

DEPARTMENT OF DEFENSE APPROPRIATIONS  
FOR 2011

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HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED ELEVENTH CONGRESS  
SECOND SESSION

SUBCOMMITTEE ON DEFENSE

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NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

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# **DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2011**

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FRIDAY, MARCH 11, 2010.

## **NAVY AND MARINE CORPS POSTURE**

### **WITNESSES**

**SECRETARY RAY MABUS, U.S. NAVY  
ADMIRAL GARY ROUGHEAD, CHIEF OF NAVAL OPERATIONS, U.S. NAVY  
GENERAL JAMES T. CONWAY, COMMANDANT, U.S. MARINE CORPS**

### **OPENING STATEMENT OF MR. DICKS**

Mr. DICKS. The committee will come to order. This afternoon, the committee will hold an open hearing on the posture of the Department of the Navy. We will focus on Navy and Marine Corps personnel, training, equipment readiness, and we will also touch on equipment acquisition issues to gain insights into the Department's priorities and decision making. It will be extremely valuable to the committee to hear from Navy leadership about the fiscal year 2011 budget, as well as their plans for the future years. Our discussions also may address Navy and Marine Corps supplemental budget requirements for the remainder of fiscal year 2010.

We are pleased to welcome the Secretary of the Navy, Raymond Mabus, former governor, Chief of Naval Operations; Admiral Gary Roughead and the Commandant of the Marine Corps, General James Conway. These distinguished gentlemen comprise the Department of The Navy's senior leadership team and they are well equipped to speak for the Department of the Navy regarding the Department's current posture and the budget request for fiscal year 2011.

Secretary Mabus, Admiral Roughead, General Conway, thank you all for being here today. Our sailors and Marines are performing magnificently in Iraq, Afghanistan, across the world's oceans and in many hot spots around the globe, and also in places where we have had some major earthquakes. In typical Navy and Marine Corps fashion, despite the difficult conditions in which they operate, we hear not a single complaint from these exceptional young men and women. We salute them. The members of this committee are dedicated to providing the resources and equipment that these sailors and Marines require to continue to defend our Nation on the high seas and on foreign shores. The committee is eager to hear what you consider to be the key issues facing the Department of the Navy and your strategy for addressing these issues.

For instance, the Department is facing a large strike fighter shortfall in the very near term, which will ultimately mean there

will not be enough tactical aircraft to fill the decks of our carriers. That is worrisome to the committee since the carriers are the Nation's most visible form of power projection. Even more concerning is that this is not a new issue. It has been creeping up on the Navy for several years. The Navy intends to manage this issue by doing such things as reducing the number of aircraft assigned to non-deployed squadrons and changing the order of transition of legacy aircraft squadrons into new aircraft.

However, at the end of the day, none of the things that the Department is doing result in the procurement of additional strike fighter aircraft. In fact, the recent submission pushed out the final year of procurement of the Super Hornet F-18 aircraft to procure additional electronic attack aircraft, which only exacerbates the problem. The committee is also concerned with the nation's shipbuilding program. To reach and sustain a force level of 300 ships, approximately 10 ships per year are required to be constructed, assuming a 30-year service life of those ships. However, the Navy has not constructed 10 or more ships in a single year since 1992. Over the last decade, you have averaged approximately seven new construction ships each year. This year's submission shows the Navy plans to contract 50 ships over the next 5 years which is encouraging; however the committee is somewhat skeptical as we have seen these promises of higher shipbuilding rates in the out years for the past several years, but they never seem to result in more ships.

Gentlemen, we look forward to your testimony and to an informative question-and-answer session. Now, before we hear your testimony, I would like to ask Congressman Frelinghuysen if he has any comments and/or Mr. Lewis if he has any comments.

#### REMARKS OF MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. I would also like to welcome our distinguished guests. Gentlemen, the Navy and the Marine Corps are the best equipped and best trained forces in the world, yet that does not mean that you are not facing significant challenges, as the fiscal year 2011 budget before us today highlights. The Navy has long been striving as the chairman said for a fleet size of 313 ships. Your budget funds only nine new ships. Although better than previous years it is still short of the minimum 10 to 11 ships needed to ultimately reach a 313-ship fleet. There is also a long-term risk being taken in our fast attack submarine fleet and the Marine Corps's amphibious assault fleet that may be too much to bear.

