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U.S. MARINE CORPS AND U.S. NAVY RESET REQUIREMENTS

JOINT HEARING

BEFORE THE

SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

MEETING JOINTLY WITH

READINESS SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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[There were no Questions submitted.]

U.S. MARINE CORPS AND U.S. NAVY RESET REQUIREMENTS

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED SERVICES, SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE, MEETING JOINTLY WITH READINESS SUBCOMMITTEE, *Washington, DC, Tuesday, February 13, 2007.*

The subcommittees met, pursuant to call, at 3:00 p.m., in room 2118, Rayburn House Office Building, Hon. Solomon Ortiz (chairman of the Subcommittee on Readiness) presiding.

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

Mr. ORTIZ. This hearing will come to order.

I thank our distinguished witnesses for appearing before these subcommittees today. We appreciate all the Marine Corps and Navy are doing to try to keep our Marines and sailors equipped for combat.

Today the Readiness and Seapower subcommittees will hear about the reset programs of the Marine Corps and the Navy's Seabees and Explosive Ordnance Disposal (EOD) teams.

Reset, for those that are civilians among us, means what it would take to fix and resupply the Marine Corps and Navy so they are ready to do their job and do their battles. Since November 2001, operations in Afghanistan, then in Iraq, have taken a significant toll on the Marine Corps' and Navy's equipment.

According to the Government Accountability Office (GAO), as much as 40 percent of the Marine Corps' ground equipment is deployed to Iraq and Afghanistan or at depots waiting to be repaired and returned to the fight. Some Seabee units, which are Naval construction forces, are reporting equipment usage rates 43 times the peacetime usage rate. These factors, along with battle losses and industrial base constraints, are reducing the overall equipment readiness of the Marine Corps and the Navy's Seabees and EOD teams.

To fix this, the Department of the Navy has implemented the reset strategy to repair, recapitalize and replace damaged and destroyed equipment. The Marine Corps and Navy must accomplish this program efficiently in order to quickly restore the full equipment readiness of their forces.

This committee understands the need for a successful reset. To that end, we authorized $6.6 billion for Marine Corps reset in fiscal year 2007, fully satisfying all reset requirements requested by the Marine Corps, including some carried over from the previous year.

It is vital that the Marine Corps and Navy move as quickly as possible to quickly re-equip units with new and repaired equipment for combat. I hope our witnesses will discuss how the troop escalation in Iraq will affect reset in both dollars and time and what measures are being taken to mitigate these effects. We also would like to understand how Reserve component equipment payback will be figured into the services' reset strategies.

We all understand how quickly you execute reset, actual repair and replacement, not just how quickly you pay for it, will determine how quickly the Marine Corps and Navy will be whole again and fully prepared for any challenge.

I look forward to hearing your testimony, but before we hear our witnesses' testimony, I would like to ask my good friend from Mississippi if he has any opening remarks he would like to make.

And I yield to my good friend, Gene Taylor.

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

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

Mr. TAYLOR. Thank you, Mr. Chairman.

I want to thank our witnesses for being here.

I have to confess that like a lot of other members of this committee, I am less than convinced that the Administration has shot straight with us as far as the true cost of this war. And the last people I want to suffer as a result of this would be the Marines and the sailors that require the proper equipment to be replaced as it is being used up or destroyed in Iraq and Afghanistan.

So I am pleased that our witnesses are here today.

Mr. Chairman, I thank you very much for calling this hearing.

But above all, I would hope that what we are told today for those things that are foreseeable, for those things that have already occurred, will be actually what the Navy and Marine Corps need.

And as advances are made in technologies, and I point more specifically to the mine resistant ambush protected (MRAP) vehicle to follow on to the High Mobility Multipurpose Wheeled Vehicle (HMMWV), a vehicle that will be less likely to sustain the injuries and less likely for the occupants to die in the event of an ambush, that to the greatest extent possible those programs be fielded in a timely manner.

In this instance, timeliness does not have to equate with cost control. I think it is the most important thing we can do is get those vehicles into theater, set a precedent that the Army will follow in short order, get it done to the greatest extent that we can in a cost effective manner, but the most important thing is to get those vehicles fielded and get them quickly.

So, General, I would hope that you would tell us what progress is being made toward that goal of having 4,000 vehicles in your inventory by the first of January.

Again, thank you very much for calling this hearing, Mr. Chairman.

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

Mr. ORTIZ. Thank you so much.

The ranking member is a little ill, under the weather, but we have Mr. Forbes who has a statement to read.

Go ahead.

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

Mr. FORBES. Thank you, Mr. Chairman.

Mr. Chairman, I am very pleased that the Readiness and Seapower subcommittees are coming together today to examine the very important issue of Marine Corps and Navy reset requirements.

We often think of reset as a depot-level repair activity that is funded through operations and maintenance accounts. However, particularly with the Marine Corps' approach, the reset of our forces are highly dependent on procurement funds as well. It is critical that our two committees continue to work together to ensure that we get a full understand of the issue, and so I am pleased that we are having this hearing today.

Availability of equipment and its combat capabilities continue to be concerns as we examine the readiness trends of Marine Corps and Navy ground and aviation elements.

As we all know, the high operational tempo and harsh conditions of Iraq and Afghanistan place a great deal of stress on equipment. The requirement to reset this equipment is critical to maintaining the ability to respond to challenges around the world. The effective and efficient reset of this equipment ensures that our Marines and sailors have the equipment they need when they need it.

Despite over $10 billion in appropriations for reset activity, the Marine Corps has indicated that they require an additional $4.4 billion for equipment reset in the coming year. It is also likely that depot maintenance requirements will continue for years beyond the operations in Iraq and Afghanistan.

In addition to funding requirements, rest takes quite a balancing act and proper establishment of priorities. You can't send a piece of equipment to the depot for repair if it is needed in the hands of a warfighter.

With these unambiguous challenges before us, I am looking forward to hearing from General Gardner and Admiral Greenert on their plans to address the Navy and Marine Corps reset requirements and challenges.

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

Mr. ORTIZ. The chair now recognizes the distinguished gentleman from Maryland, Mr. Bartlett, the ranking member for the Seapower Subcommittee, for any opening remarks that he might have.

STATEMENT OF HON. ROSCOE G. BARTLETT, A REPRESENTATIVE FROM MARYLAND, RANKING MEMBER, SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

Mr. BARTLETT. Thank you, Mr. Chairman. I will be brief so that we can proceed to today's testimony.

First, I would like to thank our witnesses for being here. We are very fortunate to have each of you serving our country.

Second, as many of you know, U.S. military equipment usage in Iraq and Afghanistan is estimated to be two to six times peacetime usage rate, depending on the type of equipment and operational conditions. We in Congress have a responsibility to provide the necessary funding to repair and/or replace this equipment. Our depots and private industry also play a key role in this effort.

In some cases, legacy equipment is no longer in production, which necessitates superior supply chain management to obtain obsolescent parts or the flexibility to substitute alternative equipment that is in production. Full reset will require a long-term plan that includes effective and efficient partnership between our depots and industry.

The ultimate metric of success is whether or not we are getting the proper equipment into the hands of our brave warfighters in time for them to train before they go into harm's way.

Again, I want thank all of you for your service to our country. Thank you for being here and I look forward to your testimony.

Thank you, Mr. Chairman.

Mr. ORTIZ. Today we have a panel of distinguished witnesses representing the Department of the Navy, who will address the Marine Corps and Navy reset program.

Our witnesses are Lieutenant General Emerson Gardner, deputy commander for programs and resources in active Marine Corps, and Vice Admiral Jonathan Greenert, deputy chief of naval operations for integration of capabilities and resources.

Without objection, both witnesses' prepared testimony will be accepted for the record.

General Gardner, welcome. It is so good to see you again—both of you. And I know you gave us a good briefing last week. But it is good to see you again, and thank you for the information that you gave us last week and the information that you are about to give us today.

Please proceed with your opening remarks, General Gardner.

STATEMENT OF LT. GEN. EMERSON N. GARDNER, JR., USMC, DEPUTY COMMANDANT FOR PROGRAMS AND RESOURCES, U.S. MARINE CORPS

General GARDNER. Thank you, Chairman Ortiz, Chairman Taylor, Mr. Forbes, Ranking Member Bartlett, distinguished members. Thank you for the opportunity to discuss your Marine Corps' readiness, resources and our efforts to reset the force.

As a Marine of 34 years and as a father of a Marine who served in Iraq in 2006, I want to thank you for your steady and generous support for our Corps. It has made a great difference in the lives of many young Marines and we appreciate it.

For over five years, the Marine Corps has been involved in combat and combat support operations around the globe. Your deployed Marines are better trained, better equipped and better protected than ever before. Their readiness in the four measurement categories of maintenance, supply, training and personnel remains very high. We are committed to keeping it there, no matter what the changing circumstances. We will not compromise in the training and equipping of any of our forces going forward.

Given our commitment to maintaining our deployed and deploying forces at the highest state of readiness possible, we have had to draw personnel and equipment from across the Corps to ensure that we have correctly weighted our main effort. This prioritization of personnel and equipment for forward-deployed units has caused the decline in readiness of our nondeployed units in those two areas.

On the personnel side, an expansion of the Corps existing force structure is critical to meet the demands of today. But more importantly, it is vital for the Marine Corps of the future, if we are to remain the Nation's 911 force. We intend to grow from our current temporary end-strength of 180,000 to 184,000 by the end of this fiscal year and add 5,000 Marines per year thereafter until we attain our goal of 202,000 by 2011.

We are initially funding this effort through a mix of baseline and supplemental appropriations, but we are eager to get these costs into our baseline budget as soon as possible. Our efforts to reset the force address the readiness deficit in our maritime preposition stocks and home stations that occurred as we increased the equipment density of the forward-deployed forces.

Our current total reset estimate is now $13.7 billion. The Congress has already provided $10.2 billion toward that cost in fiscal year 2006 and 2007 supplementals and we thank you for that. The remaining costs to reset the force are spread over the next couple of years and will be contained in future requests.

While timely provision of resources is critical, it is deliveries to the warfighters that actually improves readiness. We have been hampered by the need to replace lost items that are no longer in production and by limited industrial capacities. For example, although we lost our first light armored vehicle in April of 2003, the actual replacement of that vehicle will not be delivered until December 2007, four and a half years from the date of loss.

As vehicles continue to be lost without replacement, readiness declines, and the billpayer is a nondeployed unit. Fortunately, the bulk of this lag time is now behind us and we are beginning to see a turnaround in equipment readiness.

Our focus is on the Marines that are currently in harm's way. In 3 years, we have transformed from 100 percent soft-skinned HMMWVs to level 2 armor to our current fleet of level 1 up-armored HMMWVs. But now the enemy has adapted to our countermeasures and is attacking our best armored HMMWVs successfully with increasing regularity.

Tactical vehicles with V-shaped hulls built from the ground up to counter improvised explosive devices are urgently needed. Known as mine resistant ambush protected vehicle, or MRAP, these vehicles are big, heavy and expensive.

