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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2015

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

FULL COMMITTEE HEARING

ON

FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE ARMY

HEARING HELD
MARCH 25, 2014

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FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE ARMY

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, March 25, 2014.

The committee met, pursuant to call, at 10:09 a.m., in room 2118, Rayburn House Office Building, Howard P. "Buck" McKeon (chairman of the committee) presiding.

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

The CHAIRMAN. Committee will come to order.

I want to thank you for joining us today as we consider the fiscal year 2015 budget request for the Department of the Army.

Secretary McHugh, General Odierno, thank you for being here. Our Nation is very fortunate to have both of you in your positions at this time.

General Abrams, who was the 26th Army Chief of Staff, had a quote in regards to our failure to properly maintain the Army after World War II, and the negative consequences that resulted in the early days of the Korean War, and I quote: "We paid dearly for unpreparedness during those early days in Korea with our most precious currency, the lives of our young men. The monuments we raise to their heroism and sacrifice are really surrogates for the monuments we owe ourselves for our blindness to reality, for our indifference to real threats to our security, and our determination to deal in intentions and perceptions, for our unsubstantiated wishful thinking about how war would not come."

It seems to me that we are ignoring the lessons of history. Based on what we know about this budget, the continued impacts of sequestration, and General Odierno's testimony during the Strategic Choices Management Review hearing last fall, the Army is being forced down a path where it will be unable to fulfill its title 10 requirements.

General Odierno has already told us that the Army can meet the Nation's defense strategy with an Army comprised of 450,000 Active, 335,000 National Guard, and 195,000 Reserve forces. But to do so would be a fairly high risk. However, based on sequestration, the Army isn't heading toward those numbers. They are actually heading towards 420,000 Active, 315,000 Guard, and 185,000 Reserve. That is 60,000 less.

The defense strategy, reaffirmed in the Quadrennial Defense Review [QDR], assumes that future conflicts will involve limited sta-

bility operations, involve minimal casualties, and assume significant troop contributions from our partner countries. Therefore, the Department does not have the size of the Army for long-duration land wars. I worry that the Department is justifying its deep cuts to the Army based on this set of unrealistic assumptions.

We can look to every major land conflict we have been involved in to know that we are usually wrong. And we have seen how deep cuts to our defense capabilities, especially the Army, can result in dire consequences. I fear that we as a nation are heading down that path that General Abrams was referring to. Wishful thinking is not a strategy to pin our force structure decisions upon.

I hope these sobering remarks remind us to not lose sight of our shared values and the vital importance of reversing the dangerous budget trajectory. I look forward to your testimony here today.

Mr. Smith.

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

Mr. SMITH. Thank you, Mr. Chairman.

And thank you, Secretary McHugh and General Odierno, for testifying before us today and for your outstanding service to our country.

The chairman correctly lays out the budget challenges that you face; indeed, the entire DOD [Department of Defense] and much of our country faces. It is great that we were able to get a budget agreement at the end of last year that gave us some appropriations numbers and bills for fiscal year 2014 and fiscal year 2015. That certainly was an improvement over government shutdowns and continuing resolutions and constant uncertainty. But the challenges are still great.

First of all, those numbers for fiscal year 2015 are very tight. We all must remember that a little over 2 years ago, the Department of Defense came together, looked at the next 10 years and said, you know, "What are the challenges we face? What is a realistic look at what the budget should be?" and built a strategy around that budget.

That strategy, I believe, had 490,000 contemplated to be within the Army, and a whole bunch of other strategy decisions. It was difficult. Perhaps not ideal. But, it was a strategy that most people in the Department of Defense felt could be implemented. Well, since that time, that strategy has been blown up by further budget cuts, by sequestration, by government shutdowns, and all that. And you have had to scramble again to try figure that out.

Make no mistake about it. Everybody on this committee should know that this is not the budget that the President or you would want. You have been forced into it by the size of the budget that has been passed by Congress, both in terms of fiscal year 2014 and fiscal year 2015, and then even more dire, what could happen if the 8 years of sequestration that are still on the books actually happen.

So, the budget you have put together has reflected the numbers that you have been forced to live with. In fact, the President has even gone so far as to send up an additional $52 billion and sort of $56 billion that says, "This is what I would like to spend. Half

of that was for defense to show the areas where we would like to be able to spend more money." They put offsets in to cover the cost of that; offsets which I realize Congress probably will not accept, but the challenge remains.

Here is the amount of money more we would like to spend. If we on this committee want to spend it, find the offsets. Find the offsets, make it work, and spend that extra money. If you don't, we have to live with the numbers that we have, and there are very few Members of this Congress who would say that those numbers are ideal or even workable, but it is what you have to live with.

And that is what gets you to the decisions that you have made in this budget. And I believe that the decisions are sound. They are certainly controversial. When you look at what is going on with the Guard and Reserve, that is controversial. Bringing the size of the force down to 440,000 or 450,000 is controversial. Many of the changes that you have made in terms of your air support, in terms of the helicopters, are going to be controversial, but they fit within the budget and they make sense within that budget.

And as I have said many times in this hearing, I would urge everybody here, if you don't like those cuts, offer alternatives; offer alternatives or give them more money. The giving them more money part does not seem likely for a variety of different reasons which I won't get into this morning, but if we are stuck with that cap number, it is not enough for this committee to rail against the cuts that have been proposed in this budget. We have to offer alternatives. It is literally a zero-sum game. And I think the Department of the Army, the Department of Defense have looked long and hard at that, and come up with reasonable choices to make that work.

Now, the final thing I will say about this is what I really believe makes those choices reasonable, is as the chairman alludes to, the worst the thing that we can do is ask the men and women serving in our Army to perform a task that we do not equip and train them to do. That is what a hollow force is. No matter the size of the force, if they are not equipped and trained, they are not ready, and it is a dereliction of our duty to prepare them. So, set the size but make sure they are trained and equipped to perform the task that we ask them to do.

If we do not accept some of the reasonable cuts that are put in place here, if we insist on higher numbers in all of these places, that gives us the very real possibility of having that hollow force. The force will be bigger, the Guard and Reserve will be bigger. There will be certain pet programs that are important to people that won't be cut, but where will that money be made up? That money will be made up in readiness. That money will be made up in less maintenance, less equipment, and less training. So we will have a larger force that is not prepared to fight, and that is the worst dereliction of duty that we can have.

So I would urge us to, you know, live with the budget we have got and make sure that the men and women serving in the Army have the training and equipment that they need to perform whatever task it is that we decide that they are going to do.

I do not for a moment think that we absolutely have to just totally accept the budget that you are giving us. I am sure there are

places where other savings can be found. It is the duty of this committee to take a look at that and try to find those, and I hope that we will, but the committee is not doing its duty if we just say don't cut this and don't offer an alternative.

So, I think this hearing this morning is incredibly important as we sift through those tough choices and try to figure out, are they the correct ones, and if not, in this zero-sum game that we are living in, what are the correct cuts that need to be made?

So again, I thank both Secretary McHugh and General Odierno, in general, for your fantastic service, but in particular, for the extraordinarily difficult set of circumstances that you have had to wrestle with in putting together this budget.

I look forward to the testimony and the questions. I yield back.

The CHAIRMAN. Thank you.

Mr. Secretary.

STATEMENT OF HON. JOHN M. MCHUGH, SECRETARY OF THE ARMY

Secretary MCHUGH. Thank you.

Mr. Chairman, Ranking Member Smith, distinguished members of the committee, I deeply appreciate this, now the fifth, opportunity I have had to come before this committee as Secretary, and as in the past to discuss with you the truly incredible work of our soldiers, our civilian leaders of this past year, and the current state of America's Army.

And equally important, the uncertain and perilous times that should lie ahead, should the vital requirements in our budget request not be approved. I need to be very clear up front. The time for action is now. We must have this budget to properly restructure, to reduce and revamp our force, and quite frankly, we need it to protect your Army as we march on a dangerous and unpredictable future.

This year and next may very well decide the fate of the world's greatest combat force, and could have implications for both our Nation's as well as the world's security for many years to come.

As this committee knows so full well, the cuts we have endured under the Budget Control Act [BCA] and sequestration, as have been mentioned already, have damaged significantly our readiness, drastically reduced our modernization programs, and demanded sharp cuts to our end strength.

These, coupled with the significant shortfall in the 2013 OCO [Overseas Contingency Operations] funding caused your Army to enter this year with a $3.2 billion hole in readiness alone. Moreover, although the bipartisan budget agreement did indeed provide some temporary relief, we are still implementing a $7.7 billion cut to our fiscal year 2014 budget request, and to meet our top line requirements, we have had to cut another $12.7 billion from our 2015 submission.

In order to protect current operations, our combat power, as well as our soldiers and our families, we have been forced to make extremely hard choices in this budget; choices that impact every component, affect every camp, post, and station, and limit nearly every modernization and investment program.

Trust me, this is not what we wanted. It is not what your Army, I think, deserves. But it is what we have had to do to preserve America's land power in such an austere fiscal environment, as constructed by the dictates approved in law.

Nevertheless, in spite of turbulent funding and tremendous change, this past year has been one of great transition, transformation, and triumph for your Army; not just here at home, but around the globe as well. The resiliency, agility, and determination of our warriors has been nothing short of amazing. From intense combat to counterterrorism in retrograde to humanitarian relief, disaster assistance, and regional engagement, your soldiers and civilians from every component, Active, National Guard, and Reserve, have seen unprecedented success, saved countless lives, promoted freedom and democracy in some 150 nations around the world.

In Afghanistan, the Army continued to fight insurgents and terrorists as we transitioned into a training and support role, helping to set conditions for elections in April and an appropriate withdrawal in December.

Simultaneously, we continued one of the largest retrograde operations in our Nation's history—returning or removing or demilitarizing some 580,000 pieces of equipment in just the past 12 months alone. We plan to retrograde over $10.2 billion of the Army's $15.5 billion in equipment currently there.

As we continue to fight in one theater, we also expanded our regional alignments, conducting dozens of engagements with partners around the world, from the rebalance to the Pacific to exercises in Africa, South America, and Europe, our soldiers demonstrated their global responsiveness, reassured our allies, and deterred would-be aggressors.

In the Pacific, the Army remained a cornerstone of support with some 80,000 Active and Reserve soldiers available to conduct operations. We have assigned 1st Corps to PACOM [United States Pacific Command] to provide a rapidly deployable joint headquarters, maintained a THAAD [Terminal High Altitude Area Defense] battery in Guam to provide theater missile defense, and conducted 28 large-scale exercises with 13 different countries.

Elsewhere, we conducted over 70 engagements with partners in Africa, participated in multilateral exercises with NATO [North Atlantic Treaty Organization], and deployed teams from the Georgia Army National Guard to serve several Central and South American countries.

We supported stability in the Middle East, with over 4,300 soldiers participating in Operation Spartan Shield, as well as 2,200 taking part in 7 exercises, including the deployment of key elements of the 1st Armored Division to Jordan.

Simultaneously, as our forces perform vital missions around the world, the Army began a major transformation to reorganize our brigade combat teams, accelerate end strength reductions, and cut our headquarters staff. All designed to protect critical readiness and seek more balance under these budget times.

In June, we announced the elimination of 12 brigade combat teams so that we could reorganize and strengthen those that remain. In September, we announced a 2-year acceleration of our

drawdown to reach 490,000 Active, 350,000 Guard, and 202,000 Army Reserve soldiers by the end of 2015, with the vast majority of those cuts being taken from the Active forces.

In the summer, we conducted a comprehensive review in coordination with DOD and directed the reduction of headquarters personnel by up to 25 percent across the force. As we continue to retrograde, restructure, and reduce, we also continue our transition to decisive action training, replacing our recent focus on counterinsurgency. Unfortunately, due to severe cuts in fiscal year 2013, we were forced to cancel seven combat training center rotations and significantly reduce home station training.

Although we ensured deploying units were fully trained, sequestration cuts directly impacted the training, readiness, and leader development of more than two divisions worth of soldiers.

Moreover, in fiscal year 2014, even under the temporary relief provided by the BBA [Balanced Budget Act], the Army will not be able to train a sufficient number of brigades and meet unforeseen strategic requirements, and currently can provide only a limited number of BCTs [brigade combat teams] trained for decisive action.

Although readiness levels will increase through this year and in 2015, the looming sequestration return in fiscal year 2016 will quickly erode these gains.

Finally, I would be remiss if I did not mention the extraordinary burden our civilian employees have faced over the past year with pay freezes and furloughs. Although our fiscal 2014 appropriation bought some much needed relief, I fear we have yet to see the true impacts of these cuts on their morale and on their retention.

Looking back, it has been a tumultuous year, but it is still clear now more than ever we must have predictable long-term funding that supports deliberate planning and responsible actions, and for that, we need your help, we need your leadership.

Our fiscal year 2015 budget request reflects the challenging fiscal times in which we live by making the hard strategic choices now. It contains difficult decisions to further reduce end strength, realign our aviation assets, prioritize near-term readiness, and protect soldier and family programs.

We do much of this by taking calculated risk in modernization and facilities programs. There is no question, this budget is lean, it could be described as stark and it is critical to meet the needs of our Nation and its soldiers.

In this request, we will begin further reductions to our end strength, reaching 450,000 Active, 335,000 Guard, 195,000 Reserve soldiers by the end of fiscal 2017. It is important to know, we are also adjusting our force mix in favor of the Reserve Component. This is the maximum end strength we can afford to protect readiness and the minimum we need to execute the 2012 Defense Strategic Guidance.

Nevertheless, this is clearly not without risk. Members, we must restructure our aviation portfolio. We recognize this is controversial, but in our view, there is simply no choice. The money is gone, and we must balance these vital assets in a way that maximizes our readiness and minimizes costs across all components. This initiative will generate savings by reducing our total number of plat-

forms and—from seven to four. We will divest the older, less capable Kiowa and TH–67 trainers in favor of Apaches and Lakotas.

In support, the Guard will transfer their low-density, high-demand Apache attack helicopters to the Active Army, and in return will receive 100 of our most modern Black Hawks, which are ideal for their dual combat and State support role. We will transfer all Active Army Lakota to training mission at Fort Rutger, and buy an additional 100 for that fleet. And at current funding levels, the Guard will be able to retain all of its Lakotas.

This is the right thing to do.

It allows us to better sustain and modernize more capable fleet across all components and significantly reduce its sustainment costs. Once again, as in end strength, the vast majority of cuts from aviation, a total of 86 percent, come from the Active Army. Overall, the Guard's fleet was declined by just 8 percent, while the Active force declines by some 23 percent.

At its core, our Army is its people. We are committed to protecting effective soldier, civilian, and family programs, and where appropriate, adding resources, and in fact, we increased funding by nearly 46 percent across a myriad of programs associated with Ready and Resilient Campaign.

From a preservation and prevention of all of our soldier concerns, ending sexual assault and sexual harassment, to suicide prevention, to transition assistance and comprehensive soldier and family fitness, we are determined to meet the needs of our warriors, employees, and their families.

We have a sacred covenant with all who serve and all who support them, and will do everything within our power not to break that.

To protect readiness and support our force structure reductions we take prudent risk in our research, development and acquisition of facilities accounts. We have been forced to make significant changes to key programs. For example, we will conclude the Ground Combat Vehicle program after the technology development phase as the program is no longer affordable under budget constraints, and instead, we will focus on modernizing and sustaining legacy systems such as Bradley and Stryker through incremental upgrades.

Regarding our facilities, our budget is just 49 percent of our fiscal year 2014 MILCON [military construction] appropriation. We are deferring some 20 percent of projects across all components with again, the majority of those delays coming in the Active Army.

Let me take a moment to mention BRAC [Base Closure and Realignment]. And I know it is not popular. As a member, I had a base in my district close due to BRAC. It is hard. I know that. But it was necessary then, and it is even more necessary now. But it is simply, we can't afford to pay for the maintenance and upkeep of unused or unnecessary facilities. It wastes money we just don't have.

So that is some of the issues that we have before us, my former colleagues. I want to close by again stating how much all of us appreciate all you have done, the relief provided under the Balanced Budget Act for 2014, and 2015, but if sequestration—as is the law—returns in 2016 our gains will erode and another round of in-

discriminate cuts will gut our force to the point that we will be unable to meet the strategic guidance.

As I opened with, we deeply—perhaps more so than in any other recent time—need your leadership and need your help. This is the time for protection and predictability, not politics. I have been associated with this committee for the better part of 20 years. It has continuously without interruption been an honor, as it always is, to be with you.

And I would be remiss, Mr. Chairman, as a classmate, if I failed to mention in this—at least for the United States Army—your final posture hearing, how much I have enjoyed your wise guidance, your leadership, and some 21 years of friendship, and I wish you all the best, my friend.

Thank you, and I yield back.

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

The CHAIRMAN. Thank you very much.

General.

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

General ODIERNO. Thank you Chairman McKeon, Ranking Member Smith, other distinguished members of the committee.

I want to start out where the Secretary left off. I want to thank you, Chairman, for all that you have done. For all your 22 years here serving and what you have done for the Army and our soldiers. You have been a steadfast leader here in this committee and we appreciate everything that you have done for us. And we continue to—we know we will continue to work with you for several more months and we look forward to that.

Although resources continue to decline, the reality is that the demand for Army forces continues to increase. More than 70,000 U.S. Army soldiers are deployed today on contingency operations, and about 85,000 soldiers are forward stationed in nearly 150 countries, including nearly 20,000 on the Korean peninsula.

As we can consider the future roles and missions of our Army, it is imperative that we consider the world as it exists, not as one we wish it to be. The recent headlines alone—Russia's annexation of Crimea, the intractable Syrian civil war, missile launches by North Korea, just to name a few, remind us of the complexity and uncertainty inherent in the international security environment. It demands that we make prudent decisions about the future capability and capacity that we need within our Army.

As part of the joint force, the Army deters potential adversaries by being capable of appropriate and rapid response anywhere in the world, and across the entire range of military operations from humanitarian assistance and stability operations to general war. Last year, I testified that we can implement a 2012 Defense Strategic Guidance at moderate risk with an end strength of 490,000 in the Active Army; 350,000 in the National Guard; and 202,000 in the U.S. Army Reserve. I stand by that assessment.

We will achieve those end strength targets by the end of fiscal 2015; however, the law of the land is sequestration. Therefore, in order to attain the proper balance between end strength, readiness,

and modernization by the end of sequestration we will have to dramatically slash end strength again beginning in fiscal 2016. This is in no way by choice. We will be required to further reduce the Active Army end strength to 420,000; reduce the National Guard to 315,000; the U.S. Army Reserve to 185,000.

The size of our Army at this level of funding will not allow us to execute the Defense Strategic Guidance, and in my opinion, puts in doubt our ability to execute even one prolonged, multi-phase major contingency operation.

I also have deep concerns that, if the Army goes to the end strength levels required by sequestration, we will not have the appropriate capacity to meet operational commitments and simultaneously train to sustain appropriate readiness levels across the total Army.

The President's budget submission supports end strength levels at 440,000 to 450,000 in the Active Army; 335,000 in the Army National Guard; and 195,000 in the U.S. Army Reserve. I believe this should be the absolute floor for end strength reductions. At this level, we can meet the Defense Strategic Guidance but as we continue to lose end strength, our flexibility deteriorates.

My experience tells me that our assumptions on the duration of conflict and requirement about length and size, especially if phase four operations, are optimistic, and if these assumptions are wrong our risk grows significantly.

For the next 3 to 4 years, we are reducing end strength as quickly as possible while still meeting our operational commitments. As we continue to draw down and restructure into a smaller force, the Army will continue to have degraded readiness and extensive modernization program shortfalls. This will cause us to implement a tiered readiness as a bridging strategy.

Also, our research, development, acquisition funding, which has declined 39 percent since the fiscal year 2012 budget planning cycle, will continue to suffer. At the end of fiscal year 2019, under sequestration, we will stabilize our end strength and force structure. The Army will begin to establish the appropriate balance between end strength, readiness, and modernization, albeit for a much smaller army.

From fiscal year 2020 to fiscal year 2023, we begin achieving our readiness goals and reinvesting in modernization programs to upgrade our aging fleets. Under the President's budget, this will happen 3 to 5 years earlier, in fiscal year 2018, at larger total force levels.

In order to meet the reductions imposed by sequestration and achieve the right balance, we have worked for the past 2 years on a total force policy that ensures the proper balance for the Active, Guard, and Reserve components.

In developing our plan, we looked to the Secretary of Defense's guidance that we not retain structure at the expense of readiness. Additionally, the Secretary of the Army and I directed that cuts should come disproportionately from the Active force before reducing the Guard and Reserve.

Our total force policy was informed by the lessons learned during the last 13 years of war. We considered operational commitments, future requirements, costs, and necessary readiness levels. The re-

sult is a plan that recognizes the unique attributes, responsibilities, and complementary nature of these three components, while ensuring our Guard and Reserves are maintained as an operational, and not a strategic, reserve.

Budget cuts, to include full sequestration, result in a reduction of 150,000 soldiers, 687 aircraft, and up to 46 percent of the brigade combat teams reduction from the Active Army. The National Guard would be reduced by 43,000 soldiers, 111 aircraft, and up to 22 percent of its brigade combat teams. And the U.S. Army Reserve would reduce by 20,000 soldiers.

The end strength cuts to the Active Army represent 70 percent of the total end strength reductions, compared with 20 percent from the National Guard and 10 percent from the U.S. Army Reserve. This results in that the Guard and Reserves will now comprise 54 percent of the total Army end strength, while the Active Component will comprise 46 percent. The Army will be the only service in which the Reserve Component outnumbers the Active Component.

Under sequestration, we cannot afford our current aviation structure. The budget does not allow us to sustain modernization programs, keep current structure levels, and provide trained and ready aviation crews in units across all three components. Therefore, we have developed an innovative concept to restructure our aviation fleet that will properly address all three of these issues.

Overall, we believe this plan will generate a total savings of $12.7 billion over the POM [program objective memorandum]. Of the 798 total aircraft reduced under this plan, 687 of these aircraft comes out of the Active Component, or 86 percent, and 111 aircraft, or 14 percent, from the National Guard. As with end strength, we are disproportionately taking cuts from the Active Component over the Guard and Reserves.

Also under this plan, the National Guard will gain 111 U–860s. Additionally, the National Guard will maintain their current fleet of 212 LUH–72s. The Army National Guard will transfer low-density, high-demand AH–64 Apache helicopters to the Active Army, where they will be teamed with unmanned systems for armed reconnaissance role, as well as their traditional TAC [theater aviation command] role.

This plan allows us to eliminate obsolete airframes, while improving the modernization of our remaining fleet. It will also ensure that we are restructured to sustain an adequate level of pilot proficiency across the entire force. This will result in an Active-Reserve Component aviation force mix with better and more capable formations, which are able to respond to contingencies at home and abroad.

Let me be very clear. Whether it be end strength, modernization reductions, restructuring of the Army, these are not necessarily cuts we want to take. However, these are cuts we must take based on sequestration. I believe our recommendation delivers the best total Army for the budget allocated.

The Secretary and I understand that the American people expect our Army to consistently demonstrate a commitment to our core values and promote ethical leadership. We are aggressively and

comprehensively tackling this issue across the board individually, organizationally, and through systematic reviews.

We have initiated 360-degree assessments on all officers, especially commanders. We have implemented a new officer evaluation report which strengthens accountability. For our general officers, we conduct periodic surveys, organize 18 annual senior leader seminars, and developed a specific ethics focus as part of our Army senior leader development program.

We continue to make progress on combating sexual assault and harassment, particularly on reporting and investigating these incidents. It remains our top priority. Over the past year, the Army has established more stringent screening criteria and background checks for those serving in positions of trust, expanded the special victim capability program, and implemented new procedures to enhance pre-trial investigations. Our prosecution and conviction rates continue to increase. But we know that much work remains. We appreciate the continued focus by Members of Congress on this issue. We take it very, very seriously.

We would also appreciate help from members of this committee with two issues that directly impact our ability to maintain the right balance for our Army. First, the Base Realignment and Closure process is a proven, fair, cost-effective means to address excess installation capacity in our United States Armed Forces. With a reduction of over 200,000 men and women from our Army, we must reduce excess infrastructure. We need BRAC to do this. If not, we will have to pay for the sustainment of unnecessary infrastructure throughout our Army.

Second, we are also extremely grateful for the high-quality care and compensation our Nation has provided to our soldiers. We have endorsed proposals that we believe continues to recognize the incredible service of our soldiers, while helping us to better balance future investments in readiness, modernization, and compensation. We all must keep in mind that it is not a matter of if but when we will deploy our ground forces to defend this great nation of ours. We have done it every decade since World War II.

It is incumbent on all of us to ensure we have the capacity and capabilities to ensure our soldiers are highly trained, equipped, and organized. If we do not, they will bear the heavy burden of our miscalculations.

I am incredibly proud to wear this uniform representing the Active Component, the National Guard, and the U.S. Army Reserve. They have all sacrificed incredibly over the last 12 or 13 years and will continue to incredibly sacrifice into the future. It is incumbent on us to make sure we provide them the tools necessary for them to be successful.

Thank you, Mr. Chairman, and thank you to the entire committee for allowing me to testify here today. I look forward to your questions.

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

The CHAIRMAN. Thank you very much, both of you, for your statements. As I said in my opening statement, any suggestion that this budget supports an Active Duty Army of 450,000 soldiers is a smoke screen because it suggests that, it assumes that sequestra-

tion gets resolved. The fact of the matter is that the Army, as you have laid out, is heading down a path of 420,000 Active Duty soldiers or less.

General Odierno, my question is twofold. First, based on this budget and an Active Duty end strength of 450,000 directed by the OSD [Office of the Secretary of Defense], do you still believe that the Army will assume fairly high risk in meeting the Defense Strategic Guidance? And second, if it is a fairly high risk at the 450,000 level, what level of risk do you assume at the 420,000 level?

General ODIERNO. Mr. Chairman, as I just stated, at the 440,000 to 450,000 level, I believe it is significant risks to meet the Defense Strategic Guidance, but we can meet it. And I think that is based on the assumptions that we made. And I think the assumptions are optimistic. I believe that the assumptions of length of warfare; the assumptions on the contribution of our allies; the assumptions on the casualties and others are somewhat optimistic. And I believe that increases the risk, based on my experience and what we have experienced in the past that I think the risk is significant. Although I do believe we can meet the Defense Strategic Guidance.

At 420,000, and it is not just the Active. It is the reduction in the National Guard and the U.S. Army Reserve as well under sequestration that will make it very difficult. As we reduce capacity, we lose flexibility. And therefore, when we lose the flexibility that means our assumptions must be accurate.

And over the years, my experience tells us our assumptions are not always very accurate. And so I am very concerned that at 420,000 we cannot meet the strategic—Defense Strategic Guidance. I doubt whether we could even execute one prolonged, multi-phase operation that is extended over a period of time.

And so I have great, great concern. And what will happen is this again falls on the shoulders of our soldiers when this happens, and that is my concern.

And as we continue to move forward, the risk increases because as our dependence on OCO is reduced, it also puts additional pressure on the base budget. And there will be some things that are currently in our OCO budget that have to be translated over. The base budget will continue to increase the risk as we have to execute full sequestration.

The CHAIRMAN. When Secretary Hagel and General Dempsey came when we started this process, I think the press picked up on the idea that we were taking the troops down to—the Army down to 440,000. And the comment was made, "That is the lowest level since the start of World War II." I went back, and I think the Army at the start of World War II was around 280,000. A year later, after the start with the draft and everybody responding to Pearl Harbor and the things that happened, the Army went up over 1 million overnight.

Well, we know, and I just finished reading a book about the Northern Africa campaign and how many lives were lost and how they were just—we were sending men in just like fodder. They had inadequate training, inadequate equipment, inadequate leadership. And that is something that none of us wants to ever see again. But shortly after that, Korea hit. We did the same thing.

And I think all of us here on this committee understand what we have been talking about and how these cuts are so drastic. But I was at an event last week and there was another Member of Congress there. And I was talking about some of these cuts. He is not on this committee. And afterwards, he came up to me and said he did not realize that we had cut that much.

And I think that is—you know, when we come to Congress, we get involved in the committees we get assigned to and we don't get as involved in other committees and know what is happening in those committees, and still, we are here, and we vote on these issues.

And we are closer than people I know in my district don't have an understanding of how severe these cuts are. And when you are talking about these risks, how severe they are. And yet they see the news, they see Putin going into Crimea, the Russians talking about you know, on the commentators are wondering, are they going to go further, are they going to go into Ukraine? A few years ago, they went into Georgia. They are still there. And what can we do about it?

You know, basically, we are hunkering down. I think realistically, putting ourselves in a very serious, precarious position, moving forward.

And I know we passed the budget, and then you have to deal with it as best you can. And if we don't face up to sequestration and what that means, there are probably people that think that with the budget that we passed in December, we have fixed sequestration. We didn't fix it. We put it off for a couple of years, and we got $20 billion back this year instead of $50 billion.

But it is something that we really need to face up to, and I appreciate your candidness, I appreciate the efforts that you are making to do the best you can with what you have. But as Members of Congress, we are going to have to face up to the real realities that are facing us over the next 8 years, so.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

I certainly agree that we need to make sure we have a military that is ready to perform the tasks we ask them to do. I would question, you know, even if we had a million-man Army, perfectly trained, whether or not too many people on this committee would consider it wise for us to use that Army to go to—you know, fight a war with Russia over Crimea.

The issues there are very, very complicated, and simply sending in the military is not always the solution to our diplomatic problems. But I will completely agree that we need to have that military ready to perform whatever tasks it is we think they should perform.

I want to ask about base closing, first of all. Do you have an estimate at this point, as you draw down, what excess basing, what percentage of excess basing capacity you have at this point?

Secretary MCHUGH. Yes. We have done a cursory analysis. We were under a moratorium for a period of time, according to the NDAA [National Defense Authorization Act] that prevented us analyzing, but the figures we show right now is in the continental United States, approximately 15 to 20 percent in excess.