And still other challenges remain. While both services await the joint strike fighter which has only been further delayed, the budget does not address the significant fighter shortfall looming in the near future. While these are all significant challenges, I trust the Navy and Marine Corps will meet them head on and I look forward, as I am sure Mr. Lewis and all members do, to your testimony. Thank you very much, Mr. Chairman.

Mr. DICKS. Mr. Secretary.

## SUMMARY STATEMENT OF SECRETARY MABUS

Mr. MABUS. Thank you, Mr. Chairman. To you, Mr. Chairman, to the distinguished members of this committee, it is a pleasure to be here today to testify with the House Appropriation Subcommittee on Defense. I would like to congratulate our new chairman today, and at the same time, remember the previous chairman who had such an impact on this committee and on the Navy and the Marines.

Mr. DICKS. We thank you for that.

Mr. MABUS. The CNO, the Commandant and I are very grateful for the commitment of the members of this committee, that they have shown to our men and women in uniform in the Navy and the Marine Corps. We are exceptionally proud to be here representing Sailors, Marines, civilians and their families who work in the Department. The Navy and Marine Corps remain the most formidable, expeditionary fighting force in the world, capable of global operations across the entire spectrum of warfare. Today, more than 40 percent of our forces are deployed and over half of our fleet is at sea.

In Helmand Province, Afghanistan, more than 16,000 Marines are engaged in major combat, counterinsurgency and engagement operations, including finishing up a successful effort to clear the Taliban's stronghold of Marja. They are supported there by naval aircraft flying close air support from Eisenhower and our forward deployed expeditionary aviation assets. A total of 12,000 of our Sailors are on the ground in Iraq, Afghanistan and across the broader Middle East and another 9,000 Sailors and Marines are embarked on our ships at sea in Central Command.

Off the coast of Africa, our ships are protecting international commerce over Somalia. Our ships are operating as partnership stations with our regional allies around Africa. Off the coast of South America, other ships are stemming the flow of illegal narcotics into the United States. Our ballistic missile defense forces are ready to defend against any threat, to international peace in Europe, the Middle East and the Pacific Rim. The Pacific Rim, where our forward deployed forces continue their role as a strategic buffer and a deterrent against rogue regimes and potential competitors alike. And in Haiti, today six ships and 1,200 Marines from the 22nd Marine Expeditionary Unit continue to provide humanitarian aid, medical assistance and disaster relief. The hospital ship COMFORT departed there after performing almost a thousand surgeries earlier this week. The Navy and Marine Corps are flexible, responsive and they are everywhere that our Nation's interests are at stake. Our global presence reduces instability, deters aggression and allows us to rapidly respond to any crisis that borders the sea.

I believe the President's FY 2011 budget for the Department of the Navy is a carefully considered request that gives us the resources we need to conduct effective operations and meet all the missions we have been assigned. Our shipbuilding and aviation requests concur with the findings of the Quadrennial Defense Review (QDR) and its objectives of prevailing in today's war, preventing conflict, preparing for future wars and preserving the force.

With this budget, the Navy and Marine Corps will continue to maintain the maritime superiority of our forces, sustain a strong American shipbuilding industrial base and ensure our capacity for rapid global response. Across the future year's defense plan, we have requested the funds to build an average of 10 ships a year, including one carrier, one big deck amphib, 10 Virginia class submarines and 17 littoral combat ships. We will leverage the technologies captured from the cancelled CG(X) program and the truncated DDG 1000 program into what will become our flight 3 Burke class DDGs. These technologies include the SPY-3 and air and missile defense radar.

Through the submitted shipbuilding plan we will increase the size of our fleet to approximately 320 ships in the early 2020s. In our shipbuilding program, I think we have made the most cost effective decisions to achieve the most capable force, one that achieves equal flexibility to confront missions across a spectrum of conflict, from the technically complex light ballistic missile defense and integrated air defense to low intensity humanitarian response and regional engagement.

In aircraft procurement, we have requested just over 1,000 aircraft across the FYDP, including both fixed and rotary wing. Over the next year, the Navy and Marine Corps will continue to move ahead with changes to our acquisitions process. In compliance with the weapons systems acquisition reform, we are aggressively developing our acquisition strategies to ensure that on time and on budget become the standard for the Navy and Marine Corps.