Because we have about 65 in Iraq now, we know that the payoff is great, however. Our experience is that the Marines in these vehicles have been four to five times safer than a Marine in an armored HMMWV. Based on this experience, we recently decided to replace our armored HMMWVs in theater on a one-for-one basis with MRAPs. Our total requirement is now 3,700 MRAPs.

The fiscal year 2007 bridge and supplemental funding request will procure just over 1,000 MRAPs for the Marine Corps. The additional 2,700 vehicles needed will cost $2.8 billion.

The Marine Corps is leading an aggressive Office of the Secretary of Defense (OSD) joint acquisition strategy for MRAPs and we believe that we can deliver these vehicles in quantity by late summer and complete the entire joint requirement of nearly 6,800 vehicles by the end of 2008.

Thank you for your tremendous support, and I look forward to your questions.

[The prepared statement of General Gardner can be found in the Appendix on page 34.]

Mr. ORTIZ. Admiral, whenever you are ready, sir.

STATEMENT OF VICE ADM. JONATHAN W. GREENERT, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR INTEGRATION OF CAPABILITIES AND RESOURCES, U.S. NAVY

Admiral GREENERT. Thank you very much, Chairman Ortiz, Chairman Taylor, Ranking Member Bartlett and Mr. Forbes, distinguished members of the Readiness and Seapower and Expeditionary Forces Subcommittees.

It is my pleasure to appear before you to discuss the Navy's reset request, and I am honored to be here with my teammate, General Gardner.

We are a maritime nation entering our sixth year of a global war on terror (GWOT). Navy continues to play a vital role in this war by deterring our enemies and supporting our friends and partners and by providing direct and indirect support to combat forces on the ground in Iraq and Afghanistan, and by leading the joint combined counter improvised explosive device (IED) task force, by leading the joint task forces in the Horn of Africa, Guantanamo Bay and Southeast Asia, and through commanding provisional reconstruction teams in Afghanistan.

There are currently over 42,000 sailors deployed worldwide and over 12,000 of them are serving on the ground in Iraq, Afghanistan and throughout the Central Command area of responsibility. Navy support of these operations results in a higher tempo of operations than experienced in peacetime. This has resulted in a high turnaround ratio for some expeditionary forces, particularly our Navy construction force, our Seabees, and our explosive ordnance disposal teams.

Moreover, the Seabees and the explosive ordnance disposal units deployed to Iraq and Afghanistan require the right equipment to do their mission, including improved self-protection against IEDs. Ongoing operations in Iraq have required new vehicles to support our troops against an array of explosive devices that they encounter. MRAP vehicles have been developed to better withstand these threats and they are being outfitted and delivered to our Seabees.

Additionally, traditional Seabee equipment deployed to the Central Command is wearing out on average 14 times faster than that experienced during peacetime usage. And some of the equipment, like generators, are wearing 40 times faster.

Of particular concern is the effect combat operations is having on our tactical and expeditionary aircraft. Navy's legacy aircraft are

showing significant wear from the increased combat-related operational tempo in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). And this increased OPTEMPO decreases the years of our legacy tactical aircraft beyond that predicted.

A third of the Navy's legacy tactical air fleet is already operating over our design limits and the bulk of the fleet, the FA–18 CD Hornet, is consuming flight hours at a rate 30 percent greater than originally planned. This increase in flight hours is accelerating the expected service life of these aircraft, reducing anticipated years of service.

Similarly, the EA–6B fleet is operating on average at a 120 percent design expected life with an average aircraft age of 24 years, although it was designed for 20-year life. Units of the P3 and EP3 fleets have exceeded fatigue, life expended limits and some are now being very closely monitored for continued operation. The average age of our P3 fleet is 27.5 years and the average age of our EP3 fleet is 33.5 years. Both are expected to last 30 years upon design.

This all translates to greater operational costs, but for the long-term it translates to shorter life spans, and the potential for decreased future force structure. So Navy has worked to identify the cost to reset the force which result from this war on terror. Resetting the force replaces required capability for our sustained required operations with global reach and with persistent presence. These two unique attributes provide the influence, the dissuasion and the deterrence, both in our day-to-day operations and as a vital element of our Nation's strategic reserve.

Navy's reset requests complies with the September 2006 Office of Secretary of Defense directive and we will leverage technology wherever it makes sense. Determining reset is a dynamic process which is influenced by multiple factors to include the operational tempo, the environment and the tactical employment of the equipment.

To accommodate this, we take assessment of our reset every six months, the last one completed in October 2006. This assessment provides us a point of reference and incorporates a three-year horizon to accomplish the reset, taking into account the time to authorize, appropriate and then execute and deliver the equipment.

This reset, contained without our fiscal year 2007 supplemental and 2008 GWOT requests, contains only those items that we can obligate in the year requested.

Past supplemental funding has mitigated Navy's operational costs but has been focused more on our costs of war than on resetting the force. Our reset requirements for our equipment will continue to grow more extensively than originally anticipated as long as our high operational tempo (OPTEMPO) continues.

Replace equipment and aircraft are essential to preclude near- to mid-term capability and capacity gaps. Your timely attention to our request would be appreciated. We thank you very much for your past support to our Navy and on behalf of our sailors, I thank you for your consideration of our reset requests. I look forward to your questions.

Thank you, sir.

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

Mr. ORTIZ. Thank you so much for both of your opening statements.

Now, let me yield to the chairman of the Seapower Subcommittee to see if he has any questions.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

General, with regard to the MRAP, I am just trying to get a handle on the dollars. A quick look would have me think that you have had money in hand to build about 1,200 of them roughly. So to get to the 4,000, how much more do you need?

General GARDNER. Sir, we need an additional $2.8 billion for the 2,700 more that we have asked for. Our original request was for 1,022 vehicles. Congress appropriated $600 million toward that in the Title IX and we have asked for an additional approximately $500 million in the full supp. So we would need an additional $2.8 billion above that number. If we receive that funding, then we will fill our requirement for 3,700.

The Army has also requested as a requirement for 2,500 vehicles and the Navy has a requirement for 538. That adds up to about 6,730 total vehicles.

Mr. TAYLOR. You are in a competition now with nine different variants with down selects sometime in the early summer?

General GARDNER. Sir, they have issued contracts to nine different vendors to provide four vehicles each. Two of the four would be for destructive testing, two for road testing. As each vendor produces these test vehicles, and they must do it within 60 days, and they prove to meet the requirements, as the companies say that they will, they will be issued production contracts to the extent that they are able to fill the requirements.

So those nine contracts have been issued with regard to test contracts and we are already getting underway, as companies will be issued production contracts as they qualify. So some of these companies are more mature in their vehicles, they have already demonstrated capability to produce the vehicles. They will be issued production contracts earlier.

Mr. TAYLOR. I guess what I am curious on, having seen the explosive growth of the Littoral Combat Ship (LCS) and some other things, you have nine vendors, you are going to down select this summer.

What happens if a vehicle you like comes in at $1.1 million instead of $900,000? How do you react to that, given that the requirement, hopefully, will not change, that every vehicle that leaves the wire will be properly protected? So how do you come up with the difference in dollars? How do you get that message to Congress in a timely manner and get the dollars that you need?

Because, again, the Marine Corps is on record saying January 1. I am pleased that you are sticking your neck out to set that date, but I don't want to see anything happens that keeps that from becoming a reality, starting with lack of funding.

So how would you react to that if the one you really want comes in a little bit more expensive than what you anticipated?

General GARDNER. Sir, our requirement is firm and if we don't have the resources to fill the requirement, we will seek more resources. We will take the immediate action required, reprogram-

ming funds as we are able to do that, and then seek resources to replace those funds.

Mr. TAYLOR. I guess I am curious. The admiral made a point. Every trip to Iraq, I am absolutely overwhelmed by how many generators are buzzing in the background and looking at the tents, and everywhere you are seeing very expensive stuff taking place to give the troops the quality of life that they deserve. But it has all got a price tag, and all those things wear out, and all those things have to be replaced.

So where do you find the funds for that reset, given that there are so many other needs going on simultaneously?

General GARDNER. Well, the Congress appropriated already $600 million for the first vehicles, almost about 800 vehicles-worth, probably, and our systems commander, General Brogan, is already working with that money. We have initiated a reprogramming action to provide him another $400 million so that he is not cash-flow limited in getting these production contracts on contract.

We see this 3,700 requirement as firm and we are seeking resources for that and have asked for that additional $2.8 billion. We are able to cash flow, in this part of the year, for example, personnel costs that we know we are counting on the Congress to provide the 2007 supp here by this spring. And at that time, then we can replenish those funds.

Mr. TAYLOR. General, well, Congress always seems to be a day late on this. I felt like we were a day late on up-armor. I felt like we were a day late on small arms protective inserts (SAPI) plates. I felt like we were a day late on jammers. And I have to confess, I personally felt a day late on the V-bottom vehicles when the retired colonel from the Army Liaison Office stopped by about a year ago and showed me a South African vehicle, explaining how that had evolved from the mine threat. And, you know, that was 10 years ago, maybe 20 years ago, that the South Africans went to this, that the Russians went to this.

What are we missing now? What should we be looking at in addition to this so that kids don't die needlessly?

General GARDNER. Sir, we need to move out aggressively with this short-term solution, which is the MRAP, and we are asking for that money. If we receive that money in 2007, we will be able to obligate and execute it in 2007 and deliver those vehicles during fiscal year 2008, we believe.

We are also aggressively in the President's budget for 2008, we have robustly funded the research and development for the joint light tactical vehicle (JLTV), which we see as the next iteration. Whereas the MRAP is more or less an off-the-shelf buy for an immediate requirement, the joint light tactical vehicle, we are working in conjunction with the Army. This is a vehicle which we will design from the ground up to deal with the threats of the future.

So we need to keep that on track, aggressively fund that research and development (R&D), so we get a vehicle that will take advantage of the technologies of the future, have better fuel efficiency, have lighter armor and hopefully be less expensive.

But we are buying the MRAP right now. It is not the ideal vehicle for the Marine Corps. We are not in any way constraining the buy of it so that it will fit on ships or any of that or our expedi-

tionary aspects. We are buying it for the war in Iraq and this kind of a threat, but we want to fund the development of the JLTV, which is what we see will be able to deal with this kind of insurgency in the future and future threats and be more suited to our expeditionary nature.

Mr. TAYLOR. What percentage of the funds for this program are coming from the Army? And to what extent have they shown up or not shown up with those funds in order for everything to work?

General GARDNER. To date, we have put in $600 million of the Title IX funds. I believe the Army has a reprogramming action of $70 million to get theirs going. And I believe they have requested additional funds to finance their part of the requirement.

Mr. TAYLOR. Is there any delay in the acquisition caused by the Army's slowness in paying?

General GARDNER. I am probably not the one to speak to that delay right now. I know that we are, like I said, he had $600 million to start out with. We are moving out on an additional $400 million reprogramming so that he will not be delayed. I am not aware of any delays at this time.

Mr. TAYLOR. Thank you, General.

Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

And thank you, Admiral, for being here, and General.

