking at them as they are facing the decisions that they are going to have to make within their own families and the choices they have to make as they take a potential pay cut if a furlough should occur.

Additionally, it shouldn't be underestimated the effects of the hiring freeze that we have. The hiring freeze is significantly impacting our ability to bring in new talent to backfill the people who are choosing to leave our service. And the civilian workforce is vitally important, the 180,000-plus civilians that work within the Navy total force construct are critical to achieving our mission. So there is a concern among all the components about our ability to continue to meet our readiness and to fulfill our mission as we go forward.

Mrs. DAVIS. Anybody else, quickly? Yes, Secretary Wright.

Ms. WRIGHT. Yes, ma'am. I would like to add that, the furloughing, should we have to do it, of our civilians, oftentimes, people believe it is a Washington, DC, phenomenon. And I will tell you out of the 800,000 great civilians that are employed by our Department, the majority of them, 80 percent of them, work outside of the Military District of Washington. And so they fix our aircraft and our tanks and our ships. They provide services across the Nation. So this will be felt, you know, from this Washington to the State of Washington equally across our area.

Mrs. DAVIS. Thank you. I think my time is up, and maybe if you want to pick that up later with someone else. Thank you very much.

Mr. WILSON. Thank you, Ms. Davis. And we now proceed to Congressman Joe Heck of Nevada.

Dr. HECK. Thank you, Mr. Chairman. And thank you all for being here, for your service and for the forthright and stark assessment that you have presented to us. Certainly with the significant end strength reductions, more so Army and Marine Corps than the other services, they are going to come with certain risks to being able to execute our national military strategy the next time the balloon goes up. Certainly in the past, that risk has been mitigated somewhat by the use of Compo [Component] 2 and 3 in the Reserve Components. And over the last decade, we have built some incredible capabilities within the Reserve Components going from that

transformation of a strategic reserve to an operational force, but it was done with OCO money, not baseline budgets.

So now we see baseline budgets getting cut, OCO money is going away, no more CO–ADOS [Contingency Operation for Active Duty Operational Support] tours. And then that is going to be compounded with the capabilities not being able to train to the same level that they had.

So it seems like our risk mitigation force is also taking a significant hit in being able to execute our national military strategy. And I will say that I don't ever want to find us in a position again where I hear the quote that "You don't go to war with the Army you want, you go to war with the Army you have." But I am fearful that that is the path that we are going down. I mean, certainly, in the Army Reserve, with 83 percent of the transportation assets, 74 percent of medical assets, 70 percent of civil affairs assets, Army is not going to war without the Reserve Component. What steps are being taken, if any, to try to be able to maintain the capabilities in Compo 2 and 3 to try to offset the risks that we are going to incur by the drawdown in the Active Duty force?

And I am sure it is across the board. I will use Army Reserve because it is the one I am most familiar with, but I am sure it is going to be an impact on all of the Reserve Components.

General BROMBERG. Yes, sir. As you have clearly articulated, the risks are great in executing our national strategy. Some of the things we are looking at right now as we look at how we balance the readiness, the modernization, the end strength account, preserving those critical resources need the Reserve Component. But clearly those are at risk. As we do our analysis in the coming weeks and months, as we see what the budget is, we will have to see where we end up. And we will do some follow-up with you, if that is okay.

[The information referred to can be found in the Appendix on page 97.]

Ms. WRIGHT. Sir, I would like add, too, that if we go into sequestration and we do have to institute a furlough, that will also affect those military technicians, those excepted civil servants that work for the Reserve Component. So that is another issue that the Reserve Components will be dealing with, just like the Department or the Active Component is dealing with.

Dr. HECK. I appreciate you bringing that point up. And I guess, has there been any discussions of whether or not the dual status individual, if one status is going to be affected because of a change in the other status due to sequestration? What if the MILTECH who has got to maintain their Reserve job, is going to lose the Reserve job, or vice versa, if it is a MILTECH [Military Technician] who is going to lose their MILTECH position, are they still going to be able to maintain their Reserve status? Has there been any discussion about what might happen in that regard?

Ms. WRIGHT. Their military job is protected with the MIL PERS account. So they will be paid as the military part of their responsibility, their Reserve Component position. If the furlough goes into effect, they will be furloughed along with the other DOD employees.

Dr. HECK. Any other, on the Reserve Component side, on the effects on your respective services?

General MILSTEAD. The Marine Corps Reserves, we are going to hold at 39,600. That was all part of that same analysis on what we need. You know, we look at things as a total force.

They are spread across 180 sites across this country. They do have civilians. And as Secretary pointed out, some of these positions are just one or two deep. So they will be affected by possible furloughs. But we have them about $665 million in the Reserve, the RPMC [Reserve Personnel, Marine Corps] account, if you will, this year. So we have them in baseline. And we are trying to live within the baseline. But in my total TOA [Table of Allowance], only 3 percent of that is discretionary in my manpower account. And out of that 3 percent, I try and also feed the Reserves, to go to your question. Those reenlistment affiliation bonuses, the MOS [Military Occupational Specialty] retraining, the travel reimbursements, the IMA [Individual Mobilization Augmentee] costs to pay to activate a Reserve, to help support the Active Component or whatever. So we will be challenged significantly with sequestration for the management. But the basic 39,600 is covered.

Dr. HECK. Then just quickly, if the Admiral or General Jones if you have anything to add differently for your respective components.

ADMIRAL VAN BUSKIRK. For our Reserves, as you know, sir, they are fully integrated with our Active Component. So they are seeing the impact as we reduce our training opportunities. Their training opportunities are reduced as well, flying hours, their ability to do the mobilization training that is critical for supporting the total force mission.

General JONES. Sir, we will see an equal impact on the Active, the Reserve, and the Guard side when it comes to flying hours. An 18 percent reduction in flying hours for the year really equates to a 30 percent reduction in flying hours, roughly 203,000 flying hours. Units will very quickly go down to flying only basic qualifications for their aircraft, not combat ready for the aircraft. And we will see that effect. And it will take 6 months to spin them back up to be combat ready. Add on top of that the dual status technicians who will be furloughed if we go to a furlough. And the impact will be felt for a long time.

Dr. HECK. Thank you all. Thank you, Mr. Chairman. I yield back.

Mr. WILSON. Thank you, Congressman Heck.

We now proceed to Congresswoman Niki Tsongas of Massachusetts.

Ms. TSONGAS. Thank you, Mr. Chairman. And thank you all for being here today. We are here because we are all too aware that sequestration is now only 2 days away from being implemented. And we all have our particular concerns about its harmful effects. But in this context, I am particularly worried about the impact that it would have on our civilian and uniformed acquisitions workforce.

In an Armed Services Oversight and Investigations Subcommittee hearing yesterday, one of our witnesses spoke about what Fareed Zakaria has called "the democratization of violence."

This is the idea that increasingly sophisticated weaponry is becoming more and more readily available to emerging global competitors, Third World countries, and even non-state actors. So, for example, Hezbollah is now using UAVs [unmanned aerial vehicles] and increasingly sophisticated long-range missiles, and as a result, poses a very significant regional threat.

In this kind of threat environment, it seems to me that it is essential for our Nation to continue its robust investment in R&D [research and development] and efficient acquisitions management of cutting-edge defense technology in order to retain our leadership on the world stage, even as we cut end strength and draw down from Afghanistan.

And I would like to direct this question to you, General Jones. I know that this is an issue that has been of importance to you given your previous command of the 66th Air Base Wing at Hanscom Air Base. This is a base that is located next to my district in Massachusetts. And Hanscom, as you know, manages the Air Force's Vital Electronic Systems Acquisition, also known as C4 ISR, as part of the Air Force Materiel Command's Life Cycle Management Center. As we continue to move away from a generation of dumb bombs and towards drones and cyber capabilities, these acquisitions functions will become more important than ever.

And, General Jones, you note in your testimony that sequestration will "hobble" the Air Force's modernization efforts, a major priority which the Air Force has cut end strength to fund.

Could you elaborate on how it could hamper efficient acquisitions management, particularly of electronic and cyber systems, which are so extraordinarily complex and quickly evolving technologies?

General JONES. Yes, ma'am, I will be happy to. First off, let me tell you that being stationed at Hanscom was really one of the best assignments my wife and I ever had. The area, being southerners, we weren't sure what we were going to expect when we got up north. That was a very cold place for us. But it really was truly one of our great assignments, and some wonderful people.

But if you walk around Hanscom Air Force Base, as all of our acquisition bases and our depots, you see a lot of civilians and you don't see as many people in uniform. Seventy-four percent of all of our acquisition professionals are civilians. If we go to furlough and we furlough them for 2 days per pay period, or basically 20 percent of their productivity for the rest of the year, that is going to have a huge impact on our ability to acquire and complete the acquisition programs, and delay the delivery of different programs because they just won't be there to do the job. It is a 20 percent cut in productivity. If you look at the depots, we have 24,000 civilians working in our depots. The number of days they will take off through furloughs will be significant for us, and it will have an impact. And that impact in the depot processes will take years to overcome because it is a very much the aircraft are coming in at max capacity. We are working them the best we can, getting them out quickly.

So any delay in that process is going to send a bow wave and a ripple effect that we will live with for a long time. We understand the importance of acquisition professionals in the Air Force, whether they are in uniform or civilians. We closely monitor them. We have, obviously, through DAWIA [Defense Acquisition Workforce

Improvement Act] we watch their promotion opportunities, their career progression. And we know how important they are to what we do in the Air Force, whether it is in cyber, whether it is in aircraft. And it is something we can't do without. It is going to take years if we go to the full effects of sequestration and furloughing the civilians to overcome what will happen.

Ms. TSONGAS. Would you be impacted on a freeze by hiring as well?

General JONES. We are already impacted on our hiring.

Ms. TSONGAS. The backfill?

General JONES. We started hiring freezes on 16 January. And there is basically, there were 5,000 vacancies in the Air Force a few months ago. That didn't count critical temps and term employees. That is another 3,200 employees that are not at their job. And so every day we continue in the hiring freeze with the waiver authority held at the vice commander, the three-star level of the command, so it is being used very sparingly, it is having an impact on what we do every day.

Ms. TSONGAS. Thank you. I yield back the balance of my time.

Mr. WILSON. Thank you very much. And in consultation with the ranking member, we will proceed with another round of anyone who would like to ask further questions, because this is so important for the security of our country.

I would like to ask each of the services to clarify what decisions will have to be made in 30 to 60 days if the sequester goes into effect? Is the decision that will be made one concerning end strength for cuts for fiscal year 2014 and beyond? If sequester goes into effect, when will the decisions be made about when additional end strength cuts for fiscal year 2014 have to be made?

And actually it is quite appropriate we begin with the Army because that is where the greatest impact would be. So General Bromberg.

General BROMBERG. Thank you, sir. I think if sequestration goes into effect and the discretionary caps aren't lifted for the future, the first piece we are going to have to look at how fast do we change the speed at which we are approaching 490 based upon the Budget Control Act of 2011. And that will force us potentially to use more involuntary incentives to have people leave sooner to get us down to that 490 number. That is the first question that we will have to answer. I think we will have to answer that in the next 30 to 60 days as the budget unfolds for fiscal year 2014 and the rest of 2013. So as soon as we have that information, we will go ahead and start moving down that direction.

The greater question, if the discretionary caps aren't lifted and they continue out through 2021, if we do have to reduce the size of the Army by over by up to 100,000, both the Active Component and the Reserve Component, National Guard and United States Army Reserve, that decision will take a little bit longer as we work through the summertime, I imagine the spring and the summertime. It is very hard for me to put an exact date on it, sir. But we will have to work through that once we know that is in effect. But clearly, we think the number is right around 100,000. And we will have to balance that with what capabilities we need, both Active and Reserve Component, to be able to respond to contingencies.

And, again, balancing that so we don't hollow out the force tied to modernization, tied to the training base, as well as tied to overall readiness of the Army. So that is how I see it unfolding, sir.

Mr. WILSON. Thank you. Vice Admiral Van Buskirk.

Admiral VAN BUSKIRK. Mr. Chairman, similar, sir, with the way we would go about this is to take a look at what choices we have to make to be able to meet sequestration targets. Certainly, that is in our investment accounts. That may not have as big an impact to our manpower accounts. But if we choose to do it via force structure, force structure reductions in terms of ships and aircraft, ideally, we would, in order to not hollow out our force, both either on the capability side or on the people side, is that we would draw down consistent with the force structure reductions that we would choose to execute.

Those decisions have not been made. And those would be part of our decisionmaking process for the 2014 budget and 2015 and beyond that we are working on right now, sir. So I don't have a good timetable for the exact cuts we would have to make for our personnel and our end strength, because that would be tied to the decisions associated with where we would cut in terms of force structure or capability for the future.

Mr. WILSON. Thank you. And General Milstead.

General MILSTEAD. Yes, sir. We are going to have to maintain a balance across all five pillars of our readiness. We can't overly focus on one. But that said, we are confident that we can maintain this measured and gradual glide slope that I have spoken of before in that sequestration will not have an adverse effect on our ability to maintain that glide slope, maintain faith with our Marines and their families, and get us down to 182,000 by the end of 2016.

Mr. WILSON. Thank you.

And General Jones.

General JONES. Sir, we are very close to our end strength as it is. Really any changes for us from the people side will be driven by force structure adjustments which might come from a prolonged sequestration. So, like the Navy, once we decide how long we would be in this situation and what adjustments we might have to make for force structure, we would then be able to react from a personnel standpoint.

Mr. WILSON. Thank you. And Vice Admiral Van Buskirk, in your statement, you mentioned that sequestration could cause the Navy to have up to 50 less than the current shipbuilding plan. How does this equate to the end strength numbers?

Admiral VAN BUSKIRK. Mr. Chairman, I will have to take that for the record, sir, to give you the exact number that that would equate to. But certainly, we would take a look at all the crews that are associated with that and then there would be tail associated with that as well that would go with a reduction in the force structure of the ships and aircraft that would be part of that, sir. I don't have a good number for you, sir. I have to take that for the record.

[The information referred to can be found in the Appendix on page 97.]

Mr. WILSON. Thank you. And I want to express concern, again, back on the number of ships. We are sadly going back to what was existent in 1916. Concerned about the Army, Marine Corps, that

we are going back to where we were in 1939. And for the Air Force, going back to when the Air Force was created in 1947. And I am just very concerned for our country.

I now yield to Ms. Davis.

Mrs. DAVIS. Thank you again, Mr. Chairman. And just going back to Ms. Tsongas's point for a moment. I know a few years ago when we spent a lot of time with procurement and the ability of trained, experienced professionals to do their job and to have the kind of consistency in terms of the things that they were being asked to do. And I certainly worry and I suspect that you do, too. I don't know that we necessarily lose that workforce, but they certainly can't be working at peak in their ability to do that. And we often are critical, and I think, you know, for some good reason, in terms of the way contracts are let and some of the difficulties that we have had over the years. But at the same time here, we are doing something that obviously is going to impact that process. And I don't know if you have any other thoughts about that. But it is something we certainly need to look out for.

We have talked a little bit about authorities that you are granted, and certainly when it comes to any additional drawdowns or the reshaping of the force. Are there some authorities that you feel you have that you could use to make some changes as we go forward? And in that context, do you have to find offsets in order to do that? Because if you do, where would those offsets come from? I mean, if you have some authorities to move some of the funds around, you have to back that up with additional offsets in order to do that? And what then? How do you work that? Secretary Wright, do you want to—overall?

Ms. WRIGHT. Right now with the continuing resolution there, the pots of money aren't necessarily in the right place.

Mrs. DAVIS. Right.

Ms. WRIGHT. And so in order to—if we are in a yearlong continuing resolution, without the ability to move the money to the appropriate appropriation makes it very difficult for us to manage the force, to manage our readiness. And then to add onto that the potential, the very real potential of the $46 billion sequestration, that is where we see that huge degradation in readiness in most of the programs that we run. If we would get sequestration, that would be extremely painful for us in running our programs. The fact that it would be doubly hard was if we had the continuing resolution without the ability to move the money or it to be placed in the right accounts.