I am grateful for the support of this committee for the decision to re compete the LCS program when it failed to meet program standards. I assure you that we will not hesitate to re compete or cancel other programs when other substandard performance demands change. Change is also required to address the way in which the Navy and Marine Corps use and produce energy. Energy reform is an issue of national security and it is essential to maintaining our strategic advantage, warfighting effectiveness and tactical edge. By 2020, I have committed the Navy to generate half of all the energy we use from alternative sources. This is an ambitious goal, but a doable one.

Forty years ago, I stood watch on the deck of the USS LITTLE ROCK as a very young junior officer. Today I have the solemn privilege of standing watch on behalf of our Navy and Marine Corps in a time of war. I am honored by the trust the President and the Congress have placed in me and fully recognize the solemn obligation I have to those that defend us. I, along with the CNO and the Commandant look forward to hearing your thoughts and answering your questions concerning our budget request, our programs and our policies. I also look forward to working closely with Congress as we move forward to sustain the Navy and Marine Corps as the most formidable expeditionary fighting force in the world. Thank you.

[The statement of Secretary Mabus follows:]

NOT FOR PUBLICATION UNTIL  
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SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS

**STATEMENT OF  
THE HONORABLE RAY MABUS  
SECRETARY OF THE NAVY  
BEFORE THE  
HOUSE SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS  
ON  
11 MARCH 2010**

NOT FOR PUBLICATION UNTIL  
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SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS

## Secretary of the Navy

5/19/2009 - Present

**Ray Mabus**

Ray Mabus is the 75th United States Secretary of the Navy. As Secretary, he leads America's Navy and Marine Corps and is responsible for an annual budget in excess of \$150 billion and almost 900,000 people.

The secretary of the Navy is responsible for conducting all the affairs of the Department of the Navy, including recruiting, organizing, supplying, equipping, training, and mobilizing. Additionally, he oversees the construction, outfitting, and repair of naval ships, equipment and facilities, and is responsible for the formulation and implementation of policies and programs that are consistent with the national security policies and objectives established by the President and the Secretary of Defense.



Prior to joining the administration of President Barack Obama, Mabus served in a variety of top posts in government and the private sector. In 1988, Mabus was elected Governor of Mississippi. As the youngest governor of Mississippi in more than 100 years at the time of his election, he stressed education and job creation. He passed B.E.S.T. (Better Education for Success Tomorrow), one of the most comprehensive education reform programs in America, and was named one of Fortune Magazine's top ten education governors. He was appointed Ambassador to the Kingdom of Saudi Arabia for the Clinton Administration in 1994. During his tenure as Ambassador, a crisis with Iraq was successfully averted and Saudi Arabia officially abandoned the boycott of United States businesses that trade with Israel. He also was Chairman and CEO of Foamex, a large manufacturing company, which he led out of bankruptcy in less than 9 months paying all creditors in full and saving equity. Prior to becoming Governor he was elected State Auditor of Mississippi and served as a Surface Warfare Officer in the U.S. Navy aboard the cruiser USS Little Rock.

Secretary Mabus is a native of Ackerman, Miss., and received a Bachelor's Degree from the University of Mississippi, a Master's Degree from Johns Hopkins University, and a Law Degree from Harvard Law School. He has been awarded the U.S. Department of Defense Distinguished Public Service Award, the U.S. Army's Distinguished Civilian Service Award, the Martin Luther King Social Responsibility Award from the King Center in Atlanta, the National Wildlife Federation Conservation Achievement Award, the King Abdul Aziz Award from the Kingdom of Saudi Arabia, and the Mississippi Association of Educators' Friend of Education Award.

Written Congressional Testimony of the Honorable Ray Mabus  
Secretary of the Navy  
March 11, 2010

Chairman Dicks and Congressman Young, it is a pleasure to be here today with the House Armed Services Committee as the representative of the nearly 900,000 Sailors, Marines, and civilians that make up the Department of the Navy. The Chief of Naval Operations, the Commandant of the Marine Corps and I are privileged to lead some of the best men and women in the country, who are selflessly serving the United States all around the world in support of our safety, our security, and our national interests.

The Navy and Marine Corps remain the most formidable expeditionary fighting force in the world. We are America's "Away Team". The mission and experience of our team is well matched to the multiple and varied challenges that threaten our nation's security and global stability.