Mr. SMITH. And let me just comment, and I remember the debate, we had a vote in committee on that amendment, which I urged us to strip that out of the NDAA. I sincerely hope this committee doesn't do anything like that again, where we tell you to not even think about planning for what are obvious contingencies. Whatever concerns we have about base closing, I mean, the budget reality we have means we need to give you guys flexibility and not box you in like that. So I hope we can avoid that this year.

Now, there was an estimate given by Under Secretary Hale over in the Senate that it would cost about $6 billion to implement the BRAC and then, you know, would be a $2 billion per year savings. A couple questions about that.

First of all, how long would that take? How long would that first $6 billion be going out before we started realizing the savings.

And then second, can you, you know, let the committee know how different this BRAC would be from 2005? Because 2005 was really more about realignment than it was about reducing the size of the structure, so frankly, anybody who says, "Oh gosh, 2005 wound up costing more money, therefore, we shouldn't do BRAC." I mean, that is, you know to call it apples and oranges is an underestimation.

But could you elaborate on those two points?

Secretary MCHUGH. If I could start, and start with your second point. There are really two types of BRAC embedded in 2005. As you noted, Mr. Smith, the actual primary one for the Army was one of moving and consolidating forces, bringing rationality to our command structure, that was not exactly directed primarily at the budget. It did, over time, produce some savings, both through efficiencies and rational alignments, but it was really intended for us to optimize our structure and make sure we were located in the right places.

There was, of course, the second part to eliminate excess capacity. That started a payback more immediately. The $6 billion figure that Secretary Hale used of course, is a Department-wide figure. The Army's figure is somewhat less.

We would certainly target a net payback of at least a billion dollars a year. We generally say a 5-year payback. That really depends on particularly environmental considerations that sometimes can stretch out a lot, quite a while. But we would hope for a relatively quick payback. Certainly more quickly than occurred in 2005.

Mr. SMITH. Okay. General.

General ODIERNO. If I just add—in the BRAC in 2005, we did some significant reorganization under that BRAC, which makes that a bit different than this one.

For example, the combination of the armor and the infantry school in Fort Benning, and others like that, all the logistics out to Fort Lee.

So those were major reorganization that was supported by BRAC that made it a little bit more expensive, but now is generating savings for us. The next BRAC wouldn't be quite that drastic. It would really be targeted at just eliminating the excess infrastructure that we have and so I think you would find it to be not as expensive as it was in 2005 and probably a bit better return. Although, we

are now starting to get big returns on the investments we made in 2005 with the consolidation.

Mr. SMITH. Absolutely. And the final question is: the bulk of the savings that you find in the Army budget in order to meet the cuts that we have described, whether it is just, you know, what fiscal year 2014 and 2015 give you or what sequestration gives you, are in people and aircraft, basically. I mean that is like—I will throw a figure, that is like 95 percent of your savings. Is that accurate? A little bit less than that? Is that——

General ODIERNO. I would say it is a bit less than that, but it is the preponderance of our savings. I would say up to 70 to 75 percent of the total savings is on personnel reductions and aircraft reductions, because that is our most expensive operational component to buy and sustain over time.

Mr. SMITH. And if you were to be restricted in how you could do that, and I guess the biggest area of complaint is how this impacts the Guard, both in terms of their aircraft and in terms of their personnel, where else would you find the savings?

Let's say that we came along and said, "Gosh, no, you can't do that." And just picking a figure, it is $1 billion. You know, I think the total aircraft savings over 5 years is $12 billion for the movements you are making. I don't know off the top of my head what the personnel savings are, but they are significant, I am sure. Let's just say this committee said "Nope, you can't do that," and it was a billion dollars. Where would you find a billion dollars?

[Laughter.]

Mr. SMITH. Feel free to just go ahead and check in the pockets of your coat.

Secretary MCHUGH. I was just about to look under the table here. The reality is there are very few places we can go, and they are the very places that we would most prefer not to go. That is further end strength, further modernization program implications, and decreased readiness, which is already severely constrained. I would note just taking the aircraft, you have noted correctly, it is about $13 billion costs across the program, but just the cancellation of the cockpit sensor upgrade program for the Kiowa, which has already been done, would cost us $1.5 billion. So, that money, as I mentioned in my opening comments, as is all the money associated with these compo realignments, is gone.

And they are the same few accounts remaining that we have already hit hard since the beginning in 2013.

Mr. SMITH. General.

General ODIERNO. If I could, the cost avoidance on the aviation restructure is almost $12 billion. That is cost avoidance, and then that saves sustainment costs of $1.1 billion per year.

Mr. SMITH. Okay.

General ODIERNO. So it is quite significant. One billion dollars is, you know, three Army BCTs. So, if you have to reduce significant more Army BCTs, it is equivalent to two THAAD batteries. It is equivalent to 2,000 or 1,500 JLTVs [Joint Light Tactical Vehicles], $1 billion. So, it would have—we would have to significantly reduce in many other areas if we are not able to execute this strategy.

Mr. SMITH. In a nutshell, it is training, equipment, and readiness. So basically, you know, you would have a less ready, less

equipped, less trained force, which would lead to precisely the vulnerabilities that the chairman talked about, that we had prior to World War II and prior to the Korean War.

General ODIERNO. That is correct.

Mr. SMITH. Thank you very much. I yield back.

General ODIERNO. Thank you.

The CHAIRMAN. Thank you. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Mr. Secretary, General, I want to echo what the chairman said. We are both in all very pleased and fortunate to have both of you in the positions that you are in. We thank you for coming here and sharing your wisdom with us. We learn a great deal from you. We also learn a great deal from the members on this committee and listening to them.

And earlier, the ranking member said something that we have heard a lot. He said that the President, Congress, came up with a budget, and that basically, you built a strategy around the budget. My question for you today: Is that an accurate statement?

Secretary MCHUGH. I wouldn't—I would never question a Member of Congress, particularly a member of the Armed Services Committee——

Mr. SMITH. If I may a point a personal privilege here, I believe what I said was that you built a strategy that reflected both the needs and the likely budget. I did not say——

Mr. FORBES. I am using my time, and obviously the ranking member has the time he wants to speak.

Mr. SMITH. Yes, and you have the time not to misquote me.

Mr. FORBES. And well, we can look at the transcript, but I think it said very clearly—so it would be fair to say that you did not build your strategy around the budget?

Secretary MCHUGH. I think it is fair to say that this was a strategy first development and program, yes.

Mr. FORBES. So, the strategy was the first priority, not the budget.

Secretary MCHUGH. Correct.

Mr. FORBES. Then why did, in the President's budget, Chairman Dempsey testified before this committee based on the 2012 Defense Strategic Guidance and the budget that had come over based on that, that if you cut one dime out of that, if we reduce that at all, we could not meet that strategic guidance?

Where did you reach this number that came over? Because it is not the current law, it is not what was in the current law, and it is not the dollars that were stated that needed to go to the 2012 strategic guidance. Where did you reach this in-between dollar figure, how did you come up with that?

Secretary MCHUGH. Uh, Chief?

General ODIERNO. So, you outlined a 2012 Defense Strategic Guidance that is the strategy we are developing. I can't speak for Chairman Dempsey, but I will speak for us.

And on this budget that the President has submitted, I believe that is the floor, mentioned earlier, I think that is the floor of what we need in order for us to execute this strategy.

Once we go below that, we can no longer execute the strategy. We are going to have to develop, either change the current—amend

the current strategy or develop a new strategy, especially as we go down to sequestration.

But under the President's budget, I believe we can execute Defense Strategic Guidance with high—with a bit more risk than we could originally.

Mr. FORBES. But, General, it would be fair to say that number is less than what we were saying we needed to meet that strategic guidance last year——

General ODIERNO. As I said earlier, when I first testified in front of you, I told you for the Army an end strength was 490,350, and that would allow us to do it at moderate risk.

We are now below that, and so I think we can still execute it, but the risk is increasing.

Mr. FORBES. The other question I have for you, General, last year, the Army QDR office sponsored a report that the RAND Corporation conducted, entitled, "Evolving [Employing] Land-Based Anti-Ship Missiles in the Western Pacific," and it concluded that land-based anti-ship missiles "are readily available on the world's arms markets, inexpensive, and able to provide significant additional capabilities to U.S. forces. . . . These capabilities would also significantly complicate the PLA's [People's Liberation Army's] C2, intelligence, and targeting requirements and would raise the risks and cost of a conflict for China."

Having such capabilities in an inventory "would further U.S. efforts to provide security cooperation assistance to partner nations, could help deter conflict, and could contribute to victory in a future conflict by increasing flexibility and expanding the set of tools available to U.S. commanders to implement plans."

My question is, do you agree with that conclusion? And do you see any role for the Army to be able to use these type missiles in the future?

General ODIERNO. I believe the report is worth us taking a hard look at it. And that we have to—there is a role, I think, for us, in our ballistic missile capability to potentially do this.

Now, the problem we have now is our ballistic missile capability is overstretched now, as it conducts missions around the world. But for us, it is important for us to study this, take a look at it, and determine, as we move to the future, that this is—is this a potential strategy we want to invest in?

Mr. FORBES. And final thing is, has anyone at the Pentagon developed—because, obviously, the devil is always in the details—the BRAC criteria yet that would be utilized if we had a BRAC?

General ODIERNO. I am not aware of it. We have done very little on BRAC because——

Mr. FORBES. Wouldn't it be fair to say that if we don't even know what the criteria would be, it would be almost impossible to determine what, if any, savings we would have?

General ODIERNO. Well, I think the issue is we have not been able to do that. What we do know we have is we have excess capacity and excess infrastructure, so.

Mr. FORBES. Okay.

General ODIERNO. And that is problematic.

Mr. FORBES. Thank you, General.

Thank you, Mr. Secretary.

And, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you. Thank you.

Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And, gentlemen, it is nice to see you both again.

We have worked together on many issues, as you know,

John, we miss you over here in the Congress. But I know you are doing a great job over there.

Secretary MCHUGH. I wish I were back on the committee right at this moment.

[Laughter.]

Ms. SANCHEZ. Yes, right.

So, my issue today goes to the morale and the issues that are affecting our troops, because in particular in the Army, as you know, the real resources are our men and women who serve every day, who serve in the Reserves, who serve at the National Guard's level.

And so, I am a little concerned about the climate, the culture climate and what is going on within the Army. And you know, we have worked on a lot of these issues together for a long time, General and Mr. Secretary, but when I see things like the situation with the unnamed brigadier general who is retiring with his current rank, despite his various acts of sexual misconduct, and I am worried about what that is doing from the pressure from the outside to the military structure, and I worry about what happens with the military structure, of a, you know, son, who is committed to the U.S. Army. And I worry about due process, from both directions, on sexual misconduct, for example.

And I am also worried, because I can't think of anything sadder when I look at our military forces than this whole issue of mental illness and the suicide rate that we are seeing.

So I guess I wanted to ask you about what you are seeing, what you are doing, that would give us some confidence that we are going to be able to address what could be low morale, because of some of these cuts going on, what could happen because of—you know, what is going on because of these outside pressures and decidedly important, and what we are doing about our young men and women and this high suicide rate that we see going on within our military?

Secretary MCHUGH. Well, I think you have painted with a very accurate brush with respect to the various and myriad challenges we face. And it takes on many forms, but clearly the impact on morale, the fact that we are going to continue to ask America's sons and daughters to come and serve, to ask America's parents to send those sons and daughters. And we have got to ensure that we retain the competence and the trust of both those who are serving today and who continue to serve. And as we look at the expanse of issues, from suicide to alcohol and drug abuse, et cetera, et cetera, we are trying to do everything we can to put into place the kinds of rules and regulations that will maintain good order and discipline, but, equally important, to provide the level and type of care that is necessary.

We recently established a Ready and Resilient Campaign that is an umbrella structure for all of our initiatives focused on mental health, focused on alcohol abuse and those kinds of challenges,

some 62 programs, and trying to ensure that we are coordinating those in the most effective way, that we are messaging to soldiers in the right way.

And we are trying to get on, as they say in the military, the left side of the bank, before the problems actually manifest themselves. Because the longer they go unaddressed, the harder they become to be cured.

Just yesterday, the Secretary of Defense held a half-day session with all the service chiefs and secretaries, all the combatant commanders, all the top officials from the Office of Secretary of Defense on ethics, on the responsibility of senior leaders.

We had several national experts come in and talk to us about their experiences, what they believe needs to be done.

We need to send the right messages, particularly to junior soldiers, who do look at us and watch how we treat senior leaders who are brought before the authorities for various charges and such.

So we are working as hard as we can. This is one area, as I mentioned in my opening comments, particularly with respect to family care, that we are going to do everything we can to keep our commitment. And in some areas, we have actually increased funding in spite of the pretty dramatic decreases that many other Army programs have incurred.

The CHAIRMAN. Thank you.

Mr. Wilson.

General ODIERNO. Mr. Chairman, could I just make a quick comment on that, if you don't mind?

The CHAIRMAN. Okay.

General ODIERNO. Your question is a really important one. I am spending a majority—my Sergeant Major of the Army and I are spending a majority of our time on this very specific issue that you are talking about.

And it is about education, it is about discussion, it is about understanding accountability, it is about enforcing standards, it is about developing an environment that allows our soldiers to continue to grow.

And there is a lot of angst for a number of reasons, whether it be jobs going away, whether it be, you know, 13 years of combat or 12 years of combat operations.

You know, we are spending a lot of time. We are having lots of meetings with our commanders, our general officer commanders, our battalion and brigade commanders. The sergeant major is meeting with the senior noncommissioned officers. We are traveling around the Army.

And then, there are specific things we are doing. We have increased behavioral health capabilities. We are increasing our outreach to the Guard and Reserve with behavioral health.

We are working this very hard. It is something that we can't stop on, and it is something we have to stay focused on. You are absolutely right.

And it is important for us. And we are focused on this issue.

I do appreciate you asking that question. We have to work together on this.

Ms. SANCHEZ. Thank you.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And, Secretary McHugh, General Odierno, thank you for your service. My appreciation of your competence is firsthand. I have four sons who have served under your leadership in Iraq and Egypt and Afghanistan.

Last year, my wife and I, Roxanne, were reassured by your capabilities as our son, Hunter Wilson, served for a year in Afghanistan, South Carolina National Guard.

I am very concerned about the shifting of spending from national defense to other programs at a time of dangerous worldwide threats. As verified by the American Enterprise Institute, Al Qaeda is expanding safe havens across North Africa, the Middle East, and Central Asia, to attack American families from safe havens.

Additionally, sadly, Russia is violating international law by annexing sovereign territory of the Republic of Georgia and Ukraine.

We should remember that the despots who have seized the great country of Iran are promoting, clearly, their goals, signs in English that state "Death to America. Death to Israel."

And just 3 weeks ago, there was a ship which had originated in Iran with long-range rockets from Syria, which were being sent to Hamas terrorists in Gaza for, obviously, an extraordinary attack on Israel.

With this in mind, your leadership is more important than ever.

General Odierno, the congressional defense committees directed the Army to explore accelerating the Armored Multi-Purpose Vehicle, AMPV, in each of the last two defense authorizations bill.

Now that the Ground Combat Vehicle, GCV, has been terminated officially, can the Army brief the defense committees on its plan to accelerate the AMPV program? And further, is AMPV now considered your number one combat vehicle program?

Secretary MCHUGH. If I could respond, Mr. Wilson——

Mr. WILSON. Yes.

Secretary MCHUGH [continuing]. And then the chief can certainly add. The AMPV is amongst our five strategic requirements. We are very focused on that. As you may be aware at the moment, we have an agency protest, which means that one of the competitive bidders has filed a protest with us that we did not conduct an open competition and that in essence we kind of wrote the requirements in a way that would favor a particular manufacturer.

We need to work through that before we can resume, but AMPV to replace the M–1 and M–113s are absolutely vital to us. And we intend to, like the Stryker, like the Bradley and other platforms, continue to fund those and support them.

General ODIERNO. I would just add is that it is an incredibly important vehicle to us. We are long overdue in replacing the 113. It is critical to our strategy moving forward. And so it is—that is why we funded it the way we have in the budget because of the importance of that vehicle to the future of the Army.

Mr. WILSON. And thank both of you for answering that question, because I know you want the best for our troops. And you have reassured me.

General, do you have concerns about the proposed TRICARE changes? Specifically, are you concerned how the changes impose costs on Active Duty soldiers and their families?

General ODIERNO. So, I support the TRICARE change. I think it is important that we go to one system. I think that that will save us money and still provide the capability and resources to our soldiers to do this.

I believe under the plan, it requires some personal behavior modification by our soldiers, but it still allows them to get the best medical care at the lowest costs. Compensation as a whole, Congressman, is a very difficult issue because obviously you and us, I want to do what is best for our soldiers and our families.

I worry that with budget reductions, we have to just reduce the rate of growth. Not reduce the support, but reduce the rate of growth. And we are trying to come up with the best ways to do this. I believe with the TRICARE proposal, we still provide our soldiers with the best medical care possible within reasonable costs.

I worry a bit about the potential costs on our lower-ranking soldiers. And that is what we are trying to focus on, to reduce that to as small as possible. And we will continue to take a look at that as we move forward.

Mr. WILSON. Thank you very much.

And Mr. Secretary, this is very quick, but I have been on the board of the American Lung Association. I am not pro-tobacco. But at AAFES [Army and Air Force Exchange Service], this generates an extraordinary amount of sales, which helps MWR [Morale, Welfare, and Recreation Programs] and provides employment for dependents and spouses. What is the policy going to be on tobacco sales?

The CHAIRMAN. Mr. Secretary, could you please answer that one for the record? The gentleman's time is expired.

Secretary MCHUGH. Be happy to, Mr. Chairman.

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

The CHAIRMAN. Thank you.

Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman.

And thanks to both of you gentlemen for your longstanding commitment to our Nation's Army and our Nation's Armed Forces.

Mr. Secretary, I couldn't help but think when you said if you are on the committee right now. Maybe you would like to be on the committee right now, what question you would ask yourself.

Secretary MCHUGH. It would be easy, whatever it was.

[Laughter.]

Mr. MCINTYRE. But thank you for that longstanding commitment and friendship.

On page 5 of your testimony, gentlemen, you say, and I quote: "For the next 3 years as we continue to draw down and restructure into a smaller force, the Army will continue to have degraded readiness and extensive modernization program reductions." And in the next paragraph, you say that under sequestration-level spending caps, quote: "the size of our Army at this level of funding will not allow us to execute the Defense Strategic Guidance and will put in

doubt our ability to execute even one prolonged multi-phase major contingency operation."

In the time that I have, would either one of you, or both if you would like, explain what this statement of the record means with regard to readiness and with regard to sustainability? Because I think they may be seen a little bit differently. In fact, specifically, what level of unit readiness does the administration's budget request assume? If funded at the budget request level, how long will it be until we regain sufficient full-spectrum readiness and also the ability to sustain a major operation?

General ODIERNO. Thank you, Congressman.

First, with the statement on the 3 years, the bottom line is it is about the balance. And in order to achieve balance, you have got to get down to the right end strength levels. So it is going—under the President's budget, it will take us 3 years to get to the end strength levels in order for us to get the end strength right so we could then start to reinvest in readiness and modernization. And that is when it will come together.

Under the President's budget, we do that earlier. We are able to accomplish that balance around fiscal year 2018, which then allows us then to start to increase readiness. Readiness is not one time. It is something you have to sustain over the long term.

And then that allows us to meet the Defense Strategic Guidance, as we have said, at significant risk, but we will be able to meet the Defense Strategic Guidance. Under sequestration, in 2016, the cuts are so severe that it will specifically go after readiness and it will take us longer to recover. And when we do finally recover, it will be in the fiscal year 2020 to 2023 range.

But the problem becomes we are now a smaller Army. So the issue becomes with a smaller Army, although it is ready and capable, is it big enough to do a prolonged, long-term strategy. And that is the concern.

Mr. MCINTYRE. So do you have an idea of how long it would take to reach that level? Or does that just remain an open-ended question?

General ODIERNO. The level of readiness?

Mr. MCINTYRE. No, to be able to sustain an operation.

General ODIERNO. Well, again, under the President's budget, by 2018, I believe, we begin to sustain readiness. Under sequestration, it will take some—about fiscal year 2023 before we reach that sustainment level and then we are—but we are much smaller as well.

Mr. MCINTYRE. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Just a question on that. You said under the President's budget. Is that the $115 billion over and above?

General ODIERNO. That is. That is.

The CHAIRMAN. That is kind of just a wish list.

General ODIERNO. That represents the $115 billion.

The CHAIRMAN. Yes. Thank you.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

General, Mr. Secretary, thank you for being here. I want to thank both of you for your leadership on the issue of sexual as-

sault. And I want to appreciate the statement that is on page 18 in your joint written comments, "Our goal is to reduce and ultimately eliminate this crime from our ranks." It is, I think, a huge step forward on the cultural issue that the language of it being a "crime" is the issue that is emphasized.

It takes us obviously to work on legislative and regulatory issues, but it also is a cultural issue. And I appreciate your leadership on that.

Mr. Secretary, you have in your joint comments also an issue of suicide prevention. I have reviewed previously DOD reports on the issues of the stress factors affecting suicide, one of which is custody. Unbelievably, throughout our country, family law courts are taking children away from service members based upon either their past deployment or the threat of deployment.

I have a bill which has been included in the NDAA for several years that would eliminate deployment as a basis for removal, sole basis of removal. It was endorsed by both Panetta and Gates. You actually voted for it as a Member of Congress in fiscal year 2008, 2009, and 2010 for the NDAA.

Secretary MCHUGH. Thank God.

Mr. TURNER. Our chairman has set it as a goal for fiscal year 2015 to make certain this is the law. We have stalled in the Senate largely because of recent weak support from DOD. I would like the opportunity to sit down and meet with you to discuss this issue and to hopefully gain your advocacy for that.

And then my question to both of you concerns sequestration. In your joint statement on page 3, you have a statement I think crystallizes the issue of sequestration. It says that the Army continues to face an uncertain fiscal environment in the years ahead.

I would like if you would both talk for a moment about the issue of the fiscal cliff that you are facing. You know, Congress looked at it as a, we, handed you a 2-year deal, with the budget being certain for 2014 and 2015. But the fact that you have to cut a glidepath through 2015 because sequestration appears to return at 2016, means that you don't have the certainty even for 2015. That is one of the things we are going to struggle with is trying to put money back, but that, of course, places you even in a more difficult position of that fiscal cliff as approaches to 2016, without congressional reassurance that that sequestration-level spending cap in fiscal 2016 will not be what you are handed.

In looking, General Odierno, in your continued efforts to highlight the fact that it would not allow us to do even one prolonged multi-phase major contingency operation if we go to the sequestration numbers, I would like for you both to talk for a moment about this uncertainty, that even for 2015—it is not just 2016—even for 2015, sequestration is putting you in a very untenable position. And of course, is risking I think our national defense.

Secretary MCHUGH. Great question, Mr. Turner. And I don't want to sound ungrateful about the bipartisan budget agreement because it was important relief. And it has allowed us to begin to buy back readiness, to increase our CTC [combat training center] rotations, 19 planned for 2015, et cetera, or for 2014, I should say, et cetera, et cetera, so, much-needed help.

But as you noted, sequestration is still the law of the land. And absent a definitive act over that term of time by this Congress, it continues to be something we have to program toward. The reason we are talking about 420,000 is because sequestration will take us to 420,000. We continue to program for that, although the President's proposal, if adopted, would allow us to sustain the 440,000 to 450,000 for the Active Component we have talked about.

One of the biggest impacts that really extends outside the Army, but obviously affects us, is upon our industrial partners—the folks who look at not just the Army, but all the services as a customer, who need predictability both to do hirings and ensure they have got the right processes in place, got the right plants operating in the right ways.

We can't tell them what we are going to be in a position to buy. That makes them less cost-efficient. It causes them to hire fewer rather than more people. I mean, it, at some point, has a pretty significant drain on the economy, all because of uncertainty, not because of actual economic conditions at the moment.

The other thing it does for us in that same avenue, is it has caused us to pay more for things. If we can't enter into longer-term contracts with certainty, it causes us to have to enter into short interim contracts that generally, on a piece-by-piece basis, cost us far more.

So, it effects virtually everything we are doing, including, by the way, our ability to recruit and retain soldiers because they are uncertain of what their future would be if they sign on that dotted line.

The CHAIRMAN. Gentleman's time has expired. Mrs. Davis.

Mrs. DAVIS. Thank you.

Excuse me, thank you, Mr. Chairman.

And good to see you both. Thank you so much for your extraordinary leadership. Really appreciate it.

A few of the questions that I wanted to ask you have been asked, but I might ask them in just a slightly different way.

Mr. Secretary, you have been on the other side of the table, and you know in BRAC as you have mentioned, and certainly General Odierno as well, how difficult these decisions are. But, they are important. And what more can you share with us as we move forward and perhaps face that, the question that was faced last year of trying to, you know, rule that out?

And I think part of it is the specifics. I think that people do need to know what that means in terms of readiness quite specifically as you look over this landscape, really, of additional capacity at bases, particularly operations. What more, you know, is there something that is quite convincing you would like to say about that, and again, particularly from your perspective, Mr. Secretary?

Secretary MCHUGH. I recognize how hard it was. I was a member for three BRAC rounds, and I don't particularly recall enjoying any one of them. But, having said that, it is necessary for us to maintain a balance both in terms of the investments we are required to make in support of unnecessary infrastructure. That is going to continue to increase as we draw down our end strength.

Obviously, fewer people mean fewer need for facilities, for buildings, et cetera, et cetera. And to maintain an unused building is

just the equivalent of throwing money away. The Department talks about a $6 billion investment for say, a 2017 BRAC, but they would hope over time, after 7 years, it would produce some $3 billion in annual savings. For the Army, $3 billion in annual savings is a lot of money.

And our challenge is, as we come down, if we are not allowed to realign our facilities, you start to hollow out.

Mrs. DAVIS. Yes.

Secretary MCHUGH. Because you start to have fewer and fewer people where the resources are taken away from their more immediate needs and placed into facility sustainment that just continues us down that downward spiral of hollowness and just not doing what we need to do to support.

Mrs. DAVIS. I have got another question or two, so I appreciate that. I really wanted to hear from you because you have been here, and it makes a difference.

On the question, we have—I know that my colleagues have talked a little bit about the sexual assault. I mean one question on that is how do you fence off outside influences? No matter how you move forward. Because we saw the complexity of that in the latest cases that certainly have made headlines.

So, that is one question, but the other one, if you could speak to toxic leadership. General, I think you mentioned, maybe as we draw down a little bit, that is going to make a difference. How do—I mean, how do you really, at the bottom, deal with that issue?

General ODIERNO. So we have done several things, and first, it is something we want to eliminate. And I will start with the toxic leadership. So we are doing several things. One is, we are doing 360 evaluations. We have done a pilot for battalion and brigade commanders. We are going to probably put that for everyone starting this fall. We are going to move that to noncommissioned officers as well.

First of all, now people are recognizing that we are going to take a look at this, and that people are going to see that. And you have to change behavior. It is also about, we repeatedly have now put this inside all of our training programs, whether it be noncommissioned officer and officers. So, it takes time, but what they are going to see is that we don't tolerate it. We are also—we will not—we will hold people accountable.

If you have a toxic leadership environment, you will be held accountable for that environment, and there are several different definitions of what toxic leadership can be, but we are working on all of those.

I am meeting regularly with commanders regarding both this and the sexual assault, sexual harassment. We are having a lot of conversations about this. This is about—this is about us. This is about us. Our leadership in uniform. Taking control of this and working the issues in order to solve this problem and create an environment for everyone to excel.

So, we have to just do that. Us. And we have to kind of not worry about what other people are saying. It is up—it is incumbent on us to take this responsibility on and do it, and that is the discussion we are having. It is very important that we continue to do this. This is not just something that is passing. This is something

that is going to be inherent in what we do as we move forward, and that is the discussion we have to continue to have with our leaders, and they will come around.

I am confident that our more senior leaders have. It is now getting it down to the junior level and making sure that they understand that we are serious about this.

Mrs. DAVIS. Thank you. And if I may just very, very briefly mention, thank you for the female body armor. That—I think we came back from a trip to Afghanistan and pushed for that, and thank you very much.

Mr. KLINE [presiding]. Gentlelady's time has expired, and by serendipity, as I take the gavel, it is also my turn to ask questions.

Mr. Secretary, you spent an awful lot of time dealing with issues surrounding Arlington National Cemetery. Probably something you didn't expect when you walked from here to there. And you and I have had some conversations and exchanges of letters because Arlington National Cemetery isn't the final resting place just for soldiers, but other service members as well.

And for some time now, the advisory committee on Arlington National Cemetery has not had any Marine Corps representation, anybody affiliated with the Marine Corps, and so, I have asked you to look into that, and can you tell me, are we going to see that anytime soon?

Secretary MCHUGH. I appreciate your attention to this. And it is important. I—and oftentimes, folks think of Arlington and do think of soldiers, but as you rightly noted, this is the final resting place of all men and women who wore the uniform of this Nation.

We are very interested in ensuring that all the services are represented effectively and fairly. We, as you know sir, had a tragic death of the former lady, a terrific lady who had Marine roots in her background, and we are in the process of making a replacement. I have made a recommendation. The final determination always in these matters rests with the Secretary of Defense. I am sure he as well as I are somewhat frustrated. This is FACA [Federal Advisory Committee Act] committee. It has all kinds of procedural requirements. We are at the end of that, and hopefully we will be able to share a name with you in the very near future.

Mr. KLINE. Thank you.

I appreciate your attention to this, and I know it is frustrating, and you for us. When you were sitting here, you would never have tolerated a year, year and a half sort of delay, but I do take you at your word, and more than that, I know you very well, you are doing your best to push this through and it just needs to be resolved.