Mrs. DAVIS. Are there some authorities that you have that would allow you to do that? Are there any in any areas at all? I just wanted to clarify that so that we——

General BROMBERG. Yes, ma'am. Follow on. For current year, we could use the reprogramming authority that allow us—if I have an excess in one account that I could move it to cover training, for example. We already have a training shortfall for units that have to deploy in the fall timeframe. But I can't move money out of any other place to do that. So that could help us mitigate some things within this current year.

For the Army, it is even more complicated, because not only do we have the continuing resolution challenge and sequestration, but

we also have an increase in our overseas contingency operating costs as we close down in Afghanistan, second destination transportation costs, fuel costs, and so forth. And that gives us an additional $6 billion shortfall that we have to overcome. So we have a threefold problem that gives us about an $18 billion shortfall within the last 6 months of the year. So those combined together for just 2013 are creating our challenges.

Admiral VAN BUSKIRK. Yes, ma'am. As the CNO [Chief of Naval Operations] has testified, ours is also an imbalance. It has got to do with the way bringing forward 2012 into 2013 with the continuing resolution in that we have more money in the investment accounts there that we could be using right now for our operations account. And so having the transfer authority would enable us to——

Mrs. DAVIS. What happens to those funds?

Admiral VAN BUSKIRK. Those funds wouldn't be there. For instance, for the continuing resolutions, we are not able to do new starts on things we thought we were going to be able to do this year. So that money is there and available. And we won't have time to execute that money for this year. So not to obligate it. So as a result, that money could be utilized if a transfer was available to our operations account potentially to offset the furlough.

General MILSTEAD. We are the same way, ma'am. We just need the increased transfer and reprogramming authorities. Realign those dollars, move them around, as General Bromberg spoke about. Take them from an area that——

We are going to protect our higher priority programs. But we are going to do so at the expense of the lower priority programs. But to rob Peter to pay Paul, you need to be able sometimes to reprogram, to be able to shift some monies around. And as my brother to my right mentioned, you know, the ability to begin multiyears, to—no cold starts. For the Marine Corps, the F–35, the MV–22, we cannot get into our multiyears nor into the MILCON, do the MILCON we need to the hangars to support that. And that is remaining within the annualized CR. So for us, the alligator that is closest to the canoe is that CR. I mean, give us an appropriations bill.

Mrs. DAVIS. Thank you.

Mr. WILSON. Thank you very much. We now proceed and conclude with Congressman Heck of Nevada.

Dr. HECK. Thank you, Mr. Chair. We have talked a lot, and rightfully so, about the impacts on manning, training, and equipping. What about the impacts on MWR [Moral, Welfare, and Recreation], family support programs? I mean, I know what the answer is, but I would like to have your answers on the record. So, ma'am, if you want to start.

Ms. WRIGHT. As I have said before, I truly believe that when you take such a significant bill as $46 billion, there is not a program that is not going to be affected in some way.

Saying that, we have been very cautious when we are doing, for example, the furlough plan. And I will give you a specific example when it comes to schools. You know, we run DOD schools across the Nation, across the globe. Our schoolteachers will be affected by the furlough. But we are working it in such a way that the children

will get an accredited school year. Because that is very important, to preserve that education for our children.

But when it comes to things like commissaries, which are a family benefit, we may have to close a commissary one day a week. Those plans are still being vetted and they are contingent upon going into sequester, they are contingent upon the potential of a furlough. Our Secretary has made it perfectly clear that we are to protect as much as possible those programs that affect our families and our warfighters. And so we are trying to do that working through this fiscal crisis.

General BROMBERG. Yes, sir, very similar for the Army, we are trying to protect those critical family programs and make sure that adequate support across the force. But clearly there is going to be reduction of hours. There is going to be some pullback of capability in lesser critical programs. Even when we were looking to get support we give for child development centers all the way across, you may have to remove some flex hours or close down lesser hours or whatever the case may be. But, clearly, we were going to do what is right for the families within the limits of the budget. But there will definitely be impacts.

Admiral VAN BUSKIRK. Yes, sir. I think the key thing in addition to those comments are that we won't mortgage our future. What we will do is we will defer the maintenance of all those infrastructure that is there that supports these programs. When things break, we won't fix them, we won't do new construction on where we need to be doing new construction. That will be the first thing that happens in order for us to bias ourselves towards service in the near term, to keeping the hours as much as possible available to provide the services. We will protect the key family programs, but I think you will see it first in MWR programs, gym closings at different times, perhaps, and programs will be the first to go after we do deferred maintenance and reduce new starts.

General MILSTEAD. Sexual assault; behavioral health; combat operational stress control; suicide prevention; Wounded Warrior Regiments, our Wounded Warrior Regiments; our family readiness officers, the 380 we have; the transition assistance that we do for our Marines, soldiers, sailors, airmen that are transitioning out—all of these will be protected to the greatest degree that we can at the expense of those lower priority programs. Again, we will rob Peter to pay Paul where we can. But will there be some risk, will we take risk in those? Yes, sir, we will take risk in those.

General JONES. Sir, we will certainly try to maintain and protect our family programs and our services programs, but as all my colleagues have said, there will be impacts. When you look at child development center and youth programs, 25 percent of all the people that work in those programs are dependents of service members. They will be furloughed in many cases, as they are furloughed, that will have an impact on the family budget. The family budget, the money they are able to spend at the commissary which may be closing for a day every week at every installation. It just begins to trickle down. As facilities restoration modernization are not done, you can impact 50 percent reduction first annually in 2013, but that is basically a 90 percent reduction in the last 5 months, 6 months out of the year. Ninety-three projects just won't

start at 52 different bases, and all those have an impact, some of those would be in the family programs, but most of them are work-related. But it has an impact on the overall stability, the overall comfort level with serving the government.

Back to Ms. Davis, what you said earlier, we are talking furloughing civilians which sounds really easy to say. We are really talking about cutting their pay for 20 percent for the next 6 months of the year, which is a huge hit. Many of these families have two jobs, many of these families are living paycheck to paycheck, and a 20 percent cut no matter how much we advertise it, someone asked earlier if we would be able to use—what publicity we would be able to use to get the word out on what is coming. There is no publicity that can mitigate the effect of a 20 percent pay cut in a civilian employee, it will be tough.

Mr. WILSON. Thank you, Congressman Heck. Thank you General Jones for pointing out that it is military families that work at the MWR facilities and will be significantly impacted. As we conclude, for the Navy and the Air Force in the event of sequester, if this could be provided for the record, I would like to know when the determination would be made as to force structure for fiscal year 2014 and fiscal year 2015.

[The information referred to can be found in the Appendix on page 97.]

Mr. WILSON. I want to thank all of you for being here. Under the extraordinary circumstances we are facing, I know that we all appreciate your compassionate and heartfelt service with our military service members and military families. Thank you. We are adjourned.

[Whereupon, at 3:05 p.m., the subcommittee was adjourned.]

A P P E N D I X

February 27, 2013

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 27, 2013

Chairman Wilson Opening Statement

The Impact of the Current Budget-Constrained Environment on Military End Strength

February 27, 2013

The hearing will come to order. The Subcommittee today will focus on the harsh realities of maintaining an all volunteer force in a budget constrained environment—reducing end strength of the military services.

Although I understand the fiscal realities, as I have made clear in the past, I have serious reservations about the end strength and force structure reduction plans for our military. America remains at war today and will continue at some level of persistent conflict globally with a ruthless and committed enemy for the foreseeable future encouraged by outlaw rogue regimes, we must not forget the attacks of September 11, 2001.

Nevertheless, the task of reducing manpower is not easily accomplished and must be done with great care and compassion to ensure the services keep faith with service members and their families who have served our Nation through more than ten years of war. The committee will hear from the witnesses on which authorities the department and each of the services plan to use to reduce end strength over the next several years. We will also explore the impact of a year-long Continuing Resolution and sequestration on the services current end strength plans. As a reminder, military personnel accounts are exempt in fiscal year 2013 from cuts under sequestration; but that does not guarantee there will not be a long term impact on end strength levels.

Of significant concern to me is that increasing fiscal pressure on the military services, especially the Army and Marine Corps, will compel them to move from gradual reductions in manning levels to precipitous declines. I am also concerned that if the military services are compelled to make more significant reductions than now planned, that the use of involuntary separation authorities will become the norm.

I would like to welcome our distinguished witnesses:

The Honorable Jessica L. Wright
Acting Under Secretary of Defense for Personnel and Readiness

Lieutenant General Howard B. Bromberg
Deputy Chief of Staff G-1
U. S. Department of the Army

Vice Admiral Scott R. Van Buskirk
Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education
U. S. Department of the Navy

Lieutenant General Robert E. Milstead, Jr.
Deputy Commandant, Manpower and Reserve Affairs
United States Marine Corps

Lieutenant General Darrell D. Jones
Deputy Chief of Staff for Manpower, Personnel and Services
U. S. Department of the Air Force

I would also like to recognize that today is the first appearance before the Subcommittee for Lieutenant General Bromberg and Secretary Wright. Welcome to both of you.

Statement of Hon. Susan Davis, Ranking Member,
Subcommittee on Military Personnel

Hearing on "The Impact of the Current Budget-Constrained Environment on Military End Strength"

February 27, 2013

Mr. Chairman, I want to thank you for holding this hearing on the impact the Budget Control Act is having on the force structure and end strength of the Services, and what the pending sequestration and uncertainty surrounding the remaining fiscal year 2013 budget may add.

The Budget Control Act already has made the Services, particularly the Army and the Marine Corps, take a hard look at their ability to sustain the current force. The decision by the Army and Marine Corp to reduce their end strengths was based on the reduction in operational requirements but also it was a function of the reduction in funding that was imposed by the agreement set forth in the Budget Control Act.

What is concerning is the additional reductions that are expected when, or if, sequestration kicks in just two days on March 1st. These significant reductions will be compounded when the continuing resolution under which our government, including the Department of Defense, are operating under ends at the end of this month.

The full committee has had a number of hearings on the impact of sequestration and the continuing resolutions from a number of witnesses, but none of the hearings that we have had have focused on potential solutions to this dilemma.

While I appreciate this hearing to learn most specifics of what sequestration and the potential impact of a full year continuing resolution, the only people who can resolve this issue is Congress. We must find common ground and be willing to compromise for the long term future of our country. Political posturing should not come at the expense of our men and women in uniform.

I look forward to working with my colleagues on this committee and in the House to develop a rational, common sense approach to resolving these challenges. Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

PREPARED STATEMENT

OF

THE HONORABLE JESSICA WRIGHT

ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

MILITARY PERSONNEL SUBCOMMITTEE

FEBRUARY 27, 2013

INTRODUCTION

Chairman Wilson, Ranking Member Davis, distinguished members of the Committee, thank you for the opportunity to discuss the looming effects of sequestration as mandated by the Budget Control Act of 2011, and the ongoing continuing resolution for fiscal year (FY) 2013, on Department of Defense military personnel and readiness of the total force.

Under current law, in less than two days sequestration will begin to go into effect, in two parts: first, on March 1, an immediate reduction in budget authority of approximately $40 billion across the Department; and second, on March 27, an additional sequestration of approximately $6 billion across the Department due to a breach in the discretionary spending caps for FY 2013. Combined, these actions would result in a total of approximately $46 billion in funding cuts across the Department, a reduction of roughly 9% of the total budget in fiscal year 2013. This would be the steepest decline of obligating authority in history, to be implemented in the last seven months of this fiscal year. An extension of the existing continuing resolution for FY 2013 would compound the fiscal devastation by leaving massive funding shortfalls in the operations and maintenance (O&M) accounts that fund our critical personnel, training, and readiness programs.

On February 13, Deputy Secretary Carter, Chairman Dempsey, all four Service Chiefs, and the Chief of the National Guard Bureau (NGB) appeared before the full House Armed Services Committee and testified on the innumerable impacts to our national defense, readiness, and our brave men and women in uniform and their families. In order to not break faith with our Service members, the President used his authority to exempt the military personnel accounts from sequestration. Although I wholeheartedly agree with his decision, it will result in larger decrements from other Defense accounts to offset the difference. While we will protect the war-

fighters, those serving in Afghanistan and critical deployments, we cannot do this without paying a cost – a cost that is our readiness. The military personnel account may be protected, but the second and third order effects to the total force and their families are detrimental and may be difficult to reverse.

In their opening statements to this Committee, Deputy Secretary Carter and Chairman Dempsey were unequivocally clear that the near term consequence of sequestration and continuing resolution will be a readiness crisis. Whether it is a cancelled deployment of an aircraft carrier, reduced training for Army troops trying to maintain proficiency, or the degradation of our Reserve components, the results will seriously degrade the readiness our total force and their ability to defend this nation.

We understand that the Department of Defense must do its part in addressing the nation's budget concerns; however it must be done in a responsible and judicious manner. That means we must first have a strategy then formulate a budget to meet that strategy. However, as Deputy Secretary Carter stated, "[i]f the Department was forced to operate under the mechanistic sequestration rules and the CR for the remainder of the fiscal year, it would achieve precisely the opposite effect by imposing arbitrary budget cuts that then drive change in national security strategy."

Likewise Chairman Dempsey argued, "we need flexibility to allocate our resources to our highest priorities. When we are not allowed by legislation to touch individual pieces of the budget, readiness accounts inevitably pay the price." This is especially true in terms of our military end-strength. The current end-strength floors prevent us from managing our force and restrict our ability to responsibly draw down our military.

The backbone of the world's greatest military is our people. Our Active, Reserve and Guard Service members, as well as our civilians who serve throughout the country and the world, are the Department's greatest asset. However, they will become the "the collateral damage of political gridlock," as Deputy Secretary Carter points out, if we continue down this fiscal path. In spite of the exemption of military personnel accounts, which protects military pay and benefits, our Service members and their families will be adversely impacted by sequestration and a continuing resolution. Our Military personnel will receive reduced training, leading to diminishing readiness and morale. Service member and family support programs will be impacted by across-the-board funding decrements affecting the quality-of-life service we provide to them, even as we seek to protect family programs wherever feasible. Our career civilian workforce, which has not seen a pay raise in several years, is likely to be subjected to furlough for up to 22 discontinuous work days beginning in late April through September. This equates to a 20% reduction in pay during this period with a significant impact to their families, as well as to the economies of their local communities. These effects are real, and they are avoidable.

If sequestration is allowed to go forward with an extended continuing resolution, the collateral damage will be seen in three major areas – impacts on the total force; impacts on the total force readiness; and impacts on support to the total force. However, as the President and Secretary of Defense made clear on multiple occasions, in addition to protecting military members' pay, the Department will protect, to the greatest extent possible, what we hold sacred – caring for wounded warriors and providing medical care for our Service members and families. And although we cannot protect everything from the cuts required by sequestration, the Department will be committed to our priority personnel policy efforts such as sexual assault prevention and response, suicide prevention, transition support, women in service and same sex

domestic partner benefits. We will focus our resources on these priority issues for the future and work to reduce impact as much as possible.

IMPACTS ON THE TOTAL FORCE

In a speech given at Georgetown University on February 6, Secretary of Defense Panetta stated, "My greatest concern today is that we are putting our national security at risk by lurching from budget crisis to budget crisis to budget crisis." This lurching from crisis to crisis has created an environment of fiscal uncertainty within the Department. It is impossible to implement a total force management strategy without fiscal stability, it forces the Department to "plan for the worst but hope for the best." The worst case scenario planning forced by sequestration and a continuing resolution will negatively affect Active and Reserve Component Service members, civilians, and contracted support across the spectrum.

The President exempted military personnel accounts from the severe effects of sequestration, and therefore no military member will be furloughed. However, to offset this exemption more severe budget decrements must be taken from elsewhere and the second and third order effects of the reduced funding will inevitably affect Service members and their families. To control military pay and benefits costs under current budgetary constraints, the Department made the tough decision to propose a basic pay increase of 1.0 percent for 2014. This pay increase is smaller than the 1.8 percent estimated increase in the Employment Cost Index (ECI, a measure of average salary increases in the private sector), but we believe it strikes an appropriate balance under the current circumstances. Under this pay raise proposal the average enlisted member will still see an increase in pay of $26 per month. Although this was a

difficult decision, it was a necessary reduction in light of the current fiscal reality and constraints.