Today the Navy and Marine Corps are conducting operations across the spectrum of military operations, from major combat and ballistic missile defense to humanitarian assistance and disaster relief.

Fifteen thousand Marines are at the forefront of our nation's defense, serving in and around Helmand Province, Afghanistan. By spring this number will grow to almost 20,000. It is a testament to the responsiveness and combat capability of the Marine Corps that the first troops to depart for Afghanistan in the wake of the President's December 1<sup>st</sup>

announcement were 1500 Marines from Camp Lejuene, North Carolina. The new arrivals, who deployed before the end of last year, joined the Second Marine Expeditionary Brigade already in place. Together they are taking the fight to the Taliban and al-Qaeda in their sector and assisting the Afghan Provincial Government in reestablishing control. General Conway describes their capability as a “two-fisted fighter,” capable of simultaneously combating an adaptive and insidious insurgency among the Afghan civilians while maintaining the skill set to conduct major combat operations.

The Navy in Afghanistan is contributing Special Operations Forces, Explosive Ordnance Disposal Teams, Seabee civil engineering assets, all of the airborne expeditionary tactical Electronic Warfare capability, medical and intelligence professionals, and logistical support. From our carriers operating in the Indian Ocean, we are launching a significant percentage of the close air support that watches over our Marines and Soldiers on the ground. The Navy has over 12,000 Sailors on the ground in Central Command supporting joint and coalition efforts in both Iraq and Afghanistan and another 9000 Sailors at sea supporting combat operations.

The Navy and Marine Corps today are globally engaged in a host of other security and stability operations. In our cruisers and destroyers, the Navy has built a strong ballistic missile defense force. These multi-mission ships routinely deploy to the Mediterranean, the Arabian Gulf, and the Western Pacific and extend an umbrella of deterrence. Across the Future Years’ Defense Program we will expand this mission and operationally

implement the President's decision in September 2009 to focus on sea-based ballistic missile defense.

That capability is complemented by the continued preeminence of the ballistic missile submarines in our strategic deterrent force, who operate quietly and stealthily on station every day of the year.

In the Gulf of Aden and Western Indian Ocean, Combined Task Force 151 is leading the international effort to combat piracy in the Gulf of Aden. They are coordinating their operations with forces from the European Union, NATO, and a total of twenty-four nations contributing ships, aircraft, and staff personnel as well as operational and intelligence support.

Our ships and maritime patrol aircraft in the Caribbean and off South America are working with the Coast Guard-led Joint Interagency Task Force-South, which ties together information and forces from thirteen nations to stem the flow of illegal narcotics into the United States. In 2009 alone they contributed to the seizure or disruption of almost 220,000 kilograms of cocaine with a street value of over \$4 billion.

Both the Navy and Marine Corps routinely conduct training exercises and multi-lateral operations with nations all around the world to solidify our relationships with traditional allies and forge partnerships with new friends. Global Partnership Stations in Africa, South America, and the Pacific are training hundreds of Sailors, Marines, and Coast

Guardsmen from dozens of nations and are supporting regional diplomatic and humanitarian engagement efforts, like those of the hospital ship USNS *COMFORT* and the Fleet Auxiliary USNS *RICHARD E. BYRD* in the summer of 2009. The two ships together treated over 110,000 patients in the Caribbean, South America, and Oceania, and the USNS *COMFORT* furthered an existing partnership with numerous civilian aid organizations.

The Navy-Marine Corps team remains on the front-line of response to natural disasters. In 2009 we provided humanitarian assistance to Indonesia, the Philippines, and American Samoa, and delivered thousands of tons of food, water, and medical supplies to those affected by devastation. After the January 12 earthquake in Haiti, the Navy and Marine Corps responded immediately. Within a week of the earthquake, 11 Navy ships, including the carrier USS *CARL VINSON*, the big-deck amphibious ship USS *BATAAN*, and the hospital ship USNS *COMFORT* were on station off the coast of Haiti. These ships embarked 41 Navy and Marine Corps helicopters and approximately 2000 Marines of the 22nd Marine Expeditionary Unit. On station, our units treated patients, provided helicopter lift capability, and delivered hundreds of tons of relief aid. Additional personnel and capabilities continued to flow in over the next weeks. Our mission there will continue as long as required.