General, I would like to just follow up a little bit on some of Mr. Taylor's questions, if I could, regarding the MRAP. I was looking at your written testimony, and one of the statements that is in it is we were buying all of the small-production capacity currently available. And I know in any kind of reset policy, we are looking at, really, two major components: the procurement aspect of it and also the maintenance aspect of it down the road.

When we look at the nine companies that we are trying to look to to produce the four MRAP test vehicles each, can you tell me what happens after those vehicles are produced? In other words, what are our requirements?

Because I know it says here, it says, "To meet force protection and performance standards." What will you then do? Will you pick two companies, three companies, to produce these? Will you pick one vehicle and then go back to each of the companies and say, "Can you produce this for X number of dollars?" How will you make those selections?

General GARDNER. Well, this is a large program. I believe it is going to be an Acquisition Category (ACAT) 1D programs will be managed at the OSD level. The assistant secretary of the Navy for research, development and acquisition, Dr. Etter, I believe, will be the acquisition executive over the executive agents responsible for that. And the joint program executive officer will be our systems command officer, General Brogan.

What he has done is, he has nine candidates on a table and they have been asked to produce something that can demonstrate they have a vehicle that will do what they claim it will do. When they see the results of that, and they actually see what they have, I think they will put together a strategy of what they actually put into large production, if they are going to have multiple companies

producing the same vehicle or each company producing their own vehicle and they are common enough to be dealt with.

The candidate vehicles that have been submitted so far appear to have a great deal of commonality among them. It is more along the lines of, we are buying contract logistic support—that is part of the anticipated contract for each of these vehicles—so that they would be maintained for about a two-year period, so that we are buying the vehicle. We are also buying the maintenance in terms of field representatives to keep them in an up status. That way we do not have to go through the time of having to train Marines and providing a supply chain. That supply chain comes with it.

These are off-the-shelf vehicles, so these capabilities exist in these industries. We think there is sufficient commonality among these vehicles that this will be a viable program, but in the end it is up to Dr. Etter and her program executive officer (PEO), General Brogan, to decide exactly how many companies and exactly the strategy they are going to pursue.

Mr. FORBES. So at this particular point in time, we basically have nine companies that will be competing. It has just been my practice that unless some of those companies are colluding or working with each other, you could get quite a bit of differentiation between those vehicles.

And my big concern is that if you pick door number two, which you suggested, where we may have multiple companies producing different vehicles so that we can turn production out in a greater capacity, how are we going to ensure the interoperability?

Because when you are in-theater and you are in a situation like that, despite the fact you may have the contract for the contracts for the maintenance, it is still sometimes, you know, our men and women in uniform who are going to have to do that maintenance out in the field.

What concerns me is we have a million-dollar vehicle out there and for some reason we can't do the maintenance on it. So just the two questions I would have is, one, how will we ensure the interoperability of those vehicles out there?

And the second thing, even how do we ensure that the companies are going to be able to continue to perform their maintenance requirements and get the parts and all that we need to be out there to service them, if you have multiple companies that are doing it?

General GARDNER. I think it is up to General Brogan to ensure that the production contracts ensure that the companies do what they say they are going to do and that we are going to get what we actually pay for.

I think that the commonality of vehicles, the candidate vehicles, something like 15 different vehicles submitted by the 9 companies, there is a lot of commonality among them. I think it is more—some of these things are more the difference between a Ford and a Chevrolet than it is the difference between a bicycle and a dump truck, or something. So it is not that far apart.

It is almost as if—and I think our vision is—you will have, like, a certified mechanic who comes into a garage, and he can change the air filter or deal with the basic maintenance on any of them. It might be a little bit different air filter, but there are plenty of

air filters available to be able to go ahead and do it and change it.

Mr. FORBES. Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

I want to thank you for the generous amount of time you spent with us in a briefing on this. We spent quite a long while with questions and discussion in quite some detail. So that will necessitate fewer questions at this open hearing, because we had the satisfaction of this long discussion with you then.

What percent of the production base will have to be employed for the MRAP to meet your production schedule? Do you have that figure?

General GARDNER. Sir, I don't——

Mr. BARTLETT. Our anticipation was it was a pretty high percentage.

General GARDNER. Of the number of that kind of vehicle that are produced in the country, what percentage of that would be dedicated to producing this number?

Mr. BARTLETT. What percent of the production capability of these nine companies that you let a contract to will you have to use in order to meet your production schedule? From our briefing, my understanding was that your anticipation was, or your hope was, that most of them would qualify?

General GARDNER. Yes, sir. We are hoping that most of these nine companies will qualify. I am very confident that we will have multiple companies qualify.

As to the percentage of those particular companies, how much of this is their total capacity, I will have to come back to you with that.

But we are looking for approximately 6,800 total vehicles through some number of the companies. Some subset of nine will be qualified. We believe that we will be able to generate hundreds of vehicles per month with that and that this will be well within the capacity of these companies to deliver.

Mr. BARTLETT. Obviously, in a different world, we would like to have them all made if not by the same company, at least to exactly the same specifications——

General GARDNER. Yes, sir.

Mr. BARTLETT [continuing]. So that their maintenance in the field would be easier. But we are now faced with a compromise between that and the reality that we need to get these to the troops as quickly as possible, because these are enormously more effective at protecting our troops than the flat-bottomed HMMWVs are.

My understanding is that a couple of these companies have pretty much satisfied you that what they have proposed is workable and we are very shortly going to let contracts to those two companies to begin production.

General GARDNER. It is my understanding that some of these companies, they are quickly identifying those and they are going to start issuing production contracts as early as this week.

Mr. BARTLETT. My understanding is that, on their own dime, that a couple of them have produced these vehicles ahead of the

contract that would have paid them for producing them, so that they are ready for tests now?

General GARDNER. That is correct, sir, and we want to go ahead and those that are ready and that have been invested in and are ready to go, we want to reward that good behavior and get them some money on production contracts to start generating vehicles, get that lead time behind us.

Mr. BARTLETT. Well, I was very impressed that working within the system, that you had exercised every option that you had to move this along as quickly as possible. I hope that the future goes as well as the progress up to this point, because you will have established an enviable track record that I hope others can adopt in procuring this equipment more quickly.

From the time you started this, the procurement process, till you have some of these over there for our troops will be how long?

General GARDNER. There are 65 in country right now that we were buying some of the very larger variants, we are using for our explosive ordnance disposal teams, the category 3 MRAPs, about 65 in country. The Army has another number, about another 140, in country. So there are already some out there.

We had 1 vendor that was already producing about 25 of these a month, and that was what I was talking about. We are buying out their production until we get these larger capacity online. So we are cranking those out, continue to deliver those in theater, and hopefully we will get up to the point where we are starting to deliver hundreds a month.

Mr. BARTLETT. Well, we want to compliment you for your willingness to push the envelope and run some risks to get these to our troops quicker. You have set a very enviable track record, I think, and I hope that it can be adopted by others who may be a whole lot longer in getting them out there if they don't exploit the opportunities that you have found to push the envelope and you have flown pretty near the flame on some of these. Thank you very much for doing that.

I yield back, Mr. Chairman.

Mr. ORTIZ. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And, General and Admiral, thank you for being here today.

And in particular, General, the MRAP, I have had the opportunity to visit force protection and actually see the vehicles and the personnel who are constructing these are just so enthusiastic as to how they are helping our troops. They feel so good about it at every level. It is just an inspiration to see the people working to protect our country.

General, how will the Marine Corps reset requirements change as a result of the additional personnel and equipment plus-up?

General GARDNER. Not substantially. The reset, the force requirement as we know it, that is to pay for sort of the bathtub of readiness that is behind us.

Future costs that we are generation, attrition costs, for example, if we lose an aircraft in theater now, those are cost of war costs and we are calculating those. Our cost of war costs are estimated to be around $6.5 billion this year. And so as we submitted the 2008 supplemental request along with the 2008 budget, I think we

have about $6.3 billion in there for cost of war toward that kind of attrition.

Mr. WILSON. And on another side, how and when will the Marine Corps Reserve units be reset?

General GARDNER. Marine Corps Reserve units are treated exactly the same as the regular units. We procure, Reserve equipment, using Procurement Marine Corps, PMC. It is the same dollar account, it is the same value—those Reserve battalions, for example, would be exactly the same table of equipment and use the same funding. So there is no difference.

Mr. WILSON. Thank you very much.

Admiral, I am very grateful about the Naval squadrons that have been located at the Beaufort Marine Air Station and they are very much appreciated in the community. Great citizens.

As we look at fiscal year 2008, the Department of Navy budget request contains a total of 54 F18s of various models. Can the prime contractor for F18s meet a production capacity rate per year of 54 aircraft in fiscal year 2008? Is this amount within the contractual bounds of the current multi-year procurement program?

Admiral GREENERT. The short answer to your question is, yes, sir, Boeing can meet that production capacity of 54 aircraft. In fact, they are not limited in production line up to 72 aircraft per year. But additional tooling above 54 would be required and that cost would have to be accommodated.

To answer your question, though, yes, sir, that production line capacity of 54 can be accommodated.

Mr. WILSON. In our community we appreciate the sound of freedom.

Thank you very much.

Mr. ORTIZ. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Admiral, in your testimony, on page four, you made sort of a comment about past supplemental funding requests which I guess were more focused on costs of war versus resetting the force.

Admiral GREENERT. Yes, sir.

Mr. COURTNEY. And I don't want to read too much into that, but, I mean, did that happen just because we were at a different point in the war and that the utilization of equipment hadn't reached a certain level where reset was an issue? Or is it just because people chose not to ask for funding for resetting equipment?

Admiral GREENERT. Sir, I think it was threefold. One, we didn't understand as well the long-term implications. Two, the tempo of operations and the expanse of operations, particularly in our tactical aircraft, ramped up rather dramatically in the last three and a half years. But, third, it was Department policy to request only those costs of war needs directly associated with operations, per se, with aircraft ship operations, as opposed to looking to procure to reset.

Mr. COURTNEY. So did something happen on that third point, where you said it was Department policy? There was a policy change?

Admiral GREENERT. Yes, sir.

Mr. COURTNEY. What caused that to happen?

Admiral GREENERT. I would have to get that answer to be specific, to find out exactly, you know, what the tipping point may have been for a Department policy change. But I would tell you, as we watched it, a realization, perhaps, the length of operations and the fact that the impact of operations on equipment, capturing and quantifying that in a tangible enough manner that we could come to the Congress and ask for help in the procurement aspect of that.

Mr. COURTNEY. And your testimony sort of goes on to describe where a failure to reset equipment resulted in the British armed forces, I guess, equipment just being totally unusable. Can you just talk about that a little bit in terms of what the consequences would be if we didn't do what you are requesting?

Admiral GREENERT. Well, I speak to that, or I write to that, in terms of not recognizing the longer-term impact on force structure. We have other tasks to the Nation around the globe to be prepared to deal with and to dissuade and deter and, if necessary, to act. And we need to be ready as the strategic reserve for the Nation.

And that is the context, sir, of which I refer, to be sure that we have the appropriate force structure for beyond the near-term operations in Iraqi Freedom and Enduring Freedom.

Mr. COURTNEY. Thank you, Mr. Chairman.