Another impact of the uncertainty caused by the constant budget tumult is that the Services are unable to accurately plan for the execution of force management tools in 2014 and beyond, thus decreasing the ability to effectively drawdown their forces while maintaining mission readiness. Many voluntary and involuntary separation force management tools and programs involve separation pay or other monetary incentives. Severe funding decreases or funding uncertainty will hamper each Service's ability to employ these tools across the force making end-strength reductions more difficult. Additionally, a portion of end-strength funding is contingent on Overseas Contingency Operations (OCO) funding since we have relied on OCO funding to ramp up Army and Marine Corps end-strength during the past ten years.

The consequences of sequestration jeopardize the successful FY 2013 military recruiting effort across the Department, and all but assure that FY 2014 recruiting will fall below levels needed to properly sustain the Services. The success of the All-Volunteer Force is dependent on a robust and consistent recruiting. Reductions to recruitment advertising and recruiting support/operations accounts under sequestration will be significant and highly problematic. Services' recruiting commands are largely made up of Active and Reserve Component Service members, but the Military Entrance Processing Stations (MEPS) are manned by roughly 2,300 civilians (80% of the total workforce). The MEPS screen and process over 383,000 applicants for all Services each year and are located at 65 sites serving all states and territories. The impact of civilian furloughs, as well as the hiring freeze, will reduce processing ability by 20% during the summer "graduation surge" when the MEPS typically process 41% of all recruits. Processing will continue under sequestration or a continuing resolution, but priority will be given

to processing current enlistees shipping to basic training at the expense of screening future applicants and establishing future enlistment contracts.

Additionally, as the economy continues to improve as projected the Department will continue to face stiff competition for high-quality recruits. The negative impact of sequestration on operations and training will discourage the best and brightest from joining the military and discourage retention of our most talented Service men and women.

Extended operations under a continuing resolution, as well as the prospect of across the board cuts associated with sequestration, are already having a detrimental effect on our civilian workforce, and the reduced readiness of our military forces is a byproduct. As necessary, components of the Department have implemented hiring freezes, released term and temporary employees, reduced base operating services, and cancelled training. Training activities and missions supported by civilians are being curtailed, as well as equipment maintenance and modernization performed by civilians. As term and temporary civilians are released, and we are unable to fill civilian workforce vacancies due to hiring freezes, line managers and installation managers may turn to military personnel to ensure work is performed. This practice, commonly known as "borrowing" or repurposing military manpower, is contrary to Department workforce management policies. Though the Department will attempt to prevent this, and has issued re-enforcing guidance in accordance with workforce management policies, the realities of the current fiscal environment may leave our commanders no choice. Borrowing military manpower adversely impacts the Department's recruitment, accession, and retention of our All-Volunteer Force and degrades the military's overall readiness.

If the effects of sequestration and a continuing resolution on military personnel are extremely negative, the effects on civilian personnel in the Department are even more so. The

Department's civilians provide invaluable support to our nation's warfighters. These members of the total force maintain equipment, build the nation's ships, teach our children, and provide medical treatment to our wounded warriors. Without them the Department does not function.

We notified Congress and the civilian workforce on February 20, of the Department's intent to furlough civilians as a necessary result of sequestration, and the consequences are grave. The Department's capabilities and readiness will be severely degraded. Furloughs will be all-encompassing spanning the entire defense civilian workforce, accounting for approximately $5 billion of the $46 billion in cuts mandated by sequestration. The Department will apply furlough actions in a consistent and equitable manner, with few exceptions based on unique mission requirements. Individual employee furloughs will not exceed 22 discontinuous work days (176 total hours), the maximum number of furlough days without invoking reduction-in-force procedures.

Furloughs will be disruptive and damaging to our ability to carry out the defense mission, and there are no viable alternatives if sequestration occurs. We anticipate a severe mission impact. We will also create negative morale and financial effects on employees, a significant decline in productivity, and the loss of critical civilian talent. This will be especially damaging for the future as our ability to acquire and retain qualified personnel in high demand fields (e.g., cyber, intelligence, IT) will be predictably degraded. This is made worse by the fact that the Department is already facing a wave of retirements of the most experienced and knowledgeable government civilians.

Furthermore, 68,185 Military (Excepted Service) Technicians that support the Reserve Component and National Guard, who are civilian employees, are not exempt from furlough. This will markedly impact maintenance. The 20% reduction in Military Technician output

would reduce the operational rate of equipment, both ground and air; and training, currency, and readiness will significantly suffer. The most immediate risk will be to our ability to provide a timely response to domestic emergencies.

The current environment of budgetary uncertainty will, without a doubt, have an adverse impact on our ability to effectively, efficiently, and appropriately maintain a balanced total force to include the Department's civilian personnel. The Department's future plans to ensure a sufficient number of federal civilian personnel are available to meet the support needs of our military forces are already jeopardized due to constant funding uncertainty. Civilian workforce and contracted support planning requires a carefully coordinated approach to address operational needs, satisfy mission requirements, and recognize fiscal constraints. Without the ability to properly forecast and plan, the Department will be challenged to be good stewards of the American taxpayer dollars and meet mission requirements in the most cost effective and efficient manner.

IMPACTS ON TOTAL FORCE READINESS

The ability of our Service members to defend our national security is hinged upon being the most technologically advanced, best equipped, and most highly trained force in the world. Sequestration and a continuing resolution would severely inhibit the Department's ability to provide military personnel the operational training and properly maintained equipment needed to address national defense contingencies. The readiness of the force would be gradually depleted.

A year-long continuing resolution combined with sequestration, will result in a force less ready to perform the mission that we expect it to conduct. If the budget reductions continue through FY 2021, as they would under current law, our defense strategy would have to change.

Otherwise, while the units might exist, they would not have the personnel, equipment, and/or training necessary to make them capable of executing today's defense strategy or responding effectively to the most likely contingencies. Additionally, part of avoiding a hollow force is understanding the size of the force we can afford to keep ready and adhering to that plan.

Excess force structure relative to budget reductions leads to inadequately manned organizations. The impact to readiness is exacerbated by the fact that force management tools will be applied across the force, including military personnel, as well as government civilians and contracted support. The end result will be increased focus on garrison support duties at the expense of readiness for primary missions. It was this very issue that drove the Army Chief of Staff, General E.C. "Shy" Meyers in 1979 to declare the "hollow Army."

Despite the grave challenges created by sequestration and the continuing resolution, the Department is wholly committed to ensuring our warfighters in Afghanistan and other contingency operations are properly prepared and equipped for their missions. To protect overseas contingency operations funding, deeper cuts will have to be made to base budget operation and maintenance and investment accounts, depleting the training, maintenance, and procurement profiles for the rest of the force. This causes a "tiered readiness" structure in the ranks of our military personnel. Limited training resources will be focused on preparation of forces about to engage in operational missions, with the rest of the force sitting relatively idle without sufficient resources.

The magnitude of sequestration cuts make it impossible for the Services to avoid decrements to vital training capabilities, training infrastructure, and training deliverables. The Army has stated that decrements to training and maintenance will put two-thirds of their active brigade combat teams outside of Afghanistan at reduced readiness levels. The USS Harry S.

Truman recently announced cancelation of a planned deployment to the CENTCOM AOR, and Navy operations in the western Pacific, including training, will be reduced by as much as one-third. With fewer training and steaming days, the Navy will inevitably reduce unit readiness levels. The Air Force has stated that sequestration cuts to their flying hour program will put flying units below acceptable readiness standards by the end of the fiscal year. The potential furlough of DoD civilians will include civilians at training centers across the country, immediately reducing the quality and quantity of training, with long-lasting impacts on readiness. We have already begun to see the impact of Service O&M budgets being curtailed in anticipation of sequestration. For example, Services have begun to limit support to Combatant Command exercises, which causes the exercises to be cancelled.

Therefore, it is clear that sequestration and a continuing resolution will severely degrade our readiness. And it is the readiness of the total force that is the foundation of our national defense.

IMPACTS ON SUPPORT TO THE TOTAL FORCE

Operational training is only one aspect of the readiness spectrum that will be severely degraded. The overall force readiness includes medical and family readiness, which will also be harmed by these harsh fiscal measures, even as we seek to protect medical and family programs as much as possible. The cuts to the support we provide to our military personnel and their families will directly impact the quality of the All-Volunteer Force, and the Department will have difficulties not breaking faith with the Service members and their families.

There will be significant negative impacts of sequestration and a continuing resolution within the Military Health System, but the Department's focus will remain on providing exceptional care to all beneficiaries. The quality of care and patient safety will be preserved to the maximum extent possible. Wounded warrior programs will remain a top priority, and the Department remains committed to providing uninterrupted health care to beneficiaries both in the Direct Care and the Purchased Care systems to the best of our ability. However, sequestration will result in the loss of roughly $3 billion in resources from the Defense Health Program in the last half of the year. This will generate a noticeable impact on the provision of health care now and for years to come.

By focusing resources on the provision of patient care under sequestration, the Department will have less funding to address medical facility maintenance and needed restoration and modernization projects. This will negatively affect the care environment and potentially drive substantial bills in the future. The Department will continue to fund projects that affect patient safety or that are emergent in nature, but many of our facilities are older and require substantial upkeep. To delay these projects only exacerbates the problem and ultimately the staff and more concerning, the patients, suffer the consequences.

In order to continue our health care operations, important research projects will be slowed or stopped altogether. Existing equipment will be used longer with the chance for more breakdowns and increased maintenance costs. At some point, equipment becomes obsolete and cannot be repaired any longer. These actions, in response to a sequestration, will substantially delay the benefits of research projects and will drive increased bills for equipment in future years.

When civilian healthcare staff is furloughed, the Department will have considerably less capacity to treat patients in military treatment facilities. In patient care areas, nearly 40% of the full-time equivalent staffing is civilian. We can expect it will cause confusion, inconvenience, and dissatisfaction amongst patients who are accustomed to getting their care in military treatment facilities. This frustration may translate into patients who formerly received care in a military treatment facility now seeking care in the private sector at an increased cost to the Department and the American tax payers.

Although military family programs will be protected to the extent feasible, sequestration will impact funding across the board, and furloughs will impact civilian positions such as those that provide child care and family programs at the installation level. The Department remains committed to providing military families with support programs and resources that empower them to address the unique challenges of military life; these programs are crucial to the quality of life of military members and military families. Under sequestration, however, everything in the Department budget will be considered on the table. We will strive to protect the investment in these valuable programs, however cuts will likely be unavoidable.

Dependent education consistently has been a top priority for the Department and military families. The potential decrements to the Department of Defense Education Activity (DoDEA) and military dependent education programs could be significant and may impact quality of education provided to 84,304 military-connected students in 194 DoDEA schools worldwide. A potential furlough in 2013 will impact two consecutive schools years of instruction: the end of the 2012-2013 school year and the start of the 2013-2014 school year. Although teachers are not exempt from furloughs, the Department intends to implement sequestration in a manner that preserves the ability to provide students a full school year of academic credit, including

completion of final exams, and to maintain school accreditation standards. Achieving these goals may or may not require reducing the number of furlough days for Department teachers. We will have more definitive information in March.

The tuition assistance education program for Service members and their dependents is also subject to budget reductions. The impact of reduced tuition assistance is delays in completing degree programs or credentialing for Service members and dependents. This may force some to withdraw from a qualified program during the school year due to inability to pay tuition.

Defense Commissary Agency (DeCA) operates 247 stores world-wide. In order to accomplish sequestration reductions, DeCA will be forced to implement furloughs of full-time and part-time employees (up to 22 days for the remainder of FY 2013). This could possibly result in closure of each commissary one day a week.

The Department remains committed to providing military families with support programs and resources that empower them to address the unique challenges of military life. While we recognize that these family programs are crucial to the quality of life of Service members and their families and we will strive to protect the investment in these valuable programs to the greatest extent possible, we cannot guarantee that these high priority programs will not feel some of the effects of sequestration.

Furloughs will impact civilian positions that directly provide installation-level support, such as those that provide child care to over 200,000 military families, reducing the number of child care spaces provided daily. Family support programs may have to reduce hours or services in order to accommodate furloughs and hiring freezes, which include programs such as New Parent Support, and Family Advocacy programs. All of these programs play a role in supporting

military and family readiness and quality of life. Service members may find their out-of-pocket expenses increasing to accommodate the reduction or loss of these family support programs. We will attempt to minimize the effects of sequestration upon family programs, but it will be important to prioritize programs and continue to operate them in the most efficient manner possible.

Sequestration would likely result in the furloughing of civilian employees that provide curriculum, counseling, and training in the Department's Transition Assistance Program (TAP). TAP prepares separating Service members to be "career ready" for civilian employment, or technical training and academic pursuits. Due to sequestration civilian employees and associated contracted support will not be available to support the large number of separating and inactivating Reserve and National Guard Service members scheduled for discharge or release from Active Duty for the remainder of 2013 and FY 2014. Consequently, potentially thousands of transitioning Service members will not receive needed preparation for their new civilian lives.

National Guard and Reserve Service and family member programs, such as the Yellow Ribbon Reintegration Program (YRRP), Employer Support of the Guard and Reserve (ESGR) and the Hero2Hired (H2H.Jobs) employment initiative, are critical to supporting our Reserve Component members. In the event of sequestration, the Services will have less funding to hold events that address the increased stress of deployments. Should this occur, it has the potential to negatively affect the readiness and resiliency of our Reserve and National Guard Service members and their families.

Our nation's Service members and their families deserve better. Sequestration and a continuing resolution keep the Department from providing the total force with the support and assistance their sacrifices merit.

PERSONNEL & READINESS AREAS TO AVOID IMPACT

As detailed above, we cannot escape the significant effects of sequestration on our Service members and their families. However, as the President, Secretary of Defense Panetta, and other leaders of the Department made clear, we will protect wounded warrior care. Furthermore, while we cannot guarantee zero impact, we will do everything possible to protect programs critical to keeping faith with our Service members. These include suicide prevention, sexual assault prevention and response, and family support programs. In addition, two major policy changes recently announced by the Department – eliminating the remaining gender-based barrier to service and extending same-sex partner benefits will continue to move forward.

Despite any fiscal difficulties the Department will face due to sequestration and a continuing resolution, our obligations to those who have sacrificed the most, our wounded warriors, will be fulfilled. Our continued focus on their world class medical treatment, mental health, rehabilitation, and when feasible re-indoctrination to military service, will continue unabated regardless of the fiscal environment. Collaboration with multiple partners including the Department of Veterans Affairs will continue, and important programs such as Recovery Coordinator Program and prompt delivery of benefits will maintain funding whatever political outcomes occur. Our wounded warriors and their families deserve the very best, no matter what, for their sacrifice.

The suicide rate among the Military Services rose from 2001 to 2009, from 10.3 to 18.3 suicides per 100,000 Service members. We are very troubled by this trend and are working to address prevention and resilience. In response to an Executive Order issued in August 2012, Defense Suicide Prevention Office (DSPO), the Military Services, and the Department of

Veterans Affairs are leading a 12-month, help-seeking campaign to encourage Service members, Veterans, and their families to use the 24/7 Military Crisis Line. To ensure Service members in theatre can access the same level of care, DSPO established a similar peer support hotline in Afghanistan and is working to set up hotlines in Japan and Korea.

Other initiatives include working with the Military Services to provide resilience support and prevention services. For example, we are providing peer support through the Vets4Warriors support line; working with DoD chaplains to expand Partners in Care, a program encouraging Service members and families to obtain support via faith-based organizations; and exploring the feasibility of using therapeutic sentencing techniques developed by Veterans Treatment Courts in military justice proceedings for Service members. Even one suicide is too many, and we must continue our efforts in spite of draconian funding decrements.