Switching subjects, I want to, since we have both of you here, very quickly, talk about readiness and where we are. I think, Mr. Secretary, I think it was you, maybe General Odierno, but I think you said that with the so-called Ryan-Murray budget and the adjustment, you were able to start buying back readiness. And clearly that is what we would like to see.

I mentioned to you very briefly that I happen to know that at least one of the Army infantry divisions is at a very, very, very low combat readiness state. And when I talked to the command in gen-

eral, that division, he told me that he expected it would stay that way for another year and a half or perhaps more.

And so, I understand that you are having to make trade-offs. The chief is, and you are—and when you look at different units and their readiness. But my question is, is it your intention to keep that division or any such division just to keep it down and in a sort of C–4, C–5 level as you try to build up the others, or, are you going to try to rotate that through?

Secretary MCHUGH. First off, thank you so much for the question.

We are slowly increasing our readiness, but it is slow. I think I said last year, two brigades were ready. We are at higher than that now. We are probably closer to five or six. You will continue to see an increase in that readiness as we invest the dollars we got in 2014 in combat center rotations.

So, it will increase. The problem is, readiness is temporary. It is good for about 6 months to a year or so if—with the funding in 2014, 2015, but if it falls again in 2016, we will go back into this readiness problem again, and we are going to have to sustain a tiered readiness profile which says we will only have certain units that will be ready.

We will rotate them through the Army Force Generation process, so it will change between units as we move forward, but that is really the crux of our problem with sequestration, because at 2016 we are going to have another readiness dive, if it is not changed. We have no choice because we can't take out the end strength fast enough in order to balance it.

Mr. KLINE. Okay. Thank you. I appreciate that answer.

What I would hate to see is the sort of division equivalent of a hangar queen where you just keep them down there, you know, month after month and year after year. I understand that readiness is temporary, but the nature of this business sometimes is temporary. When you are called, you are called now. And so, if you are at C–2 now, that is where you want to be. Not at C–4 or C–5. I appreciate very much your answer.

In a no doubt futile effort to set an example for my colleagues, I will yield back, and recognize Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

Secretary McHugh, and General Odierno, thank you for your testimony and for your service to our great Nation.

Mr. Secretary and General, I want to applaud the efforts of the Army working with the Air Force, TRANSCOM [U.S. Transportation Command], and MDA [Missile Defense Agency] in deploying the THAAD battery to Guam last year, which, Mr. Secretary, you mentioned in your testimony. The deployment was relatively quick and remains successful.

Although Guam had other missile defense assets providing protection, the THAAD is an added defense against North Korea aggression and their threats. And the people of Guam are very supportive of THAAD remaining on the island. But we acknowledge it may have to redeploy if other contingencies arise.

So that said, can you comment on efforts to keep the THAAD on Guam and in the coming years?

I understand we are looking at a change of the command soon, but what efforts are underway to keep THAAD on Guam for the future? And also, to what extent are you considering utilizing the Guard to support and sustain THAAD on Guam?

Secretary MCHUGH. I will start, and then turn it over to the chief.

First of all, I had the, as I think you know, Ms. Bordallo, I had the chance to visit Guam, visit those troops a number of months ago. They were fresh on the ground, were excited by the mission. And I have to say the Air Force thankfully was taking very, very good care of our soldiers.

During that visit, and I am sorry I didn't get a chance to meet with you. You were busy doing the job of representing the great island here in Washington. But I did meet with the Governor. And your statement that the people of Guam are very supportive was certainly reflected in his enthusiasm.

As I am sure you are aware, that stationing was led by the PACOM commander, Admiral Sam Locklear. He has theater responsibility. We certainly stand ready to provide the mission as he sees fit. This is a very high-demand, low-density asset. And as you noted, we will have to make adjustments should contingencies arise. But for the moment, I think we are doing quite well.

Chief.

Ms. BORDALLO. General, before you start, I just want you to know, Mr. Secretary, that I have taken a couple of CODELs [congressional delegations] that have visited Guam out to look over the THAAD operation.

General.

General ODIERNO. We are working with the joint staff to—we are at least working to see what it would take to sustain the THAAD battery there for the long term. And we are working with the Air Force. So we are taking—and we are looking at it from an Army perspective—what would it mean if we had to sustain that there for the long term in terms of rotational capabilities, type of THAAD? So we are clearly looking at that and preparing, if that decision is made that we want to leave it there.

The deployment has gone very well. We are very pleased with the support we have gotten there. I know the PACOM commander supports it staying there in Guam. So we are preparing and looking at the options that would allow us to keep it there.

Ms. BORDALLO. Thank you, General.

And also, I said, what extent are you considering utilizing the Guard to support and sustain THAAD?

General ODIERNO. So, what we will do is, we will still—this will be part of our strategy. One of the things—one of the options we are looking at, and I will just throw this out there, is that not buy more equipment, but increase number of crews and capabilities, so you rotate the crews on the equipment.

So as we work our way through that, we will look at all the components to see how we can solve that problem. But that is one of the solutions we have, because we believe in the future this could be a problem not only if we sustain in Guam, but if we do other deployments around the world. That is one of the options that we are taking a look at.

Ms. BORDALLO. Thank you, General.

I have another question and I have very little time left. The question is for either of you. I read about the Army's "Pacific Pathways" strategy in the Washington Post. My staff has had subsequent briefings on the matter and we appreciate that the Army is trying to articulate its strategy for the Pacific.

However, I am concerned that the strategy does not adequately account for the potential of the Army supporting additional missile defense capabilities in the Pacific. It also does not mention or adequately address the capabilities provided by the National Guard State Partnership Program.

So I am concerned this strategy isn't really taking a holistic look at the Army's future in the Pacific. Can you comment on this strategy, its way forward, and some of the items that I discussed?

General ODIERNO. Thank you. We are committed to supporting the Asia-Pacific region with our 80,000 Active and Reserve troops that are there in the region supporting that. Actually, we have funded a 27 percent increase in the State Partnership Program in support of PACOM in the budget. So we are looking to expand that program.

It is a key program to supporting us. In fact, we are bringing States in to increase our relationship with the countries within the Asia-Pacific region. That is a centerpiece of this strategy.

The other centerpiece is that it is—the Guard and Reserve have unique capabilities that allow us to continue to engage on several different lines, and that is part of the Pacific Pathways strategy. So I feel confident that as we move forward with this, it has to be a multi-component solution. It cannot just be one component. We need the whole Army involved in solving this problem.

Mr. KLINE. The gentlelady's time has expired.

Ms. BORDALLO. My time is up. Thank you.

Mr. KLINE. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

And thank both of you for being here. And I also want to thank both of you for making separate but recent trips to the Anniston Army Depot in my district. It was an honor to have each of you there. That installation does an outstanding job of supporting our warfighter. And because of its exceptional work in that role, they are in pretty good shape; and also the mission they play for the military, they are in pretty good shape. But I know the rest of the organic industrial base is not in as good a condition.

The question I have for you is: Does the Army plan to move any work from the Anniston facility—Anniston to facilities with less workload in order to prop them up?

Secretary MCHUGH. Mr. Rogers, thank you for your comments. I enjoyed very much my trip there. It was good to get a chance to chat with you.

As I am sure you understand, we are continuously assessing workload distribution across the entire Army organic industrial base, both the depots as well as the arsenals. We have not made any particular decisions in that regard, but I have to be frank, particularly as we come back out of theater, and once we are through reset, which we, I should add, would require funding for 3 years

post-conflict to make sure we are resetting all of the returned equipment.

The workloads are going to have to be reexamined and rebalanced. But, you know, if that occurs, we will certainly do everything necessary to keep you informed. Right now, we are in the analysis phase and we are not prepared to make any announcements in that regard.

Mr. ROGERS. Well, we are—the Alabama delegation, we are paying a lot of attention. And, you know, it is a very cost-efficient facility. And that is one of the reasons they are in good shape. And we hope that money is a big factor in your decision, and efficiencies, when you decide what to move where. Because we think you get a good deal and the taxpayer gets a good deal at Anniston.

My next question has to do with the AMPV. I am hearing that there have been some concerns raised about the current RFP [request for proposal] that was issued by the Army. In the near future, I would like to meet with both of you to talk about some of the concerns I have about that. But for this hearing, I am not really focused on the RFP. I am focused on the future depot work—maintenance work for the AMPV.

My primary concern is where the vehicles will be built and maintained throughout their life cycle. I believe strongly it should be the Anniston Army Depot and here are some reasons why. The AMPV is intended to replace the M–113. Since 1995, the Anniston Army Depot has been the home of life-cycle maintenance for the M–113 family of vehicles.

Secondly, it certainly appears that the AMPV will be a track vehicle. The Anniston Army Depot is the center of industrial and technical excellence for track vehicles. That means the track vehicle work is part of Anniston's core workload.

And then finally, the model for public-private partnerships for the production and life-cycle maintenance of the Army's land fleets has been the Stryker, which is performed in Anniston. And as you know, the Stryker has performed well in recent conflicts. Therefore, Anniston has been the best capitalized facility to do the same work for the AMPV.

Given these facts, do you expect the production and life-cycle maintenance for the AMPV vehicle—AMPV fleet at Anniston? Or are you looking to share the work with other facilities within the enterprise?

Either one of you.

Secretary MCHUGH. I would prefer to have the acquisition ACSAM [Assistant Chief of Staff, Acquisition Management] come to speak to you directly. The biggest part of that reason, as I mentioned earlier, this is—the bid is in an agency protest. That, as you know, severely constrains what we are advised to say publicly about it. You noted I think very accurately the advantages and the competitive success that Anniston has demonstrated. If and when we get to that point, which I hope it is "if" not "when," we will certainly make the most cost-effective decision we can.

Mr. ROGERS. Thank you both very much.

I yield back.

Mr. KLINE. I thank the gentleman.

Mr. Courtney, you are recognized.

Mr. COURTNEY. Thank you, Mr. Chairman.

I want to thank, again, both witnesses. It is great to see our former colleague here, and also General Odierno. Those stripes on your right sleeve are, in my opinion, very powerful evidence of, you know, the fact that every word you present is backed with an outstanding, almost unprecedented level of service in the Middle East. And a number of us had a chance to visit you over the years there and your commitment to our Nation, again, is just unquestioned.

Mr. Secretary, you talked in your opening remarks about the sacred covenant that we must have with the people who have served in the Army. And I know both of you believe in that unquestionably. I wanted to share with you a story about an Army National Guard wounded warrior from my district who in 2007 was in a rollover. He is 100 percent medically disabled from a TBI [traumatic brain injury] injury that he suffered as a result of it. So he was medically retired. He is still within, obviously, the DOD sort of benefit structure. And his TRICARE coverage, which was TRICARE ECHO [Extended Care Health Option] at the time of the injury, because TRICARE Standard once he went into a retired status.

If you fast-forward a couple of years ahead, he is a young guy. He and his wife had a baby about a year ago. Unfortunately, she was born with a pretty severe disability. It is a condition called "short colon," which requires nutrition to be done through feeding tubes. They can't feed normally. And the doctors prescribed about 40 hours of home health services for the care of this child at home. She has to be fed and changed every 2 hours.

TRICARE Standard does not—the structure of TRICARE Standard, as I found out, is really patterned after Medicare. So that families with young children and pediatric issues, particularly sort of intensive specialized care, it is a square peg in a round hole. And we have been for the last 4 months trying to work with Health Net to try and just figure out some help in the home. We are—we think we were able to sort of scrape a plan together for 16 hours of care, but again, if you think of the sleep deprivation, if nothing else, that this family experiences with that kind of intensive care, it is not helping the wounded warrior in terms of his issues.

And frankly, it just sort of begs the question about, you know, how we really take care of these families. Again, TRICARE ECHO, it would not have been an issue at all in terms of getting the full complement of prescribed care that, you know, the child's doctors have prescribed.

So again, I am not asking you to, you know, answer on the spot here, but, you know, when we talk about restructuring TRICARE, and again, this is a challenge we have got to talk about, as the General said. But frankly, there are gaps, you know, for particularly young medically retired in TRICARE that I would like to work with both of you to try and fix.

I mean, this guy, you know, he did what he was asked to do. He is going to carry this wound for the rest of his life, and his family should not be sort of trapped in this sort of gap in coverage. And again, I am not asking you to—you know, explicitly, but I just want to make you aware of the fact that, you know, there are these sort of special case problems that I think these conflicts are going to continue to sort of manifest.

Secretary MCHUGH. Thank you, Joe. You know, first of all I deeply appreciate the focus and the devotion that you have brought to this individual soldier. And I know it transcends just a single individual, and you have really, I think, struck upon one of the challenges—as you have said—will be with us for many years.

The good new of Afghanistan-Iraq is people are surviving the battlefield and wounds that in all likelihood they would have never survived before.

As many of you have seen—the chief and I certainly have seen in many visits to Walter Reed—the challenges many of those wounds of survivors are facing incredibly challenging circumstances physically. I think it is fair to say back in 1996 and in 1997 when TRICARE was fully stood up that no one really considered this aspect of it.

And, as happens in the private insurance industry as well, sometimes you find your needs misaligned with your policy coverages. And we want to certainly do everything we can do to support the activity through the TRICARE Management Activity center and others to try to close those gaps where they exist.

So if there is anything we can do to join in your effort, we certainly stand ready to do that.

Mr. COURTNEY. Well thank you, Mr. Secretary and help that actually is poised to try to work this through to come up with solutions for families like the——

Secretary MCHUGH. Right.

But, we have to make sure we are not placing obstacles in front of them from having that happen.

Mr. COURTNEY. Right, thank you——

Mr. KLINE. The gentleman's time has expired.

Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

Gentlemen, thank you for being here this morning. And Chief, I want to identify with what Joe said about your long service and the absence from your family all those years, thank you very much.

Seems like a topic that you probably should not talk about, but based on all the struggles and the stuff that you guys have been putting forward, I have got to ask you about audit readiness. Hagel had it in his opening remarks—in his written remarks. I did a quick look at your prepared remarks, and I didn't see it there.

Accountants and auditors are sensitive little fellows and folks, and they—when they don't see the chief and the Secretary talking favorably about them, or just love them or hate them, just don't ignore them.

So I would like to get, from both of you, the top-down commitment, I think—I know is there, but I just need to have it there—the record, but also specifically talk about as we make this move to the GFEBs [General Fund Enterprise Business Systems], which looks like it is moving well and is essential to getting to the auditability part, ongoing there is a tendency to cling to legacy systems, because they are the comfortable pair of shoes that you liked in the field and you know work. And there is some evidence that you are not making the full move away from legacy systems and that—while that may help temporarily, it is not going to be the long-term solution.

And so, can you talk about the process and just give us a general update on where the Army is with respect to meeting the—Panetta's original commitment, and now the commitment to get audit ready by next year.

Secretary MCHUGH. Well, I would suggest the reason it wasn't mentioned, we are just simply confident that it is going to happen. We didn't want to——

[Laughter.]

Mr. CONAWAY. Well, I appreciate that. I appreciate that.

Secretary MCHUGH. At least that is my story for the moment.

As you know, sir, this is something that is not just important; it is stated in law that we have to be auditable by 2017. We are, we believe, fully on track to meet that. Our ERPs [enterprise resource planning] have been going very well. You mentioned GFEBs, we have had a series of rollouts of those. We are taking them in segmented fashion so that we can ensure we are managing it in the right way, and to this point in my discussions with recently retired Assistant Secretary of the Army for Financial Management and Comptroller were having very, very good success.

We are mindful of what you said about the retention of past practices and legacy systems. Perhaps the biggest challenge is to wean people off things and processes in which they have dealt with for years. Even when say GFEBs is available, they try to do workarounds and stay with what is familiar. And that is why in part we have been segmenting the rollouts so we can keep an eye on that and make sure that folks are going the right way.

The chief and I have ordered an analysis and an optimization study throughout FMMC [Fort Myer Military Community] to make sure that we are aligning ourselves in cost-efficient and effective ways. I had a brief discussion yesterday with Bob Hale, the DOD Comptroller, about auditability and we are going to continue to work toward it. And for the moment I think all systems are go. Although, until we are there, we are not going to assume anything.

General ODIERNO. If I could just add, we are taking this very seriously. And I apologize if that didn't come forward, but, you know, I speak to every installation commander before they take over and I provide them a letter of instruction.

Part of that letter is a piece on audit readiness, and the importance for them to support the efforts that are going on, that the Secretary has really pushed us towards meeting these goals. We are doing mock audits on a regular basis so we understand where we still have some issues. That is helping us to identify where we can improve. We have awareness down really to the lowest levels that this is really important, and by 2017 we have to be audit ready.

So I am comfortable that we have identified the problem. I am comfortable that we are focusing on it. We still have to make sure that we are addressing any of the gaps that we might find as we move forward, but I am confident that we are heading in the right direction.

Mr. CONAWAY. You talk most about the challenge that you are having from a budget standpoint and the many places dollars can go. Are you able to sustain the necessary resources to do this work as well?

General ODIERNO. The budget completely reflects this—the capabilities we need to meet audit readiness by 2017.

Mr. CONAWAY. Thank you both. Music to my ears, and I know the folks who are working really hard at this. It is tough stuff. It is not particularly glamorous, and you don't get a lot of medals for it, but it is important for the country's health.

Thank you, very much, for your service, and appreciate your comments this morning.

Yield back.

Mr. KLINE. Thank the gentleman.

Ms. Tsongas, you are recognized

Ms. TSONGAS. Thank you.

General Odierno, Secretary McHugh it is great to have you appearing before us today. And General Odierno, I do want to thank you for your visit to Massachusetts and to Natick Soldier Systems; it was so much appreciated. So thank you for that.

But I would like to take this opportunity to talk to you both about the decision in the case of General Jeffrey Sinclair.

As the record shows, General Sinclair pled guilty to the following: Maltreatment of a subordinate, soliciting illicit pictures from junior female officers, possessing pornography, as well as misuse of a credit card and using derogatory language. He was sentenced to pay a fine of $24,100, but did not receive any jail time or a reduction in rank.

I would like to quote now from a New York Times article that discusses the culture of Sinclair's unit when he was a colonel. The quote is not pretty, and I take no satisfaction from reading it.

Quote: "The atmosphere in his unit was such that, at a farewell party when he left a brigade command 4 years ago, soldiers in his unit put on a skit in which one, dressed in a wig and clothes, in an apparent portrayal of the captain the general was sleeping with, acted out a scene in which 'She' asked another soldier seated in a chair and portraying the then Colonel Sinclair whether he wanted oral sex."

From this story, and from the charges that General Sinclair has admitted to, there can be no doubt that General Sinclair abused and debased his authority in a reprehensible way, using it to perpetuate a toxic military culture which accepted even criminal behavior as the norm.

And yet, according to the Times, it was after this incident that he was promoted to brigadier general. And this is just what we know. I don't want to imagine what we don't know.

These series of incidents and its recent shocking outcome, again, in which the general did not receive a reduction in rank, and was not sentenced to any time in jail, raises the very serious question of whether the UCMJ [Uniform Code of Military Justice] can be fairly called an instrument of justice and whether an organization where rank and the pecking order created by rank can ever rise above the dictates of deference that rank demands in order to meaningfully change.

I grew up in a family of an Air Force colonel, and I recall in the mornings when my father wanted us to get up and do whatever, he always said "orders from headquarters," and we responded and did whatever the task of the day was.

But to put aside that, this decision and these incidents has undercut the progress that has been made by Congress, the military and I appreciate sincere and genuine efforts that the Army has made and many dedicated advocates—often themselves victims of military sexual trauma—to create accountability and change a culture that too often perpetuates a predatory climate.

It fuels a belief within the services and in the civilian world—I can't tell you how many of my constituents commented on the outcome in this case—that high-ranking officers receive and will receive special treatment, whereas enlisted members would be most harshly treated.

I know that you both agree that general officers should be held to a higher standard, and there must be serious accountability when they fail to meet these standards.

But is that currently possible?

I have my doubts.

I appreciate that you are—and I appreciate the question of Congresswoman Davis about toxic leadership and that you are trying to get a handle on it and create metrics. I hope that that includes a way in which you link toxic culture to the ways in which leaders fuel a culture within their unit that promote sexual harassment and sexual assault—all the various forms of military sexual trauma that we have become altogether too familiar with.

This is really a comment as much as anything. I appreciate the extraordinary challenges you have. I am just not sure that you have the tools to really make change. The UCMJ is rooted in an organization that is deferred and defined by rank. It is implemented by those who are ingrained in that culture. And I have to say, this decision was so troubling on so many fronts.

Secretary MCHUGH. Thank you——

Mr. KLINE. Thank the gentlelady.

Dr. Fleming.

Dr. FLEMING. Mr. Chairman, I think she had a little bit more time left.

Mr. KLINE. Thank the gentlelady.

Dr. Fleming.

Dr. FLEMING. Mr. Chairman, I think she had a little bit more time left.

Mr. KLINE. Oh she did. I am sorry. Okay. Yes.

Dr. FLEMING. Well, thank you, Mr. Chairman.

Thank you Secretary McHugh and General Odierno, first of all for your service to our country. Both of you in different capacities, and also for being here today.

And I listened very carefully to your discussion about the ratcheting down of numbers of soldiers and BCTs. And I want to revisit that a little bit, and so I apologize if there is any redundancy.

In my understanding, we are going from 570,000 to 490,000 soldiers; from 45 BCTs to 33 BCTs as a part of the Army 2020 process. And importantly, the remaining BCTs will be reorganized through the addition of a third maneuver battalion and additional engineering capabilities.

With the President's fiscal year 2015 budget submission, we now realize the Army will go even deeper in these cuts. We have al-

ready talked about going somewhere between 440,000 to 450,000. And should sequestration stay in place, it looks like in fiscal year 2016 as low as 420,000.

And I think I heard someone actually make the comment that that is really exactly where we are headed at the rate we are going at the present time.

Well, I understand a supplemental programmatic environmental assessment [PEA] is already underway to look at these levels, so here is where I want to drill down. General, can you tell me when each of the remaining BCTs will be reconfigured with a third maneuver battalion?

General ODIERNO. Excuse me. In the Active Component, we will complete the reconfigurance by the end of fiscal year 2015, and we will complete, except for two brigades which will not convert because of room where they are at. So, all but two will convert by the end of 2015. In the National Guard, we are still working with the National Guard Bureau to define the timeline as they also convert to the new organization, and we are working our way through that.

Dr. FLEMING. Okay. Thank you, General. Do you again, General, do you believe you are adequately managing risk by implementing such large reductions to both Army 2020 while simultaneously implementing the supplemental PEA process to yet again look at more cuts?

General ODIERNO. Well, if I could just make one correction, we are moving from 45 to 32 brigades, not 33.

Dr. FLEMING. Okay.

General ODIERNO. And as I stated, that number of brigades in the Active Component allows us to meet the Defense Strategic Guidance. But with these additional cuts, depending on how far we go down, if we have to go down all the way to 420,000, we will no longer be able to. And it will significantly reduce more of the amount of brigade combat teams, up to eight more, coming out of the Active Component.

Dr. FLEMING. And based on some comments you said earlier, it sounds like to me if we go down to 420,000, we are really talking about a high-risk category?

General ODIERNO. We would not be able to execute the Defense Strategic Guidance, which puts—I consider high risk.

Dr. FLEMING. Do you see any value in fully executing Army 2020, meeting that commitment to the communities who host your soldiers before you go to the next step with this supplemental PEA?

General ODIERNO. That is what we are in the process of doing, sir. We want to implement this first. We will then, the Secretary and I will then conduct additional assessments on potential future reductions and where that might occur.

But we have to continue to—since we know sequestration is the law, we have to continue our process, and that is why we have to do the program of our minimal assessment and get that out there.

Dr. FLEMING. And then finally, could you please comment on the potential benefits and cost savings of having a BCT permanently stationed at our national combat training centers?

General ODIERNO. We currently have one at JRTC [Joint Readiness Training Center]. And we have found that to be very helpful

to have them there, so they have availability to many readiness and training capabilities that aren't normally there. It is a bit more difficult out at the National Training Center to have one stationed right there.

So, that is one of the factors we take into consideration as we will make our assessment as we move forward, sir.

Dr. FLEMING. Right. JRTC is in my district, and as you know, we are vastly upgrading, enlarging, and because of previous program spending, are really upgrading that and enlarging that base. So, obviously, we see some real benefits, I think, to the Army in doing that.

And I apologize, Secretary McHugh, I didn't ask you any questions yet, but in 30 seconds, do you have anything to add?

Secretary MCHUGH. You cannot ask me a question any time you want.

[Laughter.]

Secretary MCHUGH. No, I think the chief has captured it very well. It all comes back to what both the ranking member and the chairman said in their opening remarks. We are not particularly anxious to take this Army down to 420,000. We are not at all sanguine about how it would look in the rationality of the process, but it is the law of the land. Unless it changes, that is where we have to go.

Dr. FLEMING. Yes. Okay, thank you, and I yield back.

Mr. KLINE. I thank the gentleman.

Mr. Garamendi.

Mr. GARAMENDI. I thank you, Mr. Chairman.

Representative Tsongas laid out an exposé of the Sinclair problem. I understand, a few moments ago, you talked about a half-day session that the Secretary of Defense had with the ranking members or the rank.

My question to you is—so, as Secretary of the Army and top general in the Army, what are the two of you going to do about the Sinclair situation?

Secretary MCHUGH. I will start. As the final decisionmaker in matters of this kind, I am really constrained in what I can say. Unlike in the civilian sector, when a jury comes in, and the case is closed, this case is not closed. They are under the Uniform Code of Military Justice, a continuing process of certification of the record providing both the victim as well as the general an opportunity to respond to the content of that record.

The accused can make pleas for clemency, et cetera, et cetera. So we have a ways to go.

What I can say is that as in the civilian sector, we do not have control over, nor do we try to influence, the sentencing of the judge. The Army was faced with the prospect of prosecuting this particular individual, and it did that, and it also prosecuted in a way that obtained a conviction. Those are the things we do control. And I think it is worthy to note that in the Army, the prosecution rate for rape is 64 percent, where in the private sector, it is 14 percent, 14 to 20 percent.

So, we do take the steps necessary to hold soldiers accountable, but we cannot, and nor would the civilian sector, be able to make the determinations of a sentencing judge.

Mr. GARAMENDI. So the general gets off the hook?

Secretary MCHUGH. As I said——

Mr. GARAMENDI. Retires with full benefits?

Secretary MCHUGH. As I said, sir, the process is still ongoing. I have to make the final—I have to make the final certifications as to his rank and conditions of retirement, and that has not yet reached my desk.

Mr. GARAMENDI. General, your comments?

General ODIERNO. I have no additional comments than what the Secretary said. Bottom line is, the military justice system, like the civilian justice system, has an independent judiciary. In this case, he had the sole discretion of the sentence and the accused and the military judge made a decision. We now will abide by that decision and work through the process, as it was described by the Secretary of the Army, and we can't comment any further on it because it is still an ongoing case.

Mr. GARAMENDI. When it is completed, I would expect you will be back here to explain what your decisions are?

Secretary MCHUGH. Any decision I make would be a matter of public record, of course.

Mr. GARAMENDI. I yield back.

Mr. KLINE. Thank the gentleman.

Mr. Gibson.

Mr. GIBSON. Thanks, Mr. Chairman.

And I appreciate the panelists being here today. Thank you very much for your leadership. I appreciate the sacrifices not only of you both and your families, but all those that you command and lead.

I would like to follow up on earlier dialog with Ms. Sanchez and our panelists about the status of the force, morale, cohesion, professional development. In particular, a focus on professional military education. The vision for the Army changes since 2010, when I left it, and particularly if there are aspects of your vision that you would need changes in law.

General ODIERNO. Right now, I don't think there is any need to have any changes in law. But let me walk through.

We understand now that what we have—part of what we have learned over the last 10 to 12 years, and as I look to the future, that the complexity of the environment we are going to have to operate in is increasing.

And so we have to—one of the great advantages that we have in our Army is our leaders, and we have got to continue to develop them, both noncommissioned officers and officers, in order to meet those increasing challenges.

So we are completely revamping how we do training, from the United States Military Academy to ROTC [Reserve Officers' Training Corps] all the way up through general officer training that we are doing. We are changing what we do at Command and General Staff College. We are changing what we do at the Army War College. We have NCO 2020 that is looking at the development of our noncommissioned officers, and how we continue to train them to understand the complex environment and make decisions.

I believe in the future, decisionmaking is going to be decentralized, and so we have to prepare our young leaders in order to understand this environment and the responsibility of making decen-

tralized decisions, especially with the fast movement of information.

So, we are totally focused on doing this. It is also about managing talent, and that is one of the most important pieces, and that we want officers that are very well-rounded. We want officers that can be successful tactically, but also understand the broader array of responsibilities that you have as you increase in rank, and the responsibilities of running a major organization, of understanding the different aspects of operating in a joint multinational environment, operating and understanding budgets, but also being operationally and tactically proficient.

Those are the kind of capabilities we need. So, in order to do that, we need to ensure that our young leaders are getting trained to do this, and that we manage them in such a way that they are getting jobs that develop them to do and operate across a wide array of responsibilities.

So, it is a combination of training and education, it is a combination of talent management, and utilizing the incredible talent that I believe we have in all the components of the Army.

Mr. GIBSON. Mr. Secretary, any further comments on that?

Secretary MCHUGH. Well, I think the chief summed it up very, very well.

Obviously, as we go forward, the more uncertainty in the environment, we would like to have our leaders more and more comfortable with uncertainty. And that takes the kind of training processes and the kind of approach that, as the chief said, that it, particularly to this credit, we have worked very, very hard and we view that as the key to the future.

Mr. GIBSON. And as the forces develop leadership, retained and developed, do you envision any potential need to change the personnel policies in terms of rightsizing the force and developing the force?