Mr. ORTIZ. Mr. Ellsworth.

Mr. ELLSWORTH. Thank you, Mr. Chairman.

I have a two-part question, but I think I can separate it, for the admiral and the general. I noticed in one of the documents—you know, we get a whole lot of documents up here—that the research and development budget in this area has been cut, I believe it was eight or nine percent. It may not even be in today's documents.

But, Admiral, my question to you, the first part of that, is are you satisfied? I know we always want more dollars, but are you satisfied with the research and development, particularly in that the roadside bombs and IEDs that are killing our soldiers seem to be on the increase. I would like to address the research and development dollars for the technology, to set those off, before we are on top of them and hopefully when they are being planted on the road would be our goal.

And then to you, General, the Marine Corps has a funding shortfall of $2.8 billion for the MRAP program, and I would like to know if this funding shortfall was provided to you in fiscal year 2007, could we obligate that funding this year yet?

Admiral GREENERT. To answer your question, satisfaction on our research and development funding for defeat of IEDs, sir, I think I would have to defer to the joint IED defeat office on that.

But from strictly a Navy perspective, we are satisfied with the response of our request for research and development. In this request, in the fiscal year 2008 GWOT request, we have $11 million for continued research for defeating IEDs via electronic warfare (E.W.), predominantly through the aerial means and also to help our explosive ordnance disposal people.

So we would appreciate your support in that regard, but we have been satisfied so far from the Navy, strictly, sir.

Mr. ELLSWORTH. Thank you.

And, General, before you continue on yours, I just wanted to let you know, Admiral, that Crane Naval Warfare Center is in my district, in Indiana, and those civilians are people who are working very hard to keep our troops safe, and I want to just publicly commend their work.

Admiral GREENERT. Thank you, sir.

General GARDNER. Sir, we are confident that if we were given the $2.8 billion in the 2007 supplemental, that we could in fact obligate it. That is procurement dollars. That is three-year dollars. We could obligate them and get them on contract this fiscal year.

Mr. ELLSWORTH. Thank you.

Mr. Chairman, I yield.

Mr. ORTIZ. Mr. McKeon, do you have any questions?

Ms. Gillibrand.

Mrs. GILLIBRAND. Thank you.

I want to continue with Mr. Ellsworth's line of questioning, about research and development and production of the new equipment that we really need done to make sure we have the readiness that is required.

Do you believe that the industrial base can meet the demand that the Marine Corps has for maintenance and new production right now?

General GARDNER. I am sorry. For the production of MRAP, vehicles, ma'am? Is that what you mean?

Yes, ma'am, we believe so, and that will be part of this qualifying process, that the vendors can in fact produce what they claim to produce that we are going to pay them for.

Mrs. GILLIBRAND. And in terms of production of other supplies, do you believe that the depots are currently operating at full capacity?

General GARDNER. Our depot operates—we have a full eight-hour shift. Our main depot at Albany, for example, a full 8-hour shift, and some areas are at 12-hour shifts. So the way that is estimated is 143 percent of a full 8-hour shift week.

So we normally figure 2 shifts would be 100 percent, so you could say that another way of looking at it would be about 70 percent of capacity.

We have no backlog at our depot. Our primary limitation on the through-put of our depot is the items available to put through there. We have not had the benefit of having enough vehicles to supply the deployed forces and have some in depot maintenance to do that.

As we build up and as deliveries of these vehicles and other critical items takes place, we will have enough then to have a float to be able to do that. But, to date, we haven't had that. We are striving to establish that.

There is a lot of friction in getting this done. We have to get the vehicles from the frontline units. We have to give them something to replace what they have. And then you have to get all those units to Al Taqaddum, which is our primary logistics hub there, and you have to get them from Al Taqaddum down to Kuwait, onto a ship, back to the United States, and then reverse the process. That process takes about 260 days by the time you count all that transit and the choke points.

And remember that Al Taqaddum is in Al Anbar province, up there in the eastern portion where we are, and you have to—that is a difficult transit and you have to group the vehicles and the parts and everything to get them down to Kuwait. And that actually becomes one of the larger choke points, is the movement from there down to Kuwait.

Mrs. GILLIBRAND. Thank you.

Can I also move to a different area that I have concerns about. In your testimony that you submitted, you talked about an increase in end-strength and I agree wholeheartedly that our number one asset is our Marines. But I am concerned about being able to have sufficient recruitment to meet the end-strength needs that you have designated.

Do you foresee any issues there or do you think that you are on target to have the end-strength that you have planned for?

General GARDNER. Achieving the end-strength gains will be a challenge, but we can do that. We are going to do that through two means; by recruiting young Marines to come in, providing those incentives and doing that. Our recruit command has done well in that. But it is also retention. The Marine Corps brings in about 39,000 Americans each year and turns them into Marines. We also release from active duty about 39,000 Marines.

Of that 39,000 Marines a year, about 20,000 are issued a re-enlistment code. It means that we would like to re-enlist them if we had a place for them and if they desire to do so. That means since 9/11 we have released from active duty about 100,000 Marines that we would love to have re-enlist if we had a place for them and if they had an opportunity.

Now, some of those, they didn't re-enlist because they didn't want to at that time. Some of them didn't re-enlist because we did not have what we call boat space for them. So our commandant has now issued a call to arms and is going back after them.

You can see by those numbers, it doesn't take a large percentage of those to come back on and that is a significant number of trained, experienced Marines.

So it is an aggressive plan that we have to get to 202,000 by 2011, but we think that we can do it.

Mrs. GILLIBRAND. Thank you.

My last question is special operations forces (SOF), for both of you. That is something that many of us believe is the key to being able to fight sufficiently the war on terror, so that we can find these terrorist cells and have the capacity to, you know, destroy them at their early stages.

What is your plan for your special operations forces, in terms of growth, and what are your objectives over the next five years?

General GARDNER. We are the newest component to the special operations command. We established our Marines special operations command component just last year and they are still standing up out of Camp Lejeune, commanded by Major General Hejlik.

But two primary elements or aspects of this, they have a foreign military training unit, and they have teams out and actually executing Special Operations Command (SOCOM) missions now.

The other aspect are Marines special operations companies, and the first Marines special operations company is already deployed

with its first Marine expeditionary unit and is already deployed and is now on its way to Afghanistan.

So we are past our initial operating capability and moving toward full operational capability of our Marine special operations by the end of 2008.

Admiral GREENERT. Our support for special operations is predominantly in the form of our SEALS, which we organize, train and equip and provide for the special operations command.

I will tell you, ma'am, that our SEALS do a wonderful job. We are very proud of them. They are very difficult to retain, because they are high demand outside the service and they are a challenge to recruit, and it remains one of our predominant challenges in recruiting today.

We are doing okay, but it is near the very top of our recruiting challenges.

Our support for the SOF is also in the form of some of our core capabilities, which can reach out: explosive ordnance disposal units providing IED support and embedded with the Special Forces units and some of our construction folks as well, our Seabees, will on occasion embed with special operating forces. So those are our predominant support and challenges, ma'am.

Mrs. GILLIBRAND. Thank you.

Mr. ORTIZ. Chairman Abercrombie.

Mr. ABERCROMBIE. Does anybody else need to be deferred to?

Mr. ORTIZ. I think that everybody has asked a question.

Mr. ABERCROMBIE. All right.

Mr. ORTIZ. I think that that briefing we had the other day really helped us to understand.

Chairman Taylor, he wants to make sure absolutely that you are the last one.

Mr. ABERCROMBIE. I regret I wasn't here earlier.

Mr. Chairman, did you go through our activities over the last couple of days in this hearing yet?

Mr. ORTIZ. Which?

Mr. ABERCROMBIE. At the depots?

Mr. ORTIZ. No, we haven't yet. You might want to touch on that.

Mr. ABERCROMBIE. Is it okay if I pursue that for a moment in this context?

Mr. ORTIZ. Go right ahead. Yes.

Mr. ABERCROMBIE. Thank you very much.

Over the weekend, under the chairman's leadership, several of us had the opportunity to go to Corpus Christi to the depot and to Anniston, to the depot there, and see the excellent work undertaken there.

The difficulty I have with what has being presented here is trying to reconcile the various budgets that are now before us. We have the continuing resolution, which presumably will be voted favorably upon in the next two days. We have the presentation of the budget for the 2008 fiscal year. We have the supplementary budget for the present fiscal year. We have proposals, including that from the Army for further supplementary proposals, supplementary budgets. And then we have the projection of the Administration, of the Bush Administration, with respect to 2009 and further on.

In the context of those budgets that I have just mentioned that are actually before us in one form or another, and the projections of the Administration and the Pentagon for 2009 and beyond, in which the number which jumped out at me was that the expenditures in Iraq would be around $50 billion, I can't reconcile what you are testifying to here today and the reset requirements in terms of the budgetary provisions that we are expected to make with regard to the supplementals, next year's budget, et cetera.

You are familiar with the $50 billion projection, General?

General GARDNER. It was my understand, sir, that that $50 billion was a Title IX type appropriation.

Mr. ABERCROMBIE. A so-called placeholder.

General GARDNER. Yes, sir.

Mr. ABERCROMBIE. Yes, I am under no illusion that that was the final number. But you see the dilemma we are then placed in.

Because we have to recommend to the Appropriations Committee, among other things that we do in the Defense Authorization Bill, what it is that we think should be done in terms of policy. And Mr. Murtha has made it clear to us as subcommittee chairs as well as members of the overall committee that he is not only willing to listen to but anxious to hear from us as to what our recommendations are and what the rationale is.

The difficulty I have right now is aside from certain specific dialogue that has taken place with regard to individual items, if you will, like up-armored HMMWVs and the MRAPs, et cetera, I still can't quite figure out what it is that makes you whole or what it is that we need to do in order to get your people, the people to whom you feel direct responsibility, up into the highest level of readiness with regard to equipment and training.

Is there something that you can do to enlighten me as to what those exact numbers are in terms of the budgets that are before us?

General GARDNER. Sir, maybe I can help year by year.

In fiscal year 2007, we have submitted our 2007 supplemental. We need that funding and we can execute the other $2.8 billion that we need for the rest of those MRAPs. The Congress gave us that in the spring.

Mr. ABERCROMBIE. Out of the $17 billion? Is that what you are talking about?

General GARDNER. Sir, we have identified a requirement of 3,700 MRAPs. We have formally requested funding for about 1,022; a 2,700 difference, which is a new requirement, which is not in those requests. That additional $2.8 billion is what we need added to fully fill any——

Mr. ABERCROMBIE [continuing]. The President's budget of 2008 and what was submitted in the 2008 GWOT will fill our requirements as we are able to execute them within 2008. In 2009, the baseline budget for the Marine Corps for the first time will fully fund our personnel cost within the baseline. It depends on what assumptions are made about the war in 2009. We have been averaging about $6.3 billion for cost of war.

So if the tempo of the war is as it is this year, and we make that same assumption in 2008 and we make that same assumption in 2009, it will be another $6.3 billion will be needed for the cost of war that is not in the baseline.