The Department will also continue to support victims of sexual assault to the greatest exter possible, and continue our efforts to prevent sexual assault. The Department will continue its effo in prevention initiatives including programs to target individual and unit prevention skills and attitudes; research on military predators; and detailed reviews of effective military, civilian, and college prevention efforts and programs. We are currently conducting enhanced training for commanders and senior enlisted personnel, developing core competencies for sexual assault prevention and response training at all levels, and creating competencies for Sexual Assault Response Coordinators and Victim Advocates. In addition, we are establishing Special Victims Capability in each Military Service, which includes combining specially trained experts in legal ar investigative fields to enable enhanced investigation and prosecutions.

Sequestration and a continuing resolution may delay the development and validation of gender-neutral standards and delay the Services in modifying training and berthing facilities to

accommodate women. However, we will be on track to fully implement the opening of combat occupational specialties to women by January 1, 2016. Positions will be opened to women following service reviews and the congressional notification procedures established by law. Secretary of Defense Panetta directed the military departments to submit detailed plans by May 15 for the implementation of these changes, and to move ahead expeditiously to integrate women into previously closed positions.

Likewise, on February 11, 2013, the Secretary of Defense announced the extension of various benefits to same-sex domestic partners, and, where applicable, children of same-sex domestic partners. Implementation of these benefit changes will require substantial policy revision, training, and in the case of identification cards, technical upgrades. Our plan is to make certain benefits will be made available to same-sex domestic partners by August 31, 2013, but in no case after October 1, 2013.

CONCLUSION

Without immediate and decisive action from Congress, our national security will be harmed from the results of sequestration and a continuing resolution for FY 2013. The Department understands its responsibility to contribute to budget discipline and fiscal responsibility, but budgets should be determined in a planned, calculated, and efficient manner in support of a national defense strategy—not with an across-the-board slash. Our warfighters, their families, our nation's security, economic recovery, and future place at the global table should not and cannot be held hostage by irresponsible fiscal policies like sequestration. Thank you for the opportunity to speak with you today on these important matters, and I look forward to your questions.

Jessica L. Wright

Acting Under Secretary of Defense for Personnel and Readiness

Secretary Jessica L. Wright was selected to serve as Acting Under Secretary of Defense for Personnel and Readinesson January 1, 2013. Previously, she was confirmed as the Assistant Secretary of Defense for Reserve Affairs on May 24th, 2012.

She is the deputy senior policy advisor to the Secretary of Defense on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.3 million Guard and Reserve personnel, 680,000 DoD civilians, and is responsible for overseeing the overall state of military readiness.

Mrs. Wright retired as a Major General in the Pennsylvania Army National Guard. Her distinguished 35 year career of military service culminated in her final assignment as Adjutant General of Pennsylvania and commander of the Pennsylvania National Guard. In this State of Pennsylvania Cabinet-level position, she was responsible for command, control and supervision of all Air and Army National Guard units allocated to the state of Pennsylvania, six state-owned veterans' homes, and programs for Pennsylvania's one million veterans. Prior to this assignment, she also served as the deputy adjutant general for the Army.

Mrs. Wright began her military career as an enlistee in the Pennsylvania Army National Guard in 1975, after graduating from Alderson Broaddus College with a bachelor's degree in social work. She also holds a master's degree in management from Webster University, St. Louis, Missouri.

She attended the Women's Army Corps Officer Orientation/Officer Candidate School at Fort McClellan, Alabama. She attended the Officers Rotary Wing Aviator Course at Fort Rucker, Alabama, and became the first female Army aviator in the Army National Guard. Mrs. Wright is a graduate of the CH-47 Aviator Qualification Course, CH-54 Aviator Qualification Course; and a graduate of the Army War College Military Fellowship at the Center for Strategic and International Studies, Washington, DC.

In 1986, Mrs. Wright was assigned as assistant professor of military science at Georgia Southern College, Statesboro, Georgia. In 1989, she was reassigned to Headquarters, National

Guard Bureau, Washington, DC, where she served as a personnel staff officer, executive officer and chief of the budget and services branch, chief of the tours management office, Army National Guard personnel directorate, and chief of the personnel service division, Army National Guard personnel directorate.

Mrs. Wright commanded the 28th Aviation Brigade, 28th Infantry Division at Fort Indiantown Gap, Pennsylvania, from June 1997 to November 1998. She was the first female maneuver brigade commander in the Army. Prior to her assuming the deputy adjutant general for Army, Mrs. Wright served as the state Army aviation officer.

Her awards and decorations include the Distinguished Service Medal, Legion of Merit with oak leaf cluster, and Senior Army Aviator badge. Other awards include Chapel of the Four Chaplains Gold Award, ATHENA Award, the Pennsylvania Association of Broadcasters Gold Medal Award, the Philadelphia Union League's Distinguished Soldier Award, and the Founders Day Award from Lebanon Valley College.

She is married to retired Lieutenant Colonel Charles Wright. They have one son, Mike, who was commissioned as a Second Lieutenant in May 2012 and is presently serving in the Pennsylvania Army National Guard.

STATEMENT BY

LTG HOWARD B. BROMBERG

DEPUTY CHIEF OF STAFF, G1

UNITED STATES ARMY

BEFORE THE

MILITARY PERSONNEL SUBCOMMITTEE

HOUSE ARMED SERVICES COMMITTEE

FIRST SESSION, 113TH CONGRESS

ON FY13 CONTINUING RESOLUTION IMPACTS AND THE EFFECTS OF SEQUESTRATION ON MILITARY PERSONNEL

FEBRUARY 27, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY THE

HOUSE ARMED SERVICES COMMITTEE

Introduction

Chairman Wilson, Ranking Member Davis, Distinguished Members of this Committee -- Thank you for the opportunity to appear before you on behalf of America's Army.

Throughout our history, the United States Army has never failed to respond to a threat to our nation. Today that greatest threat to our military readiness is the dire fiscal uncertainty we are presently faced with. The uncertain Fiscal Year 2013 funding caused by the combined effects of a possible yearlong Continuing Resolution and sequestration, along with the need to protect wartime operations, may result in particularly severe reductions in funding to programs directly linked to the readiness of our force and the well-being of our Soldiers and Families.

Strategic Overview

The Army has been in a state of continuous war for nearly twelve years – the longest in our Nation's history. More than 4,800 Soldiers have given their lives on behalf of this Nation. Today we have more than 81,000 Soldiers committed to operations around the world with approximately 58,000 in Afghanistan. Nearly 1.5 million Soldiers have deployed and more than half a million have deployed multiple times -- some as many as four, five, and six times. Our Soldiers, Civilians and Families remain the strength of our Nation. Our All-Volunteer force has shown amazing skill as demonstrated by unprecedented readiness and performance. For us to continue to increase capability and performance, we must continue to build resilience in our Total Force.

The magnitude of today's fiscal uncertainty will have grave consequences for our Soldiers, our Civilians, and our Families. If nothing is done to mitigate the effects of operations under a Continuing Resolution, shortfalls in our funding of overseas contingency operations, and the enactment of sequestration, the Army will be forced to make dramatic cuts to its personnel, its readiness, and its modernization programs. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army

readiness for the next five to ten years. Cuts of this severity will put our national security at risk.

The Army has been operating within the confines of the discretionary spending caps established by the Budget Control Act of 2011. These caps required $487 billion in cuts over ten years across the Department of Defense as reflected in the FY 2013 President's Budget, of which the Army's share is estimated to be $170 billion. The Army is reducing the active duty end strength from a wartime high of about 570,000 to 490,000; the Army National Guard from 358,200 to 350,000; and the civilian workforce from 272,000 to 255,000 by the end of fiscal year 2017 (FY17). This is a net loss of 106,000 Soldier and Civilian positions. By FY17, we will downsize our active component force structure from 45 Brigade Combat Teams to potentially as low as 32.

In addition to these programmed reductions, if sequestration occurs in FY 2013 and the discretionary caps are reduced from FY 2014 to 2021, the Army may be forced to reduce an additional 100,000 personnel across the Active Army, Army National Guard and, U.S. Army Reserve in order to maintain a balance between end strength, readiness and modernization. These combined reductions will generate a total reduction of approximately 189,000 Soldiers across all components in the coming years.

The fiscal crisis we now face is due in part to the fundamental lack of predictability in the budget cycle. The Department of Defense has operated under a Continuing Resolution for 14 of the last 28 months. Each Continuing Resolution prevents new starts for needed programs, limits reprogramming actions, creates inefficiency, and often results in wasteful funding for accounts that we no longer want or need. This uncertainty creates challenges in projecting future funding requirements that inform our annual budgets over time.

Military Personnel, Army

As the Deputy Chief of Staff for Personnel, the Military Personnel, Army (MPA) appropriation is within my purview. The MPA will not be adversely affected by either the

Continuing Resolution or sequestration in FY13 because the continuing resolution provides funding in excess of requirements and the President has exempted it from sequestration. As a result, military pay, pay raises, housing allowances, subsistence, and other pays are adequately funded.

However, the Army would reprogram any assets available with the MPA in order to offset funding shortfalls in the Army overseas contingency operations O&M appropriation due to increased costs in theater., But these assets would not be sufficient to substantially mitigate reductions required by sequestration.

Even after reprogramming the FY 13 MPA asset, it may be necessary to offset critical shortfalls in the O&M accounts as a result of the yearlong CR and higher than anticipated costs for overseas contingency operations. Should the Army be forced to take reductions in MPA, programs like permanent change of station moves, recurring and retention incentives and incentive pays will suffer and thus make it difficult to manage an all volunteer force.

If sequestration occurs and associated budget reductions continue through FY 2021, then the Army will have to reassess the current drawdown plan and size of the Army. The results will put deploying unit readiness at greatest risk and severely limiting the Army's ability to respond to unforeseen crisis. Any reasonable action we could take to reduce the size of the Army more rapidly in FY14 would require us to take actions in 2013 and likely result in a bill in 2014 to cover increases in separation pays.

Operation and Maintenance, Army Account

Even with the MPA appropriation protected, the Army faces significant budgetary uncertainty in the coming months. The uncertain FY13 funding caused by the combined effects of a possible yearlong Continuing Resolution and sequestration, along with the need to protect wartime operations, will result in particularly severe reductions relative to the FY2013 President's Budget in Army Operation and Maintenance accounts.

The Operation and Maintenance, Army (OMA); Operation and Maintenance, Army National Guard (OMNG); and Operation and Maintenance, Army Reserve (OMAR) accounts are critical. They fund the war in Afghanistan and other operational contingencies; training, exercises and mission support to create and maintain unit and Soldier readiness; base operations support and facilities sustainment of our posts, camps and installations, and Soldier and Family programs supporting the All-Volunteer Force.

Army support for combat operations, preparedness for those scheduled to deploy, and critical Soldier and Family programs consume 43% of the Army's annual O&M appropriations. The remaining 57% of the Army's O&M funds current and future readiness for unit preparations for future contingencies. The Army will not compromise our support for combat operations or critical Soldier and Family programs to the extent possible. However as such, significant current shortfalls must be taken from the 57% of remaining O&M activities. Additional reductions will only further exacerbate impacts to readiness, potentially leaving the Army with fully trained units only for Operation Enduring Freedom (OEF), rotations to Korea and the Global Response Force Brigade Combat Team (BCT).

Readiness and Training

It is imperative that we preserve the readiness of our force, and it depends on the ability to deploy trained and ready Soldiers. If we do not have the resources to properly train and equip our Soldiers, we will be putting their lives in danger. The fiscal reductions required by sequestration will significantly impact the Army's ability to fund the training and support resources required to maintain readiness.

Cancellations in initial military training, or a reduction in the support network required to feed, clothe, and maintain the health of initial entry Soldiers would create a backlog within the personnel inventory well into FY14 and beyond. This backlog would impact the Army's ability to maintain grade structure and future readiness. Loss of training is

not recoverable and leads to untrained Soldiers assigned to units - a negative impact to near term readiness. Loss of confidence in the stability the Army provides would damage recruiting and retention for many years, requiring a return to lower standards and an increase in recruiters and bonuses to maintain minimum end-strength.

Diminished available resources due to sequestration and the misalignment of funds under the Continuing Resolution will have a significant impact. Inadequate funding through FY13 would leave units in a degraded readiness posture and inhibit the progressive build of unit capability to meet early FY14 missions, emergent requirements, and timelines associated with Combatant Command Operational and Contingency Plans.

For instance looming reductions due to sequestration and the misalignment of funds under the Continuing Resolution will likely have a significant impact on the United States Military Entrance Processing Command (USMEPCOM), as the Army funds USMEPCOM, as well as Armed Service recruiting operations. Reductions in funding to USMEPCOM pose the greatest threat to the Army's ability to conduct recruiting operations and sustain the All-Volunteer Force.

These same reductions described above would cause a level of curtailment of USMEPCOM operations and IT support to Army and sister Service recruiting programs that could result in all Services reducing or halting planned recruiting programs for the remainder of the year. Even short-term funding impacts would have irreversible consequences in the short-term and would likely have long lasting impacts on Service readiness. Further reductions in retention incentives would also impact the force and likely result in as many as 13,000 lost reenlistment contracts in the hardest to retain specialties where attrition is high due to civilian sector job opportunities including linguists, special operations, and military intelligence.

Within stated priorities, and subject to actual reductions in Army operating budgets, the challenge for the Army will be to achieve balance between end strength, readiness and

modernization. The Army has already begun its planned reduction of 80,000 active-duty Soldiers over the next five years, bringing active end strength down to 490,000 Soldiers. These reductions are deliberate and timed over this period to maintain readiness and provide for appropriate transition for our Soldiers to civilian life. The gradual slope also allows the Army to determine who leaves in order to retain our very best. We will have a challenge to meet the directed minimum end strength within the 2013 NDAA. This challenge is due to faster than expected attrition resulting from the improvements and streamlining of the disability evaluation process and the continued higher rate of adverse losses. The annual end strength targets for FY13 and FY14 will be lower than what was projected in the Army drawdown plan.

Force structure decisions are also being made to balance the force within end strength - these decisions drive requirements which impact promotions, retention, and accessions. With sequestration in FY13 and the related reduction in discretionary caps in future years, the possibility of additional reductions in end strength will create a greater challenge to achieve such balance, as they would not only impact end strength but the Army's ability to be trained and ready. If rapid reductions are required the only option will be to drastically lower or halt accessions, resulting in significant gaps in inventory over several year groups that could easily lead to a hollow Army, and will persist across an entire career cycle (20+ years). With a diminished ability to execute modernization programs, the potential to hollow out the force becomes very real.

To avoid mortgaging the Army's future force, the Army's most critical precept is to sustain accessions of new enlisted Soldiers and officers to avoid creating gaps in grades and skills that are not easily correctable.

The Army's plan to achieve the drawdown targets is to rely on normal attrition and to use involuntary separation. We will not use voluntary separation incentives, allowing us to retain the very best individuals. For FY13 and FY14, we will continue the Qualitative Service Program – a qualitative board review targeting overstrength and stagnated military operational specialties -- which will separate approximately 600 NCOs through

FY14. For officers, a Selective Early Retirement Board in late FY13 will select approximately 350 LTCs/COLs, with a mandatory retirement date in early FY15. We will also notify approximately 80 CPTs/MAJs, currently serving a selective continuation, to separate from the Army by early FY15 – all but a few are eligible for retirement. FY14 will also mark the start of Officer Separation Boards to shape year groups over-accessed during Grow the Army – the first board is expected to select approximately 500 CPTs to separate in FY15.

Army Reserve and National Guard

Guard and Reserve Military Technicians, who are civilian employees, could be affected by funding reductions under sequestration, as funding for civilian employees is not exempt. This could have a significant impact on the readiness of units if these full-time logistics, personnel, training, operations, and administrative personnel are furloughed or, if cap reductions continue in future years, reduced.

Additionally, our Army National Guard and U.S. Army Reserve will experience significant cuts of in their medical readiness accounts. For example, we have cancelled pre-mobilization medical support for nearly 200,000 Army National Guard and U.S. Army Reserve Soldiers, which will degrade reserve unit readiness, increase post-mobilization training costs, and increase the time needed to ensure units are properly prepared following mobilization.