General ODIERNO. So, I think one of the things we are doing, as we were growing the force in the 2000s, our promotion rates were really high, because we lacked the numbers.

So as we shape the force as we go forward, first we are going to see promotion rates come down to what I consider to be historic levels, which I think is positive because it is going to generate competition. Competition. There is nothing better than creating great leaders is through competition. And I think we are going to see that as we move forward. And I think that is important.

But, again, it is also making sure that we continue to have processes, both in not only the institutional training piece, but in the operational training, that we provide opportunities for our leaders, operationally, to think through complex problems like—that is why the regionally aligned force concept is so important. It is going to connect them to regions they have not been in before, such as the Asia-Pacific, such as Africa, such as working with our NATO allies, such as in other areas, that will allow them to understand the culture, the idiosyncrasy, social, economic aspects of what we are going to face in the future.

And that is going to be a key component of this. So it is not only the institutional, but it is the organizational and operational education that is going to be important.

Mr. GIBSON. Well, it looks like I am about out of time, so I yield back.

Mr. KLINE. Thank the gentleman.

Mr. Barber.

Mr. BARBER. Thank you, Mr. Chairman.

And thank you, Mr. Secretary and General, for being with us today.

Before I ask my questions, I just want to comment on an experience I had last week. I had the good fortune, under the leadership of Mr. Wittman, to go to Afghanistan, where I visited with many of our soldiers, who, I have to say, are performing incredibly well, very professionally, under what I would consider very trying circumstances.

So I think we all would agree that the statements that have been made by the President of Afghanistan have been outrageous and inappropriate.

And I wanted to find out for my own, for myself, how this is affecting morale amongst our troops. And, needless to say, morale is very high. They are professionals. They are dedicated to their mission. They are carrying out, as I say, the mission in the midst of very trying and a very fragile situation, with the elections coming up just a week or so away.

I wanted to, Mr. Secretary, ask you about a particular issue that I joined with Senators Flake and McCain. We sent a letter to you a couple of weeks ago in regard to rumors that the Army Test Evaluation Command, or ATEC, was looking at consolidating test capabilities across the Nation.

Last year in March, March 2013, you responded to a similar letter, saying that these consolidations were not being considered. But we still hear the rumors. And, of course, rumors create uncertainty, and we would like to put them to rest.

As you know, Fort Huachuca in my district is home to the Electronic Proving Ground, the EPG. It has capabilities and assets that simply can't be matched anywhere in the country. It is a critical issue for our national security, I believe, that we respond—we get your response to this question.

And, Mr. Secretary, we look forward to your response, and hope that it will be similar to the one you gave about a year ago.

Do you have any sense of when we might be able to hear back from you, sir?

Secretary MCHUGH. That letter is staffed and being worked, as we speak, but we will try to expedite that to get it to you as quickly as we possibly can.

As I mentioned in my letter last year, the capabilities at Huachuca and White Sands offer advantages that are hard to replicate. I can only guess that the source of the rumor probably has something to do with the Army-wide effort we are doing in looking at our administrative structure.

We expect that there may be some changes across all Army processes in that regard, so we make sure we are aligned efficiently. But that is a separate issue from testing, per se.

But I don't want to write the letter before it is written. So let me make sure we are getting you the most up-to-date, accurate information, and we will do that as quickly as we can.

Mr. BARBER. Thank you, Mr. Secretary. I appreciate that. And I think, as we spoke before the hearing, with the general as well, I think you know what a unique facility, installation, garrison we have at Fort Huachuca in terms of the capability it has to test without interference from flyovers or other electronic signals.

And I do hope that both of you will be able to come out and visit us in the very near future.

Secretary MCHUGH. I am trying. As you and I talked this morning——

Mr. BARBER. I know you are.

Secretary MCHUGH. I have had three trips canceled, for a variety of reasons. I am beginning to think I am a jinx. But I am still committed to going out there.

Mr. BARBER. Look forward to having you. I know the community would be very excited to meet with you as well.

Let me go—move quickly, then, since I have got very little time left, to a question for General Odierno.

I want to thank you, first of all, General, for your incredible service to our country. And it is really unparalleled.

General, I agree with Secretary Hagel that cyber warfare should be one of DOD's top priorities. And certainly, we have welcomed that. It is the capability we need, certainly, going into future warfare.

And, as I mentioned earlier, Fort Huachuca has the Electronic Proving Ground. It is the Army's premiere C5ISR [command, control, communications, computers, combat systems, intelligence, surveillance, and reconnaissance] and developmental tester, with the most pristine electronic range, due to its geographic location. Quiet electromagnetic spectrum and no overflights by the aircraft.

Because of this, it produces, really, the best world test results it can have. Any reduction, I believe, in the personnel at Fort Huachuca would put these missions at risk.

As the Army looks at downsizing force structure, General, what is the Army's plan to avoid the loss of Active Duty military and civilians, like those that are found at Fort Huachuca, who have institutional knowledge to support programs such as cyber warfare?

If you could comment, please.

General ODIERNO. Well, first, we are increasing—during this budget downsizing, we are increasing our investment, so that is how important it is to us. And so, those people and that expertise is critical to us as we move forward and as we continue to expand the Army's role in cyber.

And I understand the range that is out there and the importance of that range as we move forward. It is critical for our evaluation and continued testing.

So, in my opinion, we are expanding our capability in cyber. We still have some decisions to make, but I think the capability that is in Fort Huachuca is one that is very important to us as we move forward.

Mr. BARBER. Well, thank you both. I am out of time.

Mr. Secretary, General, look forward to seeing you in Arizona.

I yield back.

Mr. GIBSON [presiding]. The gentleman's time has expired.

Thanks, Mr. Barber.

Mr. Enyart.

Mr. ENYART. Thank you, Mr. Gibson.

General Odierno, all the way over here on your right, I have moved positions, like Mr. Courtney, I recognize the—what those stripes on your sleeve mean.

And I know that over the past dozen years, many in our Active Component have been on a 1-and-1 cycle, 1 year overseas, 1 year back to try and reestablish family foundations, and then it is right back into the fight again.

And I realize also, as do you, that if it were not for the contribution of the National Guard or the Reserve forces, our Army would have been bent far beyond the ability to sustain that long-term fight.

So it greatly concerns me when I heard you talk earlier, and I think it was at least twice that you mentioned the Army's problems in maintaining a prolonged fight if these cuts go through.

So that leads me into my question, having set the preface. According to OSD CAPE [Office of the Secretary of Defense Cost Assessment and Program Evaluation], and the recent Reserve Forces Policy Board study, the National Guard is significantly more cost-effective over its life cycle, at approximately one-third of the cost when not mobilized and approximately 80 percent to 95 percent of the cost when mobilized.

So I am not sure that I understand why we are proposing to cut the National Guard instead of relying on it more, using a term that you use so frequently, rebalancing, since it offers opportunities to save money while sustaining defense capacity and capability.

So I would like you, and I will take this answer, since my time is very limited, I will take this answer in writing after the hearing, but I would like you to discuss for me why the Army is not choosing to keep tens of thousands of soldiers more in our total Army, housed in the National Guard and the Reserves, while remaining well inside the current cost constraints.

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

Mr. ENYART. Now, for an answer that I would like to have on the record, the proposal to transfer the AH–64s, the Apache helicopters, out of the Guard over to the Active Component, are any of those Guard helicopters going to be mothballed or shrink wrapped or placed on an inactive status?

Secretary MCHUGH. The short answer is no.

I can get you a detailed answer on that.

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

Mr. ENYART. Thank you.

Now, the reasoning that I have heard propounded here and in other places for this justification for transferring the Apaches, is that it is going to save money but we are not mothballing any, so I am not quite sure how that saves money.

But the other reasoning I have heard is that the Governors can get more use out of Black Hawks, that they, the Governors, don't have any real use for Apaches.

So my question is, has the mission of the National Guard changed? If you use that logic, what you are saying is the Guard is only going to be used for domestic purposes or disaster response.

Has there been some shift in policy that Congress has not been made aware of, that would eliminate the Guard's role in deploying overseas and in fighting foreign threats as well as guarding against domestic disaster?

General ODIERNO. Thank you, sir.

First, what we are eliminating is almost 600 OH–58 aircraft.

Mr. ENYART. Sir, I am not talking about the OH–58s. I am aware of——

General ODIERNO [continuing]. You are asking me——

Mr. ENYART. I am asking you about—specifically about Apaches.

General ODIERNO. And I will get to that. But you asked me why we are not mothballing Apaches. It is because we are eliminating OH–58 Deltas. Significant number. Almost—over 600 of those out of the force. That is why we are doing this.

Now——

Mr. ENYART. General, I don't want to cut you off. I have only got a minute left. So you can answer that in writing to me, please.

General ODIERNO. Okay.

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

Mr. ENYART. Thank you.

Now, the motto of the Army that I went through for many, many years, was that you train as you fight. And I know when I went to Bill Ingram's retirement ceremony, as the director of the Army National Guard, when he gave his retirement speech, he talked abut the first unit that got activated out of North Carolina in 2003 for Iraq was the AH–64s.

Now, what concerns me is you are eliminating the Army's reserve force of AH–64s at zero dollars in savings in terms of that program. So I think that is not a particularly wise move and you are taking away from the Guard's ability to train because they are not going to be able to train as they fight.

I have one more comment for you, General. And that is when I was a young officer, there was a well-known motto: "Different spanks for different ranks." Now, when I got to be a two-star, I vowed to eliminate that motto in the force that I commanded. And I worked very diligently to do that. In light of the Sinclair episode, I commend that thought to you, to eliminate different spanks for different ranks.

Thank you. I yield back.

Mr. GIBSON. Thank you, Mr. Enyart.

Mr. Gallego.

Mr. GALLEGO. Thank you, Mr. Chairman.

I, in looking at some of the issues with respect to the sequester and the budget, I note that the supplemental programmatic environmental assessment [PEA] for Fort Bliss, which is located in El Paso, indicates a possible cumulative military and civilian employee loss of 16,000 folks. And the supplemental PEA for Joint Base San Antonio indicates a potential loss of 5,900 military and civilian employees there.

San Antonio and El Paso being the ends of the congressional district that I represent—as you know, it is nearly a quarter of Texas in that district—I know that a lot of that or all of that relates to the necessary—the tough decisions with respect to the sequester.

But what happens to me as I go home and talk to folks is that the perception is you all have such a big budget, why can't you find the money and save the money and do this—and go on about the business of the Army? Why is the sequester such a big deal?

Can you—if you were talking to folks in El Paso or San Antonio for me, what would you—how would you explain this to them? Because nobody feels the impact of the sequester. I mean, that is just another Washington story and it, you know, it doesn't ever really hit home.

How would you make it hit home?

General ODIERNO. Well, first of all, thank you for the question. What I would tell everybody is that with all the budget cuts we have had over the last 11 years, it results in a 34 percent reduction in the Army's budget top line, which is $400 billion over about 11 years.

So that is a significant amount of money. And so in order to do that, we have to get in balance readiness, modernization, and end strength. So in order to meet our responsibilities to Congress, it is important that we develop a program that allows us to do that.

Unfortunately, that means we have to reduce the size of the Army, because the one thing we don't ever want to do is send people into harm's way that aren't trained or have the most modern equipment. So we have got to balance that.

And that is the cost, is that we are reducing our spending on defense. That means we have a smaller Army. That means it will be one that can do less. But in order to make it—continue it to be capable, we have to reduce it. And that is why these reductions have to take place.

Now, we can have an argument over whether it is too small or not, but the bottom line is with the dollars that we have been allocated, we have no other choice. That is the only thing that we can do, and that is what I would say to that.

Mr. GALLEGO. Is the sequester, then, not impacting readiness in the sense that if you are going to just field a smaller Army, your smaller Army will be ready. But I would argue that sequester impacts the training, for example. It impacts—it has a real impact on the safety of our men and women in uniform.

General ODIERNO. It does in the interim. So in other words, for 5 or 6 years as you are building—it all has to do with as you are taking end strength out, you then don't have enough readiness. But once you get that end strength out, we will be able to sustain a readiness level that is appropriate. And that is the end state.

And so at the end state, you have a smaller Army that is ready. But in the meantime, it creates great uncertainty and unreadiness because we have to be very careful on how we take soldiers out of the Army. We want to make sure we can still meet our current operational commitments. We want to make sure we take care of our soldiers as we take them out. And we are taking out nearly 20,000 a year now out of the Army.

And for us to get down to sequestration levels, we would have to continue that for another 5 years.

Mr. GALLEGO. I would invite you—I know that you have been, and I know that you have been semi-frequently—and Mr. Secretary, you as well, to visit both Fort Bliss and Joint Base San An-

tonio. I think they are significantly important in national defense. Each obviously has a very different mission, the San Antonio mission with the medical corps and the medical training corps across the services.

But I would like the opportunity to host you all and have you all talk to some of the folks directly about the importance of their mission and some of the challenges that you all face in the day-to-day decisionmaking with respect to these—making these numbers work.

General ODIERNO. I am actually coming down in April to San Antonio, so I would be happy to set something up.

Mr. GALLEGO. Great. Thank you.

Mr. GIBSON. The gentleman yields back.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Gentlemen, thank you for your service. I was with General Welsh this past weekend at Moody Air Force Base where the A–10 flies out of. And I have a tremendous amount of respect for General Welsh. I know that he, like you, is having to make a tremendous amount of tough decisions.

With regard to the A–10, my primary concern with the recommendation is that we are pulling down that weapons system over the course of 24 months, when it will be 7 to 8 years before the F–35 is coming off the assembly line in adequate numbers to replace some of the other planes that are going to be pulled down.

I recognize the F–35 is not the primary to take the role of replacing the A–10 for close air support, but we can't have one plane in two places at the same time. So we are going to be pulling down a lot of planes over the course of the next 24 months.

With regard to the close air support mission, that is obviously going to be taken over by other weapons systems. And my question gets back to with the retirement of the A–10, the costs of flying the Apaches, what additional costs do you expect to incur out of the Army's budget in handling that close air support mission with Apaches instead of the A–10s? And what additional challenges, whether it be in altitude or range or other areas, do you anticipate A–10 versus Apache?

General ODIERNO. Well, first, I think—first, I want to tell you the A–10—soldiers appreciate the A–10 and the incredible support it has given to us. It is considered to be an incredible, good close air support capability. What I would say, though, is the replacement really in the interim is the F–16. The F–16 is going to be what gives us close air support. We have been using the F–16 for close air support in Afghanistan. They have done about 60 percent of the missions in Afghanistan on close air support.

I think what we have to do with the Air Force, though, is work through the tactics, techniques, and procedures on how we continue to move forward with the F–16 providing close air support.

The Apache provides some support to our ground troops. It provides us close, tactical, integrated air support, but it does not replace the responsibility and the need for close air support from the Air Force. And so, we are going to have to depend on the F–16 until the F–35 comes on board for close air support.

Again, as I said, they have been providing that with that in Afghanistan in some cases. We need to work with them to develop the proper tactics, techniques, and procedures so we can move forward. And General Welsh and I have talked about this.

Mr. SCOTT. As I said, I have a tremendous amount of respect for both of you, and I know he was an A–10 pilot, and I know that if we weren't in the budget situation that we are in, we wouldn't be talking about retiring it over the course of 24 months. It would probably be closer to a 7-year or an 8-year drawdown as they went in for major depot maintenance.

I appreciate your service and look forward to making sure that we maintain that close air support mission as I know you and General Welsh will work on as well.

Secretary McHugh, thank you for being here. Sorry I had to step out for a little while, but thank you for your service.

With that, I yield the remainder of my time.

Mr. GIBSON. Gentleman yields back.

Ms. Speier.

Ms. SPEIER. Mr. Chairman, thank you.

And to both Secretary and General, you have led this country during some extraordinary times and we value all of your sacrifices on our behalf.

Secretary McHugh, I must challenge your earlier statement. To say that there are 5,000 soldiers who will file complaints for sexual assault or rape a year and only 500 of them go to court-martial, that means that only 10 percent of those that file complaints actually go to court-martial. What happens to the 90 percent that don't?

So, the record is good in terms of once they get the court-martial that you are successful, but that doesn't address the fact that so many of these cases go unaddressed. But that is not really what I want to spend time talking about this morning.

General Sinclair pled guilty. He pled guilty to engaging in an inappropriate relationship with his accuser. He pled guilty for engaging in an inappropriate relationship with another female Army captain. He pled guilty to engaging in an inappropriate relationship with a female Army major. He pled guilty to possessing and displaying pornographic images and videos on his computer in Afghanistan.

He pled guilty to using his government-issued travel card for personal purposes for a trip to Tuscon, Arizona, to see his accuser, and he pled guilty to using that same travel card for another trip to see her in Fort Hood, Texas.

He pled guilty to engaging in sexually explicit communications with a second female captain. He pled guilty to engaging in sexually explicit communications with a female major by requesting and receiving nude photos and a sexually explicit video of her.

He pled guilty to trying to start an inappropriate relationship with an Army lieutenant.

This is a sexual predator. And for a sexual predator to gain the rank that he has gained, go through a court-martial process, and be given a slap on the wrist suggests to everyone who has been watching this case that it does not work. The system does not work.

This is an issue of undue command influence. That is the problem. It is a problem when undue command influence does not move forward in terms of investigations and prosecutions, and it is a problem when undue command influence goes forward in a case that has got problems.

Now, it is true that the defendant and the prosecution had come to an agreement, a pre-trial agreement in which the defendant agreed to a demotion and jail time. And it was the convening authority that refused to accept that plea.

Now, my understanding is that you have the authority to demote General Sinclair. Is that not the case?

Secretary MCHUGH. Under the processes for the military, when a soldier goes for retirement, the Secretary of the Department has the authority to order a grade determination board, and that grade determination board makes recommendations as to the grade at retirement for that officer. That is correct.

Ms. SPEIER. So, let's be clear that this general pled guilty to any number of egregious conduct. That a lower-ranking individual would have been kicked out of the military. He has pled guilty to those, and you do have the authority to demote him by virtue of being the Secretary of the Army.

Secretary MCHUGH. As I said, under the military procedures, at retirement, the service secretary of any of the military departments can order a grade determination board to make recommendations on grade at retirement.

Ms. SPEIER. Are you going to order that grade determination board?

Secretary MCHUGH. As I stated earlier, Congresswoman, as the decision authority in those matters, I am——

Ms. SPEIER. You are not at liberty to tell us?

Secretary MCHUGH [continuing]. I am not at liberty to make comment on what I may or may not do, particularly given that the case is still technically open under the UCMJ. Unlike in most civilian courts, there is a preparation of the trial record. The victim in this case will be allowed to make comment on those kinds of things. The accused can make clemency pleadings, et cetera, et cetera. So, I regret, but I am highly constrained from what I can say.

Ms. SPEIER. All right.

Secretary MCHUGH. I can say, though, as I did earlier, as I know you appreciate, and we all appreciate your devotion and focus on this very important issue. The Army only had control over whether or not this officer was prosecuted. He was. Those guilty pleas that you have mentioned came about because the Army did prosecute. We in the military, like in the civilian sector, have an independent judiciary, and the independent judges make determinations of sentencing.

This officer was convicted.

Ms. SPEIER. The judges though, it is important to point out, thank you Secretary, are JAG [Judge Advocate General] officers that play the role of a judge for a particular case, so they are still subject to the chain of command in subsequent cases.

I yield back.

Mr. GIBSON. Gentlewoman yields back.

Mr. Carson.

Mr. CARSON. Thank you, Mr. Chairman.

Thank you, Secretary McHugh and General Odierno, for your service to our country.

General, let me first start by saying I have a deep affection and admiration toward you for two reasons. One is substantive, the other is superficial. On the substantive part, I spent some time with you in the region a couple of years ago, and I found you to be very forthright, very knowledgeable, and greatly respected by your team and by our men and women in uniform.

On the superficial side, I think you carry yourself quite well for a fellow tall guy and a guy who has a similar haircut. So thank you.

Secretary McHugh, I recently received word about an Army proposal to pull some of its financial management services in-house, and away from the Defense Finance and Accounting Services [DFAS]. And as you may know or if you don't know, in Indianapolis, Indiana, which is my district, DFAS headquarters is located there. And obviously this is a deeply—seriously—serious concern for that matter, for me and my constituents that might have been impacted by these changes.

But, before getting to my question, I just want to say sir, and you can relate as a former member, that I am disappointed that the Army didn't reach out to me with the details of the proposal, and I had to receive the information third party. So I know you understand my concerns, because you have been on this side, as well.

But, I would like to know from you, when I learned in March that an Army pilot project was set to begin in April there really wasn't much time to properly make an inquiry and determine how exactly this will impact my district and DFAS as a whole. I don't know—you have probably seen the letter from the entire delegation of Indiana with several questions about this proposal, its impact on our State and how it might impact cost effectiveness and auditability of the Army.

So I hope I can get your commitment to provide some answers before the general pilot program begins.

So here are my questions, sir. Can you tell me if the Army is currently proceeding with a plan to realign some of its financial management and accounting services whether through the proposal I am referencing or for some other proposal?

And, what are your goals, sir, in this process and how will efficacy and feasibility of a proposal be judged beyond the pilot stage as we know it today?

Secretary MCHUGH. Thank you, Congressman.

First of all, as I know you understand, the United States Army does not control DFAS. That is under the Department of Defense, principally the Comptroller—at the moment Secretary Bob Hale. I in fact had a conversation with him about this matter, a very brief one, yesterday. And obviously as the administrative head of DFAS, he is tracking very closely what, if any, impact the Army's current initiatives may have on DFAS.

And I want to underscore the word "if any." Our intent is not to have an effect one way or another on DFAS, but rather to optimize our financial management and financial structure internally.

The project that you are, I believe, referencing is a two-based pilot program that by and large focuses on internal management and internal Army financial structures. And we don't expect it would have much of any impact on DFAS, whether it be in your district, or whether it be not far from my district used to be in New York, in Rome, New York, for example, but we won't know what the outcomes may be until we do this one- or two-base targeted program.

I think everybody has to be realistic though, that DFAS relies upon its customers and its customers are the Army, the Navy, the Marine Corps, the Air Force, Coast Guard. As the number of customers get smaller, you are going to have fewer transactions if no one does anything else.

It is just realistic.

So I mean, the face of DFAS, I would think—and it is not my call, would have to make some adjustments to accommodate the drawdown in the budget as well.

It is just—it seems to me logical.

But, having said that, the last point I would make, much of what we are doing is in pursuit of what Congress has legally said we must do, and that is, to become auditable. We have launched—you may have heard our conversation earlier with Mr. Conaway—launched GFEBs and other ERPs to make sure that we are auditable. Part of that, too, will yield inefficiencies and economies that may at some point have a transactional—an effect on the transactions with DFAS, but we have to make those validations.

And I know we are working the response to you and your delegation's letters, so that—you know, our intent is not to surprise anyone, but again, this is basically an Army-focused exercise, but it does have the Comptroller General and the Department's attention.

Mr. CARSON. Thank you, Mr. Secretary.

Mr. Chairman, I yield back.

Mr. GIBSON. Gentleman yields back.

This concludes questions from members. Offer the Army leadership any final comments.

Secretary MCHUGH. It is good to see a fellow New Yorker——

General ODIERNO. Thank you very much, sir. We appreciate it.

Secretary MCHUGH. Thank you, sir.

Mr. GIBSON. Well, we thank the panelists for their long distinguished careers, for their service, and for their testimony here today.

And may God bless the United States Army.

The hearing is completed.

[Whereupon, at 12:47 p.m., the committee was adjourned.]

A P P E N D I X

March 25, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 25, 2014

RECORD VERSION

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH
SECRETARY OF THE ARMY

AND

GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 113TH CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY

MARCH 25, 2014

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
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INTRODUCTION

America's Army remains heavily committed in operations overseas as well as at home in support of our Combatant Commanders. More than 66,000 U.S. Army Soldiers are deployed to contingency operations, with nearly 32,000 Soldiers supporting operations in Afghanistan. In addition, there are approximately 85,000 Soldiers forward stationed across the globe in nearly 150 countries worldwide. Every day, the Soldiers and Civilians of the Active Army, Army National Guard and Army Reserve inspire us with their competence, character and commitment to serving our Nation. A typical day for our Soldiers may include patrolling alongside our Afghan National Army partners, standing watch on the DMZ in Korea, manning missile batteries in Turkey and Guam, delivering humanitarian relief to the Philippines, conducting logistics training in Sierra Leone, securing facilities in South Sudan and responding to floods, wildfires and tornados across the United States.

The Army's Strategic Vision

The All-Volunteer Army will remain the most highly trained and professional land force in the world. It is uniquely organized with the capability and capacity to provide expeditionary, decisive land power to the Joint Force and ready to perform across the range of military operations to Prevent, Shape and Win in support of Combatant Commanders to defend the Nation and its interests at home and abroad, both today and against emerging threats.

Throughout our Nation's history, the United States has drawn down military forces at the close of every war. Today, however, we are in the process of rapidly drawing down Army forces before the war is over. At the same time, we continue to face an uncertain, complicated and rapidly changing international security environment, as stated in the 2014 Quadrennial Defense Review. In light of domestic fiscal challenges, the Army is committed to doing its part to restore fiscal discipline and contribute to our Nation's economic strength. In a time of budget stringency, the Army's greatest challenge is providing steadfast support to worldwide operational commitments to include Afghanistan while simultaneously drawing down, reorganizing and preparing the force for a wider array of security missions and threats in the future. We are committed to ensure the U.S. Army remains the most highly trained and professional land force in the world.

Together, we must ensure our Army is trained and ready to prevent conflict, shape and set theaters for our geographic Combatant Commanders, deter aggression, and if necessary, win decisively in a sustained major combat operation. However, over the last two years, the impact of the Budget Control Act (BCA) of 2011 has resulted in declining readiness throughout the Total Army (Active Army, Army National Guard and Army Reserve).

BUDGETARY REDUCTIONS AND STRATEGIC CHOICES

Over the past four years, the Army has absorbed several budget reductions in the midst of conducting operations overseas and rebalancing the force to the wider array of missions required by 2012 Defense Strategic Guidance. To comply with the funding caps specified in the BCA, the FY 13 Budget proposed $487 billion in DOD funding reductions over 10 years, of which the Army's share was an estimated $170 billion. In addition, sequestration was triggered in 2013, forcing an additional $37 billion reduction in FY 13 and threatening a further total reduction in DOD funding of

approximately $375 billion through FY 21, with the Army's portion estimated at $95 billion. In FY 13, a combination of sequestration and overseas contingency operations funding shortfalls degraded Army readiness levels. It caused the Army to carry over a readiness shortfall of $3.2 billion to FY 14.

The Army continues to face an uncertain fiscal environment in the years ahead. The Bipartisan Budget Act (BBA) of 2013 provides the Army modest, temporary relief from BCA defense spending caps in 2014. The predictability afforded by known budget levels is appreciated, and the BBA supports an FY 15 Army funding level of $120.5 billion. However, the Army still faces budget cuts of $7.7 billion in FY 14, and an additional $12.7 billion in FY 15, when compared to the President's FY 14 Budget request. While we welcome the relief and predictability that the BBA provides, the Army will be forced to cut $20.4 billion in planned funding, an abrupt reduction over a short two-year period of time. Beyond FY 15, fiscal uncertainty remains, including the potential resumption of the sequestration-level spending caps in FY 16.

During this period of uncertainty in the fiscal and strategic environment, our goal has been to maintain the proper balance between end strength, readiness and modernization across the Total Army. We are reducing end strength as rapidly as possible, while still meeting our operational commitments, in order to concentrate remaining funds on rebuilding readiness. However, to do this we must accept greater risk in our modernization programs. To rebuild and sustain a force capable of conducting the full range of operations on land, to include prompt and sustained land combat, it is essential that we take steps to prevent hollowness within the force. Therefore, consistent with the 2012 Defense Strategic Guidance, we are in the process of drawing down Active Army end strength from a wartime high of 570,000 to 490,000—a 14 percent cut—by the end of FY 15. The Army National Guard will reduce from 358,200 to 350,200 and the Army Reserve will remain relatively constant, decreasing from 205,000 to 202,000 Soldiers. In conjunction with these end strength reductions,

the Army decided to reorganize the current operational force of Active Army Infantry, Armored and Stryker Brigade Combat Teams (BCTs) from 38 to 32. This force structure reorganization will allow us to eliminate excess headquarters infrastructure while sustaining as much combat capability as possible.

The FY 15 Budget request provides a balanced and responsible way forward in the midst of ongoing fiscal uncertainty. It allows the Army to reduce and reorganize force structure, but incurs some risk to equipment modernization programs and readiness. Under the FY 15 Budget request, the Army will decrease end strength through FY 17 to a Total Army of 980,000 Soldiers—450,000 in the Active Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve. This reduction will also adjust the force mix ratio between the active and reserve components. We will reverse the force mix ratio, going from a 51 percent active component and 49 percent reserve component mix in FY 12 to a 54 percent reserve component and 46 percent active component mix in FY 17. The Army will be able to execute the 2012 Defense Strategic Guidance at this size and component mix, but it will be at significant risk.

But with sequestration-level caps in FY 16 and beyond the Army will be required to further reduce Total Army end strength to 420,000 in the Active Army, 315,000 in the Army National Guard and 185,000 in the Army Reserve by the end of FY 19. This would end up being a total reduction of 213,000 Soldiers with 150,000 coming from the Active Army, 43,000 coming from the Army National Guard and 20,000 from the Army Reserve. This includes a 46 percent reduction in Active Army BCTs and a 21 percent reduction in Army National Guard BCTs. Sequestration-level spending caps would also require a 25 percent reduction to Army modernization accounts, with no program unaffected. Major weapon programs will be delayed, severely impacting the industrial base both in the near and long term. Most significantly, these projected end strength levels would not enable the Army to execute the 2012 Defense Strategic Guidance.