So the baseline budget with regard to the reset, there are some items in reset the force that we cannot yet obligate and we would not ask for money because we cannot execute it. For example, there are a number of helicopters that have been destroyed. For example, we cannot put them all on budget over and above the capacity of where it is. So we need to buy some of those in the out years.

Some of the reset the force estimate by the definition given to us by the Office of the Secretary of Defense, is to 2 years worth of depot maintenance, so that is about $500 million for green dollar depot maintenance and about $400 million for blue. So depending on what assumptions you make on the reset, if you assume that the—it is about a billion dollars per year for depot maintenance for two years.

Now, we believe that if the war were to end at some point in time and you were to make an assessment of all the gear over there and if you were to assume, for example, that you could only responsibly restore 50 percent of it, that that would cost and would take more work than we could accomplish in 2 years. So by that time, you would have to ask for an increase to your baseline budget to carryout that.

So for example if there was, let us say there is about $4 billion worth of depot maintenance work that needs to be done on the equipment on Iraq. Once the war in Iraq is over, if we decide that we are going to actually do that $4 billion worth of work, then if you can do $800 million worth of work, that would take you 5 years worth of maintenance to do that.

Mr. ABERCROMBIE. This is my final point. Is the present projection that you have taking into account what they are capable of doing, say, in Corpus Christi, with regard to helicopters right now? I grant you, you are not in the Army, but I presume you are working with them.

General GARDNER. We are working with the Army to facilitate——

Mr. ABERCROMBIE. Is my question clear? Because I am a little—not confused, but concerned that there is a coordination going on between what the depots are capable of in the context of repair and refurbishing and being able to put the, say, helicopters back on the line. And the connection of that to the various budgets that are now before us.

General GARDNER. Our reset request includes two years worth of depot maintenance. I personally believe——

Mr. ABERCROMBIE [continuing]. Does it take into account that the depot, say, at Corpus Christi, will be turning out X number of usable helicopters? Or that Anniston is turning out X number of fighting vehicles, et cetera?

General GARDNER. The issue for us is—yes, sir. I believe that those numbers, wherever that work will be done, I believe that is accounted for in that dollar estimate.

Our primary limitation is actually having the material to induct into it without—if we have 30 to 40 percent of our equipment in theater, we cannot—even if we had all the depot capacity that you could imagine, we wouldn't want to put 40 percent of our equipment in a depot all at once. We would want to induct it over——

Mr. ABERCROMBIE. Okay. Last thing. I neglected to ask, does this also take into account what you are able to do in theater? Because I for one was impressed with the capacity of these teams at the depots to deploy into theater to do—I am saying repair work. It is a lot more than that. But you get my point.

General GARDNER. Yes, sir. We are taking full advantage of everything in theater because of the difficulty to move things out of theater, which I earlier described.

Mr. ABERCROMBIE. Okay.

Thank you, Mr. Chairman.

Mr. ORTIZ. Thank you.

I am glad that my good friend brought the point about Corpus Christi. One of the problems that we had, because we had to revert back to the continuing resolution (C.R.), we had something like $10 million or $15 million to repair the rotor blades. Well, they cannot repair the rotor blades that they will need to repair because they don't have the equipment. You know, we have lost six helicopters.

Well, because of the C.R., we have to go back to the old budget. That was put up or down to 2011, 2012. We have two wars going on. You know, we need those helicopters. And if those helicopters don't have those rotor blades, they can't fly.

I hope that you don't have the same problem that happened in Corpus Christi, where instead of turning out, let me say, I think it was 100 blades, rotor blades, a month, they are down to 30 or 40. And that causes a big problem.

I just hope that you don't have that same problem, that because the C.R., we have to go back, we have to go to the old budget, and money that was included is not available. We don't want you to be in the same shape that they are in. You don't have any problem like that? With not only the helicopters, but any other equipment that you might have?

General GARDNER. Yes, sir. Sir, we are in the middle of a detailed assessment to try to estimate exactly what is the volume of work that is out there, to identify what are the constraints in the depot production process and what capital improvements need to be made to maximize the flow through it.

So the example I had, where you had $4 billion worth of work, you can only do $500 million worth of work and that would take 8 years to do, that is unsatisfactory. So what does it take to actually maximize the production?

So we are doing that, looking for results on that, to maximize the production so that when we do have the material available we can get it through the production process as quickly as possible.

Mr. ORTIZ. You don't have that problem, Admiral?

Admiral GREENERT. Sir, we have a similar problem with helicopters, but we work together with the Marine Corps, but with ships, when ships are on station longer, and what was an original depot plan, where the ships would be in the depot now has to be rescheduled and the workforce appropriately balanced, that is something that we work through. We have been doing these sorts of deployments for a number of years and so we are getting better at it. But that is our challenge, to be sure we can capture the additional work which will generally result from a longer time at sea and have the workforce in place at the right shipyard.

Mr. ORTIZ. This is my last question, and I am going to then yield to my good friend from Mississippi.

Do we have enough capacity at the industrial base of the depot in case, you know, there is another conflict around the world? The reason I ask that, someone said one time that at any one given time, one-third of the world is asleep and the other two-thirds are planning to kill each other.

We just want to be sure that we have the capacity at the industrial base, the depots, that is something escalates, that we have the surge capabilities, you know, to where we can expand the work that we have to do.

General GARDNER. Sir, we believe we have the capacity to do what is required now. And we are undertaking this assessment to ensure that we are going to have to do what is required, that we are going to have the capacity to do what is going to be required as we get equipment back from Iraq, whenever that is.

But right now, the limitation is the availability of the equipment to induct. We don't have any spare up-armored HMMWVs to put in the process. What we have is over there. As quickly as they are delivered, we put them over there, and we are just keeping up with the attrition. Eventually we will get to the rate, hopefully with this strategy we are doing with MRAP, where we will actually have enough to create this float and we will put it through there.

But we are just as concerned as the chairman is, that we have sufficient capacity, that we are doing the capital improvements to do that, and we are looking hard at that.

Mr. ORTIZ. Thank you.

Mr. Taylor.

Mr. TAYLOR. Admiral, in December the Navy was getting ready to transfer four coastal mine hunters to some of our allies and the chairman and myself and others were able to get a hold of the chief of naval operations (CNO) and put that on hold. At that time, it was said that, well, they have old engines and they need better electronics and we are going to replace them with the LCS.

As anyone who can pick up a newspaper in this town knows, we have problems with the LCS. It is probably not going to be delivered on time. It sure as heck doesn't look like it is on budget.

So given that the bad actors around the world, that their asymmetrical response to our smart weapons are things like IEDs, mines, and I would presume the logical extension of that would be mines at sea, be it someone in the Middle East, be it someone in the straits of Taiwan, off of Korea. It just strikes me as the next logical thing, particularly since we have suffered casualties with the *Princeton* and the *Tripoli*.

Where in this budget request is it to fill that void of those four or to take the remaining coastal mine hunters that are in inventory and get them up to a readiness level that is acceptable to the Navy?

Admiral GREENERT. You mean the MHCs, sir, to be clear?

Mr. TAYLOR. Yes, sir.

Admiral GREENERT. The capability of those particular mine hunters are best suited and were originally designed for searching mines predominantly a minefield, predominantly by perhaps submarines. So we are talking about a large minefield.

The capability that they bring is limited and we feel can be replicated using MH53 helicopters combined with our MCM1 mine class, which we worked to replace in the Middle East, which we moved to the Fifth Fleet just recently when we retired the four you discussed.

So to answer your question, that is my short clip on the answer. We have funding in this budget to repair the mine ships to the extent that they are effected by the global war on terror and then, of course, in the base budget to sustain the mine capability we have. But those MHCs and the capability they bring are much less and different from what the LCS would bring. And I would tell you, sir, that in our view, the combination of the MH53 with the MCM1 class far and away exceeds what those MHCs would bring.

Mr. TAYLOR. What if it happened today? What if you had an event in the Straits of Hormuz followed up by an event off of North Korea and coincidentally something off of Taiwan? How do you respond to that given the fact that, you know, in the general's testimony, it is taking us approximately 88 months to replace every helicopter that he loses in Iraq, that unfortunately we have lost several in the past couple of weeks.

Is anyone thinking through these scenarios? We always seem to be playing catch-up. I happen to have been here when we played catch-up after the *Princeton* and the *Tripoli*. I am not convinced that could not happen again.

Admiral GREENERT. I believe I understand your question, sir.

If I could, addressing Korea, our force posture in we call that the forward-deployed naval forces, takes into account the requirements necessary to meet the capability needs for that scenario, and one of that scenario might be mines and mine lanes. So we need to be vigilant to the threat.

We do have the forces in theater as requested by the combatant commander to meet that mine requirement and that threat.

With regard to the Straits of Hormuz, we recently moved two minesweepers of a greater capability, the MCM1 class, and again, combined with our MH53 helicopters, to be able to detect, to sweep and then to neutralize the mine threat. Focusing on keeping the straits open as opposed to cleaning all mines from a minefield, as requested by the combatant commander.

Mr. TAYLOR. General, going back to your projected time to replace your helicopters, are you allowed within your budget to anticipate losses and budget for that in anticipation? Or are you always playing catch-up?

If it takes 88 months to replace a helicopter, and unfortunately the trend seems to be going the wrong way as far as helicopter losses, at what point does that become a vulnerability to the troops on the ground?

At what point do you start flying the remaining helicopters more than you should, longer than you should, or create a vulnerability where you can't respond to a situation, where you would need some helicopter support?

General GARDNER. We have not been forecasting attrition in our supplemental request. In our supplemental request contains requests to replace things that have already attrited. So there is a built-in delay from the time an aircraft is lost to when we request

the funding to when we get the funding to when you actually produce the helicopter and then deliver it back out. That is the——

Mr. TAYLOR. General, if I may, and I am not blaming you, I think this Pollyanna rosy scenario comes from the guys wearing suits, not the guys wearing uniforms, but since there has been now a record of years where things have not gone as well as we would have liked them to, why aren't you given the opportunity—and because some things take so long to replace—why aren't you given the opportunity to budget for attrition?

General GARDNER. Sir, actually there was a policy change in this year's 2007 supplemental request that was alluded to by Admiral Greenert earlier, we were given guidance to include in our supplemental request a request to accelerate capabilities that we thought would be needed for the war on terrorism.

So our total of $14.5 billion, I think, in the 2007 budget, $3 billion of that was to accelerate capabilities. In our 2008 request, there is an $11.3 billion total supplemental request. Three-point-three billion dollars of that $11.3 billion is to accelerate capabilities and to grow the force, as we projected.

So I think there was a policy change in the guidance and the supplementals that were submitted here. We are still not forecasting attrition, but what we are doing is we are keeping the production capacities, which have some attrition in there.

What happened, like, for example, on our CH46, is we have lost a total of six CH46s since 9/11. We last bought a CH46 in 1970. When we bought them, we did have some Highpoint aircraft, some attrition aircraft in there. But in the years since we bought those 400-some helicopters, we have attrited down to something on the order of 250 are left, which is well under the number of helicopters we need. So we have already used up that attrition.