Under a full-year Continuing Resolution the Army National Guard (ARNG) would face substantial National Guard Personnel, Army account challenges. Reduced Inactive Duty Training funds could jeopardize training and personnel readiness. Reduced funding for recruiting would make achieving the ARNG enlisted accession mission of 49,000 challenging. The ARNG is currently approximately 2,000 Soldiers below the congressionally mandated end strength of 358,200. Further impacts include deferment/reduction of approximately 1,000 Permanent Change of Station (PCS) moves.

Proposed FY14 Military Basic Pay Raise

The President has proposed an FY14 military basic pay raise of one percent, following the recommendation of senior military leaders. The adjusted pay raise was a difficult decision reached after carefully weighing other options for operating under current budgetary constraints. This pay increase balances our responsibility to care for our members and provide them with a reasonable standard of living. This also means that the DoD will not have to reduce military end strength by thousands of additional troops on top of the drawdown already planned, or further cut funds for training and equipping our forces to achieve these savings. As a result, the Department believes the current military compensation level remains appropriate at this time.

A 1% basic pay raise, as compared to the 1.8% increase authorized in law, would equate to the following:

- For a corporal with four years of service, about $23.05 per month ($277 annually) before taxes. (versus $41.50 per month ($498 annually))

- For an officer with six years of service, about $53.60 per month ($643 annually) before taxes. (versus $101.35 per month ($1,216 annually))

Congressional Assistance

Sequestration is not in the best interest of our country, our Soldiers, or our national security. Our current fiscal uncertainty has already resulted in the cancellation of training, the reduction of services to Army Families, and reductions to the civilian workforce. The cumulative effect of the Army's budget shortfalls and the enactment of sequestration puts the Army's ability to execute DoD strategic guidance at risk.

It is our shared responsibility – the responsibility of our nation's military leaders and Congressional leaders – to ensure the readiness of our military and the well being of our Soldiers. No amount of flexibility could substantially mitigate the effects of

sequestration. But, at a minimum, we would ask Congress to modify the continuing resolution to help us get the funding aligned to the correct accounts. We would also need Congress to support the Department's efforts to reprogram funds to meet our highest priorities. There is no doubt that deep cuts in spending related to an ongoing Continuing Resolution and a possible sequestration will negatively impact our ability to train, equip, and sustain the All-Volunteer Army.

I ask for your support to find a viable solution to the economic hurdles that face our Army and preserve what we have built over the past 12 years of war.

Conclusion

With the on-going Continuing Resolution and a looming sequestration, we cannot escape the real negative impact to our readiness. While we will protect the war-fighter, those serving in Afghanistan and our critical deployments, we cannot do this without paying a cost – a cost that is our readiness. The Military personnel account may be exempt from sequestration, but the second and third order effects are detrimental and will have direct impacts on our future readiness.

We have invested a tremendous amount of resources and deliberate planning to preserve the All-Volunteer force. Simply put, People are the Army. Our dedicated and talented force is the reason the United States Army is second to none. We have a responsibility to the courageous men and women who defend our country to take care for them and their families. While we must transform to a smaller Army, it is imperative that we do so in a planned, strategic manner without sacrificing the programs that impact readiness and support our people. We must not break faith with those who dedicate their lives to serving our nation.

Chairman Wilson, Ranking Member Davis, and members of the subcommittee, I wish to thank all of you for your continued support, which has been vital in sustaining our All-

Volunteer Army through an unprecedented period of continuous combat operations and will continue to be vital to ensure the future of our Army.

Lieutenant General Howard B. Bromberg
U.S. Army Deputy Chief of Staff, G-1

Lieutenant General Howard B. Bromberg became the U.S. Army's 46th Deputy Chief of Staff, G-1 on July 21, 2012. He is responsible for developing, managing, and executing manpower and personnel plans, programs, and policies for the total Army. Prior to this assignment, he served as the Deputy Commanding General/Chief of Staff, U.S. Army Forces Command.

Lieutenant General Bromberg hails from California and was commissioned as an Air Defense Artillery officer in the U.S. Army upon graduation from the University of California at Davis in 1977. He holds a bachelor's degree in Agricultural Economics and Management. Throughout his career, Lieutenant General Bromberg has served in Army units in the United States, Germany, Korea and Southwest Asia. He has commanded at every level in the air defense community from platoon to installation.

Lieutenant General Bromberg's command assignments include Commanding General, Fort Bliss, Texas; Commanding General, 32d Army Air Missile Defense Command, Fort Bliss, Texas, while serving in Operation ENDURING FREEDOM, Operation IRAQI FREEDOM, Saudi Arabia, Kuwait and Iraq; Commander 11th Air Defense Artillery Brigade, Third Army; Commander 1st Battalion, 43d Air Defense Artillery, Eighth Army, Republic of Korea; Commander, A Battery, 6th Battalion, 52d Air Defense Artillery, Germany.

Lieutenant General Bromberg's principal staff assignments include Chief of Staff, U.S. Strategic Command, Offutt Air Force Base, Nebraska; Deputy Director, Force Protection/Director, Joint Theater Air and Missile Defense Organization, J-8, The Joint Staff, Washington, DC; Director of Enlisted Personnel Management Directorate, U.S. Army Human Resources Command, Alexandria, VA.; Operations Officer (S-3)/Executive Officer (XO), 2d Battalion, 43d Air Defense Artillery, Germany and Operation DESERT SHIELD/STORM, Saudi Arabia; Operations Officer, Defense Branch, J-3, The Joint Staff, Washington DC; Chief, HAWK Operational Readiness Evaluation Team, 32d Army Air Missile Defense Command, Germany; and Platoon Leader, D Battery, 6th Battalion, 52d Air Defense Artillery, Germany.

Lieutenant General Bromberg's decorations and awards include the Distinguished Service Medal (with two Oak Leaf Clusters), Defense Superior Service Medal (with Oak Leaf Cluster), the Legion of Merit (with three Oak Leaf Clusters), Bronze Star, Purple Heart, Defense Meritorious Service Medal, Meritorious Service Medal (with three Oak Leaf Clusters), Army Commendation Medal (with two Oak Leaf Clusters), Joint Service Achievement Medal, Army Achievement Medal (with Oak Leaf Cluster), Parachutist Badge, Joint Chiefs of Staff Identification Badge and the Army Staff Identification Badge.

Lieutenant General Bromberg is married. He and his wife have two daughters.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

STATEMENT OF

VICE ADMIRAL SCOTT R. VAN BUSKIRK

CHIEF OF NAVAL PERSONNEL

AND

DEPUTY CHIEF OF NAVAL OPERATIONS

(MANPOWER, PERSONNEL, TRAINING AND EDUCATION)

BEFORE THE

MILITARY PERSONNEL SUBCOMMITTEE

OF THE

HOUSE ARMED SERVICES COMMITTEE

ON

IMPACT OF A YEARLONG CONTINUING RESOLUTION

AND SEQUESTRATION ON MILITARY MANPOWER

27 FEBRUARY 2013

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

Chairman Wilson, Ranking Member Davis, and distinguished members of the Committee, thank you for holding this hearing and for affording me the opportunity to testify on anticipated sequestration and ongoing Continuing Resolution (CR) impacts to Navy manpower, personnel, training, and education.

Our Situation

We are operating in a time of unprecedented uncertainty as we face the prospect of sequestration and a prolonged CR. Compounding the situation, the CR provides funding against last year's requirements; in other words, the funding is in the wrong accounts. As a result, we have had to adjust plans to implement programs as we enter the third quarter of the fiscal year, while operating at last year's levels. The confluence of these situations results in a misalignment of FY 2013 funding priorities.

Regardless, we remain committed to carrying out the Chief of Naval Operations' guiding tenets of *Warfighting first, Operate forward and Be ready*. We have worked to stabilize, balance and distribute the Navy workforce while ensuring that Sailors are assignable, deployable and distributable. Our primary mission is to be ready to fight and win today, while building the ability to win tomorrow; all of our efforts remain grounded in this fundamental principle. We will continue to operate forward, where Navy is most effective; but at significantly lower levels. We will endeavor to remain ready, providing our fleet and Sailors the best possible training, maintenance, and logistics to assure their confidence and proficiency. Sequestration and a

prolonged CR will affect our mission-essential functions by forcing difficult and unpopular choices that adversely affect Sailors and the families who support them.

After nearly a decade of declining manpower, we are on track to meet our FY 2013 active end strength authorization of 322,700. Our authorization reflects a decrease from FY 2012; we do not anticipate the need to reduce further end strength this year. Selected Reserve FY 2013 end strength authorization declines as planned, from 66,200 in FY 2012, to 62,500; we do not anticipate further reductions this year. As we continue to stabilize the force, we will adjust future end strength to pace anticipated force structure changes. We will apply various force management levers as we work to balance and distribute the force and, to the extent possible, will apply voluntary measures before resorting to involuntary measures.

While sequestration and the CR will not prevent us from meeting our authorized end strength this year, mitigation actions already taken, as well as others about to be executed, will significantly affect our ability to attract, recruit, develop, assign and balance our highly skilled workforce beyond FY 2013. We have already reduced advertising outreach and engagement opportunities, which are fundamental to attracting and recruiting our future force. Likewise, budget decisions regarding training, education and travel, inhibit our ability to deliver trained Sailors for timely assignment, deployment and distribution. If the existing CR were extended to the full year, we would apply funding for investments to restore the most critical operation and maintenance requirements.

It is imperative that Congress finds an alternative to sequestration, and enacts an appropriation for the remainder of FY 2013. Otherwise, the effects of these measures will erode personnel readiness and negatively affect the Total Force. In testimony before the House and Senate Armed Services Committees, the Chief and Vice Chief of Naval Operations laid-out short-term measures in response to the CR and sequestration. Although the President exempted Military Personnel appropriations for the active and reserve components from sequestration, the measures Navy leaders have highlighted will have a direct effect on active and reserve Sailors and a significant impact on our civilian workforce.

Near-Term Impacts

For most Sailors and their families the significance of the effect of sequestration and the CR is the dramatic adjustment in the deployment schedules of ships and aircraft. Delayed or canceled deployments disrupt the lives of Navy families, particularly in cases in which Sailors have relocated dependents to be near extended family during prolonged deployments, or have otherwise based personal and financial decisions on anticipated pay and tax benefits associated with deployment. Increased anxiety, family separation, and impacts to family budgets, due to the uncertainty, hurt force morale to an extent that can be neither quantified nor taken for granted.

The reduction of ready forces will put greater stress on deployed or soon-to-deploy Sailors assigned to ships and squadrons. They will operate at a higher tempo; and we are already at an extraordinary operational tempo. While military compensation is exempt from sequestration, there is a cost to the force in having to do more.

To limit impacts on deployed and next-to-deploy forces, base operating support, depot maintenance, and facilities sustainment, restoration and modernization will receive a disproportionate reduction under sequestration. While we are taking risk in shore operating accounts, we are still committed to protecting family support programs to ensure that we properly address the needs of families of forward-deployed personnel, and that the resources necessary to sustain them in the absence of their sponsors are not compromised.

Reductions in civilian manpower due to furloughs, the hiring freeze, and termination of temporary civilian employees, will acutely burden Sailors who rely heavily on the expertise of our civilian workforce. Civilian employees provide the corporate knowledge and institutional memory, and are key mentors of our uniformed workforce. In the absence of these vital partners, Sailors will assume additional workload, while being hampered by the absence of critical knowledge and insight that resides in our civilian workforce.

Additionally, the evolution of the Navy workforce over the last decade compounds the situation. As we identified non-military-essential functions to reduce the number of uniformed personnel performing functions not directly tied to fleet readiness, the number of civilians increased to assume many of those duties. Consequently, the loss of civilian expertise at this time will affect our Sailor training pipeline sources, including the U.S. Naval Academy, Naval War College and Naval Postgraduate School, each of which plays a critical role in developing Sailors. The immediate impact will be a decrease in throughput, which will increase the number of Sailors awaiting training, delaying their arrival in the fleet and reducing hard-fought improvements in at-

sea manning and operational readiness. However, we will not know the second and third order effects of these reductions for years to come, as continued sequestration impacts exacerbate the situation over the next decade. The effective loss of the work that would normally performed by the furloughed civilian workforce will also reduce throughput and timeliness of planning and policy related matters.

Currently, veterans comprise more than 57% of the Department of the Navy's civilian workforce. In FY 2012, we hired nearly 11 thousand veterans, including over 2,500 disabled veterans, into the civilian cadre. Given the current Navy-wide hiring freeze, the availability of civilian job opportunities, including those for veterans, has come to a virtual standstill. This is severely hampering the Department's ability to recruit a quality and skilled workforce capable of executing our mission.

An administrative furlough, should it occur, will adversely affect close to 200,000 men and women across the Department of the Navy (to include the Marine Corps). Automatic exemption would apply to few, if any, from a planned furlough realized by all appropriated fund employees, including working capital, Senior Executive Service, permanent, term and temporary employees. The reach extends to the services provided to uniform personnel through such programs as Morale, Welfare and Recreation. Our federal civilian employees who have dedicated themselves to public service stand to lose up to 20% of their income for five months, in addition to experiencing reductions in leave and benefits. Further, the ongoing fiscal uncertainty and potential furlough will likely derail the substantial progress the Department of the Navy has made with employee engagement as productivity declines and active duty personnel take on a heavier share of the burden

to remain focused on mission. Additionally, increased reductions in service contract support will impact military personnel workload requirements as well as reduce veteran employment opportunities.

Longer Term Impacts

In addition to sequestration for FY13, the failure to enact the $1.2 trillion in balanced deficit reduction required by the Budget Control Act of 2011 (BCA), triggered the lowering of discretionary caps for FY 2014 through FY 2021. Beyond FY 2013, if discretionary cap reductions were sustained for the full nine years, we would fundamentally change the Navy as currently organized, trained and equipped. While the Administration has exempted military personnel appropriations from FY13 sequestration, we cannot rule-out the possibility of future manpower reductions. The Secretary of Defense and Navy leadership will need to reconsider manpower costs and the balance between civilian and military manning. The size of the Navy will necessarily decrease further, using a combination of retirements and reduced procurement of new ships and aircraft. As the Chief of Naval Operations indicated in his testimony before the House Armed Services Committee, the battle force could be as many as 50 ships smaller than the numbers reflected in our most recent shipbuilding plans, or 30-40 ships fewer than our current battle force. That would result in the need to reduce end strength, and a possible corresponding need for implementation of voluntary and involuntary force management tools.

There is a possibility for adverse impacts to Sailor training pipelines, as civilian furloughs and the hiring freeze at training commands result in a backlog, forcing students to wait longer for training. While we may be able to maintain appropriate manning of ships and squadrons, crew training-levels may suffer. Sailors will have a reduced opportunity to achieve personal and professional development; a hallmark of our recruiting efforts is the ability to provide Sailors with all the skills they need to be successful. As this backlog of students grows, it will affect our ability to distribute highly skilled Sailors to the fleet, thereby, reducing overall readiness. Fleet commander mitigation actions regarding deployments, training and certifications, will have a cascading effect and long-term impact on personnel distribution and professional development. Finally, the overall angst and uncertainty associated with this process will undoubtedly take its toll as Sailors and civilians face decisions on whether to continue their service.

Conclusion

We ask Congress to act quickly to avoid sequestration and to enact an FY 2013 Defense Appropriations Bill. If we end up with an extended continuing resolution, we will, at a minimum, need Congress' help in modifying the continuing resolution to get the dollars in the correct appropriations. We will also need Congress support for efforts to use reprogramming to shift funding to meet our highest priorities. Our immediate concern is the inability to allocate reductions in a rational manner that, to the greatest extent possible, protects Sailors and their families, while sustaining current operations pursuant to the Defense Strategic Guidance and National Defense Strategy.