For the next 3 years, as we continue to draw down and restructure into a smaller force, the Army will continue to have degraded readiness and extensive modernization program reductions. Under the President's Budget, we will begin to regain balance between end strength, modernization and readiness beyond FY 17. Our goal would be to achieve balance by the end of FY 19 with 450,000 Soldiers in the Active Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve.

Under sequestration-level spending caps, from FY 19 to FY 23 the Army will begin to establish the appropriate balance between readiness, modernization and end strength, albeit for a much smaller Army at 420,000 Soldiers in the Active Army, 315,000 in the Army National Guard and 185,000 in the Army Reserve. We will stabilize our end strength and force structure. From FY 20 to FY 23 we would begin achieving our readiness goals and reinvesting in modernization programs to upgrade our aging fleets. Our goal is to achieve balance by FY 23. The reduction in our institutional base will make reversibility significantly more difficult. Finally, the size of our Army at this level of funding will not allow us to execute the Defense Strategic Guidance and will put in doubt our ability to execute even one prolonged, multi-phased major contingency operation.

LEADER DEVELOPMENT

Developing adaptive Army leaders who possess the individual toughness, battlefield skill and fighting spirit that typify the American Soldier is one of our highest priorities. The unpredictable nature of human conflict requires leaders to not only lead in close combat but understand the operational and strategic environment, to include its socio-economic, cultural and religious underpinnings. Our leaders must demonstrate the competence, proficiency and professional values necessary to achieve operational and strategic mission success. We must continue to educate and develop Soldiers and Civilians to grow the intellectual capacity to understand the complex contemporary

security environment to better lead Army, Joint, Interagency and Multinational task forces and teams. Therefore, we will reinvest and transform our institutional educational programs for officers and noncommissioned officers in order to prepare for the complex future security environment.

We will continue to build leaders who exhibit the character, competence and commitment that are hallmarks of the Army Profession. We are aggressively and comprehensively reinforcing our core values and ethical leadership throughout all unit and institutional training, leader development programs and professional military education. We will also transition to a new officer evaluation system that strengthens accountability and emphasizes the evaluation of character attributes and competencies. We have completed a 360-degree assessment pilot for all battalion and brigade commanders, which will be fully institutionalized across the force in 2014. We will continue peer assessments for all general officers and will institute 360-degree assessments for all general officers upon promotion to each general officer rank.

Today, our leaders are the most competent and operationally experienced since World War II. We must build on this incredible experience to develop leaders who can operate in an ever-changing, complex strategic environment, understanding the implications of critical thinking, rapid communications and cyber warfare as it relates to combined arms maneuver, irregular warfare and counterinsurgency operations.

THE ARMY: GLOBALLY RESPONSIVE, REGIONALLY ENGAGED STRATEGIC LAND FORCES

There is no more unambiguous display of American resolve than the deployment of the American Soldier. As part of the Joint Force, the Army deters potential adversaries by presenting a credible element of national power: landpower that is decisively expeditionary and strategically adaptive. The Army possesses a lethal

combination of capability and agility that strengthens U.S. diplomacy and represents one of America's most credible deterrents against hostility. If necessary, a ready Army can defeat or destroy enemy forces, control land areas, protect critical assets and populations and prevent the enemy from gaining a position of operational or strategic advantage. Ultimately, potential adversaries must clearly perceive Army forces as being capable of appropriate and rapid response anywhere in the world and across the entire range of military operations, from stability operations to general war.

A ready and capable Total Army provides Joint and Combined forces with expeditionary and enduring landpower for the full range of military operations. Regionally aligned Army forces provide direct support to geographic and functional combatant commands. Army forces are tailorable and scalable, prepared to respond rapidly to any global contingency mission. The Army maintains a responsive force posture through an effective mix of Total Army capabilities and network of installations at home and abroad, to include Army prepositioned stocks. The Army National Guard and Army Reserve provide predictable, recurring and sustainable capabilities and strategic depth. Rapidly deployable Army forces, to include airborne forces, are able to respond to contingencies and conduct forcible entry operations anywhere in the world on short notice. Army prepositioned equipment across the globe also enables the rapid air deployment of Army combat and support forces.

Missions as a Member of the Joint Force

As an interoperable member of the Joint Force, the Army sets the theater for Combatant Commanders by providing unique capabilities en route to, and operating within, austere environments to support all plans and contingencies. These capabilities include special operations and ground forces, operational leadership and mobility, and critical enablers such as aviation, missile defense, intelligence, engineers, logistics, inland ground transportation infrastructure, medical and signal/communications.

The Army provides the Joint Force versatility across the full range of military operations, underpinning operational and strategic reach through the full length of a campaign, often in contested environments. Effective joint operations require Army ground combat forces and Army critical enablers. A significant portion of the Army's force structure is devoted to enabling the Joint Force as well as our Multinational and Interagency partners.

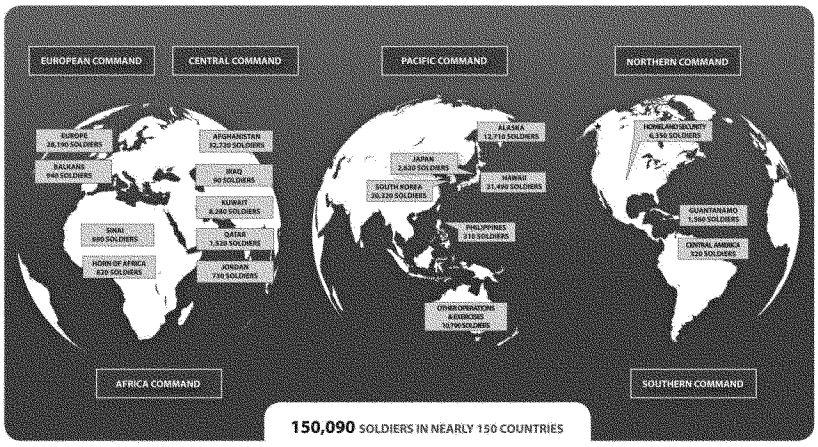
We provide a variety of Joint Task Force headquarters certified and trained to lead Joint Forces, plan operations and exercise mission command of units across the full range of military operations. We provide strategic, operational and tactical logistics, worldwide engineering support and intelligence capabilities, as well as space-based and terrestrial command and control networks that connect our own units, the Joint community, and Interagency and Multinational partners. The Army is also investing in emerging and evolving missions such as operations in cyberspace and countering weapons of mass destruction. For example, we continue to develop and field cyber mission forces that enable the success of our national mission force, combatant commands and Army land forces.

Regionally Aligned Forces

The Army is regionally aligning forces in support of the geographic and functional combatant commands. These forces provide deployable and scalable regionally-focused Army forces task organized for direct support of geographic and functional combatant commands and Joint requirements. Forward stationed Army forces in the Republic of Korea, Japan and Europe, along with Army units based in the United States are aligned with combatant commands. These forces shape and set theaters for regional commanders employing unique Total Army characteristics and capabilities to influence the security environment, build trust, develop relationships and gain access through rotational forces, multilateral exercises, military-to-military engagements, coalition training and other opportunities.

Army forces strengthen alliances and ensure collective capability while building capacity and serving common interests. In many regions of the world, Army military-to-military relationships have enabled the U.S. to remain a trusted and welcome partner over the years. The Army's Special Forces Groups provide extraordinary regional expertise and unique capabilities, as well as years of experience, to the combatant commands. The Army National Guard, through the State Partnership Program, maintains long-term partnerships worldwide.

SOLDIERS DEPLOYED AND FORWARD STATIONED



We are expanding regional alignment of the Total Army as the drawdown in Afghanistan continues and additional formations become available. The Army's first regionally aligned BCT—the 2nd Brigade, 1st Infantry Division stationed at Fort Riley, Kansas—began actively supporting U.S. Africa Command in March 2013 and has conducted over 70 missions, from crisis response to security cooperation, in more than 30 countries. 1st Infantry Division headquarters, building upon the initial success of its 2nd Brigade and aligned with U.S. Africa Command, is planning a Libyan General

Purpose Force training mission. The 48th Infantry BCT, Georgia Army National Guard, is aligned with U.S. Southern Command and has deployed teams to several Central and South American countries. The Fort Hood-based 1st BCT, 1st Cavalry Division, aligned with U.S. European Command, participated in multilateral exercises and training as the primary U.S. land force contribution to the NATO Response Force.

About 80,000 active and reserve component Soldiers are postured to support operations and engagements in the Asia-Pacific region. I Corps, stationed at Joint Base Lewis-McChord, Washington, and assigned to U.S. Pacific Command, provides deployable mission command capability for contingencies and enhances an already strong Army presence in the Asia-Pacific region. The Army maintains a Terminal High Altitude Area Defense battery deployed to Guam, defending our allies and supporting the Pacific theater's ballistic missile defense posture. During FY 13, U.S. Army Pacific conducted 28 large-scale exercises with 13 countries. Soldiers also conducted security cooperation engagements with 34 countries in the Asia-Pacific region.

During FY 13, a total of more than 109,000 Soldiers deployed in support of operations in Afghanistan. More than 4,300 Soldiers supported Operation Spartan Shield, our ongoing effort to maintain stability in the region and reassure our allies and partners in U.S. Central Command's area of responsibility. In addition, during FY 13 more than 2,200 Soldiers participated in seven exercises in the region. III Corps, stationed at Fort Hood, Texas, and 1st Armored Division headquarters, stationed at Fort Bliss, Texas, are both aligned with U.S. Central Command. In June 2013 the 1st Armored Division headquarters deployed to Jordan, providing mission command for several regional exercises and conducting training with allied and partner forces.

Missions at Home and Support of Civil Authorities

The Total Army defends the Homeland and supports civil authorities for a variety of complex missions. Soldiers from the active and reserve components are engaged in the Homeland on a daily basis, in capacities ranging from personnel serving as defense coordinating officers in support of the Federal Emergency Management Agency to U.S. Army North leading and coordinating Army missions in support of civil authorities. The Army stands ready to conduct a no-notice response in support of civil authorities, particularly for a complex catastrophe that may require the employment of a significant Army force. The Total Army also provides the preponderance of forces for the Department of Defense's Chemical, Biological, Radiological and Nuclear Response Enterprise. Army National Guard air and missile defense units protect our Nation's Capital and provide manning for Ground-based Midcourse Defense systems deployed in Alaska and Colorado that will deter and defeat missile attacks on our Nation. Soldiers support Federal drug enforcement efforts along our Nation's southern border every day.

Over the past year, the Army responded to natural disasters in the United States with sustained, life-saving support. The Army National Guard conducted firefighting operations in several Western States. In September 2013, active and reserve component Soldiers provided rapid assistance when severe storms caused devastating floods and landslides in northern Colorado. A team of about 700 Soldiers from the Colorado and Wyoming Army National Guard, as well as the Active Army's 4th Infantry Division stationed at Fort Carson, Colorado, evacuated more than 3,000 displaced residents. Soldiers and Civilians from the U.S. Army Corps of Engineers also supported operations in Colorado, and continue to support ongoing national efforts to restore critical infrastructure following Hurricane Sandy.

ENSURING A READY ARMY

A trained and ready Army must be able to rapidly deploy, fight, sustain itself and win against complex state and non-state threats in austere environments and rugged terrain. Readiness is measured at both the service and unit levels. Service readiness incorporates installations and the critical ability of the Army to provide the required capacities (units) with the requisite capabilities (readiness) to execute the roles and missions required by combatant commands. Unit readiness is the combination of personnel, materiel and supplies, equipment and training that, when properly balanced, enables immediate and effective application of military power.

Training

Training across the Total Army serves two main purposes: preparing units to support combatant commands worldwide and developing leaders who can adapt to the complex security environment. To meet demands across the full range of military operations, the Army will shift the focus of training on rebuilding war fighting core competencies. We are reinvigorating our Combat Training Centers (CTCs), to challenge and certify Army formations in a comprehensive and realistic decisive action training environment that features regular, irregular and insurgent enemy forces. Tough, realistic multi-echelon home station training using a mix of live, virtual and constructive methods efficiently and effectively builds Soldier, leader and unit competency over time.

From 2004 to 2011, all CTC rotations were focused on building readiness for assigned missions in a counterinsurgency environment. This shift impacted 5,500 company commanders, 2,700 field grade officers and 1,000 battalion commanders. Recognizing this atrophy in readiness for the full range of military operations, the Army returned to conducting decisive action CTC rotations in 2011, with a plan to cycle nearly all Active Army BCTs by the end of FY 15 along with the requisite amount of available

Army National Guard BCTs. However, due to sequestration, the Army canceled seven CTC rotations in 2013 and significantly reduced home station training, negatively impacting the training, readiness and leader development of more than two divisions' worth of Soldiers. Those lost opportunities only added to the gap created from 2004 to 2011, creating a backlog of professional development and experience.

The BBA allows us to remedy only a fraction of that lost capability. Even with increased funding, in FY 14 the Army will not be able to train a sufficient number of BCTs to meet our strategic requirements. Seventeen BCTs were originally scheduled to conduct a CTC rotation during FY 14. BBA-level funding enables the addition of another two BCT rotations, for a total of 19 for the fiscal year. However, due to the timing of the additional funding, some BCTs were still unable to conduct a full training progression before executing a CTC rotation. Without the benefit of sufficient home station training, BCTs begin the CTC rotation at a lower level of proficiency. As a result, the CTC rotation does not produce the maximum BCT capability, in terms of unit readiness. For BCTs that do not conduct a CTC rotation, we are using available resources to potentially train these formations up to only battalion-level proficiency.

The Army can currently provide only a limited number of available and ready BCTs trained for decisive action proficiency, which will steadily increase through FY 14 and the beginning of FY 15. But with potential sequestration in FY 16, readiness will quickly erode across the force. We must have predictable, long-term, sustained funding to ensure the necessary readiness to execute our operational requirements and the Defense Strategic Guidance.

Fiscal shortfalls have caused the Army to implement tiered readiness as a bridging strategy until more resources become available. Under this strategy, only 20 percent of operational forces will conduct collective training to a level required to meet

our strategic requirements, with 80 percent of the force remaining at a lower readiness level. Forward stationed forces in the Republic of Korea will remain ready, as will those dedicated as part of the Global Response Force. Forces deployed to Afghanistan are fully trained for their security assistance mission but not for other contingencies. The Army is also concentrating resources on a contingency force of select Infantry, Armored and Stryker BCTs, an aviation task force and required enabling forces to meet potential unforeseen small scale operational requirements. Unless Army National Guard and Army Reserve units are preparing for deployment, the Army will only fund these formations to achieve readiness at the squad, team and crew level.

Force Structure

We have undertaken a comprehensive reorganization of Army units to better align force structure with limited resources and increase unit capability. Unit reorganizations are necessary to begin balancing force structure, readiness and modernization. However, when combined with reduced funding and operational demand, the pace of force structure changes will reduce our ability to build readiness across the force during FY 14 and FY 15.

Reorganization of the current operational force of Active Army Infantry, Armored and Stryker BCTs from 38 to 32 reduces tooth to tail ratio and increases the operational capability of the remaining BCTs. All Active Army and Army National Guard BCTs will gain additional engineer and fires capability, capitalizing on the inherent strength in combined arms formations. Initially, 47 BCTs (29 Active Army and 18 Army National Guard) will be organized with a third maneuver battalion. The remaining 13 BCTs (3 Active Army and 10 Army National Guard) will be reevaluated for possible resourcing of a third maneuver battalion in the future.

Following a comprehensive review of our aviation strategy, the Army has determined that it must restructure aviation formations to achieve a leaner, more efficient and capable force that balances operational capability and flexibility across the Total Army. We will eliminate older, less capable aircraft, such as the OH-58 A/C Kiowa, the OH-58D Kiowa Warrior and the entire fleet of TH-67 JetRangers, the current trainer. The Army National Guard will transfer low-density, high-demand AH-64 Apache helicopters to the Active Army, where they will be teamed with unmanned systems for the armed reconnaissance role as well as their traditional attack role. The Active Army in turn will transfer over 100 UH-60 Blackhawk helicopters to the Army National Guard. These aircraft will significantly improve capabilities to support combat missions and increase support to civil authorities, such as disaster response, while sustaining security and support capabilities to civil authorities in the states and territories.

The Army will also transfer nearly all Active Army LUH-72 Lakota helicopters to the United States Army Aviation Center of Excellence at Fort Rucker, Alabama, and procure an additional 100 LUH-72 Lakotas to round out the training fleet. These airframes will replace the TH-67 JetRanger helicopter fleet as the next generation glass cockpit, dual engine training helicopter. At current funding levels, this approach will enable the Army National Guard to retain all of its LUH-72 aircraft for general support requirements as well as ongoing border security operations. The Aviation Restructure Initiative allows us to sustain a modernized fleet across all components and reduces sustainment costs. Eighty-six percent of the total reduction of aircraft (687 of 798) will come out of the active component. The Active Army's overall helicopter fleet will decline by about 23 percent, and the Army National Guard's fleet of helicopters will decline by approximately eight percent, or just over 100 airframes. The resulting active and reserve component aviation force mix will result in better and more capable formations which are able to respond to contingencies at home and abroad.

SOLDIERS, CIVILIANS AND OUR FAMILIES: THE PREMIER ALL-VOLUNTEER ARMY

Trust is the foundation of military service. An individual's choice to serve, whether enlisting or reenlisting, depends on a strong bond of trust between the volunteer, the Army and the Nation. Soldiers need to know that the Nation values their service and will provide them with the training, equipment and leadership necessary to accomplish their mission. They also want to know that their Families will enjoy a quality of life that is commensurate with their service and sacrifice. For that reason, one of our top priorities as we make the transition from war and drawdown the Army—regardless of fiscal challenges—must be the welfare, training and material resources we put toward maintaining the trust of our Soldiers, Civilians and their Families.

Ready and Resilient Campaign

Perhaps nothing exemplifies the idea of trust more than President Abraham Lincoln's second inaugural address when he called upon the Nation to care for those who have borne the burdens of battle and their Families. The effects of deploying are sometimes severe and lifelong. As a result, the continued care and treatment of Soldiers and their Families is a lasting priority. Yet even as we work to recover and rehabilitate those most severely affected by two wars, we know that an ever increasing portion of our Army has not faced warfare. Understandably, they have new and different challenges. In both cases, Army readiness is directly linked to the ability of our force to deal with personal, professional and unforeseen health concerns, such as mental and physical challenges. We must also begin to view health as more than simply health care, and transition the Army to an entire system for health that emphasizes the performance triad—sleep, activity and nutrition—as the foundation of a ready and resilient force.

The Ready and Resilient Campaign, launched in March 2013, serves as the focal point for all Soldier, Civilian, and Family programs and promotes an enduring, holistic

and healthy approach to improving readiness and resilience in units and individuals. The campaign seeks to influence a cultural change in the Army by directly linking personal resilience to readiness and emphasizing the personal and collective responsibility to build and maintain resilience at all levels. The campaign leverages and expands existing programs, synchronizing efforts to eliminate or reduce harmful and unhealthy behaviors such as suicide, sexual harassment and assault, bullying and hazing, substance abuse and domestic violence. Perhaps most importantly, the campaign promotes positive, healthy behaviors while working to eliminate the stigma associated with asking for help.

Sexual Harassment / Assault Response and Prevention (SHARP) Program

The Army is an organization built on and bound by values. Sexual harassment and assault in all its forms is abhorrent to every one of those values. Simply put, sexual assault is a crime that will not be tolerated. The overwhelming majority of Soldiers and Civilians serve honorably and capably, but we must recognize that the ill-disciplined few jeopardize the safety of all our people as well as the trust and confidence the American people have in their Army.

Army actions to combat sexual assault and harassment are driven by five imperatives. First, we must prevent offenders from committing crimes, provide compassionate care for victims and protect the rights and privacy of survivors. Second, we must ensure that every allegation is reported, it is thoroughly and professionally investigated, and we must take appropriate action based on the investigation. Third, we shall create a positive climate and an environment of trust and respect in which every person can thrive and achieve their full potential, and continually assess the command climate. Fourth, we will hold every individual, every unit and organization and every commander appropriately accountable for their behavior, actions and inactions. Finally, the chain of command must remain fully engaged—they are centrally responsible and

accountable for solving the problems of sexual assault and sexual harassment within our ranks and for restoring the trust of our Soldiers, Civilians and Families.

Our goal is to reduce and ultimately eliminate this crime from our ranks. To underscore the importance of the chain of command's role in preventing sexual assault, the Army now includes command climate and SHARP goals and objectives in all officer and non-commissioned officer evaluations and unit command climate surveys. Accountability is reinforced by training and education on the appropriate behaviors, actions and reporting methods. The Army has integrated SHARP training into every professional development school, making sure it is tailored to roles and responsibilities appropriate to each course's population.

We are making progress, particularly on reporting and investigating these incidents. Over the past year the Army expanded the Special Victim Capability Program to include 23 special victim prosecutors, 22 sexual assault investigators and 28 special victim paralegals at 19 installations worldwide. These professionals are trained in the unique aspects of investigating and prosecuting sexual assault cases. We have also trained 81 active and 24 reserve component judge advocates through our Special Victim Counsel Program, which was established in September 2013. As of December 2013, 241 victims had received over 1,443 hours of legal services from these specially-trained counsel, including appearances at Article 32 hearings and courts-martial.

Army commanders, advised by judge advocates, continue to take the most challenging cases to trial, including cases that civilian authorities have declined to prosecute. For cases in which the Army had jurisdiction over the offender and a final disposition was made, commanders prosecuted rape and sexual assault at a rate more than double the estimated average prosecution rates in civilian jurisdictions. The Army also provides sexual assault patients with expert, emergency treatment for their

immediate and long-term needs. Regardless of evidence of physical injury, all patients presenting to an Army medical treatment facility with an allegation of sexual assault receive comprehensive and compassionate medical and behavioral health care.

Sexual assault is antithetical to competent command, and it is important that commanders retain their authority over the disposition of sexual assault cases. Removal of that authority would make it harder to respond to the needs of Soldiers within the command, especially the victims. Many of the Army's most difficult problems—such as integration—were solved by making commanders more accountable, not less. Therefore the Army opposes legislative efforts to remove commanders from the disposition process.

Suicide Prevention

The Army Suicide Prevention Program, part of the Ready and Resilient Campaign, has significantly enhanced our understanding of one of our greatest challenges: the loss of Soldiers to suicide. The Army has expanded and increased access to behavioral health services and programs that develop positive life-coping skills. A comprehensive education and training program is helping Soldiers, Civilians and Family members improve their ability to cope with stress, relationships, separations, deployments, financial pressures and work-related issues. The goal is to increase resiliency and, just as important, access to support. Our Suicide Reduction Working Group provides a forum for stakeholders to collaborate on initiatives that mitigate high-risk behaviors. The Army continues to revise and create policy to promote and increase awareness of prevention and intervention skills, services and resources. We have seen an aggregate drop in suicides, and while not a declaration of success, it is a leading indicator that our resiliency efforts are starting to take hold across the force.

Role of Women in the Army

Women continue to play an important role in making our Army the best in the world. We are validating occupational standards for integrating women into all career fields. By reinforcing universal standards for each Soldier—regardless of gender—in a deliberate, measured and responsible manner we increase unit readiness, cohesion and morale while allowing for qualification based on performance, not gender, across our profession.

Army Training and Doctrine Command is leading our effort with the Soldier 2020 initiative, which seeks to ensure we select the best Soldiers for each military occupational specialty, regardless of gender. It is a standards-based, holistic and deliberate approach that uses scientific research to clearly define physical accessions standards based on mission requirements for each Army occupation. Simultaneously, we are conducting an extensive study to identify the institutional and cultural factors affecting gender integration, to develop strategies for the assimilation of women into previously restricted units. An important part of that process will be to ensure we have a qualified cadre of female leaders, both officers and noncommissioned officers, in place prior to the introduction of junior female Soldiers to serve as role models and provide mentorship during this transition.

During the last year the Army opened approximately 6,000 positions in 26 BCTs, select aviation specialties in special operations aviation and approximately 3,600 field artillery officer positions. The Army anticipates opening an additional 33,000 previously closed positions during FY 14.

Recruitment and Retention

The Army is defined by the quality of the Soldiers it recruits and retains. We are only as good as our people, and recruiting standards and reenlistment thresholds

remain high. During FY 13, 98 percent of the Army's recruits were high school graduates, exceeding our goal of 90 percent. We are also on track to achieve retention rates consistent with the past 3 years. The need to recruit and retain high-quality Soldiers will only grow in importance as we continue to draw down our forces.

Unfortunately, natural attrition alone will not achieve the Army's reduced end strength requirements. Inevitably, the Army will not be able to retain good Soldiers on active duty who have served their Nation honorably. The Army must responsibly balance force shaping across accessions, retention, and promotions, as well as voluntary and involuntary separations. During FY 13, the Army reduced accessions to the minimum level needed to sustain our force structure, achieve end strength reductions and reestablish highly competitive but predictable promotion opportunity rates. The Army also conducted Selective Early Retirement Boards for lieutenant colonels and colonels and, likewise, a Qualitative Service Program for staff sergeants through command sergeants major, all aimed at achieving 490,000 Active Army end strength by the end of FY 15. During FY 14 the Army will conduct Officer Separation Boards and Enhanced Selective Early Retirement Boards for qualified majors and captains. We remain committed to assisting Soldiers and their Families as they depart Active Army formations and transition to civilian life, and we encourage continued service in the Army National Guard or Army Reserve.

Role of the Army Civilian

As the Army evolves so too must its civilian workforce, which will also draw down concurrent with reductions to military end strength. Army Civilians will reduce from a wartime high of 285,000 to 263,000 by the end of FY 15. As the civilian workforce is downsized, we will do it smartly, focusing on preserving the most important capabilities. This requires a broader strategy that links functions, funding and manpower to produce the desired civilian workforce of the future—one that fully supports the generation of trained and ready combat units. The Army will manage the civilian workforce based on

workload and funding available. We will use all available workforce shaping tools such as Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay to reduce turbulence in our civilian workforce. We will target the skills we need to retain, and voluntarily separate those with skills no longer needed. If we cannot achieve our Army Civilian reduction goals by voluntary means, we will use Reduction in Force as a last resort.

The possibility of future reductions only adds to the burdens we've placed on Army Civilians in recent years. Last year, the Army furloughed more than 204,000 civilian employees, forcing them to take a 20 percent reduction in pay for six weeks during the fourth quarter of FY 13. Furloughs came on the heels of three years of frozen pay and performance-based bonuses. The tremendous impact on the morale of our civilian workforce cannot be understated, and some of our highest quality civilian personnel have sought employment in the private sector.

We rely heavily on our Army Civilians, and they have remained dedicated and patient during the last few years of uncertainty and hardship. Like their uniformed counterparts, Army Civilians are required to demonstrate competence, technical proficiency and professional values to achieve mission and individual success. Over the past three years the Army has implemented a number of changes to improve training, educational and experiential opportunities for the civilian workforce. Focused leader development, improvements to the Civilian Education System and continued maturity of the Senior Enterprise Talent Management Program are all designed to build a more professional and competency-based civilian workforce.

The Army is also streamlining its contractor workforce by reducing contract spending at least to the same degree as, if not more than, reductions to the civilian workforce; contractor reductions are approximately $1.5 billion in FY 15. The use of

contracted services will continue to be reviewed to ensure the most appropriate, cost effective and efficient support is aligned to the mission. As the Army continues its workforce shaping efforts, contracted manpower will be appropriately managed based on functional priorities and available funding to ensure compliance with law.

Compensation Reform

We are extremely grateful for the high quality care and compensation our Nation has provided to our Soldiers over the last decade. Military manpower costs remain at historic highs. We must develop adjustments to military compensation packages that reduce future costs, recognize and reward our Soldiers and their Families for their commitment and sacrifice, while ensuring our ability to recruit and retain a high quality All-Volunteer Army. While we recognize the growing costs of manpower, we must also approach reform from the perspective that compensation is a significant factor in maintaining the quality of the All-Volunteer Army, and always has been.

After 13 years of war, the manner in which we treat our Soldiers and Families will set the conditions for our ability to recruit in the future. That said, if we do not slow the rate of growth of Soldier compensation, it will consume a higher, disproportionate percentage of the Army's budget and without compensation reform we will be forced to reduce investments in readiness and modernization. The Army supports a holistic and comprehensive approach that reforms military compensation in a fair, responsible and sustainable way. Changes to military compensation included in the FY 15 Budget request—which include slowing the growth of housing allowances, reducing the annual direct subsidy provided to military commissaries and simplifying and modernizing our TRICARE health insurance program—are important first steps that generate savings while retaining competitive benefits. These savings will be invested in readiness and modernization.

EQUIPMENT MODERNIZATION, BUSINESS PROCESS IMPROVEMENT AND SUSTAINMENT

The Army makes prudent choices to provide the best possible force for the Nation with the resources available, prioritizing Soldier-centered modernization and procurement of proven and select emerging technologies. The institutional Army manages programs that sustain and modernize Army equipment, enabling the operational Army to provide responsive and ready land forces. We will continue to improve the efficiency and effectiveness of our business processes to provide readiness at best value.

Focus Area Review

Army senior leaders conducted reviews to consolidate and reorganize organizations, programs and functions across several focus areas—readiness, institutional and operational headquarters reductions, operational force structure, installations services and investments, the acquisition workforce and Army cyber and command, control, communications and intelligence. As a result of this effort, the Army will achieve greater efficiency across our core institutional processes, consolidate functions within the acquisition workforce and reduce headquarters overhead by up to 25 percent.

Equipment Modernization

Modernization enables the Army to meet requirements with a smaller, fully capable and versatile force that is equipped to defeat any enemy and maintain dominance on land. BCA-driven budget reductions have placed Army equipment modernization at risk through program terminations, procurement delays and program restructures. Research, development and acquisition funding has declined 39 percent since the FY 12 budget planning cycle and the long-term effect will be additional stress on current vehicle fleets, reduced replacement of war-worn equipment, increased

challenges sustaining the industrial base and limited investment in the modernization of only the most critical capabilities.