What needs to be done is to get our replacement aircraft, keep it on track and buy those attrition aircraft. So we have now stepped up the rate of buy of the MV22, which is replacing the CH46. We are buying 21 of those. And we have requested some more as part of this acceleration piece. And I mentioned for 2008, to get up the rate even more, to get those on tap.

That is where we are. So as I mentioned earlier, I think that we have gotten the bulk of this lag time behind us, because now these items are now in production. So now all that we are dealing with is the actual production lag time and we are not waiting to actually start production.

Mr. TAYLOR. How many operational MV22s are there in the Marine Corps?

General GARDNER. There are three squadrons right now operating. One is training. We are looking for it to deploy in country this fall and there are two right behind them at about six months. Every six months we will be bringing a squadron online.

So those squadrons right now have 10 aircraft each. So I think there are about 41 operation V22s out there, counting the training units, but there are 3 operational squadrons in the pipeline, and the first one deploys in theater this fall.

Mr. TAYLOR. Just as a matter of curiosity, I know when times were less violent and we were only losing equipment to accidents, there was the mindset that we could transition from the 1970's-era

platforms, the UH1, the 46s and 47s, to the 22, that we had some time to make that transition, that it was not necessary for the Marines to use something like a Blackhawk as in interim platform.

I am curious, given the situation in Iraq, given the situation in Afghanistan, is that still the Marine Corps' line of thinking? Or has there been any discussion of possibly going to a Blackhawk as a replacement for the 1970's-era equipment that you are losing?

General GARDNER. To replace the 46, the MV22 is the way to go. They are in production. They are coming off the line. Like I said, we are already at 21 in our baseline budget and we are heading toward 30 per year until we have completed that buy-out.

The H1s would be probably the candidate to replace the Blackhawks. We have an H1 program, which is getting ready to go to a production decision. So now, whereas there might have been a time to do it differently, we are where we are with the H1 replacement right now.

Mr. TAYLOR. How do you find an H1? Do you get an old frame and rebuild it? Do they start from scratch? I am curious as to how this occurs.

General GARDNER. The replacement for the UH1N and the AH1W is the UH1Y, Yankee, and the AH1Z, Zulu. The Yankee Zulu program was originally supposed to be a rebuild program to take those old airframes, take what you could use off them, and put the new capabilities into them.

We have since augmented that since the force is so heavily committed and we can't pull those assets out of theater so we can put them in the remanufacturing pipeline. So we are actually buying new airframes, which are built from the bottom up. We have done that with the Yankees and now we are beginning to do that and we have that in our supplemental request to do that for the Cobra as a replacement.

Mr. TAYLOR. I was just passed a note about the grounding of MV22s last week. Can you give us an update on that program?

General GARDNER. The MV22 is one of the most heavily self-tested programs in our programs because of its history. In one of the tests evaluations, it was discovered that one of the chips in the flight control management system—I might not have that terminology correct—was susceptible to cold temperatures in certain kinds of scenarios. So a red stripe, a grounding, was temporarily issued.

It was evaluated that a bad chip was used. They are now replacing those chips. We already have 15 aircraft returned to service and they have a plan to return basically full up by the end of the month. So that is well on the way, and that is actually a success story in that this was not discovered through some kind of flaw. This was sort of a self test program on there. It is a tribute to the labs and the work that is always done and the scrutiny that is going on in this aircraft to ensure there aren't any issues.

Mr. TAYLOR. Thank you, General.

Thank you, Mr. Chairman.

Mr. ORTIZ. Do we have any other questions?

If not, thank you so much for your testimony. I think that the briefing we had was very helpful. Thank you for your testimony

and for what you do. I know there is a lot of sacrifices in our troops and the families as well.

This hearing stands adjourned. Thank you, sirs.

[Whereupon, at 4:30 p.m., the subcommittees were adjourned.]

A P P E N D I X

FEBRUARY 13, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 13, 2007

Readiness Subcommittee Chairman Solomon Ortiz
Joint Readiness and Seapower Subcommittee
Oversight Hearing on Navy and Marine Corps Reset Issues

February 13, 2007

"This hearing will come to order. I thank our distinguished witnesses for appearing before these subcommittees today. We appreciate all the Marine Corps and Navy are doing to try to keep our marines and sailors equipped for combat.

"Today the Readiness and Seapower subcommittees will hear about the reset programs of the Marine Corps and the Navy's Seabees and Explosive Ordnance Disposal teams.

Reset means, for the civilians among us, what it will take to fix and re-supply the Marine Corps and Navy so they are ready to fight. Since November 2001, operations in Afghanistan – then in Iraq – have taken a significant toll on the Marine Corps' and Navy's equipment.

"According to the GAO, as much as 40% of the Marine Corps' ground equipment is deployed to Iraq and Afghanistan or at depots waiting to be repaired and returned to the fight. Some Seabee units – which are Naval construction forces – are reporting equipment usage rates 43 times the peacetime usage rate. These factors, along with battle losses and industrial base constraints, are reducing the overall equipment readiness of the Marine Corps and the Navy's Seabees and EOD teams.

"To fix this, the Department of the Navy has implemented the reset strategy to repair, recapitalize and replace damaged and destroyed equipment. The Marine Corps and Navy must accomplish this program efficiently in order to quickly restore the full equipment readiness of their forces.

"This committee understands the need for a successful reset. To that end, we authorized $6.6 Billion for Marine Corps reset in Fiscal Year 2007, fully satisfying all reset requirements requested by the Marine Corps, including some carried over from the previous year.

"It is vital that the Marine Corps and Navy move as quickly as possible to quickly re-equip units with new and repaired equipment for combat. I hope our witnesses will discuss how the troop escalation in Iraq will affect reset in both dollars and time and what measures are being taken to mitigate these effects. We also would like to understand how Reserve Component equipment "payback" will be figured into the Services' reset strategies.

"We all understand that how quickly you execute reset – actual repair and replacement, not just how quickly you pay for it – will determine how quickly the Marine Corps and Navy will be whole again and fully prepared for any challenge.

"Before we hear our witnesses' testimony, I would like to ask my good friend from Mississippi if he has any opening remarks he would like to make."

Statement of Chairman Gene Taylor
Subcommittee on Seapower and Expeditionary Forces
Oversight Hearing on Navy and Marine Corps Reset Issues

February 13, 2007

"I thank the gentleman for yielding, and I also want to thank him for agreeing to hold this very important hearing in a joint manner. Additionally, I would like to thank our witnesses for providing us an informative reset briefing last week, and I appreciate them taking the time to appear before us today.

"I agree completely with everything the distinguished gentlemen from Texas mentioned. I would also note that the majority of Marine Corps and Navy reset and costs-of-war funding have been included in supplemental appropriations request, and *not* in the base budget request.

"I think the point needs to be made that war-related supplemental appropriations will cease, and the services will be required to fund equipment reset in their base budgets. The services have told the subcommittees that their base budgets are already constrained and will have to increase proportionally to absorb the reset costs. I hope that General Gardner and Admiral Greenert can let the subcommittees know what the Department is doing to prepare for that eventuality.

"Specifically, I would like General Gardner to discuss the Marine Corps unfunded requirement for the procurement of 3,700 Mine Resistant Ambush Protected vehicles, or "MRAPs", and provide us a brief update on the status of the initial low-rate production contracts for the MRAP program.

"I understand that the Administration's budget funds a little over a billion dollars for 1,022 MRAP vehicles. However, last week the Marine Corps Oversight Council endorsed an additional 2,678 MRAPs. I am interested to know how the Department intends to acquire these remaining vehicles, which have been deemed essential to the Corps' warfighting ability.

"Gentlemen, thank you for your distinguished service, and I look forward to your testimony. I hope that you will be able to provide the subcommittees with insight into the concerns and issues that Chairman Ortiz and I have raised in our opening remarks.

"Mr Chairman, I yield back."

STATEMENT OF

Lieutenant General Emerson N. Gardner, Jr.
Deputy Commandant
Programs and Resources

Before the

House Armed Services Committee

Subcommittees on Readiness
and
on Seapower and Expeditionary Forces

On

U.S. Marine Corps and U.S. Navy Reset Requirements

13 February 2007

Not for public release until
Released by the HASC

Introduction

Chairmen Ortiz and Taylor, Ranking Members Bartlett and Davis, distinguished members of the Committee, thank you for the opportunity to report on the state of your Marine Corps. I want to specifically thank you for your steady and generous support of the Corps which has enabled your deployed Marines to succeed in their mission against a determined enemy.

Your Marines recognize that this is an important time in the Corps' long and illustrious history of service to our country. The majority of today's Marines joined the Corps after our Nation was already at war; they joined knowing they would go into harm's way. They joined with the understanding of what their Nation expected of them and they have shouldered this solemn duty with courage and grit. Your Marines remain committed to their mission and know that the American people and its government support them in their endeavor. It is on their behalf that I report to you today and respectfully request your support for the initiatives necessary to support the Marine Corps.

Forward Readiness the Priority

For over 5 years, the Marine Corps has been involved in combat and combat support operations around the globe. The nature of our missions and in particular, the current fight in Iraq, has required sustained employment of our personnel and levels of equipment density higher than any the Corps has experienced. Given our commitment to maintaining our deployed and deploying forces at the highest state of readiness possible, we have drawn the necessary personnel and equipment from across the Corps to ensure that we have correctly weighted our main effort. This prioritization of personnel and equipment for forward deployed units has caused a decline in readiness for our non-deployed units and an overall decline in the readiness of the Corps since 9/11. My intent today is to discuss how we are restoring that readiness.

Endstrength Increase

Our number one asset is our Marines. To restore our personnel and training levels to the standards we enjoyed before, we must ensure that we have enough to deal with our nation's current and future challenges. The increase of the Marine Corps' permanent endstrength to 202,000 will ensure that your Marine Corps is a balanced force with

sufficient capacity and capability to prosecute the Global War on Terrorism and serve in our statutory role as America's force in readiness – your 9-1-1 force, most ready when the Nation is least ready. We will grow from our current temporary endstrength of 180,000 to 184,000 by the end of this fiscal year and then add 5,000 Marines per year thereafter until we attain our goal in 2011. We are initially funding this effort through a mix of baseline and supplemental appropriations but intend to have all of these costs in our baseline by FY 2009.

Equipment

To meet our heavy theater equipment demands, we initially drew equipment from Maritime Prepositioning Ships and prepositioned stocks in Norway, and from base units in the United States. Our efforts to "reset the force" have replenished much of the prepositioned stocks and we are beginning to see some improvement in home station readiness although we are months away from complete success. Two of our three Maritime Prepositioning Squadrons (MPSRONs) have undergone extensive equipment maintenance and have been restored to historical readiness rates of 98%. The remaining MPSRON is at about 48% and is still awaiting delivery of equipment.

A bright spot in the use of our equipment is the degree to which it is remaining mission capable. As a result of the quality of our gear, great effort by a lot of people and resources provided by the Congress, the mission capable rates of equipment on hand remains well above ninety percent.