I commit to working with the Congress, particularly the military personnel subcommittees, and continuing to provide information on the effects of operating under a continuing resolution and the effects of sequestration. You will receive my team's best efforts to help you find solutions and to properly prioritize Navy manpower, personnel, training and education. Together, we must ensure our success in preserving the world's preeminent maritime force and in providing the quality support services needed to bolster Navy families as they focus on maintaining our nation's security and prosperity. Thank you, once again, for holding this important hearing.

United States Navy
Biography

10/11/2011 - Present

Vice Admiral Scott R. Van Buskirk

Vice Adm. Van Buskirk, a native of Petaluma, Calif., graduated from the United States Naval Academy in 1979. He assumed duties as the Navy's 56th Chief of Naval Personnel on Oct. 11, 2011. Serving concurrently as the Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (N1), he is responsible for the planning and programming of all manpower, personnel, training and education resources for the U.S. Navy. He manages an annual operating budget of $29 billion and leads over 20,000 employees engaged in the recruiting, personnel management, training and development of Navy personnel. His responsibilities include overseeing Navy Recruiting Command, Navy Personnel Command, and Naval Education and Training Command.

Ashore, he received his master's degree at the Naval Postgraduate School and served tours in the Navy Office of Legislative Affairs; Submarine Force U.S. Pacific Fleet; Bureau of Naval Personnel; and, Submarine Force U.S. Atlantic Fleet.

At sea, he served on board USS *Seawolf* (SSN 575), USS *Salt Lake City* (SSN 716), USS *Tunny* (SSN 682), and USS *Georgia* (SSBN 729) GOLD, and commanded the USS *Pasadena* (SSN 752) and Submarine Development Squadron 12.

As a flag officer, he has served as commander, Task Force Total Force; deputy to the Deputy Chief of Staff, Strategic Effects (MNF-Iraq); commander, Carrier Strike Group Nine; assistant deputy, Chief of Naval Operations for Operations, Plans and Strategy (N3/N5B); deputy commander and chief of staff, U.S. Pacific Fleet; and, most recently, as the 47th commander of the United States 7th Fleet, forward deployed in Yokosuka, Japan.

He is entitled to wear the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit (seven awards), and other various personal, unit and service awards.

Updated: 18 November 2011

Not public until released by the
House Armed Services Committee

STATEMENT

OF

LIEUTENANT GENERAL ROBERT E. MILSTEAD, JR.

DEPUTY COMMANDANT FOR MANPOWER & RESERVE AFFAIRS

UNITED STATES MARINE CORPS

BEFORE THE

SUBCOMMITTEE ON PERSONNEL

OF THE

HOUSE ARMED SERVICES COMMITTEE

CONCERNING

IMPACT OF A YEAR-LONG CONTINUING RESOLUTION AND SEQUESTRATION

ON MILITARY MANPOWER

ON

FEBRUARY 27, 2013

Not public until released by the
House Armed Services Committee

I. Introduction

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to discuss the potential impacts of a full-year Continuing Resolution (CR) and sequestration on Marine Corps personnel.

As our Commandant recently testified to you, sequestration - both the immediate cuts in FY13 and the associated reductions in discretionary caps in future years - will have a devastating impact on our Nation's readiness both short- and long-term. Sequestration creates unacceptable risk to our National Strategy, our forces, our people, and our country—risk that would be further exacerbated by the effects of the existing CR.

No matter what the implications, there are some things that must endure. Your Marine Corps is, and will continue to be, our Nation's expeditionary force in readiness. We will be ready to rapidly respond to crises around the globe to ensure the continued security of the American people and to protect the interests that underpin our prosperity. Marines will be *always faithful* to the trust which the American people have vested in them. Already a lean organization, your Marines will continue to give you the best capability that can be squeezed from the resources you allocate for our Nation's defense. Our individual Marines are the Corps' most sacred resource, and always will be.

II. Impacts of CR/Sequestration

The impacts on military personnel and civilians, the programs that support them, and the appropriations that fund them, must be discussed holistically because they are interrelated. It would be inaccurate to assume that, just because the military personnel account (MPMC) and overall end strength are exempted from sequestration in FY13 – your Marines – are not impacted. For example, the impact of a civilian furlough on the joint Military Entrance Processing

Stations will reduce our ability to bring in Marine recruits into the training pipeline which will impact our readiness. Similarly, Marine training relies on civilian Marines and will be impacted. Our All-Volunteer Force depends on a consistent pipeline of recruits for sustainment; disruptions to that pipeline have lasting impacts across the force.

Overall, the readiness of your Corps stands to take a huge hit and, when readiness is hit, personnel are hurt. Training suffers; family programs are put at risk; teachers, therapists, and even the guards at the gate are stretched thin; stress and anxiety rise and, ultimately, Marine survivability is jeopardized. In essence, those whom have given the most to the security of this Nation are asked to accept the bulk of the risk sequestration poses to this Nation.

a. Military Personnel

1) Each of the services is reducing end strength to some extent. Will your service rely primarily on voluntary or involuntary separation measures, or a mixture and why? Please list the authorities your service is planning on using for FY13 and for FY14 and how many individuals (broken out by officer and enlisted) you seek to separate for each authority.

Pursuant to guidance issued by the President and the Secretary of Defense last year, the Marine Corps has initiated a reduction in our Active Component end strength from 202,100 to 182,100 by the end of FY16. We are conducting our drawdown in a measured way. Our plan is to reduce our end strength by not more than 5,000 Marines per year and will be accomplished primarily by natural attrition, voluntary separation, and retirement authorities. Involuntary separations will be minimized as much as possible, and we have no plans to conduct a reduction-in-force. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force. Our overarching goal must be to keep faith with our Marines and their families.

The authorities we are using, or plan to use, include:

Authority	FY13 Officer (Plan/To Date)	FY13 Enlisted (Plan/To Date)	FY14 Officer	FY14 Enlisted
Temp. Early Retirement Authority	80/59	450/264	40	300
Voluntary Separation Pay	65/20	300/219	25	250
Early Discharge Authority	150/129	5,000/3,824	140	5,000
Time-in-Grade Waiver	20/14	n/a	12	n/a
Selective Early Retirement Board	84/66	n/a	30	n/a

2) *The Air Force and Navy have been reducing end strength over the past seven years. What is each of your service's end strength goals for each year, FY 13 through FY18? How have those annual targets changed since the FY 12 budget submission? If there is a year-long CR in FY 13, how will that impact the end strength goals of each service's end strength plan through FY 18?*

A year-long CR will not impact our current end strength goals. End strength targets are currently in the process of being finalized. Once those decisions are made, that information will be furnished to the committee.

3) *The Army and Marine Corps are limited by law thru FY17 on the end strength that can be reduced each year. This limitation was based on the glide slope each of the service stated was required to responsibly drawdown between FY14 and FY17. What impact will a year-long CR have on each of your plans for FY14?*

A year-long CR will not impact our end strength plans for FY14. We continue to believe that a glide slope of not more than 5,000 Marines per year is appropriate to properly execute our drawdown and to keep faith with our Marines.

4) *Military Personnel accounts have been exempted by the President if sequestration were to happen. Describe what this exemption means in concrete terms. Does it mean that end strength in FY 13 will not be reduced or that military personnel spending will remain at FY 12 levels; that bonuses will be unaffected? Does it mean that military personnel accounts could become reprogramming sources to pay for shortfalls in Operation and Maintenance or other accounts?*

While there are no current plans to deviate from this end strength goal in FY13, sequestration and associated future year cap reductions may require that we evaluate our force structure and reassess our warfighting capabilities to do what our Nation expects. In the longer

term, we believe 182,100 is the best answer to the current fiscal environment while meeting the Defense Strategic Guidance.

It is important to note that we have already reduced recruiting budgets and retention bonuses and special pays in accordance with the drawdown plan. Further cuts could threaten enduring new accession quality and our ability to sustain critical MOSs such as Counterintelligence, Cyber, and MARSOC Special Operators.

5) *One effect of sequestration that has been described to us is that the readiness of later deploying units will be degraded - hollowed out -- because the Operation and Maintenance funding for their training and maintenance will be reduced in favor of supporting the deployed force. Will the combined effect of sequestration and a continuing resolution in FY 13 have a similar impact on the manning levels of the later deploying forces?*

As our Commandant testified, the combined effect of sequestration and an extended continuing resolution in FY13 will have devastating impacts on training, equipment, and overall readiness of our Marines and these impacts will only worsen over time. Because military pay and allowances are exempt from sequestration in FY 2013, manning levels will not be significantly impacted initially. However, inadequate training and degraded equipment will make that "manning" less effective and reduce survivability.

6) *What will be the most significant impacts of a continuing resolution and sequestration on the military personnel and military personnel accounts of the National Guard and Reserve?*

Like MPMC, our Reserve personnel account is currently exempt from sequestration for FY13, and there are no plans to conduct a drawdown of our 39,600 end strength. However, future reductions in the discretionary caps, as required under current law, will impact our ability to augment, reinforce and sustain support to the Active Component in meeting this Nation's operational requirements. The Reserve Component may be unable to meet minimum staffing requirements of critical leadership. As the Commandant has testified, individual and unit training readiness towards contingency operations would suffer. Similarly, a year-long CR will

impair our ability to fund professional development training and MOS retraining. It too will decrease the Reserve Component's capacity to provide operational support for exercises and operations directly impacting total force readiness.

Our Reservists rely on many of the same family programs and facilities as our Active Component. As these programs are cut or stressed due to sequestration, Reservists will be similarly impacted. In addition, because the Reserve force is distributed across the nation at 180 separate sites, small budget cuts have a disproportionate impact as units have no depth in staff or resources. If a civilian furlough occurs, family readiness programs, which often times are manned with only one civilian depending on the subordinate command, may require reduced hours or a complete shutdown during the furlough.

7) *Please explain the rationale for the President's proposal for a FY 14 military basic pay raise of 1 per cent instead of the 1.8 per cent that current law requires? Is a reduced pay raise fair to military personnel and their families? Provide examples by grade of what the reduced pay raise will mean to the take-home pay of service members.*

Military compensation represents roughly one-third of the defense budget, and costs have grown by more than 80 percent over the last decade. Basic pay alone has increased more than 60 percent from 2000 to 2013. Military pay is highly competitive with the private sector now compared to a decade ago. Both a one percent and 1.8 percent pay raise would provide all service members with an increase in the monthly basic pay compared to 2013 rates for the same pay grade and years of service.

Some specific pay raise examples are:

b.
c.

Pay Raise % and Dollar Increase of monthly pay/ Rank and Years of Service	2012 (1.6%)	2013 (1.7%)	2014 (if 1%)	2014 (if 1.8%)
Corporal with 4 YoS	$36	$38	$23	$41
Captain with 6 YoS	$83	$89	$53	$96

b. Civilian Marines

Even though MPMC funding is exempt from sequestration, our Marines will still most certainly be negatively impacted by a furlough of up to 19,600 Civilian Marines. With a ratio 1 civilian for every 10 Marines, furloughs of any length to our Civilian Marines compromises the readiness of the Marine Corps.

The impact on Marine Corps readiness to our depots and our bases and stations, to readiness of our Force, and base security responsiveness is significant. Over 90 percent of our Civilian Marines do not work in Headquarters' elements in the Pentagon; they are at our bases, stations, depots, and installations. Sequestration could compromise security on our installations if base firefighters and police are unable to provide timely emergency response. Housing maintenance and base utility work will be limited to emergency levels of support. Reduced IT support compromises our cyber security capabilities.

Sixty-eight percent of our Civilian Marines are veterans that have chosen to continue to serve our Nation. Of those, a full 13 percent have a certified disability. If sequestration is put in effect, opportunities for employment will be drastically reduced or, in the event of a forced hiring freeze, eliminated. Marine Corps bases and commands in Virginia, California, North Carolina and Georgia will feel a dramatic impact as hiring pools stagnate and the essential talent needed to conduct missions there begins migrating in order to take care of their family or personal welfare.

The potential human impact associated with furloughing our Civilian Marines is significant. They could lose up to a fifth of their pay during the furlough period, which could last up to 22 weeks. While we would like to believe that a discontinuous furlough will reduce the impact on our employees, most will not be able to easily absorb this sudden loss of income. Employee stress will increase; morale will decline; productivity will suffer; commitment to

federal service may decrease; and military missions will suffer.

c. Family Programs

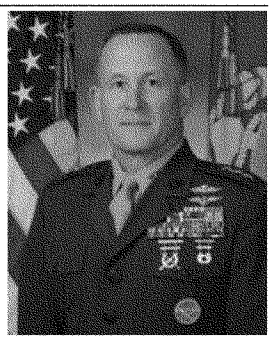
Simply put, sequestration will impact our family programs. The Marine Corps' approach to potential sequestration cuts will be focused on preserving programs that support the health, welfare and morale of our Marines and their families. These programs collectively promote the physical and mental well-being of Marines and families and are considered most essential in meeting the operational objectives of the Marine Corps. We will have to prioritize our resources to ensure we maintain these programs while taking risk in lower priority programs in the near term, such as our leisure and recreation programs. A long term solution will need to be developed to sustain these programs or the these services may be impacted by fewer support staff, shorter hours of operation, imposition of user fees, or termination of the program. We will protect, to the greatest extent possible, what we hold sacred – caring for wounded warriors. Furthermore, any actions that impact our civilian workforce will directly impact our capability to provide essential support services to Marines and their families.

III. Conclusion

Like our Commandant, I am committed to building the most ready Marine Corps that our Nation can afford. However, the current fiscal uncertainty jeopardizes this goal. Your Marine Corps will continue to uphold our reputation as the "frugal force"- we will ask only for what we truly need. But we must always remember that our individual Marines are our most precious asset, and we must continue to attract and retain the best and brightest into our ranks, and we must always keep faith with them.

I thank you for your continued support to your Marines.

Lieutenant General Robert E. Milstead, Jr.
Deputy Commandant, Manpower & Reserve Affairs/Commanding General, Marine Corps Recruiting Command



Lieutenant General Robert E. Milstead, Jr., was born at Fort Sam Houston, Texas, on 10 November 1951, the son of a career Air Force Officer. He graduated with a B.A. in English from the University of Houston in 1974 and was commissioned a Second Lieutenant in March 1975. Upon graduation from the Basic School, he reported to NAS Pensacola, Florida, and was designated a Naval Aviator in September 1976.

Assigned to Marine Aircraft Group 39 at Camp Pendleton, Second Lieutenant Milstead joined HMA-169 flying the AH-1 Cobra helicopter. In June 1981, Captain Milstead was transferred to Separate Brigade Platoon, 2nd ANGLICO at Camp Pendleton where he served two years as the S-3 Officer. While assigned to 2nd ANGLICO, he attended both the U.S. Army Pathfinder School and U.S. Army Airborne Course.

In July 1986, Major Milstead was transferred to Quantico, Virginia, to attend the Marine Corps Command and Staff College. Graduating with honors, he was reassigned to The Basic School. In September 1990, he reported to MAG-36 on Okinawa as the S-3A/Plans Officer. During this tour, he deployed to Turkey and Northern Iraq as the Executive Officer of SPMAGTF 1-91 during Operation Provide Comfort.

Transferred to 3d MAW (FWD) at El Toro in June 1992, Lieutenant Colonel Milstead served as the Plans Officer and later as the 3d MAW Liaison Officer to MARFOR Somalia during Operation Restore Hope. He returned to MAG-39 in May 1993 and was assigned to HMLA-169 as the Executive Officer. He became the Commanding Officer of the HMLA-169 Vipers on 22 November 1994.

Relinquishing command in June 1996, he was transferred to Washington, DC to attend the National War College. Graduating with a Master of Science in National Security Strategy, Colonel Milstead was assigned to Headquarters, U.S. Marine Corps, as the Head of the Aviation Weapons Systems Requirements Branch (APW) in the Department of Aviation. In July 1999, he was reassigned within the Pentagon for joint duty in the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, Strategic and Tactical Systems, Land Warfare.