The Army's equipment modernization strategy focuses on effectively using constrained resources for near-term requirements and tailoring our long-term investments to provide the right capabilities for Soldiers in the future. This approach calls for carefully planned investment strategies across all Army equipment portfolios, which will involve a mix of limiting the development of new capabilities, incrementally upgrading existing platforms and investing in key technologies to support future modernization efforts. The strategy captures the Army's key operational priorities: enhancing the Soldier for broad joint mission support by empowering and enabling squads with improved lethality, protection and situational awareness; enabling mission command by facilitating command and control, and decision making, with networked real-time data and connectivity with the Joint Force; and remaining prepared for decisive action by increasing lethality and mobility, while optimizing the survivability of our vehicle fleets.

Army Equipping Strategy

Investment focused on:

- Deploying and redeploying units,
- Managing equipment retrograde,
- Reorganizing BCTs,
- Supporting rebalance to the Asia-Pacific region,
- Resetting our equipment,
- Redistributing equipment to raise readiness across all Army components,
- Repositioning forces,
- Aligning wartime equipment with the Army's current needs,
- Divesting equipment we no longer need, and
- Remaining prepared for homeland defense priorities.

In the short-term, the Army remains focused on several efforts. We are reducing procurement to match force structure reductions. We will continue to apply business efficiencies such as multiyear contracts, planning for should-cost and implementation of Better Buying Power, to facilitate smarter investing. We will tailor capabilities in development to meet requirements under affordability constraints. We will not transition

four programs to the acquisition phase, to include the Ground Combat Vehicle and the Armed Aerial Scout. Additionally, we will end four programs, restructure 30 programs and delay 50 programs. Lastly, the divestiture of materiel and equipment, where appropriate, will reduce maintenance and sustainment costs and support the maximization of resources. Over the long-term, investing in the right science and technology and applying affordable upgrades to existing systems will allow us to keep pace with technological change and improve capabilities.

Ground Vehicles

A new Infantry Fighting Vehicle (IFV) remains a key requirement for the Army. However, due to significant fiscal constraints, the Army has determined that the Ground Combat Vehicle program will conclude upon completion of the Technology Development phase, expected in June 2014, and will not continue further development. In the near-term, the Army will focus on refining concepts, requirements and key technologies in support of a future IFV modernization program. This will include investment in vehicle components, sub-system prototypes and technology demonstrators to inform IFV requirements and future strategies for developing a Bradley Infantry Fighting Vehicle replacement. Over the long-term, the Army anticipates initiating a new IFV modernization program informed by these efforts as resources become available.

The Army is also committed to developing and fielding the Armored Multi-Purpose Vehicle to replace our obsolete M113 family of vehicles and augmenting our wheeled vehicle fleet with the Joint Light Tactical family of vehicles. In addition, the Army will continue to fund a third brigade's set of Double V-Hull (DVH) Stryker vehicles, while supporting an incremental upgrade to DVH Strykers for power and mobility improvements.

Army Aviation

The Army will divest legacy systems and fund the modernization and sustainment of our most capable and survivable combat-proven aircraft: the AH-64 Apache, UH-60 Blackhawk and CH-47 Chinook helicopters. We will divest almost 900 legacy helicopters including the entire single engine OH-58D Kiowa Warrior and TH-67 helicopter training fleets. The Army will also modernize our training fleet with LUH-72 Lakota helicopters.

The Network

The equipment modernization strategy seeks to provide the Soldier and squad with the best weapons, equipment, sustainment and protection with the support of the network. LandWarNet is the Army's globally interconnected network that is "always on and always available," even in the most remote areas of the globe. LandWarNet enables mission command by carrying the data, voice and video every Soldier and leader needs to act decisively and effectively. It supports all Army operations, from administrative activities in garrison to operations conducted by our forward stationed and deployed Soldiers. Additionally, it forms the basis of our live, virtual and constructive training.

Equipment Reset and Retrograde

Retrograde is the return of equipment to facilities for reset and to support future force structure and operations. By December 2014, the Army plans to retrograde approximately $10.2 billion of the $15.5 billion worth of Army equipment currently in Afghanistan. The balance of the equipment will be used by our forces, transferred to the Afghans or to another troop contributing nation, or disposed of properly in theater, which will provide a cost avoidance of more than $844 million in transportation, storage and security costs. The total cost of moving the equipment out of Afghanistan is estimated at roughly $1-3 billion. The cost range is due to the unpredictable nature of

our ground routes through Pakistan and other Central Asian countries that may require a shift to more expensive multimodal or direct air cargo movement.

Once the equipment returns to the United States, our reset program restores it to a desired level of combat capability commensurate with a unit's future mission. A fully funded Army reset program is critical to ensuring that equipment worn and damaged by prolonged conflict in harsh environments is recovered and restored for future Army requirements. During FY 13, the Army reset approximately 87,000 pieces of equipment at the depot level and about 300,000 pieces of equipment, such as small arms; night vision devices; and nuclear, biological and chemical equipment, at the unit level. As a result of sequestration, we deferred approximately $729 million of equipment reset during FY 13, postponing the repair of nearly 700 vehicles, 28 aircraft, 2,000 weapons and Army prepositioned stocks. The projected cost of the reset program is $9.6 billion (not including transportation costs), which extends for three years after the last piece of equipment has returned. Resources available under planned spending caps are not sufficient to fully reset returning equipment from Afghanistan in a timely and efficient manner.

Organic and Commercial Industrial Base

The Army's industrial base consists of commercial and Government-owned organic industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. The Army must maintain the critical maintenance and manufacturing capacities needed to meet future war-time surge requirements, as well as industrial skills that ensure ready, effective and timely materiel repair. We are sizing the organic industrial workforce to meet and sustain core

Organic Industrial Base

During Operations Iraqi Freedom and Enduring Freedom, the organic industrial base surged capacity and in some cases tripled their prewar output. The organic industrial base consists of:

- Five maintenance depots,
- Three manufacturing arsenals and
- Eleven ammunition plants.

depot maintenance requirements and critical arsenal manufacturing competencies. We will also continue to work with our industrial partners to address energy, water and resource vulnerabilities within our supply chain.

Both the commercial and organic elements of the industrial base are essential to the efficient development, deployment and sustainment of Army equipment. Over the past decade, the Army relied on market forces to create, shape and sustain the manufacturing and technological capabilities of the commercial industrial base. However, reduced funding levels due to sequestration accelerated the transition from wartime production levels to those needed to support peacetime operations and training. During FY 13, the Army lost more than 4,000 employees from the organic industrial base and will continue to lose highly skilled depot and arsenal workers to other industries due to fiscal uncertainty. Hiring and overtime restrictions, in addition to furloughs, affected productivity and increased depot carryover, not to mention the detrimental effect on worker morale.

Installations

In FY 13, the Army deferred critical upkeep on thousands of buildings across Army installations due to a reduction of $909 million in sustainment, restoration and maintenance funding. End strength reductions have reduced some associated sustainment costs, but key facility shortfalls remain that will continue to impact Army readiness. Increased funding in FY 14 enables investment in facility readiness for critical infrastructure repair as well as high priority restoration and modernization projects. The FY 15 Budget reflects our measured facility investment strategy that focuses on restoration, modernization and limited new construction.

The capacity of our installations must also match the Army's decreasing force structure. At an Active Army end strength of 490,000 Soldiers, which we will reach by

the end of FY 15, we estimate that the Army will have about 18 percent excess capacity. We need the right tools to reduce excess installations capacity, or millions of dollars will be wasted maintaining underutilized buildings and infrastructure. Failure to reduce excess capacity is tantamount to an "empty space tax" diverting hundreds of millions of dollars per year away from critical training and readiness requirements. Trying to spread a smaller budget over the same number of installations and facilities will inevitably result in rapid decline in the condition of Army facilities.

The Base Realignment and Closure (BRAC) process is a proven, fair and cost-effective means to address excess capacity in the United States. BRAC has produced net savings in every prior round. On a net $13 billion investment, the 2005 BRAC round is producing a net stream of savings of $1 billion a year. We look forward to working with Congress to determine the criteria for a BRAC 2017 round.

Energy and Sustainability

We are establishing an energy informed culture as a key component of Army readiness. Through a synchronized campaign of performance initiatives, business process changes and education and training opportunities, the Army seeks to achieve a lasting capability to use energy to the greatest benefit. The campaign includes efforts focused on both the energy required for military operations (operational energy) and the energy required by our power-projection installations around the world.

In a tighter budget environment, the Army must manage its installations in a sustainable and cost-effective manner, preserving resources for the operational Army to maintain readiness and capability across the range of military operations. We will leverage institutional energy savings to generate more resources that we can use to train, move and sustain operational forces and enhance Army mobility and freedom of action. To take advantage of private sector efficiencies, Army installations are

privatizing utilities and entering into public-private energy-saving performance contracts. By partnering with experienced local providers, the Army has privatized 144 utilities systems, avoiding about $2 billion in future utility upgrade costs while saving approximately 6.6 trillion British thermal units a year. The Army is also exploring opportunities to expand public-public partnerships.

Operational energy improvements to contingency bases, surface and air platforms and Soldier systems will increase overall combat effectiveness. Improved efficiencies in energy, water and waste at contingency bases reduce the challenges, risks and costs associated with the sustainment of dispersed bases. Next generation vehicle propulsion, power generation and energy storage systems can increase the performance and capability of surface and air platforms and help the Army achieve its energy and mobility goals. Advances in lightweight flexible solar panels and rechargeable batteries enhance combat capabilities, lighten the Soldier's load and yield substantial cost benefits over time. Emergent operational energy capabilities will enable Army forces to meet future requirements and garner efficiencies in a fiscally constrained environment.

Business Transformation

The Army continues to transform its business operations to be smarter, faster and cheaper. We are working to reduce business portfolio costs by almost 10 percent annually as we capitalize on the progress made with our Enterprise Resource Planning systems. Our business process reengineering and continuous process improvement efforts continue to confer significant financial and operational benefits. Through our focus area review we will reduce headquarters overhead, consolidate and streamline contracting operations and improve space allocation on Army installations. We are reengineering core processes in acquisition, logistics, human resources, financial management, training and installations to improve effectiveness and reduce costs. Over the long-term, the Army will improve its strategic planning, performance

assessment and financial auditability so that commanders can make better-informed decisions on the utilization of resources to improve readiness.

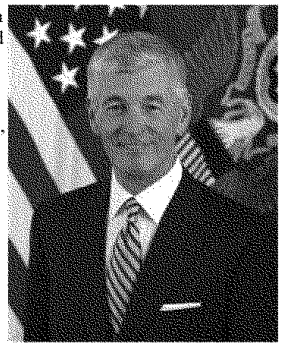
CLOSING

Throughout our history, we have drawn down our armed forces at the close of every war. However, we are currently reducing Army end strength from our wartime high before the longest war in our Nation's history has ended, and in an uncertain international security environment. Our challenge is to reshape into a smaller, yet capable, force in the midst of sustained operational demand for Army forces and reduced budgets. The resulting decline in readiness has placed at risk our ability to fully meet combatant commander requirements. Our ability to provide trained and ready Army forces will improve as we begin to balance readiness, end strength and modernization. However, if sequestration-level spending caps resume in FY 16, we will be forced to reduce end strength to levels that will not enable the Army to meet our Nation's strategic requirements.

We have learned from previous drawdowns that the cost of an unprepared force will always fall on the shoulders of those who are asked to deploy and respond to the next crisis. The Nation faces uncertainty and, in the face of such uncertainty, needs a strong Army that is trained, equipped and ready. No one can predict where the next contingency will arise that calls for the use of Army forces. Despite our best efforts, there remains a high likelihood that the United States will once again find itself at war sometime during the next two decades. It is our job to be prepared for it.

John M. McHugh

Secretary of the U.S. Army



Mr. John M. McHugh was sworn in as the 21st Secretary of the Army on Sep. 21, 2009, following his nomination by President Barack Obama and confirmation by the United States Senate.

As Secretary of the Army, he has statutory responsibility for all matters relating to the United States Army: manpower, personnel, reserve affairs, installations, environmental issues, weapons systems and equipment acquisition, communications, and financial management. Secretary McHugh is responsible for the Department of the Army's annual budget and supplemental of over $200 billion. He leads a work force of more than 1.1 million active duty, Army National Guard, and Army Reserve Soldiers, 221,000 Department of the Army civilian employees, and 213,000 contracted service personnel. He has stewardship over 14 million acres of land.

At the time of his appointment as Secretary of the Army, Mr. McHugh was a sitting member of Congress representing Northern and Central New York. During his nine terms in the U.S. House of Representatives, he earned a reputation as a staunch advocate for Soldiers and their Families, working tirelessly to ensure they have proper facilities, training, and the quality of life necessary to carry out wartime missions while caring for those at home.

As a Member of Congress, Mr. McHugh served as the Ranking Member of the House Armed Services Committee (HASC) with responsibility to oversee the policies and programs for the Department of Defense and each of the Armed Forces. Before becoming Ranking Member, Congressman McHugh was first the Chairman of the Morale, Welfare and Recreation Panel and then Chairman and later Ranking Member of the Committee's Subcommittee on Military Personnel. Mr. McHugh also served as a senior member of the House Committee on Oversight and Government Reform, and for six years as the Chairman of the Subcommittee on the Postal Service that significantly reformed the Postal Service.

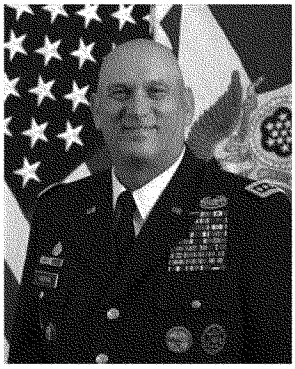
From 1997 to 2004, Mr. McHugh was a member of the House International Relations Committee. Subsequently, from 2005 to 2009, he served on the House Permanent Select Committee on Intelligence. Mr. McHugh was also a 14-year member of the United States Military Academy Board of Visitors. At the time of his nomination, Mr. McHugh was co-chair of the House Army Caucus, a bipartisan organization that works to educate fellow House Members and their staffs about Army issues and programs.

Secretary McHugh was born in Watertown, New York, where he began his public service career in 1971 as the Confidential Assistant to the City Manager. In 1976, he joined the staff of New York State Senator H. Douglas Barclay, with whom he served as Chief of Research and Liaison with local governments for nine years. Succeeding Senator Barclay in 1984, Mr. McHugh served four terms in the legislature's upper house before his election to the U.S. House of Representatives in 1992.

Mr. McHugh received a B.A. in Political Science from Utica College of Syracuse University in 1970, and earned a Master's Degree in Public Administration from the State University of New York's Nelson A. Rockefeller Graduate School of Public Affairs in 1977.

General Raymond T. Odierno

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



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

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

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

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

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

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

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

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

MARCH 25, 2014

RESPONSE TO QUESTION SUBMITTED BY MR. WILSON

Secretary MCHUGH. Currently there are no changes to tobacco sales policy under formal consideration within the Army. However, we continually review and balance the competing requirements of promoting the health of the force, as the use of tobacco has an adverse impact on readiness and performance; satisfying customer wishes; and supporting Morale, Welfare and Recreation (MWR) programs.

Army Regulation 215–8 allows for the sale of tobacco products at Army and Air Force Exchange Service (AAFES) outlets to authorized patrons over 18 years of age. Tobacco products are not advertised and all tobacco is sold from behind counters. Military retail outlets will not enter into any new merchandise display or promotion agreements, or exercise any options in existing agreements, that that would increase total tobacco shelf space.

Eliminating tobacco from AAFES would result in a projected loss of $73M in earnings and about $36.5M in MWR dividends.

Although there are no current plans to end tobacco sales at AAFES, the Exchanges display tobacco cessation products in areas that provide visibility and opportunity to customers who desire to change their tobacco habit. AAFES supports pricing of smoking cessation products below the local competitive price.

Additionally, the Army Surgeon General and the U.S. Army Medical Command actively promote and support tobacco cessation, including the provision of tobacco cessation programs and products. Army Medicine continues to encourage all leaders to push their local installations and units to take steps that can help dissuade or reduce tobacco use. [See page 21.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. ENYART

Secretary MCHUGH. AH–64 Apaches transferring out of the Army National Guard will not be mothballed. The Army's Attack/Reconnaissance battalions are considered low density and high demand assets that must be fully trained and ready on short notice to deploy for world-wide contingencies and crisis response in the wake of major reductions to the Total Army end-strength and force structure. The divestment of OH–58D Kiowa Warriors and the elimination of three entire Combat Aviation Brigades (CABs) from the Active Component (AC) will take Army Aviation down from 37 to 20 shooting battalions.

Those aircraft will transfer to the Active Component and be repurposed to replace the OH–58D Kiowa Warriors that are being divested. There is an immediate requirement to fill 45 shortages that currently exist on Active Component AH–64 flight lines today. Additionally, the AH–64s coming from the Army National Guard will allow the Army to provide airframes to the AH–64E remanufacture line without taking additional aircraft from Active Component flight lines and reducing readiness of our attack formations.

This necessitates transferring all Apache helicopters to the AC in order to meet the demands of our Combatant Commanders. The Army simply does not have the luxury of retaining Apache helicopters in the Reserve Component (RC) as it is considerably more expensive to maintain a sufficient, available inventory of Apaches in the RC than it is to do so in the AC. [See page 42.]

General ODIERNO. The proposal to reallocate aviation capability between the Army National Guard and the Active component should not be conflated with a change of mission for the National Guard. This is an effort to use increasingly scarce resources to best effect. There has been no change of mission or shift in policy. The Guard remains an important asset to governors in peacetime and a critical part of the Total Army, providing needed capacity in overseas operations.

When considering the most effective use of limited resources, National Guard Formations should be optimized with "dual use" equipment and formations that are capable of supporting States and Governors as well as Combatant Commanders when mobilized. We must develop complimentary and mutually supporting capabilities. The Army supports a multi-component solution for operationalizing ARNG Aviation Brigades in non-permissive environments. Under the Aviation Restructure Initiative (ARI), each ARNG Aviation Brigade will have an AC AH–64 battalion aligned with

them for training and deployment. These AH–64 battalions will deploy with an intermediate maintenance slice to support AH–64 maintenance and armament. This model has proven effective in the past, and in fact, we have a National Guard aviation brigade deployed to Kuwait today with an active duty attack battalion attached.

The Black Hawk utility helicopters the Army National Guard would gain by this transfer play an critically important role in domestic operations, providing governors with capability that Apaches lack. Black Hawks have been, and will continue to be, a key combat multiplier for our commanders overseas as well. Indeed, the real world missions that our National Guard Black Hawk crews conduct here in the homeland provide them with experience that makes these crews an especially valued asset when they deploy overseas. [See page 43.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 25, 2014

QUESTIONS SUBMITTED BY MR. MCKEON

Mr. MCKEON. We've had many lessons learned from contracting actions during contingency operations and there is no doubt we will rely on contract support in future contingencies, be it humanitarian relief or full-spectrum combat operations. What are you doing to not only plan for contract support during a contingency, but to educate and train your personnel so they are prepared to develop requirements, and execute and oversee contracting actions in order to properly respond in a contingency. How are you incorporating lessons learned from contingency contracting in Iraq and Afghanistan into the professional military education of your military and civilian personnel?

Secretary MCHUGH and General ODIERNO. The Army is committed to incorporating lessons learned from contingency contracting in Iraq and Afghanistan as part of the broader Department of Defense (DOD) effort to institutionalize the key tenants of Operational Contract Support (OCS) throughout the Joint Force. Properly integrated and managed, OCS can act as a force multiplier to help mitigate the risks associated with reduced force structure.

DOD is leading the effort to improve contracting support during contingency operations by formulating a comprehensive plan to strengthen OCS policy and execution. The FY14–17 OCS Action Plan, currently in staffing, identifies critical capability gaps in OCS policy and execution and includes over 180 corrective actions to address the highest priority shortfalls, as outlined in the 2011 Joint Requirements Oversight Council-approved OCS Initial Capability Document. As a key stakeholder, the Army is acting in concert with DOD and the Joint Force to close identified capability gaps through changes in doctrine, organization, training, materiel, leadership (DOTML), planning and policy.

In 2007, the Army formally established the Acquisition, Logistics and Technology–Integration Office (ALT–IO) as the capability developments office (DOTML) for the Army Acquisition Corps, working to ensure that OCS processes and best practices are integrated in Army and joint operations and reflected in the curriculum at the Army Logistics University, and are integrated across the DOTML domains.

As part of ongoing efforts to educate and train acquisition and non-acquisition personnel to adequately plan, execute and oversee contract support in the event of a major contingency, the Army:

- Hosted and facilitated the OCS Joint Exercise (OCSJX) 2014, the first in a series of joint military exercises exploring the use of operational contract support in future contingencies. The January 2014 exercise simulated a major complex catastrophe—an earthquake in the Continental United States—and focused on military support to civil authorities in the U.S. Northern Command (USNORTHCOM) Area of Operations.
  - Over 500 participants: USNORTHCOM, Army-North, all Service Military Departments, the Joint Chiefs of Staff J4, the Defense Contract Management Agency and the Federal Emergency Management Agency (FEMA).
- Began initial planning with U.S. Pacific Command (USPACOM) for OCSJX 2015.
- Established OCS mission roles and responsibilities to require unit commanders to maintain proficiency in OCS planning, integration, requirements development, and contract and contractor management in military operations.
  - The Army Universal Task List (Field Manual 7–15) establishes the Army OCS as a sustainment function, and delineates separate OCS responsibilities of supported units or requiring activities and those of contracting professionals
- Issued Army Regulation 715–9 (OCS Planning and Management), which prescribes policies and responsibilities for OCS.
- Issued Army Tactics Techniques and Procedures (ATTP) 4–10 to synchronize Army OCS with joint doctrine (Joint Publication (JP) 4–10: Operational Contract Support Tactics, Techniques and Procedures).
- Provided Army OCS training resources to practitioners, including numerous handbooks and graphic training aids, the Contracting Officer's Representative (COR) Course, Operational Contract Support Course (OCSC), the Joint Oper-

ational Contract Support Planning and Execution Course (JOPEC), and COR and Commanders Emergency Response Program Web Based Training.

- Implemented the web-based COR Tracking (CORT) Tool, which provides contracting personnel and requiring activities with the means to track and manage COR assignments across multiple contracts across DOD.
- Developed new OCS initiatives for both acquisition and non-acquisition personnel including:
  - Army Operational Contract Support Board (AOCSB)
  - Command Post Exercise–Functional (CPX–F), Exercise in a Box.
  - Department of the Army Military Contracting Board of Directors (BoDs) and Senior Leader Forum (SLF).

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. In FY 2016 the Army is proposing to deactivate the Theater Aviation Command Headquarters that is part of the Washington Army National Guard. I would like more detail on the advantages the Army sees in this proposal, from both an organizational and financial standpoint, and any potential downsides of this proposed action.

General ODIERNO. During the development of the Aviation Restructure Initiative plan it was determined that the Army National Guard possessed excess aviation headquarters that were no longer required due to reductions in structure and end strength. Analysis of existing headquarters in the reserve component confirmed the theater aviation commands, commanded by a one star general, were not utilized as a deployable headquarters to support combat operations.

The Theater Aviation Command structure was designed and implemented during the previous 12 years of war. The concept of this organization was to provide command and control while setting the conditions to open and close aviation capabilities in combat theaters. In practice, these headquarters did not deploy as the organizations did not meet the requirements identified by ground commanders in Iraq or Afghanistan.

This plan also maintains Aviation Brigade Headquarters that successfully provide the capabilities needed to function in a combat theater. Simultaneously, the actions associated with the aviation restructure allows the Army National Guard to meet force reduction requirements (personnel reduction to meet fiscal constraints) and reduce operations and sustainment costs.

The National Guard Bureau planners involved in the development of the Army's restructure plan recommended inactivating the one Army National Guard Theater Aviation Command Headquarters while retaining existing brigade headquarters to meet mission command requirements. This option minimizes turmoil within Army National Guard brigades by maximizing the retention of current command relationships and structure.

Mr. SMITH. I would like a detailed breakdown of the Army's plan to modernize UH–60 aircraft in the Army National Guard, including plans to replace UH–60A models with more modern UH–60L and UH–60M aircraft.

General ODIERNO. In 2014, the Army achieved the objective fleet requirement of 2,135 aircraft and has begun divesting the oldest UH–60A aircraft as we filed the UH–60M. The UH–60 Black Hawk modernization strategy is to recapitalize and modernize the entire fleet of 2,135 aircraft through incremental improvements. Increment 1, which began in 2007, procures 1,375 new build modernized UH–60M aircraft. Increment 2 recapitalizes and digitizes 760 UH–60L aircraft and will begin in Fiscal Year 2018 (FY18).

The fielding of new build UH–60M aircraft will continue until the end of the next decade, based on anticipated funding levels. The Army fields new UH–60Ms to units based on their deployment window and location, regardless of component to ensure the most modern equipment is deployed. In the future, the Army will continue to prioritize UH–60M fielding based on Army Force Generation requirements and will divest one UH–60A for every UH–60M fielded. When the Army fields new UH–60Ms to UH–60L units, those UH–60Ls will be cascaded to units operating legacy UH–60A aircraft. Over the next decade, the Army will field approximately 360 UH–60Ms to existing Army National Guard formations and cascade 111 UH–60Ls to create new UH–60 formations as part of the Aviation Restructure Initiative.

Beginning in FY18, the Army will begin to recapitalize and digitize the UH–60L aircraft to ensure these aircraft remain operationally effective. Based on anticipated funding, the Army expects to produce approximately 48 aircraft per year and also expects this program to last approximately 17 years. Fielding will begin in FY19 to

the training base and then to Command Aviation Companies, Air Ambulance Companies, and Assault Helicopter Battalions.

The Army also began a UH–60A to UH–60L recapitalization effort in July 2007 to address sustainment and readiness issues with the legacy UH–60A fleet. The program upgrades provide 10 additional years of service life to a select number of UH–60As and will end in FY18 when the UH–60L Digital program begins. The UH–60A to UH–60L effort was primarily focused on increasing readiness in the Army National Guard, which operates the largest population of legacy UH–60A aircraft. When this program ends, approximately 412 UH–60As will have been recapitalized to UH–60Ls, 320 of which will have been fielded to the Army National Guard.

Mr. SMITH. I understand that conversion of the 81st Armored Brigade Combat Team into a Stryker Brigade Combat Team has been considered by the Army. Can you please provide an update on the potential conversion of this brigade and when we can anticipate receiving any updates and/or announcements on the 81st ABCT designation as a Stryker brigade?

General ODIERNO. As the Army continues to reorganize itself due to budget cuts, we will continue to assess the force mix of our Brigade Combat Teams (BCTs), including the 81st Armored Brigade Combat Team. However, we are unable to make any definitive decision on type and mix until we come to an agreement on the overall structure of the National Guard.

Mr. SMITH. I would like more detail on the impact to the Army National Guard's structure and composition that will result from reductions down to 335,000 (as proposed in the President's Budget) and 315,000 (as is projected under full sequestration). What specific units might the Army National Guard lose? What would the process be for determining what units to keep and where they should be stationed?

General ODIERNO. The Army is structured as a Total Force and builds capability across all three Components—Active, Guard and Reserve—to meet national security objectives. The Army is currently analyzing the impact of reduced end-strength on the Active, Army National Guard, and Army Reserve, within the Total Army Analysis (TAA) process. Part of that process includes the Army National Guard identifying which capabilities they recommend be retained or divested by mission, type, capacity, and location. This proven process will identify options for senior leader decisions to balance Total Army capabilities within directed end-strength.

At 315,000, the Army National Guard (ARNG) would have a total of 22 Brigade Combat Teams (BCTs) with three maneuver battalions in each BCT. As a part of the restructure at 335,000, the ARNG would consist of 24 BCTs with 3 maneuver battalions in each BCT. This will allow the ARNG to maintain all maneuver battalions except for one.

Identification of specific unit and location detail for all components will not be available until the completion of the TAA process which is anticipated for fall 2014 at the earliest.

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. The AH–64 Apache—It is the Army's multi-role attack helicopter of choice and will remain so through 2040, in addition to being a high demand asset in Afghanistan. To meet this need, the Army plans to remanufacture all 634 Apache "D" models to the "E" model configuration to further enhance and increase its capability. I understand the intent of the Army is to execute a multi-year procurement contract in fiscal year 2017. What efficiencies and cost savings could we expect by using a multi-year contract to acquire upgraded Apaches?

Secretary MCHUGH. The Army is currently pursuing multi-year procurement authority for the AH–64E program and is working to satisfy the necessary statutory requirements by the start of FY 2017. Multi-year contracts typically provide for unit-price cost savings associated with larger procurement quantities, and increased efficiency through the elimination of repeat labor and consolidated contracting. They also provide industry with a predictable production workload over the contract term. The Apache Program Office is currently preparing the Business Case Analysis to estimate the cost savings of a multi-year Apache procurement.

Mr. WILSON. The Department of Defense uses both annual contracts and multi-year contracts when acquiring goods and services. Under annual contracts, DOD uses one or more contracts for each year's worth of procurement of a given kind of item. Under multi-year contracts, DOD uses a single contract for 2 to 5 years' worth of procurement. The multi-year contract: 1) results in supplier price breaks for larger quantity purchases, 2) eliminates repeat labor and bureaucracy by buying only once, and 3) provides the stability of a set number of years' worth of production. In fiscal year 2013, when a 5-year multi-year contract was signed for the CH–47

Chinook helicopter, the savings were $810 million—or over 19 percent—when compared to five single-year contracts. What is the Army's approach toward the use of multi-year contracts? Can we expect to see additional ones, such one for the Apache Helicopter in fiscal year 2017, in the future?