The Navy and Marine Corps are flexible, responsive, and everywhere that our nation's interests are at stake. The Navy and Marine Corps' global presence reduces instability, deters aggression, and allows for rapid response to a wide range of contingencies.

In order to ensure our continued global mobility, the Department of the Navy strongly supports accession to the Law of the Sea Convention (UNCLOS). The United States must continue to take maximum advantage of the navigational rights contained in the Convention. Ratification would enhance stability for international maritime rules and ensure our access to critical air and sea lines of communication.

I have now been the Secretary of the Navy for nine months, and in that short period of time I have met thousands of our Sailors and Marines serving on the front lines at sea and ashore. I have been constantly inspired by the high morale, courage, and commitment to serving our country displayed by every one of them as they conduct our missions. In return, I have continually expressed to them the appreciation of the American people for the sacrifices they and their families are making every day.

I have met our operational commanders and seen first-hand the warfighting readiness of our Fleet and our Marine Forces. I have inspected the facilities of our industry partners who are building the Navy and Marine Corps of tomorrow. With the advice and support of my leadership team, I have made some initial decisions to better prepare the Navy and Marine Corps for the challenges of the future. These observations and our initial actions have given me a good picture of the Navy and Marine Corps, and from this vantage I can report to Congress and the President the current state of the Services, the budgetary

requirements we need to successfully perform our mission, and the future direction I believe we must take.

The Department of the Navy's Fiscal Year 2011 (FY 2011) Budget request reflects the President's priorities, Secretary Gates' strategic and fiscal guidance, and fundamentally aligns with the 2010 Quadrennial Defense Review (QDR) priorities:

- (1) *Prevailing in today's wars*
- (2) *Preventing and deterring conflict*
- (3) *Preparing for a wide range of future contingencies*
- (4) *Preserving and enhancing the All-Volunteer Force*

This Budget request of \$160.7 billion will maintain across the Future Years' Defense Program our commitment to a strong industrial base. The FY 2011 request of \$18.5 billion for contingency operations includes incremental costs to sustain operations, manpower, equipment and infrastructure repair as well as equipment replacement to support our focus on increasing threats in Afghanistan and elsewhere.

In the FY 2011 Budget request, we have included funds for 9 ships, including 2 additional *VIRGINIA* class submarines, 2 destroyers in the restarted *ARLEIGH BURKE* line, a lower-cost commercial variant of the Mobile Landing Platform, the multi-role Landing Helicopter Assault Replacement, a Joint High Speed Vessel and 2 Littoral Combat Ships, which will be constructed under the terms of the down-select we will conduct this fiscal year. In aviation, we have requested 206 aircraft in FY 2011, including 20 F-35 Joint Strike Fighters for both the Navy and Marine Corps, 24 MH-60R

and 7 P-8As to begin replacing our aging ASW and maritime patrol squadrons, 18 MH-60S for logistics support, 28 H-1 variant helicopters and 30 MV-22 for the Marine Corps, 22 F/A-18E/F and 12 F/A-18G to continue replacing the EA-6B. For Marine Corps ground operations, we have requested funding for an additional 564 LVSR and HMMWV tactical vehicles. The FY 2011 Budget request also contains development funding for the Navy Unmanned Combat Aerial System and continues development of the Broad Area Maritime Surveillance UAV. And we have continued our support of the Naval Expeditionary Combat Command, including funding for a fourth Riverine Squadron.

The Department's long-range shipbuilding and aviation intentions are designed to sustain our naval superiority and they achieve a balance of capability and affordability that both wins today's wars even while preparing for the challenges of the future.

There are four strategic, tactical, and personnel management imperatives I believe the Department of the Navy must also address to maintain preeminence as a fighting force and successfully address whatever comes in the future. These four areas reinforce the strategic framework of the QDR and address the areas of risk it identifies. They are:

- (1) Taking care of our Sailors, Marines, Civilians, and their Families*
- (2) Treating energy in the Department of the Navy as an issue of national security*
- (3) Creating acquisitions excellence*
- (4) Optimizing unmanned systems*

They underpin the development of our FY 2011 Budget request, execute Presidential policy, and comply with and respond to Congressional direction.

**Taking Care of Sailors, Marines, Civilians, and their Families**

Sailors and Marines are the fundamental source of our success. They are our most important asset, and they must always come first in our minds and in our actions. One of my most important responsibilities as Secretary is to ensure adequate compensation, medical care, and family support services are provided to our Sailors, Marines, civilians, and their families.