In May 2001, Colonel Milstead assumed command of Marine Aircraft Group 29 at New River, North Carolina. During this command tour, the MAG-29 War Eagles deployed and participated in combat operations during Operation Iraqi Freedom. He relinquished command in August 2003, and was reassigned to Camp Lejeune as Chief of Staff, 4th Marine Expeditionary Brigade (Anti-Terrorism). In September, 2004 Colonel Milstead was reassigned to 2d Marine Aircraft

Wing at Cherry Point as Commander, 2d MAW (Fwd) for deployment to Iraq. He was promoted to Brigadier General in Iraq on 17 February, 2005. 2d MAW (Fwd) returned to Cherry Point in February 2006. From March until June 2006, he served as the Commanding General, 2d Marine Aircraft Wing, prior to transferring to Headquarters, U.S. Marine Corps for assignment as the Director, Marine Corps Public Affairs. In May 2008, he was transferred to Quantico, Virginia and served as the Commanding General, Marine Corps Recruiting Command. In December 2010, Lieutenant General Milstead was appointed to his present grade and assumed the duties as Deputy Commandant, Manpower and Reserve Affairs, Quantico, VA.

Lieutenant General Milstead's personal decorations include the Defense Superior Service Medal, Legion of Merit with two gold stars in lieu of second and third awards with the Combat V, Meritorious Service Medal, Air Medal with 6 Strike/Flight Awards, Joint Service Commendation Medal, and the Navy Commendation Medal. Lieutenant General Milstead is happily married. He and his wife have four children and two grandchildren.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE ON MILITARY PERSONNEL

COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: IMPACTS OF SEQUESTRATION AND FULL YEAR CONTINUING RESOLUTION ON MILITARY MANPOWER

STATEMENT OF: LIEUTENANT GENERAL DARRELL D. JONES
DEPUTY CHIEF OF STAFF MANPOWER, PERSONNEL
AND SERVICES UNITED STATES AIR FORCE

FEBRUARY 27, 2013

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

SEQUESTRATION AND THE UNITED STATES AIR FORCE

The Airmen of our great Air Force serve the Nation with distinction. Today there are more than 690 thousand Total Force Airmen serving across the globe, and although we have been involved in combat operations for over two continuous decades, our Airmen remain strong. On any given day, 31 thousand members of our Air Force are forward deployed, directly engaged in, or directly supporting combat operations. At the same time, over 218 thousand Airmen, support combatant command operations. Our Air Force Chief of Staff has recognized the strength of our force resides in our Airmen. He believes our Airmen power the world's greatest Air Force, and continue to fuel the innovative spirit our service has valued from our inception. We realized long ago that without the determination, innovation, courage, and hard work of our Airmen, we as an institution fail. However, the reality is sequestration perils our ability to properly recruit, train, support and retain a world-class, all-volunteer Air Force, and would significantly undermine the readiness, responsiveness and performance our Nation expects of our fighting forces.

Introduced as an enforcement mechanism to drive an agreement on balanced deficit reduction, sequestration was designed as an extreme measure so unpalatable it would encourage fiscal compromise, yet to-date has yielded no alternative solution and now threatens the Department of Defense and the Air Force's current and future ability to support our National Defense Strategy. For the United States Air Force, the effects of sequestration equates to a potential $12.4 billion topline budget reduction, affecting every non-exempt account and program. Coupled with a potential year-long continuing resolution and an estimated $1.8 billion shortfall in overseas contingency operations funding due to higher than anticipated costs in theater, reductions of this magnitude have already driven disruptive actions in the near-term, and promise devastating impacts over the long-term.

We face three separate, but interrelated budget mechanisms next month that taken together jeopardize the Air Force's ability to fulfill its role in the Nation's current defense strategy. The sequestration order that may be issued on March 1, 2013, along with a second sequestration due to a breach in the fiscal year 2013 discretionary caps scheduled for March 27, together with the budget shortfall in operating accounts to support overseas contingency operations and a protracted continuing resolution, all combine to render us unable to continue our current and expected level of operations. If these budgetary limitations occur, they will significantly disrupt the Air Force civilian workforce, undermine the Air Force's readiness and responsiveness, and delay necessary infrastructure improvements today, while also-by hobbling modernization efforts-mortgage the Air Force's future health for years to come.

NEAR TERM ACTIONS

Based on direction from the Deputy Secretary of Defense in an effort to provide as much fiscal flexibility in the coming months, we have implemented a host of near-term measures in an effort to reduce spending and mitigate budget execution risk. In addition, given the potential for sequestration in March 2013, we have begun to intensify our planning for longer-term budget uncertainty.

The Air Force has implemented a force-wide civilian hiring freeze, which will drive capability gaps across the force, restricting our ability to bring in new talent, particularly to fill gaps in highly-valued technical positions. The Air Force had approximately five thousand vacant positions when we implemented the hiring freeze, and those positions will largely remain unfilled. The number of vacant positions will continue to grow as long as the hiring freeze remains in place. Additionally, the Air Force is considering releasing 990 temporary employees, 2,160 term employees, and approximately 260 re-employed annuitants. These combined near-term actions will drive gaps in such areas as our nuclear enterprise, our intelligence community, and in base and facility support operations. It will also impede our progress toward the Defense Department's 2017 goal to become financially auditable. Uniformed Airmen will fill some of these gaps such as manning installation access gates, further burdening our military personnel and adversely impacting their military readiness.

The Air Force is reviewing all temporary duty (TDY) requirements to determine which are immediately mission critical, and cancelling all others. Eliminating TDYs will impact Air Force attendance or hosting of conferences and symposia, training seminars, staff assistance visits and some operations and compliance inspections. Some of these eliminated TDYs will translate immediately to increased risk to unit readiness, becoming more significant over time. This includes a $53M reduction in training TDYs for professional development and mission readiness training. This loss in development opportunity for thousands of Airmen could lead to certification lapses for Airmen in technical Air Force specialties. Our intent is to guard funding for combat mission critical training TDYs such as crew deployments to RED FLAG; however, we are already seeing indicators of strain to support even these activities.

We have also reduced Major Command (MAJCOM) and Combatant Command (COCOM) Operation and Maintenance allocations by approximately 10% on an annual basis, or approximately 22% of their remaining funds for fiscal year 2013. To implement these reductions, the MAJCOMs and COCOMs have implemented a host of measures. These include: cancelling all flying not directly related to readiness; reviewing and cancelling most studies not Congressionally-directed or mission critical; and limiting supply purchases to essential fiscal year 2013 consumption, stopping purchases of

unit equipment not deemed mission-critical. Furthermore, we are reviewing information technology refresh and network support contracts, and de-scoping many contracts and incrementally funding support contracts to only FY13 requirements where practical.

Additionally, the Air Force has deferred all non-emergency Facility Sustainment, Restoration and Modernization (FSRM) projects, cutting roughly 50% in annual spending, or 90% of remaining funds. This will include interrupting 93 projects at 52 installations, including mission significant and sustainment critical restoration and modernization projects, which will magnify current problems in our already underfunded infrastructure. Collectively, these near-term actions would generate $2.9 billion towards the $12.4 billion reduction sequestration requires in fiscal year 2013.

LONG TERM ACTIONS

Should sequestration occur, the remaining $9.5 billion must come from three critical areas whose contraction will inflict near-and long-term damage to our force – the civilian element of our Total Force, today's readiness (O&M accounts), and modernization accounts.

To help meet this shortfall, the Air Force will furlough up to 180,000 civilian Airmen for up to 22 workdays from April through September 2013. This equates to one furlough day per week and a 20 percent reduction in pay for the rest of the fiscal year for each furloughed employee, which will have a greater individual impact to our lower grade-level civilians, many of whom live paycheck-to-paycheck, and have had their pay frozen the past two years. The 20 percent cut in civilian availability equals 31.5 million man-hours of productivity lost. This loss will be felt across our force, but will hit particularly hard at installations where civilian Airmen are a majority, supporting critical missions such as initial pilot training and depot maintenance. The associated loss of confidence felt by these dedicated civilian Airmen will be more difficult to measure.

The Air Force would reduce base-funded flying hours by as much as 18% on an annual basis, or 30% of remaining funds. This will allow support for only ongoing named operations, and will require prioritizing these missions with preference extended to protecting Operation Enduring Freedom, nuclear deterrence preparedness, Presidential support missions, and initial qualification training pipelines. This reduction in hours will be far reaching across the Air Force, leading combat units not supporting such missions to stand-down as early as mid-May, which will have a devastating effect on unit readiness levels. The Air Reserve Components anticipate reducing flying hours at the same level as the active force, with similar effects. Additionally, beginning 1 April, Air Education and Training Command will curtail advanced training courses such as Transition Pilot, Instructor Pilot and Aircraft Commander

upgrades in order to protect initial flying training. We expect even initial flying training will have to stand-down by late August or early September.

Weapons System Sustainment will also be reduced by as much as 18 percent, pushing aircraft availability and mission capability rates significantly below standards, affecting over 30 types of aircraft and other systems across the force. These actions will limit warfighter capability across the fleet. This could have irreversible impact to the depot workforce, affecting as much as 24,000 civilian depot employees. These employees may seek employment outside of government service with their highly-valued skill sets, and it could take the depots two to three years to regain the same level of pre-disruption production expertise. This will lead to a bow wave in requirements backlog to the depot maintenance pipeline causing a disruption in aircraft availability, lasting as long as six to ten years.

IMMEDIATE IMPACT TO READINESS

Airmen are the backbone of your Air Force. We are morally obligated to provide them the best training, support and tools they need to complete the mission. The actions required for your Air Force to operate under sequestration, combined with a potential year-long continuing resolution, threaten to eviscerate our ability to fulfill this obligation and create severe risk in terms of the Air Force's ability to meet the Nation's defense strategy.

Since 1991, the high operations tempo combined with a reduction in force structure have limited units' ability to train to standards established to meet full-spectrum mission requirements. Air Force readiness trends show a steady decline since 2003. Sequestration will have an immediate, devastating and long-term impact on the Air Force's readiness levels.

Units affected by the reduction in flight hours and eventual stand-down are particularly troubling. Within 60 days from when a unit stands down it experiences severe unit combat readiness degradation, rendering units not currently committed to support priority missions unable to meet emergent contingencies or fulfill Operational Plan requirements. We estimate by the end of summer 2013, two-thirds of active duty combat units will not be mission ready, and it would take 6 months to regain their current readiness level once additional funding is provided for flying hours.

Further, curtailing advanced and initial flying training courses further threaten to clog and extend the flight-training pipeline, leading to a particularly harmful shortfall in combat ready personnel needed to fill combat units already experiencing shortages in trained personnel. This could create a bathtub shortage in mission-qualified pilots for the year groups affected by the training delay. This lag would be particularly hard hitting to fighter units, who are already experiencing a shortage in trained, mission-ready pilots.

A compounding threat sequestration presents to readiness is the reduction in available aircraft maintenance and sustainment funding which would reduce the number of aircraft available and ready to fly. Further, it will limit the growth in proficient Airmen who maintain our aircraft and flight equipment. Failure to maintain the highest level of combat proficiency our Airmen require as members of the world's greatest Air Force puts them at greater personal risk, and could lead to downward trends in our ability to recruit new Airmen and retain those we have. Simply put, long-term sequestration does not allow the Air Force to recover readiness – it severely degrades capability and responsiveness and it limits national strategic options.

IMPACT ON RESERVE COMPONENT

The Air Force Reserve and Air National Guard have indicated a reduction in flying hours will result in suboptimal readiness levels in most mission areas including strategic/tactical airlift, precision strike, combat rescue, special forces, and command and control core function areas by the end of the fiscal year. It will take about six months for the Air Force components to regain acceptable readiness levels. A strategy to meet planned deployments at the expense of other units' readiness will make it difficult for the reserve components to respond to natural disasters or new combatant command contingencies.

For the Air Force Reserve, Military Personnel appropriations were also exempted from sequestration; therefore, the Reserve Personnel appropriation is able to continue funding Reserve training without negative impact.

On the other hand, the furlough of Air Force Reserve civilian personnel and reductions of equipment, maintenance, and flying hours created by sequestration cuts to the Air Force Reserve O&M appropriation will affect both support of training activities and readiness currency activities. Air Reserve Military Technicians (ARTs), who are civilian employees, manage day-to-day operations and train traditional reservists. If, due to sequestration, ARTs are furloughed, Reserve training, maintenance of equipment and facilities, as well as Reserve Airman and Family Readiness Centers operations may be adversely impacted.

The Air National Guard also relies heavily on its civilian workforce, which also faces potential furlough under sequestration. These civilians, most of whom are dual status military technicians funded out of the Air National Guard O&M appropriation and serve as traditional members of the Air National Guard, provide maintenance and training of fellow Airmen. On a day-to-day basis, military technicians and civilian employees support activities essential to the readiness and functioning of the largely part-time citizen Airmen of the Air National Guard. This unique service provides the level of support and

continuity necessary for the Air National Guard to support mobilizations, deployments, domestic operations, and maintain continuity of services for the Air National Guard service members remaining in states during mobilizations and deployments. Furloughs of these essential personnel will further exacerbate the readiness threats to the aforementioned programs.

SEQUESTRATION IMPACT TO END STRENGTH AND FORCE MANAGEMENT

The Air Force active component authorized end strength in the Fiscal Year 2013 National Defense Authorization Act is 329,460, requiring us to reduce 3,340 Airmen from our fiscal year 2012 authorized end strength of 332,800. Should discretionary cap reductions continue beyond 2013, the Air Force corporate process would evaluate and prioritize our resources to maintain a balance between people, equipment and available funding. With sequestration's current exemption of Military Personnel Appropriations, sequestration has no direct effect on fiscal year 2013 end strength. However, current law also reduces the discretionary caps for defense spending by about $55 billion in each year from FY 2014 through FY 2021. These reductions might drive internal Air Force decisions to decrease force structure, which would undoubtedly lead to further end strength reductions.

The reduction in end strength in fiscal year 2013 alone will require us to take continuing force management actions to reduce the number of Airmen serving the Nation while ensuring we maintain a high quality force. To do so, we will continue our multi-year force management strategy of leveraging voluntary programs first, offering incentive programs where needed, and executing involuntary actions only if required. We currently have the full range of legislative authorities necessary to execute a force management program to meet our congressionally mandated end strength.

In fiscal year 2013, enlisted Airmen in non-critical overage Air Force Specialty Codes will be offered time-in-grade, active duty service commitment, and enlistment contract waivers (500). We will continue the expanded PALACE CHASE program. We will also implement the Temporary Early Retirement Authority (340) for a second year, Date of Separation Rollbacks (1.6K), reduced accessions (700), initial skills training separations (1.1K), and Career Job Reservation constraints (600).

For officers, there will be no involuntary separations for fiscal year 2013 other than a limited number of initial skills training separations for officers (60). Voluntary programs will include time-in-grade, active duty service commitment, and 10 versus 8 years of commissioned service waivers for certain year groups and overage career fields (120 total voluntary program separations). We will also continue the PALACE CHASE program for eligible lieutenant colonels and below. Additionally, we will be offering the Temporary Early Retirement Authority program (173) and the Voluntary Retirement Incentive program to our officer force in FY13.

For fiscal year 2014, we expect similar force management programs, but may include involuntary Selective Early Retirement Boards. However, given the current set of fiscal challenges and the potential for continued top line reductions in future years, we will continue to assess the need to pursue additional voluntary and involuntary force management authority actions to meet reassessed authorized end strength levels in fiscal year 2014 and beyond as approved by Congress and the Secretary of the Air Force.

SEQUESTRATION IMPACT TO ACCESSIONS AND RECRUITING

Accessions are the lifeblood to a healthy future force and must be guarded in order to avoid significant inventory shortfalls and experience gaps that can last up to 20 years. Recruiting efforts are intricately linked to meeting accessions goals, and therefore, must also be guarded, requiring constant investment. We are concerned reduced operating budgets and furloughs could lead to curtailed operations of Military Entrance Processing centers to support the Air Force's accession requirements.