Secretary MCHUGH. When appropriate, the Army seeks to employ multi-year contracts to achieve cost savings. Army Aviation currently utilizes two multi-year contracts, one for the UH–60 Black Hawk and one for the CH–47F Chinook. Combined, these contracts will result in over $1 billion in savings. The Army is currently pursuing multi-year procurement authority for the AH–64E Apache program and is working to satisfy the necessary statutory requirements by the start of FY 2017.

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. I noted the release in February of FM3–38, which used the term Cyber Electromagnetic Activities to address the blurring of the boundaries between traditional cyber threats, traditional electronic warfare threats, and spectrum management operations. While the attention being given to this regime in doctrine is certainly notable and a positive step, these fields are so dynamic that coordination of effort across DOD, particularly given current fiscal constraints, is of paramount importance. Are you comfortable with the current state of coordination within the Army and between the DOD and other services, not just operationally but also in terms of investments in systems and R&D? What do you think have been your particular successes and challenges?

General ODIERNO. Yes, I am comfortable with the current state of coordination within the Army, and between the services and the Department of Defense (DOD). Within the Army, the stand-up of the Cyber Center of Excellence consolidates Army cyberspace operations, electronic warfare (EW), and spectrum management operations (SMO) for capability development, integration, and training, and it ensures coordination between the relevant Army force modernization proponents. Operationally, Cyber Electromagnetic Activities (CEMA) elements are being created within Army tactical units to integrate, coordinate, and synchronize organic and higher echelon cyberspace operations, EW and SMO in support of those units' missions. The Army is studying what capability investments are needed to plan and execute CEMA operations. Our Research and Development (R&D) community is conducting research in "dual use" cyber and EW capabilities and maintains close liaison with the R&D organizations of the other services and DOD to allow mutual leveraging of research in these areas. Army CEMA is nested with the DOD Joint Concept for Joint Electromagnetic Spectrum Operations (JEMSO), which includes EW and SMO, and the Army participates in three of the Office of the Secretary of Defense Communities of Interest (COIs) for Electronic Warfare/Electronic Protection, Cyber and the Strategic Command JEMSO Concept of Operations development with the other Services. The Army is collaborating with the DOD Chief Information Officer in support of the DOD Spectrum Strategy that assists in addressing a unity of effort for EW and SMO.

Successes: The Cyber Center of Excellence recently achieved provisional status. This single organization is responsible for cyber, EW, and SMO doctrine, training, and capability development integration. Army Functional Area 29 EW Officers receive training in cyberspace operations and SMO, in addition to EW, to enable them to lead the CEMA Elements in Army tactical units and further integration of Military Occupational Specialty 25E Spectrum Managers at battalion and brigade level. Requirements are in the Army's validation process for development of Army "dual capable" systems for planning and delivering cyber and EW effects.

Challenge: Maintaining momentum in Cyberspace, EW, and SMO development in a fiscally constrained environment.

Mr. LANGEVIN. What is the current status of ARFORCYBER? What more do you see that needs to be done to improve the Army's ability to protect its networks, as well as being able to conduct full spectrum operations?

General ODIERNO. U.S. Army Cyber (ARCYBER) Command is assigned as an Army Force Component Headquarters to U.S. Cyber Command (CYBERCOM). It operates under the operational control of U.S. CYBERCOM with a Title 10 Service administrative control responsibility to Headquarters, Department of the Army for the manning, training, and equipping of its force. ARCYBER has the authorities, manpower, and capabilities to accomplish its current missions.

ARCYBER and its subordinate commands, in partnership with CIO–G6, are deliberately investing in critical cyberspace capabilities to ensure they stay ahead of the growing cyber threat. To better defend all Army networks, ARCYBER is aggressively: 1) building Cyber Mission Force (CMF) teams of highly trained Soldiers and

civilians; 2) acquiring and fielding the latest technology to equip these teams; and 3) ensuring access to critical indications and warning intelligence to further compliment our defensive capabilities. To ensure the command can conduct full spectrum operations, ARCYBER has established a Joint Force Headquarters-Cyber to command and control CMF teams along with establishing links for these teams to timely intelligence—a decisive advantage this nation possesses within cyberspace—that will ensure operational success in this domain.

Mr. LANGEVIN. Can you provide for us an update on the Army's fielding of Cyber Mission Teams to USCYBERCOM, and are you comfortable with the pace of training those teams?

General ODIERNO. The Army is on schedule to build 41 Cyber Mission Force (CMF) teams per guidance from the Office of the Secretary of Defense. A growing number of these teams are already providing both the Army and US Cyber Command with operational capabilities. Additionally, the Army continues to build two cyber brigades (the 780th Military Intelligence Brigade and a Cyber Protection Brigade) under the operational control of Army Cyber Command, Joint Forces Headquarters–Cyber, and an Army operational headquarters (ARCYBER/2nd Army) to support national, Joint, and Army cyber operations. 24 of the 41 Cyber Mission Force teams will reach Initial Operational Capability (IOC) by the end of calendar year (CY) 14. Beginning in Fiscal Year (FY) 15, the Army will be on pace for remaining teams to reach IOC by the end their designated FY build: 36 teams at IOC by the end of FY15, and the full 41 teams at IOC by the end of FY16.

We are comfortable with the pace of training our CMF teams. Over the past 18 months, we have learned a lot and worked closely with the USCYBERCOM and the Army to improve the processes that underpin the successful development of these teams. We continue to work with USCYBERCOM to obtain the training courses and seats that our CMF teams require so that they can meet projected initial operating capability dates. We also continue to actively engage the Army's Human Resources Command to ensure that personnel with the right grades of rank and Military Occupational Specialties to fill team critical positions are arriving to newly forming CMF teams in a timely manner.

Mr. LANGEVIN. I have been concerned for some time about the vulnerability of our domestic and overseas military bases to cyberattacks on the utilities, such as power and water, on which our infrastructure depends. Can you provide us with an update as to how the Army is working with relevant stakeholders to advance the state of their network defenses? Are there additional authorities or incentives that you need in order to be able to advance the ball in this regard?

General ODIERNO. It is critical that the utilities upon which our installations depend are secure from Cyber Attack. Army Cyber Command supports efforts to improve the cyber security of industrial control systems (ICS) the Service owns or upon which it depends. The program follows four lines of effort focusing on: 1) identifying the various systems throughout the Army; 2) integrating ICS cyber security into existing critical infrastructure risk management programs; 3) gap analysis of capabilities and capacity; and 4) collaborating with the ICS community of interest. The Army has already started integrating ICS cyber security concerns into several of its assessment programs and will expand the program in the coming fiscal year.

Based on our preliminary analysis, we do not believe there are any shortfalls in our authorities.

QUESTIONS SUBMITTED BY MR. LOBIONDO

Mr. LOBIONDO. What efficiencies and cost savings could we expect by using a multi-year contract to acquire upgraded Apaches?

Secretary MCHUGH and General ODIERNO. The Army is currently pursuing multi-year procurement authority for the AH–64E program and is working to satisfy the necessary statutory requirements by the start of FY 2017. Multi-year contracts typically provide for unit-price cost savings associated with larger procurement quantities, and increased efficiency through the elimination of repeat labor and consolidated contracting. They also provide industry with a predictable production workload over the contract term. The Apache Program Office is currently preparing the Business Case Analysis to estimate the cost savings of multi-year Apache procurement.

Mr. LOBIONDO. What is the Army's approach toward the use of multi-year contracts? Can we expect to see additional ones, such one for the Apache Helicopter in fiscal year 2017, in the future?

Secretary MCHUGH and General ODIERNO. When appropriate, the Army seeks to employ multi-year contracts to achieve cost savings. Army Aviation currently uti-

lizes two multi-year contracts, for the UH–60 Black Hawk and the CH–47F Chinook. Combined, these contracts will result in over $1 billion in savings. The Army is currently pursuing multi-year procurement authority for the AH–64E Apache program and is working to satisfy the necessary statutory requirements by the start of FY 2017.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. I am pleased to hear that you are committed to maintaining the Reserve Components as an operational force. I believe the Reserve Components must remain operational so we don't lose the experience gained over the last 13 years of combat, and to me, that means the Reserve Components can deploy in place of or follow-on to Active units either during conflicts or in steady-state rotations to places like the Sinai. Is the Army Guard going to be a continued part of the Army's Force Generation cycle? Also, think tanks did a joint budget drill last year and there were a variety of results. One such group suggested the Army look at Army Guard rotations on the Korean Peninsula. Has that been considered?

Secretary MCHUGH and General ODIERNO. The Army will continue to build Army National Guard and Army Reserve forces through Army Force Generation. For example, we are planning to send one Army National Guard Brigade Combat Team (BCT) to Combat Training Centers in FY 14 and two in FY 15. These events represent a significant investment in preserving Reserve Component readiness and ensuring an integrated and ready Total Force. Pursuant to the Army Total Force Policy, the Army will continue to consider using Reserve Component units for steady state rotations, as it has in the past; however, the Army has not planned to employ Army National Guard BCTs for rotations to Korea because the BCTs cannot reach the desired level of training proficiency within their allotted training days.

In general, if the Army National Guard maintains too much force structure, its readiness funding must be reduced. Therefore, it is essential that the Army National Guard reduce force structure as outlined in the Army's budget submission in order to preserve its capability as an operational force.

QUESTIONS SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. General Odierno, can you go into detail on other Army aviation force structure considerations that would have resulted in a mix of combat aviation brigades (CABs) and General Support Aviation Battalions (GSAB) in the Active Component and Reserve Component? And why those considerations were ultimately not chosen? If this restructuring is budget driven, does it not make sense to retain some attack aviation capability in the Reserve Component because it's less costly than keeping the most expensive platform, the AH–64, in the most expensive component to maintain and operate?

General ODIERNO. The Army's Attack/Reconnaissance battalions are considered low density and high demand assets that must be fully trained and ready on short notice to deploy for world-wide contingencies and crisis response in the wake of major reductions to the Total Army end-strength and force structure. The divestment of OH–58D Kiowa Warriors and the elimination of three entire Combat Aviation Brigades (CABs) from the Active Component (AC) will take Army Aviation down from 37 to 20 shooting battalions. This necessitates transferring all Apache helicopters to the AC in order to meet the demands of our Combatant Commanders. The Army simply does not have the luxury of retaining Apache helicopters in the Reserve Component (RC) as it is considerably more expensive to maintain a sufficient, available inventory of Apaches in the RC than it is to do so in the AC.

When considering the most effective use of limited resources, National Guard Formations should be optimized with "dual use" equipment and formations that are capable of supporting States and Governors as well as Combatant Commanders when mobilized. We must develop complimentary and mutually supporting capabilities. The Army supports a multi-component solution for operationalizing ARNG Aviation Brigades in non-permissive environments. Under the Aviation Restructure Initiative (ARI), each ARNG Aviation Brigade will have an AC AH–64 battalion aligned with them for training and deployment. These AH–64 battalions will deploy with an intermediate maintenance slice to support AH–64 maintenance and armament. This model has proven effective in the past, and in fact, we have a National Guard aviation brigade deployed to Kuwait today with an active duty attack battalion attached.

The Aviation Restructure Initiative (ARI) was necessary due to severe budget restraints. ARI is designed to achieve a leaner, more efficient and capable force that balances operational capability and capacity across the Total Army. The low-density,

high-demand AH–64 Apaches transferring out of the Army National Guard (ARNG) will be repurposed to replace Active Component (AC) OH–58D Kiowa Warriors that are being divested. The transfer will enable the teaming of Apaches with unmanned aircraft systems (UAS) for armed reconnaissance, filling a critical capability need for an Armed Aerial Scout created by the elimination of the Armed Reconnaissance Helicopter program. In addition, consolidation of Apache airframes in the AC will enable the Army to better meet the operational demands of our Combatant Commanders due to the increased operational availability as a result of the reduced dwell times required in the AC. The ARNG will receive additional UH–60 Black Hawk helicopters to optimize the ability to perform its mission in the homeland and deploy in support of combat operations.

Necessary savings are generated by divesting three entire fleets of Army aircraft—the OH–58A/C Kiowas; the TH–67 training helicopters; and the OH–58D Kiowa Warriors—an overall reduction of 798 aircraft. The net effect of the reduction is a 23 percent decrease in aircraft in the AC with only an 8 percent reduction in the ARNG. In addition to procurement and modernization cost savings, the Army would also avoid the significant operations and sustainment costs of these aging aircraft fleets. ARI avoids approximately 12 billion dollars in imminent costs. If the Army were to not execute ARI, we would be forced to retain many of our oldest and least capable aircraft while divesting several hundred modernized airframes. Upgrades to the Kiowa Warrior would cost over 10 billion dollars. Replacing the legacy TH–67 training helicopter would cost another 1.5 billion dollars. In addition, lower procurement rates of modernized aircraft would cost the Army approximately 15 billion dollars. These costs would be unbearable for the Army under the current budget constraints and would risk creating a hollow force, with less overall capability and less investment in modernization.

The Army National Guard was involved in the development and staffing of the aviation restructure plan during the entire process. The ARNG was directly involved as early as February, 2013 and had planners present during the development of specific details of ARI.

Under the ARI plan, the regular Army, Army National Guard, and United States Army Reserve all retain combat aviation units. UH–60 Black Hawks and CH–47 Chinooks, which are in all service components, accounted for the majority of hours flown in a combat environment during Operation Enduring Freedom and Operation Iraqi Freedom.

It is not possible to produce AH–64's at a rate sufficient to replace the OH–58, resulting in a multi-year capability gap. In addition to this, the purchase of sufficient AH–64's would cost over 4 billion dollars in addition to an additional annual operations cost of more than 340 million dollars.

QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. Secretary McHugh and General Odierno, you both are requesting authorization for DOD to conduct a Base Realignment and Closure (BRAC) in upcoming years to eliminate existing facilities and infrastructure because it will be a fiscal burden to the U.S. Army based on a smaller army that is projected to reduce from 45 Brigade Combat Teams (BCT) to 32 BCTs. You also testified that this smaller army comes with increased risk to national security and reduces the ability to conduct successful major ground operations. Should the U.S. enter another war that requires major ground operations supported by a larger U.S. Army, or support operations in more than one theater, how will the U.S. Army successfully support the "reversibility" of the facilities and infrastructure that is required to support a larger army? Would the U.S. Army then have to purchase new facilities and build new infrastructure to support a larger U.S. Army? In your cost-benefit analysis, will it be more expensive to purchase and build new facilities and infrastructure to support that effort than to maintain the existing facilities and infrastructure? Lastly, is there a current plan for "reversibility" of facilities and infrastructure if a BRAC is successfully conducted by the U.S. Army?

Secretary MCHUGH and General ODIERNO. The Army's ability to rapidly and effectively respond to future requirements is an important consideration of the BRAC process, and the Army would incorporate this concept of surge capacity into the application of the Military Value Selection Criteria. Military Value Selection Criterion #3, as proposed by DOD for a future BRAC round, states that the Secretary of Defense, in making recommendations for the closure or realignment of military installations inside the United States, will consider "The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training."

One of the ways the Army can preserve its surge capacity is to retain maneuver lands, impact areas, and training ranges sufficient to support a larger force structure. These are among the Army's most precious real estate assets because they are historically extremely hard to replicate or acquire. Certain types of very specialized structures (like testing ranges and unique production facilities) can also fall into this category.

By contrast, excess administrative office space and other facilities on the cantonment area of Army installations degrade rapidly when not occupied. Retaining excess capacity indefinitely, even when buildings are placed in "mothball" status, will slow but not prevent facility degradation. Multiple years of empty and unoccupied facilities retained by the Army will transform an asset that could be repurposed to host another mission realigned from another installation or disposed to benefit the local community, into a liability requiring demolition.

QUESTIONS SUBMITTED BY MR. BARBER

Mr. BARBER. A Supplemental Programmatic Environmental Assessment (PEA) was recently published that proposed a reduction of 2,700 personnel from Fort Huachuca. This reduction would impact the special mission sets that call for low density military occupational specialties (MOS) and civilian experts who manage one of Secretary Hagel's top priorities: cyber warfare and C5ISR systems. As the Army looks at downsizing force structure, what is the Army's plan to avoid reducing the low density MOS's and civilian experts that enable the unique mission sets at Fort Huachuca?

Secretary MCHUGH and General ODIERNO. The Army is in the process of reducing its Active Component end-strength to 490,000 by FY15, in compliance with current law, budget caps and the current national defense strategy. With further budget cuts, the Army's Active Component end-strength could be forced to decline to at least 450,000, and we are posturing to go as low as 420,000 if BCA spending levels are maintained for Fiscal Year 2016 and beyond. The Supplemental Programmatic Environmental Assessment (PEA) is in support of that planning.

The overall numbers assessed in the Supplemental PEA do not reflect actual or projected losses; rather, they are designed to ensure an assessment of the possible environmental and socio-economic impacts for the entire range of potential reductions at each installation.

Mr. BARBER. If the Army were to relocate its developmental tester for C5ISR from the environmentally unique location at the Electronic Proving Grounds (EPG) to a lab in another base, how would this impact future research and development of C5ISR assets?

Secretary MCHUGH and General ODIERNO. Given the nature of C4ISR testing, the Army cannot relocate developmental testing to a purely lab-based environment. Effective developmental testing requires open air or field testing under operationally realistic conditions. The Army is not changing its developmental test protocols, so the balanced use of lab-based and open air or field testing will continue.

Mr. BARBER. How will Fort Huachuca's testing, training, intelligence and signal units play a role in the emerging and evolving cyber warfare mission?

Secretary MCHUGH and General ODIERNO. Signal units, strategically stationed under the command and control of the Network Enterprise Technology Command (NETCOM), play a critical role in the emerging and evolving cyber warfare mission of cyberspace operations. These signal units conduct network operations and defense measures within all Army networks and, as directed, within Department of Defense (DOD) information networks.

NETCOM, headquartered at Fort Huachuca, Arizona, is assigned to the Army's newly established Second Army, and performs Army missions and functions relating to the cyber operations' lines of effort: Defensive Cyberspace Operations and DOD Information Network Operations.

The functions that these signal units perform are focused on Army network modernization efforts, the day-to-day operations of the network, provisioning of information technology systems and services from the global enterprise to the regional and local levels, and the protection of these same systems and services. The Commander of Second Army is also dual-hatted as the Commander of the Army's component command to USCYBERCOM, U.S. Army Cyber Command (ARCYBER). By aligning the Army's global signal units capability under the same Commander who also command's ARCYBER, the Army is enhancing and enabling the cyber warfare mission by synchronizing Army network modernization efforts and day-to-day operations and security efforts with cyber warfare missions. The future network architecture will be inherently more defensible in nature and will be better postured to support

cyber warfare missions and be operated and defended as a cyber warfare operational warfighting platform. When cyber warfare missions are conducted on the network, they will be conducted in a manner that is synchronized with and informed by the requirement for the network to maintain levels of service and capability to all Army entities that use the Army network.

Intelligence training units will continue to integrate topics related to cyberspace operations into instruction for all military intelligence Soldiers as appropriate. As the organization's understanding of cyberspace operations expands, the training and doctrine elements that support military intelligence will continue to refine and update the skills required and subsequent training paths for all source and single discipline intelligence Soldiers.

Mr. BARBER. What is ATEC's current intent concerning future realignment of ATEC's assets and functions?

Secretary MCHUGH and General ODIERNO. At this time, the Army Test and Evaluation Command does not have a plan to realign or consolidate assets or functions across the command. If studies and analysis identify a need to realign assets and functions within ATEC, the command will use the appropriate channels within the Department of the Army and the Department of Defense to properly inform all relevant stakeholders.

Mr. BARBER. Please explain the rationale for the Army's Aviation Restructure Initiative and how involved was the National Guard in this process? Does it not make sense to continue to have combat aviation units in the Army Reserve?

Secretary MCHUGH and General ODIERNO. The Army's Attack/Reconnaissance battalions are considered low density and high demand assets that must be fully trained and ready on short notice to deploy for world-wide contingencies and crisis response in the wake of major reductions to the Total Army end-strength and force structure. The divestment of OH–58D Kiowa Warriors and the elimination of three entire Combat Aviation Brigades (CABs) from the Active Component (AC) will take Army Aviation down from 37 to 20 shooting battalions. This necessitates transferring all Apache helicopters to the AC in order to meet the demands of our Combatant Commanders. The Army simply does not have the luxury of retaining Apache helicopters in the Reserve Component (RC) as it is considerably more expensive to maintain a sufficient, available inventory of Apaches in the RC than it is to do so in the AC.

When considering the most effective use of limited resources, National Guard Formations should be optimized with "dual use" equipment and formations that are capable of supporting States and Governors as well as Combatant Commanders when mobilized. We must develop complimentary and mutually supporting capabilities. The Army supports a multi-component solution for operationalizing ARNG Aviation Brigades in non-permissive environments. Under the Aviation Restructure Initiative (ARI), each ARNG Aviation Brigade will have an AC AH–64 battalion aligned with them for training and deployment. These AH–64 battalions will deploy with an intermediate maintenance slice to support AH–64 maintenance and armament. This model has proven effective in the past, and in fact, we have a National Guard aviation brigade deployed to Kuwait today with an active duty attack battalion attached.

The Aviation Restructure Initiative (ARI) was necessary due to severe budget restraints. ARI is designed to achieve a leaner, more efficient and capable force that balances operational capability and capacity across the Total Army. The low-density, high-demand AH–64 Apaches transferring out of the Army National Guard (ARNG) will be repurposed to replace Active Component (AC) OH–58D Kiowa Warriors that are being divested. The transfer will enable the teaming of Apaches with unmanned aircraft systems (UAS) for armed reconnaissance, filling a critical capability need for an Armed Aerial Scout created by the elimination of the Armed Reconnaissance Helicopter program. In addition, consolidation of Apache airframes in the AC will enable the Army to better meet the operational demands of our Combatant Commanders due to the increased operational availability as a result of the reduced dwell times required in the AC. The ARNG will receive additional UH–60 Black Hawk helicopters to optimize the ability to perform its mission in the homeland and deploy in support of combat operations.

Necessary savings are generated by divesting three entire fleets of Army aircraft—the OH–58A/C Kiowas; the TH–67 training helicopters; and the OH–58D Kiowa Warriors—an overall reduction of 798 aircraft. The net effect of the reduction is a 23 percent decrease in aircraft in the AC with only an 8 percent reduction in the ARNG. In addition to procurement and modernization cost savings, the Army would also avoid the significant operations and sustainment costs of these aging aircraft fleets. ARI avoids approximately 12 billion dollars in imminent costs. If the Army did not execute ARI, we would be forced to retain many of our oldest and least capable aircraft while divesting several hundred modernized airframes. Upgrades to

the Kiowa Warrior would cost over 10 billion dollars. Replacing the legacy TH–67 training helicopter would cost another 1.5 billion dollars. In addition, lower procurement rates of modernized aircraft would cost the Army approximately 15 billion dollars. These costs would be unbearable for the Army under the current budget constraints and would risk creating a hollow force, with less overall capability and less investment in modernization.

The Army National Guard was involved in the development and staffing of the aviation restructure plan during the entire process. The ARNG was directly involved as early as February, 2013 and had planners present during the development of specific details of ARI.

Under the ARI plan, the regular Army, Army National Guard, and United States Army Reserve all retain combat aviation units. UH–60 Black Hawks and CH–47 Chinooks, which are in all service components, accounted for the majority of hours flown in a combat environment during Operation Enduring Freedom and Operation Iraqi Freedom.

It is not possible to produce AH–64's at a rate sufficient to replace the OH–58, resulting in a multi-year capability gap. In addition to this, the purchase of sufficient AH–64's would cost over 4 billion dollars in addition to an additional annual operations cost of more than 340 million dollars.

Mr. BARBER. How will the Army avoid broad cuts to Tables of Organization for the purposes of bringing numbers down so that special missions that are currently valued by DOD are not hollowed-out?

Secretary MCHUGH. To meet the potential for a continued reduction of Active and Reserve Component structure, the Army is thoroughly evaluating all capabilities, including those of low density forces, in order to structure a smaller force to meet National Security objectives and priorities within current budget constraints. That process determines the relative value of each capability in the context of all the missions the Army may be called upon to perform and recommends a minimum resourcing level, including in which component the capability should reside. Guidance throughout this process is to avoid the "hollowing" of organizations and the Army as a whole.

Mr. BARBER. The Army said that the Supplemental PEA was one of many components that will be used when making force structure decisions. What other metrics will the Army use in their scope of analysis before making the final decision on reducing force structure?

Secretary MCHUGH. In addition to the environmental and socio-economic impacts assessed in the Supplemental PEA, Army realignment and stationing decisions are based on strategic and operational factors, including national strategic priorities, costs, operational requirements, and an assessment of installation capabilities. The Army uses the Military Value Analysis (MVA) model to support capability assessments at installations hosting Brigade Combat Teams (BCTs). The MVA model is a decision analysis tool designed to score installations on operationally important attributes related to training, power projection, geographic distribution, and Soldier and Family well-being.

The Army remains a Soldier-centric force and we intend to preserve a high quality of life for Soldiers and Families, while sustaining relationships with surrounding communities. Assessments of installation capabilities, national strategic priorities, costs, and operational requirements are combined with public feedback, ensuring the Army weighs all considerations to make fully informed decisions.

Mr. BARBER. How does the Army specifically assess the socio-economic and environmental impacts at the local and installation levels during a Programmatic Environmental Assessment and what is the best way for local stakeholders to address their concerns about potential impacts to the Army?

Secretary MCHUGH. In addition to the environmental and socio-economic impacts assessed in the Supplemental PEA, Army realignment and stationing decisions are based on strategic and operational factors, including national strategic priorities, costs, operational requirements, and an assessment of installation capabilities. The Army uses the Military Value Analysis (MVA) model to support capability assessments at installations hosting Brigade Combat Teams (BCTs). The MVA model is a decision analysis tool designed to score installations on operationally important attributes related to training, power projection, geographic distribution, and Soldier and Family well-being.

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Mr. BARBER. Is the Army considering expanding additional MOS's and career progression in a computer network exploitation or cyber defense field that will meet the priorities set in the President's Budget?

Secretary MCHUGH. Yes, the Army is establishing a new Cyber Career Management Field (CMF) 17 to provide comprehensive career progression for our highly-skilled cyberspace Soldiers. Currently, the Army is conducting an analysis to identify the appropriate force mixture of Military Occupational Specialties (MOS) and Functional Areas (FA) that will comprise the 17-Series CMF.

Mr. BARBER. Given the likelihood of the reduction of force structure lessening the demand for Privatized Army Lodging, is the Army planning to proportionally reduce that commitment in order to lessen the costs incurred on the Army's budget and lessen the impact to local economies? If so, then please explain how.

Secretary MCHUGH. Regardless of whether the Army reduces or increases its Privatized Army Lodging (PAL) requirement, the Army will not incur costs for the construction, renovation, operation, and sustainment of its privatized lodging facilities. All PAL-associated costs are incurred by the private PAL partner and not by the Army.

The PAL development plan agreed to by the Army, the private PAL partner, and the lender has been revised to reflect a lower room count in anticipation of a smaller Army force structure and reduced travel budgets. Across the PAL portfolio, the privatized end-state room count will be 1,260 rooms fewer, which represents reductions at 28 of the 39 locations across the portfolio.

Mr. BARBER. The Army in particular has faced cuts in force structure (depth) and deferred much needed modernization (capability). How would this dual degradation in depth and capability impact the ability to respond to a major contingency? Is today's Army sufficient to meet OPLAN and CONPLAN requirements?

General ODIERNO. The Total Army Force of 490,000 in the active Army, 350,000 in the Army National Guard, and 202,000 in the U.S. Army Reserve that will exist at the end of FY15 can meet the most demanding defense strategic guidance requirements at moderate risk.

The Bipartisan Budget Act supports the President's Budget submission of a Total Army Force of 440,000 to 450,000 in the active Army, 335,000 in the Army National Guard, and 195,000 in the U.S. Army Reserve through the end of FY17. At this end strength, the Army could, with significant risk, meet requirements in the defense strategic guidance if the optimistic assumptions regarding the duration and size of future conflicts, allied contributions, and need to conduct post-conflict stability operations are correct. If these assumptions are wrong, risk will grow significantly. In either case, as the Army continues to lose end strength, it will face a corollary deterioration in flexibility and ability to react to strategic surprise.

If implemented, the Budget Control Act (BCA) spending caps could result in a Total Army Force of 420,000 in the active Army, 315,000 in the Army National Guard, and 185,000 in the U.S. Army Reserve by the end of FY19. At this end strength, the Army would not have the appropriate depth and capacity to successfully conduct all components of a prolonged, multi-phase major contingency operation as articulated in the defense strategic guidance under terms acceptable to the United States. As a result, the very real probability exists that U.S. forces would be unable to sustain conflict long enough to mobilize, train, and deploy additional formations.

With regard to capabilities, the Army is still recovering from cuts to training and modernization resources due to the lingering effects of sequestration. Current Army readiness levels are not acceptable and, if the Army goes to the end strength levels required by sequestration, the Army may not have the appropriate capacity to meet operational commitments and simultaneously train to sustain appropriate readiness levels across the Total Army Force.