While we are pleased with these high rates of readiness of the gear that we have, we are concerned that it cannot last without a long term sustainment policy. Much of the forward deployed equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, used on a near-continuous basis at an operating tempo that far exceeds normal peacetime usage. The main reason for this lack of rotation is that there are simply not enough spares or maintenance float for certain items to provide a spare to the employed forces while the equipment is in heavy or depot maintenance. Up-armored vehicles are a good example. As a result of the lack of rotation, much of our equipment has been subjected to a lifetime's worth of wear from high vehicle mileage, long operating hours, and harsh environmental conditions in a relatively short period of

time. The table below provides examples of increased operational tempo for representative Marine Corps equipment sets.

Table 1

Absolute Increases in Utilization for Selected Marine Corps Systems Employed in OIF

Category	Usage		Optempo Ratio
	Pre OIF	OIF	
HMMWV	183	550	3.0
MTVR	500	2000	4.0
LVS	375	1500	4.0
AAV	83	417	5.0
Rotary-Wing Aircraft	18	41	2.2
KC-130	43	83	1.9

NOTE: Usage rates for ground vehicles are expressed in miles per month. For aircraft, the rates reflect flying hours per month.

These factors and the exigencies of the conflict in Iraq and the greater Global War on Terror have increased our equipment maintenance and replacement costs far beyond what is available in our baseline budget. The challenge of restoring and maintaining traditional capabilities while fielding new capabilities to ensure success in the Global War on Terror has come to be known as "resetting the force". With your help over the last two years, we have begun to make progress in restoring our equipment readiness, but there is much work to be done if we are to win the current fight and still be able to deal with the other challenges that face our country.

Reset the Force

After a standardization of definitions of "reset the force" within DoD in September 2006, we estimated the cost to reset the Marine Corps to be $13.7B as of the end of FY 2006. This is a rolling estimate that includes an estimate of two years worth of depot maintenance at the conclusion of the current hostilities and is thus somewhat variable. To date the Congress has provided $10.2 billion in supplemental funding for procurement and operations and maintenance to enable the Corps to achieve this goal. The table below outlines our progress in getting procurement funding on contract to begin converting it into delivered capabilities and restored readiness.

Table 2

Reset Procurement Appropriations and Obligations (Green and Blue)

($ Billions)	Procurement as of 8 February 2007			
	Appropriated	Committed	% Committed	Remaining
FY 06	4.6	3.7	80%	0.9
FY 07	4.2	2.3	55%	1.9
Total	**8.8**	**6.0**	**68%**	**2.8**

With your help over the last two years we have begun to make progress in restoring our equipment readiness. There will be significant costs once the conflict in Iraq is complete. Depot maintenance, the process by which we restore equipment back to optimal working condition, will take several years past the end of the conflict. Only then will the Marine Corps be completely "reset".

Challenges of Resetting the Force

One of the challenges to restoring lost readiness is the lag time between the loss of a combat asset whether through enemy action or extensive use and delivering its replacement. The challenge of replacing lost equipment no longer in active production, limited production capacities, re-tooling time, and the time lags inherent in the requirements-resources-acquisition process all contribute to lag times of as much as 88 months. Table 3 depicts some examples.

Table 3

Capability	First Loss		Funding	Replacement		Lag
	Equip	Date	Appropriated	Equip	Date	Time*
Utility Helo	UH-1N	Dec-01	Oct-06	UH-1Y	Apr-09	88
Transport	KC-130R	Jan-02	Oct-06	KC-130J	Apr-10	99
Attack Helo	AH-1W	Jan-03	Oct-06	AH-1Z	Apr-09	75
Medium Lift Helo	CH-46E	Mar-03	Jul-06	MV-22	Sep-09	78
Wheeled Recon	LAV-25	Apr-03	May-05	LAV-25	Dec-07	56
Medium Wheeled Transport	MTVR	May-03	May-05	MTVR	Apr-06	35

*Lag Time in months

While the Congress has funded a significant portion of our equipment replacement requirements, some crucial equipment is still many months from delivery. In the end, it is deliveries that count when restoring readiness.

Adapting to the Enemy

Since the beginning of operations in Iraq, your Marine Corps has adapted its equipment to counter evolving threats. We initially deployed with un-armored HMMWVs, but quickly realized that our vehicles required protection against Improvised Explosive Devices (IEDs). We developed Marine Armored Kits (MAKs) to apply to existing HMMWVs and have now evolved to the use of M1114s, HMMWVs with factory installed armor. No Marine goes "outside the wire" in OIF in a vehicle that is not armored. The enemy has adapted and begun to use more powerful IEDs and to bury them thus taking advantage of the flat chasses of our vehicles. The solution to this problem is the use of vehicles with a V-shaped underbelly and higher ground clearance. Known as a Mine Resistant Ambush Protected (MRAP) vehicle, this provides the best protection for your Marines in harm's way. Theater experience shows that when attacked by an IED, a Marine in an MRAP is 4 to 5 times safer than a Marine in an up-armored HMMWV.

The Marine Corps needs 3,700 MRAPs to protect Marines currently exposed to the IED threat in HMMWVs. This is an updated number from our previous testimony of 1,022 vehicles that will allow our commanders to replace our armored HMMWVs in theater on a one for one basis. This policy decision is quite recent and is not reflected in the submissions provided to the Congress to date.

The DoD is aggressively pursuing the acquisition of this rapidly emerging MRAP requirement. As the program manager for this family of vehicles, the Commanding General, Marine Corps Systems Command is buying all of the small production capacity currently available. In an effort to expand production capacity and introduce competition, he recently awarded contracts to nine companies to produce four MRAP test vehicles each. These prototypes will undergo testing to ensure that they meet force protection and performance standards which will lead to production contract awards as soon as possible. It is our intent purchase contract logistics support to further accelerate fielding.

The MRAP is expensive. The three categories of MRAP vehicles and associated government furnished radios and jammers will cost at least $900,000 each. The total cost for a buy of 3700 vehicles will exceed $3.7 billion. The Congress appropriated approximately $600 million toward this cost in the FY 2007 Title IX appropriation.

The MRAP is an example of our adaptation to evolving threats. It is an attempt to acquire the very best technology available in the very shortest amount of time in order to protect our Marines. The vehicles are incredibly heavy; they do not lend themselves to use aboard amphibious ships, and they are extremely expensive. MRAP is a theater specific solution and not intended to be part of our long term tactical vehicle mobility portfolio.

Working with the Army, we are developing a long term solution known as the Joint Lightweight Tactical Vehicle (JLTV). The JLTV will leverage the latest technology in force protection, mobility, and fuel efficiency. The development of the JLTV speaks to the overall concept of reset – taking advantage lessons learned by using new technologies to enable our warfighters to succeed in future conflicts. We are robustly funding the research and development effort for the JLTV in order to accelerate its fielding. We are doubtful, however, that this vehicle can be developed and fielded in quantities for at least five years. Our immediate force protection and future mission needs thus mandate the two track approach, procuring MRAP while pursuing JLTV.

Conclusion

Due to the outstanding support of the Congress, the Marine Corps has achieved success in getting the funding needed to meet our reset requirements. We are working to improve our readiness for non-deployed units – through increasing the number of Marines and acquiring equipment that is currently being used in Iraq and Afghanistan. Challenges still remain, but we are confident that our plan to reset the Marine Corps will be realized in the near future.

I thank you for the opportunity to report to you on this important matter.

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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

VICE ADMIRAL JONATHAN W GREENERT

**DEPUTY CHIEF OF NAVAL OPERATIONS
FOR INTEGRATION OF CAPABILITIES AND RESOURCES**

BEFORE THE

HOUSE ARMED SERVICE COMMITTEE – READINESS SUBCOMMITTEE, AND SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE

13 FEBRUARY 2007

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Reset Testimony

Mr. Chairmen, Ranking Members and distinguished members of the Readiness and Seapower and Expeditionary Forces Sub-committees, it is a privilege to appear before you representing the brave men and women, Sailors and civilians of the United States Navy. We appreciate the long standing support we have received from both sub-committees.

I. Overview

We remain a nation at war -- a Long War against violent extremists. On any given day, approximately 30% of our ships and more than 42,000 of our Sailors are deployed worldwide. There are over 12,000 sailors ashore (including Individual Augmentees supporting ground forces in core mission areas and new capability areas) and 17,000 at sea in the U.S. Central Command region alone engaged in the Global War on Terror (GWOT). To date, more than 41,000 Navy Reservists have been mobilized in support of the GWOT, and on any given day there are more than 20,000 Navy Reservists on Active Duty, providing essential operational support to their supported Navy, and Joint, commands.

Naval forces provide a significant part of the nation's worldwide rotational military presence and an increasing portion of the required support for ground units in Operations Enduring Freedom / Iraqi Freedom (OEF/OIF). These operations support our nation's interest by continuing deterrence, intelligence, surveillance and reconnaissance missions, expanded maritime interception operations, and counter-piracy and counter-drug patrols.

Readiness remains excellent and the Navy remains committed to ease the burden on those forces on the ground. However, this support has come with a price. Some of our uniquely skilled forces, particularly Explosive Ordnance Disposal (EOD) forces and Naval Construction Force (Seabees) are operating under demanding turn-around-ratios. Moreover, accelerated equipment wear due to increased OPTEMPO, sustained high intensity theater operations and environmental factors on our civil engineering support equipment and expeditionary aircraft (EA-6B, MH-60, P-3, EP-3, and F/A-18C/D) continues to be of concern.

While we continue to engage this fight, we must also contend with traditional threats from regional powers who possess robust conventional, and in some cases, nuclear capabilities. Our number-one priority remains those Sailors and Marines forward-deployed, but to maintain a strategic reserve, we must simultaneously ensure we have the equipment to pace the future threat.

II. Challenges

While overall Navy readiness is excellent, the challenge for the Navy today is to remain capable of conducting traditional naval missions while simultaneously enhancing our ability to conduct non-traditional missions in order to ensure that naval power and influence can be projected from the sea, across the littorals, and ashore, as required.

Navy's support of OIF, OEF and the GWOT continue to require a higher OPTEMPO than was planned for during peace-time operations. In the near-term, this translates to greater operational costs (maintenance, parts and fuel). For the longer-term, this translates to shorter life-spans and the potential for decreased future force structure, which will diminish future force readiness and capability.

For at-sea operations, deployed steaming days-per-quarter have increased. In 2006, the Navy requested Supplemental appropriations to cover the cost of additional steaming days and flight hours associated with the GWOT. Congress has been responsive.

In the near-term, this increased steaming has increased operational costs for maintenance, parts, and fuel. Longer-term impacts are under close evaluation, but ships, aircraft and ground equipment returning from the war will require depot-level attention to remain responsive to emerging threats.

Predictably, the equipment used by Navy Expeditionary Combat Command (NECC) units, such as the Seabees and EOD, is wearing out at rates greater than design due to operations in Iraq, Kuwait, Horn of Africa, and Afghanistan. Moreover, Seabee and Explosive Ordnance Disposal units deployed to Iraq and Afghanistan require improved self-protection against improvised explosive devices (IED). Ongoing operations in Iraq have demanded

new vehicles to protect troops against the array of explosive devices they encounter. Mine Resistant, Armor Protected (MRAP) vehicles have been developed to better withstand these threats, and are being delivered to the ground forces.