The weak economy has masked many of the funding issues currently challenging recruiting—we have enjoyed a robust recruiting environment in recent years despite reduced investment in recruiting. However, we are already seeing indications of slowed interest in potential recruits as the economy shows signs of life. Further, future indicators show a greatly reduced propensity for young people to serve in the military, and an alarming reduction in young people reaching military service age who are deciding early on against a career in the armed forces. Effective investment in recruiting marketing can help overcome these trends. However, the inevitable reduction in recruiting investment due to sequestration could further threaten the future readiness and ability of the Air Force to attract needed recruits to fill our ranks in future years.

MILITARY PERSONNEL APPROPRIATIONS EXEMPTION

The Air Force appreciates the actions of the President to exempt Military Personnel Appropriations and safeguard the resources necessary to compensate the men and women of the Armed Forces without the threat of additional sacrifices beyond what they already make every day to defend our Nation. We anticipate military pay and allowances to remain unaffected in accordance with this exemption. However, we are concerned that our civilian Airmen, who play such a critical role in our mission, are faced with threats of furlough as a response to sequestration. While the Air Force has not taken action to inappropriately slow down military personnel expenditures as a solution to covering sequestration shortfalls, the Air Force along with OSD will monitor execution of our military personnel appropriation and will identify any available funds as a possible reprogramming source to cover shortfalls driven by sequestration. The Air Force will continue to review the capabilities required for

our defense strategy and resource them within fiscal constraints as we build our fiscal year 2015 budget submission.

AIRMAN DEVELOPMENT AND SUPPORT IMPACTS

While the Military Personnel Appropriations exemption does protect Airmen from a direct loss in compensation, sequestration could pose a threat to our ability to continue to optimally fund programs that support military members and their families. Of particular concern are Airman developmental education programs, and family and quality of life programs.

The intent of developmental education is to further our Airmen's critical thinking skills and enhance their leadership and management expertise. The Air Force develops this intellectual framework via several developmental education (DE) opportunities: Professional Military Education (PME), Advanced Academic Degrees (AAD), Professional Continuing Education courses, Fellowships, Advanced Study Groups, research, and doctrinal studies. Our Secretary and Chief of Staff have made developing Airmen at the tactical, operational and strategic levels a top priority because education and training are the foundation of our airpower advantage. Sequestration certainly threatens our ability to continue development efforts at the levels needed to maintain this advantage. Should sequestration occur, we must immediately reduce training quotas for Airmen attending PME in a TDY status, specifically junior officers attending Squadron Officer School, enlisted Airmen attending their Airman Leadership School training, as well as junior and senior enlisted Airmen attending our two non-commissioned officer academies. A reduction in the scheduled production capacity of our enlisted schools translates to fewer Airmen armed with the competencies we have deemed necessary for the execution of their duties and responsibilities. These are lost development opportunities for our Airmen, which are irreversible. For our officer and senior enlisted corps, this lost opportunity for developmental education reduces our ability to develop a larger pool of strategic leaders, who are proficient in analysis techniques, systems level problem-solving strategies, and communication analysis skills.

Sequestration would also negatively impact civilian personnel development. We would cancel all senior leader development and prioritize functional training to only those required by Federal law, executive order or Department of Defense directive. This will reduce funding of occupational/functional training related to specific areas of expertise. Lack of training would erode productivity and result in the expenditure of more resources than necessary to correct deficiencies. Significant influences on civilian training requirements can be found in two major workforce dynamics. First, the actual loss of skills from the inventory creates "skill gaps." These gaps are either filled by recruiting new hires or by

promoting/reassigning the current workforce, both of which create a requirement for initial skills training, retraining or skills and proficiency training. Second, new workloads, technology, modernization initiatives and other activities require training to keep the force up-to-date in addition to preparing them for future mission needs.

Anticipated cuts in family support programs under sequestration make it challenging to provide programs to maintain ready, resilient Airmen and may impact readiness and unit cohesion. Recognizing these challenges, the evolving demographics and lifestyles of today's Airmen and families, and as a proactive measure to the threat of further reduced budgets under sequestration, we are reviewing all Family and Morale, Welfare and Recreation (MWR) programs through customer satisfaction surveys and business analysis. Our goal is to determine how best to provide family and MWR programs and base-level support services in today's budget-constrained environment. For instance, we are focusing our resources on those core programs (ex: Food, Fitness, Child Care) which best support ready, resilient Airman and may be forced to make hard decisions to not support other programs (ex: Libraries, Youth Programs, Outdoor Recreation). This strategy provides an avenue to focus funding towards support programs having the greatest influence in promoting retention, readiness, unit cohesion and morale of our Airmen and their families. In addition, Commissaries and Exchanges have conducted top to bottom operational reviews in efforts to reduce costs and become more efficient while continuing to provide quality services to our Airmen and their families. We will continue to leverage our resources to better meet the needs of Airmen and their families we serve.

Our Airmen and Family Readiness Centers (A&FRC), which provide a wide variety of programs and referral services such as financial planning, budgeting, resume writing, etc., could be particularly impacted by sequestration. Should the A&FRC's challenges continue to be exacerbated with decreased operating budgets and furloughs while concurrent intensified force reductions drive increased requirements for mandatory Transition Assistance Program (TAP) classes to support service members, wait times for other services may be increased or other services may be curtailed.

Child care support will be affected by sequestration should Child and Youth Program staff be furloughed and operating budgets continue to be constrained. The impact will vary by installation based on available staffing but could result in reduced hours of operation, or reduced class sizes, leading to longer wait lists. If we curtail Child Development Programs (Child Development Centers, Family Child Care and School-Age Programs), single and dual working parents will be required to adjust their work hours or find alternative care at a higher cost.

Another potential impact of sequestration and a furlough of child care workers could be the inability to open approximately 750 child care spaces that are currently in different phases of construction, due to reduced funding for military construction. With limited off-base options, particularly for infants and toddlers at many locations, child care waiting lists may continue to grow without this additional space. Further, military spouses comprise an estimated 25 percent of our Child and Youth Program workforce. Therefore, sequestration (through the furloughing of civilian employees), will create a direct financial hardship to some of our military families.

Regardless of the result of sequestration, we are committed to supporting our Airmen and their families and will make adjustments based on available funding in an effort to focus our resources where they are needed most. Sequestration will most certainly frustrate these efforts, and we realize if we do not allocate the proper resources to develop and care for our Airman and families, it could ultimately affect readiness and retention.

CONCLUSION

Your Air Force and the Airmen who proudly serve in it remain committed to its foundational purpose, to "Fly, Fight and Win" in air, space and cyberspace for our joint team. Sequestration will present a major challenge to this purpose. Should it become a reality, Airmen will lack in the equipment, training, development and support resources necessary to guarantee future dominance, and will be unable to fully support our current National Defense Strategy.

We recognize the significant fiscal challenges our Nation faces. It will require the Department of Defense along with the United States Air Force to make adjustments to contribute towards a positive fiscal outcome. However, sequestration is an imprudent course to reach fiscal balance, as it comes at an imbalanced detriment to National Defense. We urge Congress to do all that is necessary to avert these arbitrary cuts and reach a more balanced conciliatory solution.

BIOGRAPHY

UNITEDSTATESAIRFORCE

LIEUTENANT GENERAL DARRELL D. JONES

Lt. Gen. Darrell D. Jones is the Deputy Chief of Staff for Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington, D.C. General Jones serves as the senior Air Force officer responsible for comprehensive plans and policies covering all life cycles of military and civilian personnel management, which includes military and civilian end strength management, education and training, compensation, resource allocation, and the worldwide USAF services program.

General Jones entered the Air Force in 1979 as a graduate of Mississippi State University's ROTC Program. He has served in a wide variety of assignments at base level, major command, secretariat, combatant commands and Headquarters U.S. Air Force. He has commanded a squadron, group, two wings and a direct reporting unit. The general also led the Headquarters U.S. Air Force Deputy Chief of Staff for Personnel's Issues Team, served as Director of Personnel for Pacific Air Forces, and was Director of Manpower and Personnel, Headquarters U.S. Central Command.

Prior to his current assignment, the general was the Commander, Air Force District of Washington, and Commander of the Air Force Forces for Joint Forces Headquarters-National Capital Region, Andrews Air Force Base, Md., which provides the single Air Force voice and component to the Joint Forces Headquarters-National Capital Region, as well as organizes, trains and equips combat forces for the aerospace expeditionary forces, homeland operations, civil support, national special security events and ceremonial events.

EDUCATION

1979 Bachelor of Science degree, Mississippi State University
1984 Master of Arts degree in business administration, Webster University, St. Louis, Mo.
1984 Squadron Officer School, Maxwell AFB, Ala.
1991 Air Command and Staff College, Maxwell AFB, Ala.

1994 Air War College, Maxwell AFB, Ala.

ASSIGNMENTS

1. October 1979 - April 1982, assistant Chief, Quality Force Section; Chief, Customer Assistance Section; Chief, Quality Force Section; and Chief, Personnel Utilization Section, Consolidated Base Personnel Office, Williams AFB, Ariz.
2. April 1982 - August 1984, assistant for Resource Distribution, later, Chief, Assignment Analysis Branch, Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
3. August 1984 - August 1985, executive officer to the Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
4. August 1985 - August 1986, personnel adviser and board member, Secretary of the Air Force Personnel Council, Air Staff Training Program, Washington, D.C.
5. August 1986 - August 1987, Chief, Consolidated Base Personnel Office, 384th Combat Support Group, McConnell AFB, Kan.
6. August 1987 - September 1988, Director of Personnel, 384th Combat Support Group, McConnell AFB, Kan.
7. September 1988 - June 1990, Commander, 384th Mission Support Squadron, and Chief, Mission Support, 384th Combat Support Group, McConnell AFB, Kan.
8. June 1990 - June 1991, student, Air Command and Staff College, Maxwell AFB, Ala.
9. June 1991 - May 1992, Chief, Entitlements, Compensation and Education, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
10. June 1992 - June 1994, Chief, World War II Commemoration Branch, later, Deputy Chief, World War II Commemoration Division, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
11. July 1994 - June 1995, student, Air War College, Maxwell AFB, Ala.
12. June 1995 - June 1997, Chief, Force Structure Plans and Policies, Directorate of Military Personnel Policy, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
13. June 1997 - June 1999, Chief, Personnel Issues Team, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
14. June 1999 - May 2001, Commander, 62nd Support Group, McChord AFB, Wash.
15. May 2001 - July 2002, Director of Personnel, Headquarters Pacific Air Forces, Hickam AFB, Hawaii
16. July 2002 - June 2004, Commander, 66th Air Base Wing, Hanscom AFB, Mass.
17. June 2004 - June 2006, Director of Manpower and Personnel, Headquarters U.S. Central Command, MacDill AFB, Fla.
18. June 2006 - January 2008, Commander, 37th Training Wing, Lackland AFB, Texas
19. February 2008 - November 2009, Director of Force Management Policy, Deputy Chief of Staff for Manpower and Personnel, Headquarters U.S. Air Force, Washington, D.C.
20. November 2009 - December 2010, Commander, Air Force District of Washington, Andrews AFB, Md.
21. December 2010 - present, Deputy Chief of Staff, Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington DC

SUMMARY OF JOINT ASSIGNMENTS
1. June 1991 - May 1992, Chief, Entitlements, Compensation and Education, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany, as a major
2. June 1992 - June 1994, Chief, World War II Commemoration Branch, later, Deputy Chief, World War II Commemoration Division, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany, as a major and lieutenant colonel
3. June 2004 - June 2006, Director of Manpower Personnel, Headquarters U.S. Central Command, MacDill AFB, Fla., as a colonel and brigadier general

MAJOR AWARDS AND DECORATIONS
Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit with two oak leaf clusters
Defense Meritorious Service Medal
Meritorious Service Medal with two oak leaf clusters
Air Force Commendation Medal
Air Force Recognition Ribbon
National Defense Service Medal with bronze star
Global War on Terrorism Expeditionary Medal
Global War on Terrorism Service Medal

OTHER ACHIEVEMENTS
1988 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), Strategic Air Command
1989 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), SAC
1989 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), USAF
2008 General and Mrs. Jerome O'Malley Award

EFFECTIVE DATES OF PROMOTION
Second Lieutenant Oct. 28, 1979
First Lieutenant Oct. 28, 1981
Captain Oct. 28, 1983
Major March 1, 1988
Lieutenant Colonel May 1, 1993
Colonel March 1, 1999
Brigadier General March 1, 2006
Major General July 3, 2009
Lieutenant General Dec. 14, 2010

(Current as of January 2011)

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

FEBRUARY 27, 2013

RESPONSES TO QUESTIONS SUBMITTED BY MR. WILSON

Ms. WRIGHT. The Marine Corps is in the process of drawing down its end strength from the height of 202,000 to 182,100 by the end of fiscal year 2016. The Marine Corps is conducting the drawdown at a measured and responsible rate of approximately 5,000 Marines a year. This active duty force will be complemented by the diverse depth of our reserve component that will remain at 39,600 strong. Our emerging Marine Corps will be optimized for forward presence, engagement and rapid crisis response. It will be enhanced by critical enablers, special operators and cyber warfare Marines, all necessary on the modern battlefield. [See page 20.]

General BROMBERG. The Army is in the final process of determining force structure changes in Fiscal Year 2014 (FY2014) and FY 2015. The Army anticipates releasing the FY 2014 and FY 2015 information this summer, provided there are no significant changes in anticipated resourcing. [See page 20.]

Admiral VAN BUSKIRK. The number of people impacted by a reduction in shipbuilding depends on which types of ships are eliminated and how Navy manages the current ship inventory in response to changes in shipbuilding plans. In general, fewer ships means fewer Sailors will be needed to man the ships.

The number of people assigned to a ship is determined generally for each ship class and individually for each ship, based on the expected mission and equipment. The impact of changes in the Fleet size can have a wide range of impact on end strength. Littoral Combat ships have a crew of fewer than 50 in their core crew while Aircraft Carriers have crews of about 3,000.

To fully determine the effects of force structure reductions on end strength, Navy must also assess the impact on the shore activities supporting the fleet. Reductions in ships, submarines or squadrons likely have corresponding changes to these support organizations. In many cases, functional activities such as training, maintenance, shipyards and logistics activities support multiple ship classes. The workforce mix military, civilians and contractors makes the determination process for military reductions more complex. And, depending on which ships are retained, there are a wide range of maintenance requirements with corresponding and varied military end strength required. [See page 16.]

Admiral VAN BUSKIRK. Force structure decisions for the Department for fiscal years 2014 and 2015 were made during the recently completed program and budget review as part of developing the fiscal year 2014 budget request. While the President has not yet submitted this budget request to the Congress, I can tell you that it will reflect force structure decisions; as well revisions to those force structure decisions made last year. These include those driven by a reduced fiscal topline, as required by the Budget Control Act 2011 and by Congressional requirements included in the fiscal year 2013 National Defense Authorization Act. However, as with all programs, the operational readiness associated with the Department's force structure is at significant risk as a result of the sequestration. [See page 20.]

General MILSTEAD. Adjustments will be made to the force structure once the full extent of resource constraintimposed by a new budget is determined. [See page 20.]

General JONES. Our force structure for Fiscal Year (FY) 2014 will be presented in the FY14 President's Budget (PB). The Program Objective Memorandum process for FY15 will determine force structure for the following year and will be presented to Congress via the FY15 PB. Force structure in both years is subject to change depending on how sequestration is implemented. [See page 20.]

RESPONSE TO QUESTION SUBMITTED BY DR. HECK

General BROMBERG. The Army is continuing to expand upon the Department of Defense Directive 1200.17 (Managing the Reserve Components as an Operational Force) by ensuring the Reserve Component (RC) participates across the full range of military operations at home and abroad. For the Army to meet the National Defense Strategy, the RC must provide operational capabilities and be incorporated into a revised Army Force Generation (ARFORGEN) Model. The Army is in the final stages of developing this new ARFORGEN Model which specifically identifies those capabilities critical to meeting the National Military Strategy, regardless of Compo-

nent (COMPO), allowing the Army to apply scarce resources at the correct time and place to minimize risk and ensure readiness. By the end of FY 18, the RC will comprise more than 53% of the total Army end strength and will be organized, trained, sustained, equipped and employed to support the new ARFORGEN Model. [See page 12.]

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