QUESTIONS SUBMITTED BY MS. SHEA-PORTER

Ms. SHEA-PORTER. Secretary McHugh, as the former Ranking Member of the House Armed Services Committee and prior to that of the HASC Subcommittee on Military Personnel, I know you understand the key oversight role of the committee and the importance of following its policy directives. In House Report 113–102 accompanying the National Defense Authorization Act for Fiscal Year 2014, the committee "identified concern regarding soldier and civilian personnel exposure to environmental hazards, including burn pits, dust and sand, hazardous materials and waste." The committee directed "the Secretary of the Army to submit a report to the congressional defense committees by February 15, 2014, evaluating the potential utility of fabric-based solutions to address soldier exposure to inhalation of sand,

dust, smoke, and pollutants." Subsequently, the Program Executive Office Soldier identified (in a letter from Gen. Ostrowski to me on June 17, 2013) the proper entity to evaluate fabric-based solutions as the U.S. Army Natick Soldier Research, Development, and Engineering Center (NSRDEC) in Natick, Massachusetts, which makes sense, as NSRDEC has technical and scientific expertise in the areas of environmental protection, protective clothing, multi-functional textiles, materials, and fibers. Now here it is near the end of March 2014, and the House Defense bill passed in June 2013—over 9 months ago. Yet the Army has not tested or evaluated any potential fabric-based solutions to dust, sand, smoke and small particulates exposure, and no report has been issued as directed by the House Report. This disregards congressional intent. Can you explain why congressional intent was disregarded, and what steps you are taking to remedy this situation?

Secretary MCHUGH. The Army has been evaluating textiles since last year and anticipates concluding the evaluation shortly. I would be happy to have you and or other Committee Members briefed on the results of our evaluation.

QUESTIONS SUBMITTED BY MR. MAFFEI

Mr. MAFFEI. Congress has asked for the Army's plans to leverage our investment in the MEADS program. Under the Army's 30-year Lower Tier modernization plan, it shows technical assessment of MEADS into the 4th quarter of calendar year 2015. What is the status of the plan and strategy to evaluate MEADS end-items as the Army has asserted?

Secretary MCHUGH and General ODIERNO. The Army is currently executing a 3-phased plan to evaluate opportunities to harvest MEADS technology. Phase I will conduct a detailed assessment of MEADS technological maturity and help discern whether technologies developed under the MEADS program are sufficiently mature for harvesting against current requirements. This effort is currently being finalized and will be completed in June 2014. Phase II is also currently underway and will incorporate a DOD-wide assessment involving the Air Force, Navy, and Missile Defense Agency to determine opportunities to harvest MEADS technologies. Phase III will focus on harvesting and/or transferring technologies to specific Army programs or other Services for further development/integration activities. While we anticipate that some harvested technology transfers could begin as early as FY15, most technology under assessment is not anticipated to be sufficiently mature for harvesting until after FY15.

Mr. MAFFEI. DOT&E issued a report this year and last citing continued deficiencies in Patriot Ground System reliability and that the overall system does not meet threshold requirements for reliability as a result. What is the threshold value for Patriot reliability? What is the current reliability value mean time (in hours) between failures? As the Army is planning to invest in excess of $1 billion in radar digital processor upgrades, what is the expected improvement in MBTF as a result of this investment?

Secretary MCHUGH and General ODIERNO. The current threshold value for Fire Unit Mean Time Between Critical Mission Failure (MTBCMF) is 21 hours, as stated in the January 2013 Joint Requirement Oversight Council (JROC) approved PAC–3 Increment 2 Capability Production Document (CPD). MTBCMF is a measure of average time between critical mission failures that place the system out of service and into a state of repair. Mean Time Between Failures (MTBF) is a measure of the average time between failures that does not entail placing the system out of service. The latest demonstrated MTBCMF from operational testing was 16.4 hours. Achievement of MTBCMF is driven by reliability of the Radar Equipment, which has 759 replaceable modules/parts. The incorporation of the Radar Digital Processor (RDP) upgrade will reduce the quantity of replaceable modules/parts from 759 to 56, which is expected to increase hardware reliability for the Radar Equipment from 132 hours MTBF to 182 hours MTBF. Based on this improved performance, the projected Fire Unit MTBCMF value—after incorporation of the RDP—would be 21 hours, which would satisfy the threshold system reliability requirement.

The Army has budgeted $21.0 million in FY15 for 5 RDP kits, which will improve reliability and provide the Patriot with additional capability, such as improved target identification.

Mr. MAFFEI. What is the status of Operational Testing on the Patriot Radar Digital Processor upgrades? When will it complete operational testing?

Secretary MCHUGH and General ODIERNO. Developmental tests for the Patriot Radar Digital Processor (RDP) upgrade are scheduled to begin in 1QFY15, with operational testing currently scheduled to begin 3QFY15 and end in 1QFY16. However, some early contractor developmental testing of the RDP upgrades has begun

at White Sands Missile Range to demonstrate performance improvements and increased reliability.

Mr. MAFFEI. The Army has stated a need for an expensive Patriot antenna upgrade to AESA technology. What requirements gap is driving the need for an AESA radar upgrade and what other options have been studied that could meet the requirement for less cost?

Secretary MCHUGH and General ODIERNO. The Patriot ground system was initially fielded in 1984, with the latest major configuration upgrade to the Patriot radar in 2000. Threat evolution and advancements of the future will continue to challenge current radar technology. There are four critical capability gaps driving the need to modernize our current radar. The first is the need to improve survivability. Based on current and emerging threats, Patriot is required to intercept advanced maneuvering threats; to operate effectively in an advanced electronic attack environment; and to defend against both mass and complex integrated attacks. The second gap is the need to sense, engage, and destroy evolving threats at the ranges and altitudes required for the defended area. The third is the capability to accurately classify, discriminate, and identify manned and unmanned aerial objects in order to prevent fratricide. The fourth critical gap is the need to improve reliability, availability and maintainability to ensure sustained defense of critical assets.

In June 2013, the U.S. Army completed a review that showed operations and support savings, performance improvements, and reliability enhancements could be achieved by upgrading the Patriot radar with AESA technology. The U.S. Army is now preparing to support an OSD Cost Assessment & Program Evaluation led Analysis of Alternatives to investigate modernization alternatives available to improve the capability of the Patriot radar. Alternatives to be examined could include: upgrading current Patriot radar with the AESA technology insertion; a new start with pure AESA technology; harvesting Medium Extended Air Defense System radar capabilities; and procurement of other existing DOD radars.

Mr. MAFFEI. In the Army's Advance Planning for Industry briefings from March 2014, the Army states the need for 360-degree Sensing and Intercept—Surveillance coverage and Fire Control, Combat and Positive Identification, and links to sensors and shooters. Given this capability for sensing and intercept was developed in MEADS, why isn't the Army exploiting MEADS capability with IAMD/IBCS?

Secretary MCHUGH and General ODIERNO. The Army continues to evaluate opportunities to leverage technology from previous and ongoing investments. The MEADS Multifunction Fire Control Radar (MFCR) and Low Frequency Sensor (LFS) require significant additional Research Development Test and Evaluation investment to complete development and operational testing to U.S. standards. The LFS has the potential to offer increased capability and performance; however, the system would also introduce increased operational and support costs. The Army is currently evaluating opportunities to harvest MEADS technology based on the ongoing assessment of technological maturity.

Mr. MAFFEI. We understand that the MEADS Radars, in coordination with the PM, IAMD Program office, were successfully integrated and demonstrated on the IBCS last November. Have those results been published or disseminated? Wouldn't this be relevant to a decision on harvesting MEADS radars for IAMD, given the approximately $2.4 billion the U.S. invested in MEADS?

Secretary MCHUGH and General ODIERNO. The Integrated Air and Missile Defense (IAMD) Project Office granted approval to Northrop Grumman to use Integrated Air and Missile Defense Battle Command System (IBCS) software in a joint Industry Initiative between Northrop Grumman and Lockheed Martin, but did not participate in the demonstration. The demonstration was limited in its scope and showed that data transmission occurred between the Low Frequency Sensor (LFS) and the Multifunction Fire Control Radar (MFCR) to the IBCS software. Initial draft results were provided to the IAMD Project Office and are being considered as part of the Army's assessment on MEADS technology harvesting.

Mr. MAFFEI. How much has been spent to date by the PEO organizations (LTPO/ and PM IAMD) on integrating Patriot on the network? When is this capability expected to be completed and what is the projected cost?

Secretary MCHUGH and General ODIERNO. The Integrated Air and Missile Defense Project Office has expended approximately $185 million to date in Research Development Test and Evaluation (RDTE) funds with an expected additional $55 million in RDTE funding to support testing efforts in FY15 to FY17. Completion of the development is expected in FY16 with First Unit Equipped in FY17, and Initial Operating Capability in FY18.

Mr. MAFFEI. We understand the Army needs additional funding to get the Patriot system to a Mode 4 capability in Identification Friend and Foe (IFF). How much has been spent to date? How much time and funding is needed to finish develop-

ment and implement on the existing radar? MEADS is already IFF Mode 5; when will Patriot reach IFF Mode 5? We understand the development of the fratricide fixes in Patriot were initiated almost immediately following OIF. Why has it taken over 10 years to implement these fixes?

Secretary MCHUGH and General ODIERNO. The Patriot system has incorporated Mode 4 IFF capability since the early 1980s. The Army has expended $43.6 million to correct Mode 4 IFF issues identified in OIF. The Army demonstrated initial Patriot Mode 5 capability in 2009 through Post-Deployment Build (PDB) software upgrades and demonstrated this capability in Joint level tests and exercises. Further Patriot Mode 5 capability will be fielded with the Radar Digital Processor (RDP) upgrade and PDB–8 program. The RDP is in production, and the PDB–8 software is scheduled for fielding in FY16. The Army currently plans on testing to demonstrate full Mode 5 capabilities in a Joint air environment beginning in 1Q FY15 with Initial Operational Capability in 3QFY16. However, MEADS has not demonstrated a production-ready, tested sensor with Mode 5 capability, and thus does not present a ready alternative to Patriot modernization.

Based on lessons learned from OIF, the Army developed a priority list of hardware and software enhancements to correct fratricide-related deficiencies. Two major software changes were required, in addition to materiel solutions. The materiel solutions were developed, tested, produced and fielded serially, with fielding of the modifications applied to the Patriot units over time. The development, testing, and materiel release approvals for most of the enhancements were completed on schedule in FY07. Two lower-priority enhancements were fielded in FY11.

QUESTIONS SUBMITTED BY MR. GIBSON

Mr. GIBSON. What is the Army's plan forward from the Rapid Fielding Initiative? Do you agree that the RFI equipment set has become a new standard for individual soldier equipment for combat units?

How will the Army determine a long term fielding plan for individual soldier equipment items that are not fielded outside the wartime deployment cycle, but are regularly used overseas ((like the Army Combat Shirt)?

Right now, under the Rapid Fielding Initiative (RFI) process, soldiers receive a set of flame resistant combat uniforms before they deploy. Is this cost-effective? Should the Army explore whether some of the uniforms provided prior to deployment should become standard equipment for combat units in training?

Secretary MCHUGH and General ODIERNO. Since its inception, the RFI has been funded by Overseas Contingency Operation (OCO) funding in support of deploying forces. Soldiers deploying to a combat zone will continue to receive essential uniforms and OCIE (Organizational Clothing and Individual Equipment) through the RFI. Over the long term, the Army is assessing the viability of the RFI as budgets decline and combat operations conclude in Afghanistan.

OCIE items such as the Army Combat Shirt will be fielded to deployers destined for combat operations. Additionally, the Army is in the process of identifying essential individual soldier equipment to be collected into contingency stores for future short-notice deployments.

Flame Resistant (FR) combat uniforms provide protection against burn and spalling injury, a leading cause of casualties on the battlefield due to Improvised Explosive Devices. Given the high wear-out rate of uniforms, it is unnecessary and cost-prohibitive to provide FR uniforms as standard issue. However, Soldiers performing mission roles that carry a high risk of burn injury, such as aviation and tank crews and fuel handlers, currently receive FR uniforms.

Mr. GIBSON. I know that there is a new global POV contractor coming on line that will work with Surface Deployment and Distribution Command (SDDC). Since issues can arise during any transition, I wanted to know if you thought the new contractor was prepared to provide that same level of service when they take over the contract. I'd also like to hear your perspectives as to the impacts to service members' morale if there are problems with the new contractor, such as vehicles not being delivered on time.

Secretary MCHUGH. The American Auto Logistics (AAL) contract terminated on April 30, 2014. Effective May 1, 2014, International Auto Logistics (IAL) became the new global privately-owned vehicle (POV) provider. There will be no break in service at the CONUS facilities. To aid in transition, the military Services asked their personnel to only drop off vehicles at select OCONUS facilities on an emergency basis on May 1 and 2, 2014. Reduced traffic on these dates will provide additional time for the previous contractor to vacate the facility, and the new contractor to ensure

that each facility is fully operational. These locations will be fully operational on May 5, 2014.

With a change in contractors, SDDC is addressing several issues to ensure a smooth transition. SDDC sent out advisories on April 15 and April 24, 2014 that provided information for all Department of Defense Service members, civilian employees, Service Headquarters, and Transportation Offices regarding the implementation of the new global privately-owned vehicle Contract III. The advisory addressed issues such as the establishment of new Vehicle Processing Centers under the new contract, implementation details, and transition planning for POV customers.

QUESTIONS SUBMITTED BY DR. HECK

Dr. HECK. Why can the Army not field transport telemedicine within the next 12 months, especially since the technology has moved beyond TRL–7 (Technology Readiness Level) and commercial companies are fielding capability now?

Secretary MCHUGH and General ODIERNO. The commercial environment for telemedicine is different from the military environment. The military environment requires significant integration and interconnectivity into the military operational and communications systems in a deployed setting, as well as Food and Drug Administration validation that the integrated system meets the general controls for transmitting medical data. Military requirements must be fulfilled in the following areas: cyber security (information assurance), logistics, and communication requirements (current radios do not have adequate capabilities to meet data transmission requirements). Also, for development and acquisition of a military system there must be an integrated requirements document approved by all the various military components that are affected.

Based upon the results of demonstrations of military utility, there are still major efforts ongoing for use in the military environment. These efforts include testing and validating air worthiness (the ability for a system to operate correctly in an airborne craft without interference to the system or to the aircraft); the need to transmit the information across multi-classification domains (e.g., classified radio networks to the Electronic Health Record on the unclassified network); protection of patient data as required by the Health Insurance Portability and Accountability Act; and the validation of the types and modes of clinical data that will be by needed and used by our clinicians.

Dr. HECK. What is the timeline for the integration of RC Cyber Forces into ARCYBERCOM?

General ODIERNO. ARCYBER is closely collaborating with Headquarters, Department of the Army (HQDA), the Army National Guard (ARNG) and the United States Army Reserve (USAR) to develop a Total Army RC cyber integration strategy that supports Joint and Army cyber requirements. This RC Cyber Protection Team integration concept rests on four guiding principles: (1) Joint training and certification of RC cyber forces is the desired end state; (2) RC cyber forces will be developed in phases beginning in FY 14 and allocated against current Joint and Army priorities; (3) RC cyber forces will focus on foundational training and certification requirements that do not require Joint-level training facilities subject to availability of resources, priority of effort for facilities, training, infrastructure should shift to RC upon completion of Cyber Mission Force build in FY 17); and (4) RC forces will train and certify to meet immediate un-resourced Army cyber requirements.

Dr. HECK. What mission is ARCYBER going to assign to the RC Cyber Force?

General ODIERNO. ARCYBER, in coordination with United States Cyber Command, ARNG and USAR, has identified the following mission requirements that could be discharged by members of the reserve components in the near term: defensive cyberspace operations (DCO), cyber command readiness inspections, vulnerability assessments, cyber opposing force support for training, critical infrastructure assessments, theater security cooperation activities, Federal Emergency Management Agency support, augmentation to active component cyberspace organizations, support to Joint Force Headquarters-Cyber, and intelligence support to cyberspace operations.

The desired end state for the main effort is 21 Reserve Component (RC) Cyber Protection Teams (one full-time Title 10 ARNG CPT; 10 Title 32 ARNG Teams; and 10 Troop Program Unit USAR CPTs) trained and certified to the joint standard. As part of a Total Force solution, Joint training and certification will provide the Army the needed flexibility to align RC cyber teams to meet both Joint and Army cyberspace priorities.

Dr. HECK. What are the Army Cyber Private Public Partnership initiatives (P3i)?

General ODIERNO. A key Army cyber public private partnership initiative is the Army Cyber Institute (ACI) located at West Point, New York. The ACI is a Secretary of the Army and Chief of Staff of the Army priority initiative that performs four major functions: outreach, advising, research, and education, in that order of priority. The ACI performs and enables outreach to bridge gaps and prompt information exchange across Army, military, academic, industrial and governmental cyber communities. They work closely with Army Cyber Command and U.S. Cyber Command/NSA to ensure their efforts are synchronized and limited resources are employed to maximum effect.

At the executive and action officer levels, the Army CIO consistently participates in a variety of engagements with private and public sector partners to shape Army modernization efforts and enhance cyber security capabilities. It is imperative that networks are kept current and up-to-date with the rapid changes in technology. Currently the CIO/G6 has been engaged in a comprehensive effort with entities and organizations across the Army to assess current capabilities, on-going modernization efforts, and future IT and cyber security requirements.

Dr. HECK. What are the Army Reserve's Cyber P3i activities?

General ODIERNO. The United States Army Reserve (USAR) is seeking private and public partners in the cyber domain to enhance individual and unit readiness through extended partnerships creating operational experiences, developing leaders, and advancing cyber skills through alternate resourcing opportunities and P3i networks. To date, the program has over six partners with two statements of intent at the university provost/dean level. The participating universities include: the University of Texas at San Antonio, the University of Washington (Seattle, Tacoma, Bothell), the University of Massachusetts/Fitchburg, the Naval Post Graduate School, the University of Denver, and the University of California-Davis. The USAR has additional universities working to link into the USAR cyber program. The program is designed to tie University Cyber Security programs directly to Cyber Security/Information Assurance positions' key skills and attributes (KSA). The intent is to catalyze the Soldier development for novice, apprentice and master levels of cyber security using the university degree and certificate programs. Various Army National Guard (ARNG) organizations have also signed cyber partnerships with educational institutions to include the Georgia ARNG, the Mississippi ARNG, the Michigan ARNG, the American Samoa ARNG, and the ARNG Professional Educational Center to name a few. These partnerships assist the ARNG and universities alike by increasing the training, educational, and recruitment throughout.

Dr. HECK. What is ARCYBER's Training Readiness Authority plan?

General ODIERNO. Like other Army units, Army Cyber conducts training and readiness reporting to meet the requirements established by regulation and law. For the Cyber Mission Force teams, the developing USCYBERCOM Training and Readiness (T&R) Manual will serve as the guideline for Cyber Mission Force (CMF) readiness. Currently, the T&R manual has draft core Mission Essential Tasks (METs) that were derived from DOD Universal Joint Task List (UJTL); when finalized, these METs will provide a common set of tasks against which like teams can train and assess readiness. When approved, Army Cyber Command will use the USCYBERCOM T&R Manual as our fundamental tool to build and maintain CMF team readiness.

QUESTIONS SUBMITTED BY MR. BROOKS

Mr. BROOKS. I would like to compliment the Army on the successful execution of the ITEP program (Improved Turbine Engine Program) to date. It incorporates competition, best business practices, acquisition reform measures and helps maintain a cutting edge technological and industrial base. Unlike many of the recent unsuccessful aviation programs, this one has valid, unchanging requirements and is executing and testing very successfully. It benefits from strong Congressional support and Army/Industry partnering. This is critical because the ITEP investment benefits both the current Black Hawk and Apache fleet, and reduces risk for the next generation Future Vertical Lift helicopter. I encourage the Army to sufficiently fund ITEP to maintain program momentum and a 12–18 month Technology Maturity/Risk Reduction phase. I appreciate your continued support of this priority program and we all look forward to the increased capability and tremendous fuel and cost savings ITEP provides.

Secretary MCHUGH and General ODIERNO. Improved Turbine Engine Program (ITEP) remains an important component of the Army Aviation modernization strategy. This engine upgrade program will allow the Army's current fleet of Black Hawk and Apache helicopters to perform their full range of missions in high/hot environ-

ments like Iraq and Afghanistan, while simultaneously achieving much needed reductions in fuel consumption and flying hour costs. While the Army faces significant fiscal pressures in the current budget environment, we plan to continue funding ITEP at previously planned levels through the Technology Maturity/Risk Reduction phase of the program. The Army requested $79.9M for ITEP in FY14 and received full funding. The Army is requesting $39.3M for this effort in FY15.

QUESTIONS SUBMITTED BY MR. NUGENT

Mr. NUGENT. Concerning the Department of the Army's proposed cuts to the Army National Guard—the Adjutants General presented an alternative solution that paid the Army National Guard portion of the BCA bill while sustaining higher capability and force structure for the National Guard, and therefore for the Army. (1) Why was this proposal rejected? (2) Given the lack of agreement on the best way to "right-size" the Army, what opposition do you have to establishing an independent commission to make recommendations on appropriate force structure for all three components? (3) Will you support taking the next 9–12 months to conduct a comprehensive study of the proper AC/RC force mix and how the structure should be best tailored to fulfill mission requirements that are consistent with available resources?

Secretary MCHUGH. The Army strongly opposes an independent force structure commission on the grounds that it is unnecessary and untimely. Our restructure initiative is based on a comprehensive Total Force study. It was an open process and we received input from many parties, including the National Guard Bureau. We are confident we have reached the right conclusions. Further, a commission would essentially freeze our end strength in place, which will prevent us from beginning to implement necessary changes and force the Army to make severe cuts to readiness and modernization programs, neither of which has adequate funding right now. Additionally, an independent review of the Army's plans has already been conducted by the Office of the Secretary of Defense Cost Assessment and Program Evaluation. Make no mistake, the recommendations we have proposed have been forced on us by the Budget Control Act's spending caps. We would prefer not to make these changes, but unless something is done to adjust the BCA caps beginning in fiscal year 2016, these changes will become unavoidable.

Regarding the "$1.7B NGB Proposal," it was considered independently by the Secretary of the Army and the Secretary of Defense and was rejected by both, because it does not meet the Defense Strategic Guidance without additional investment; it decreases fulfillment of Combatant Command contingency plans and steady-state operational requirements; it reduces the readiness of the Army National Guard; and it increases costs in comparison to the Department of the Army plan. Due to the Budget Control Act (BCA), Army Aviation's total obligation authority for aircraft modernization and acquisition has been reduced by $3B per year through FY19, and training and sustainment dollars are reduced by 40 percent from FY12 levels. These reductions make the previously approved (pre-BCA) Aviation Force Structure and Aircraft Modernization plans untenable, requiring a new approach.

Prior to the BCA, Army Aviation's modernization and force structure plan was to continue to grow the Active component to 13 Combat Aviation Brigades (CAB); continue to modernize the AH–64 Apache, UH–60 Blackhawk, and CH–47 Chinook helicopter fleets; upgrade the OH–58D Kiowa Warrior (at a cost of $10B); and conduct a costly service life extension program (SLEP) or even more costly replacement of the aging TH–67 training fleet. The Army National Guard and Army Reserves would continue to receive modernized UH–60, AH–64 and CH–47 aircraft and retain all of their structure.

To continue with the original aircraft modernization plan under BCA constraints (upgrade OH–58D Kiowa Warrior, continue to modernize the AH–64, UH–60 and CH–47 fleets, and SLEP TH–67) would require the deactivation of 5 Active and Reserve aviation brigades and the divestment of their associated aircraft (−464 aircraft). This would have been a significant loss of structure and numbers of modernized AH–64, UH–60 and CH–47 aircraft, just to retain the costly legacy OH–58D and TH–67 aircraft. For that reason, I directed a fundamental reassessment of Aviation structure in the Active, National Guard and Reserve forces. My guidance was to determine the best force structure and modernization balance to retain the most capabilities and capacity in highest demand by our Combatant Commanders and recurring civil and homeland defense requirements.

The new approach, known as the Aviation Restructure Initiative (ARI), uses the Budget Control Act level force and does not add cost to the Army's budget. ARI calls for reducing and reconfiguring the number of Active aviation brigades from 13 to

10, which enables the retention of one aviation brigade per Active component division. The Reserve component will retain 12 Aviation Brigades but will be restructured to a common organizational structure for 10 Brigades optimized for assault, lift, and MEDEVAC missions—most in demand for Defense Support of Civil Authorities (DSCA) missions.

To execute ARI, we will divest 338 OH–58D Kiowa Warriors and use the previously designated OH–58D cockpit upgrade dollars to reinvest in the training base and other modernization efforts. We will transfer all of the AH–64s from the National Guard to the Active component and use the AH–64, teamed with unmanned systems, in armed reconnaissance squadrons to replace the loss of the Kiowa Warrior Squadrons in the Active component. We will transfer 159 X UH–60s from the Active component to convert 4 of 10 Reserve component AH–64 Battalions to UH–60 (2 USAR and 2 ARNG). The National Guard will gain 111 UH–60s and the USAR will gain 48 UH–60s over current structure. We will divest the legacy TH–67 and OH–58A/C training fleet and replace them with UH–72A Lakota helicopters taken from the Active component and 100 newly procured Lakotas. In a compromise with the National Guard, the Office of the Secretary of Defense directed the Army to procure the 100 new Lakotas to address concerns raised by the Guard during the planning process for ARI. The National Guard will retain all of their 212 UH–72As specially equipped for the southwest border mission and other requirements in permissive, non-combat environments. This will give us a modernized, next generation glass cockpit, dual engine training helicopter. These aircraft will train all new Army aviators, regardless of component.

Eliminating three of seven entire fleets of legacy aircraft (OH58D Kiowa Warrior, TH67, OH58A/C), remissioning Apache helicopters to the armed reconnaissance role in addition to their traditional attack role, dual-purposing our UH–72A Lakota helicopters for both the homeland defense role and initial pilot training, and growing our lift helicopter fleets in the Army National Guard will allow us to retain the maximum force structure and modernized aircraft across the Total Army to meet the demand for Aviation across the Combatant Commands and States.

Although the resulting rotary-wing force will be smaller by 798 aircraft to pre-BCA levels and cuts fall disproportionately on the Active component (−23 percent) versus the National Guard (−8 percent), divesting the OH–58 and TH–67 fleets and moving the AH–64s from the RC to the AC allows us to preserve two additional Combat Aviation Brigades and improve the quality of Aviation Training while retaining a fully modernized aviation force across the Total Army.

The NGB proposal, actually increases costs. While the NGB proposal appears neutral with respect to the ARNG budget, it does not account for the significant increase that would occur to the $3.25B per year that the Department of the Army already funds from the Regular Army budget to support the Army Guard. Specifically, the NGB proposal does not account for increases of $300M annually for additional end strength and structure related costs such as basic combat training, specialized skill training, contractor maintenance support, payroll processing and officer accessions. Nor does it account for a $350M annual increase in aviation operations and sustainment type costs and the $4B one-time cost that would result from not executing the Aviation Restructure Initiative as planned.

The NGB proposal decreases readiness by reducing Operations and Maintenance funding that is used to resource Soldier, unit and facilities readiness. The proposal funds only 50-to-80 percent of required duty MOS, functional and professional development training, resulting in significant numbers of Guardsmen assigned to units untrained in their military duties and leadership responsibilities. The proposal reduces unit readiness, with only two Guard BCTs funded above individual-crew-squad level of readiness. The proposal's reductions to readiness would lengthen post-mobilization training that ARNG units require to respond to Combatant Command operational and contingency requirements, decreasing the Army Guard's viability as an operational reserve. The proposal also decreases MILCON funding by $100M per year and decreases facilities sustainment funding, negatively impacting Army Guard infrastructure.

The NGB proposal does not accurately capture the cost of turbulence. The Department of the Army estimated and budgeted turbulence costs at $310M over five years, or approximately $62M per year. The NGB estimated turbulence costs at $1B, but this estimate included $275M in costs to implement the Aviation Restructure Initiative that are already accounted for in the Regular Army budget; $360M in facilities upgrades for unit conversions that have not been substantiated; and $55M in additional recruiting costs that the Department of the Army believes is excessive and unnecessary given the reduction of the force.

The NGB proposal also does not accurately depict the impact of turbulence. OSD and Army leadership have testified to their desire to maintain ARNG end strength

at 335K as part of a 450K/335K/195K force, which would significantly reduce turbulence if full BCA/sequester cuts can be avoided. NGB turbulence projections of the Department of the Army plan are overstated in that they represent a highly-unlikely absolute-worst-case that every possible position associated with potential structure adjustments is impacted. Even if the worst case were realized, the average annual turbulence that would result during the five-year period of implementation would be less than the approximately 15 percent annual turnover the Army Guard experiences due to normal attrition.

Finally, the NGB proposal increases strategic and operational risk by reducing required unit readiness and operational responsiveness in order to preserve less-ready force structure. The proposal reduces the Total Army's ability to meet Combatant Commander contingency plans and steady-state operational requirements, extending the length of operations at increased risk to mission accomplishment and likelihood of additional casualties. Because the NGB proposal costs more and does not meet BCA-driven funding reductions, it would require additional reductions of $650M per year to other accounts, further degrading readiness and equipment modernization. The NGB proposal decreases readiness, increases risk, costs more, and violates the defense strategic guidance.

QUESTIONS SUBMITTED BY MR. COOK

Mr. COOK. After cancelling 7 brigade level trainings at the Combat Training Centers in 2013, your statement indicates that the Bipartisan Budget Agreement permits 19 BCT trainings in FY15. Do you anticipate funding all 19 trainings in FY15? And what do you estimate the impact would be for training in FY16 if sequestration persists?

General ODIERNO. Yes, if the Army receives funding levels supported by the Bipartisan Budget Agreement then 18 Brigade Combat Teams (BCTs) will conduct full rotations at maneuver Combat Training Centers (CTCs) in FY15, with another BCT joining a Combat Aviation Brigade and Special Operations forces in an aviation exercise. If sequestration persists in FY16, we will be required to significantly reduce home station training in order to fund CTC rotations, which will impact our overall readiness posture.

The reduction in home station training may preclude the full training progression of some BCT's prior to execution of a CTC rotation. Without the benefit of sufficient home station training, BCTs could begin the CTC rotation at a lower level of training readiness. As a result, CTC rotations may not produce the maximum BCT capability, in terms of training readiness.

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