We must replace or recapitalize our rapidly aging equipment that is operating at higher-than-expected operations tempo (OPTEMPO) and in harsh environments. Resetting equipment today will preclude unacceptable gaps in the near-to-midterm.

III. Reset the Force

The FY 2007 Title IX supplemental request included $0.7 billion in Navy reset and allocated against the highest priority requirements. The FY 2007 Supplemental request includes $2.4 billion towards Navy reset requirements. The FY 2008 GWOT request includes $2.6 billion of Navy reset requirements.

Past supplemental funding has mitigated some of the Navy's costs, but it has been focused more on the "costs of war" and not resetting the force. "Costs of war" are the costs associated with personnel, personnel support, operations and transportation. Reset includes depot-level maintenance and procurement (force protection, weapons and ordnance, and aviation).

Reset Defined

Our current estimate of reset costs is based on the recently updated definition by the Department of Defense, stating:

> "Actions taken to restore units to a desired level of combat capability commensurate with the unit's future mission. It encompasses maintenance and supply activities that restore and enhance combat capability to unit and pre-positioned equipment that was destroyed, damaged, stressed, or worn out beyond economic repair due to combat operations, by repairing, rebuilding, or procuring replacement equipment. These maintenance and supply activities involve Depot (Sustainment) and Field Level (e.g., Organizational and Intermediate) repairs/overhauls centrally managed to specified standards. Included

are Procurement, RDT&E, and Operation and Maintenance funded major repairs/overhauls and recapitalization (Rebuild or Upgrade) that enhance existing equipment through the insertion of new technology or restore selected equipment to a zero-miles/zero-hours condition."

Major Elements of Navy's Reset

Aircraft

The main focus of aviation reset costs is replacement of aircraft lost in the OIF/OEF Theater of Operations as well as aircraft "stressed" due to excessive (beyond design) use in GWOT operations. Additionally, modifications / upgrades ensure capabilities are preserved or new required capabilities are included to meet operational commanders' GWOT requirements.

Navy's aging, "legacy" aircraft are showing significant wear from the increased OPTEMPO directly associated with OIF and OEF. The expected service life (ESL) of an aircraft is a function of the designed flight hours and the actual fatigue life expended (FLE) through operational missions (launches, recoveries, extreme operational environment, etc). This increased OPTEMPO has accelerated airframe attrition due to their reaching ESL sooner than designed, and therefore has moved retirement dates for legacy aircraft forward.

One third of the Navy's legacy TACAIR fleet, F/A-18 A-D series aircraft, is currently operating beyond design limits, and the bulk of the fleet, F/A-18 C/D series aircraft, are operating at an average flight hour expenditure rate 30% greater per year than planned.

Similarly, the entire EA-6B fleet is operating at an average of 120% design ESL (an average aircraft age of 24 years.) The EA-6B was designed and planned to be in service for 20 years.

The P-3 and EP-3 fleets have approached fatigue life expended limits, and are now being closely monitored under a "hazardous risk index" program. The average age of our P-3 fleet is 27.6 years and the average age of our EP-3 fleet is 33.6 years. Both aircraft were expected to serve 30 years.

Resetting Naval aviation includes repairing and replacing damaged or destroyed aircraft, and getting more capable and reliable aircraft into the operational deployment cycle sooner. Production lines to replace legacy aircraft lost in support of GWOT are no longer active; therefore, it is necessary to replace those aircraft with modern, more capable platforms.

Aviation Reset in Supplementals. The FY 2007 Supplemental and FY 08 GWOT Reset request would fund the procurement of 27 aircraft to replace legacy aircraft EA-6B, F/A-18 A-D, MH-60 due to excessive airframe stress from GWOT operations. Additionally, funds are requested for modifications/upgrades to ensure capability is preserved or new required capabilities meet operational commanders' GWOT requirements. The request includes aircraft modifications designed to replace or upgrade capabilities required to support GWOT operations. An example of these desired modifications include the ICAP III upgrade to the legacy EA-6B aircraft, detailed below:

> An upgraded ICAP III system to transform the electronic warfare capability and situational awareness in the EA-6B as well as an enhanced USQ-113 Jamming Capability upgrade that will modify existing hardware to enhance the jamming effectiveness of the system

The FY 2007 Supplemental request contains $825 million in aviation reset, and the FY 2008 GWOT Reset request contains $1,136 million. Table 1 below lists the major Navy aviation reset end-items contained within both supplemental requests. This list is not all inclusive.

Major Aviation Reset End Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
6 - EA18G	12 - F/A-18 E/F
ICAP III Upgrade	6 - MH-60R
Low Band Transmit (LBT)	3 - MH-60S
Data Link for ATFLIR pods	ICAP III Upgrade
USQ-113 Upgrade	Low Band Transmit (LBT)
Add'l Tactical Common Data Link Sys	GPS & Radio upgrades
	EA-6B software upgrade

Table 1

Navy Ground Equipment

Navy Expeditionary Combat Command (NECC) provides task-organized combat support and combat service support forces with sufficient capability and capacity to meet the requirements for major combat operations, the Global War on Terrorism (GWOT) and homeland defense. The primary units operating under NECC are discussed here:

Naval Construction Force. Seabees provide expeditionary engineering (combat construction) to Navy and Marine Corps operating forces. Seabee civil engineer support equipment (CESE) in CENTCOM is being used an average of 14 times more than in a peace-time deployment. The OPTEMPO of some equipment, like generators, is 50 times more (Table 2). The high temperatures, airborne dust and harsh road conditions experienced in theater are also contributing to the rapid degradation of equipment.

Increases in Utilization for Essential U.S. Navy Seabee Equipment Employed in OIF

CATEGORY	OPTEMP Ratio OIF/Pre-OIF
MTVR	2:1
Grader	5:1
Dump Truck 15 Ton	12:1
HMMWV	12:1
Wheeled Loader	13:1
Generator 30 KW	22:1
Well Drilling Rig	41:1
Water Distributor 2000 Gallon	43:1
Generator 60 KW	54:1

Table 2

- Explosive Ordnance Disposal. The EOD OPTEMPO in direct support of counter IED missions has increased by a factor of 40 compared to pre OIF/OEF (Table 3). Consequently, associated standard operating equipment used to "render safe" these terrorist devices such as remote control vehicles, Bomb suits, radiographic imagers, special explosive driven neutralization tools and armored vehicles are being used, consumed and destroyed at a much higher rate than initially planned. In addition, these teams are frequently the targets of terrorist and insurgent groups.

Increases in Utilization for Essential U.S. Navy EOD Equipment Employed in OIF	
CATEGORY	OPTEMP Ratio OIF/Pre-OIF
EOD PGI	40:1
Bomb Suits	40:1
Dive gear/compression	20:1
NBC	20:1
Surface Ordnance/Demo	35:1
Comms Gear	40:1
HMMWV	25:1
Generators 15/30KW	25:1
Robots	80:1
RCV	60:1
JERRV	100:1

Table 3

The FY 2007 Supplemental request contains $461 million in ground equipment reset, and the FY 2008 GWOT Reset request contains $560 million.

Major equipment types requested for the Seabees and EOD include:

- Tactical vehicles: Mine-Resistant Ambush-Protected (MRAP) vehicles are requested to replace current HMMWV lacking adequate armor protection.
- Construction Equipment: Request includes bulldozers, scrapers, concrete mixers, graders and loaders and support equipment such as air compressors, generators, and welders.
- Also requested are special purpose trucks to support containers, panel boards, reverse osmosis units and other pieces of minor equipment.

Table 4 provides a list of major Seabee and EOD end-items contained within both supplemental requests. This is not all inclusive.

EOD & Seabee Major Ground Equipment Reset End-Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
389 - MTVR (Seabee)	214 - MRAPs (Seabee)
540 - HMMWVs (Seabee)	200 - HMMWVs (Seabee)
194 - Earth Moving Equip (Seabee)	39 - Trucks (EOD)
49 - HMMWVs (EOD)	

95 - MRAP (EOD)	
52 - Trucks (EOD)	
24 - 60 KW Generator	

Table 4

Weapons/Ammunition

With the direct support to combat forces comes an increased need to replace ordnance (JSOW, Tomahawk, SLAM-ER) expended during OIF/OEF and to replace unserviceable small arms and weapons. Additionally, an increase in training requirements in recent years to match the front lines roles of Seabee and EOD units increased ammunition requirements for the training, sustaining and deploying of these Sailors. This increased use of weapons coupled with the harsh desert and maritime conditions on deployment, as well as decreased parts support for older weapons models, are accelerating wear of barrels and other components, requiring greater than expected require replacement.

The FY 2007 Supplemental request contains $227 million in weapons and ammunition reset, and the FY 2008 GWOT Reset request contains $209 million. Table 5 provides a list of major end-items contained within both supplemental requests. This list is not all inclusive.

Major Weapon and Ammunition Reset End Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
30 - JSOW	123 - Tomahawk
60 - MK 38 Mod 2 Gun Mounts	1 - AMRAAM
Replace/provide var small arms, wpns	9 - SLAM-ER kits
	Replace/provide var small arms, wpns

Table 5

Depot Maintenance

As a traditional rotational force, Navy's maintenance strategy incorporates organic, intermediate, and depot level repairs to sustain equipment as needed to achieve its combat capability across the span of its expected service life. The unique operating environment and wartime OPTEMPO of our current conflict results in accelerated maintenance costs at all repair levels. Greater-than-peacetime Organizational and Intermediate maintenance costs incurred while operating or preparing for operations in theater and at the higher OPTEMPO are addressed in supplemental requests. Additionally, operating in the desert, high-heat

and high-particulate, environment has been harsher than conditions originally envisioned when the equipment was designed and built.

All levels of maintenance, including depot level maintenance, required to return the equipment to a ready for tasking status following its redeployment is characterized as a reset maintenance requirement. Reset maintenance requirements are dynamic when considering the possible variance in battle-damage equipment and changing strategies of both friendly and insurgent forces.

The FY 2007 Supplemental and FY 2008 GWOT Reset request funds for aircraft, ships and support equipment for maintenance performed at the depot level facility, to include cost to overhaul, clean, inspect, and maintain organic equipment to the required condition at the conclusion of the contingency operation or unit deployment. Major components include airframe rework, engine rework, aeronautical components, ship operating systems, ground command and control equipment, and countermeasures.

IV. CONCLUSION

Reset requirements will continue as equipment is used more extensively than originally anticipated, and high OPTEMPO operations continue. Replacement equipment and aircraft are essential to preclude near-to-midterm capability and capacity gaps in these areas. Deferring reset requirements will equate to increased risks in the future.

We must avoid allowing these costs of combat operations to reduce the capability and capacity of our Navy, the nation's Strategic Reserve. The press recently reported that half of the Royal Navy is to be "mothballed" to cover a series of expensive procurement projects and hidden costs associated with Britain's ground forces in Afghanistan and Iraq. We must not fall victim to this same reasoning, particularly as we increase the number of ground forces in the United States. We must not endanger the nation's Strategic Reserve provided by our Navy.

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