The Navy and Marine Corps will continue to recruit and retain the same high quality individuals we brought into and kept in the service in 2009. We remain committed to providing a competitive pay and benefits package to aid recruiting. The package includes not only basic pay and housing allowances, but also provides incentives for critical specialties in health care, explosive ordnance disposal, and nuclear propulsion.

Beyond compensation, we recognize that quality of life programs are crucial to retention and the military mission. We are providing expanded career opportunities, opportunities for life-long learning, and a continuum of care and family support. The Department continues to support a wide array of readiness programs, including deployment support services, morale and welfare services, and child and teen programs. Our innovative personnel management and human resource programs were in fact recognized by civilian

experts as among the best in the country when, in October 2009, the Navy was named by Workforce Management Magazine as the winner of the Optimas Award for General Excellence.

Since the attacks of September 11, 2001, over 10,000 Marines and Sailors have been wounded in action. Their service has been exemplary and unselfish, and in their sacrifice they have given so much of themselves for our country. The Department of the Navy, through the Wounded Warrior Regiment and the Navy Safe Harbor Program, provides support and assistance to our wounded, ill, and injured service members and their families throughout recovery, rehabilitation, and reintegration. And we continue to provide encouragement and support for wounded Sailors and Marines, in partnership with the Department of Veterans Affairs, long after they have left the Service.

Our medical community has continued to strive for excellence in the care of our Sailors and Marines. Navy Medicine has reached out to its civilian colleagues, and we have established partnerships with civilian hospitals to improve our understanding and care for those affected by traumatic brain injuries, mental health issues, amputation, and disfiguring injuries. I had the opportunity last fall to see this first-hand, when I witnessed groundbreaking pro-bono work in reconstructive surgery on behalf of Wounded Warriors at the UCLA Medical Center.

We will continue to aggressively address the issues of sexual assault prevention and response. Sexual assault is a criminal act that is corrosive to the readiness and morale of

a professional military organization. In the FY 2011 Budget request, we have requested funds to support a reinvigorated program under the supervision of a new Office of Sexual Assault Prevention and Response, which I created within the Secretariat to focus attention on the issue, develop effective training, and coordinate prevention and response programs across the Navy and Marine Corps.

In 2010, the Department will move forward on expanding the opportunities for women in the Navy. We will establish a process to integrate women into the submarine force, beginning with nuclear-trained and Supply Corps officers on our ballistic and guided missile submarines.

After eight years of continuous combat operations, the Navy and Marine Corps' people remain strong, and the CNO, CMC, and I are very focused on maintaining the overall health of the force. The FY 2011 Budget request reinforces these goals and is designed to provide the fiscal support necessary to sustain the force. The visible support of Congress to our personnel programs is deeply appreciated and has been vital in maintaining overall readiness.

### **Energy Reform**

The way in which we use and produce energy is an issue of national security and is essential to maintaining our warfighting capabilities. At present, we simply rely too

much on fossil fuels, which are susceptible to both price and supply shocks caused by events in volatile areas of the world largely outside the scope of our control. Those potential shocks have, in turn, strategic, operational, and tactical effects upon our forces. In addition, fossil fuel emissions are the root cause of many of the impending security challenges of tomorrow, and the QDR has correctly identified that climate change and its effects: rising sea levels, pressure on natural resources, and changes to the polar regions, will increasingly affect our force structure and the global security environment as the 21<sup>st</sup> century progresses. In order to improve our long-term strategic and fiscal position, I have set the Navy and Marine Corps on a path to change the way in which we use and produce energy.

In October 2009, I issued five energy targets. They are ambitious in their scope, but I firmly believe that little will be accomplished without bold, innovative, and timely action. The most important of the targets commits the Navy and Marine Corps to generating half of all the energy we use, including that used by the operational fleet, from alternative sources by 2020. I have also committed the Navy and Marine Corps to consider energy as a mandatory evaluation factor in contracting, and to consider as an additional factor in our business dealings, the energy footprint of the companies that sell to the Navy and Marine Corps.

America is a world leader precisely because of our willingness to not just embrace change, but to create it. The U.S. Navy has always been a technological leader. We moved from wind to coal in the 19<sup>th</sup> Century, coal to oil early in the 20<sup>th</sup> Century, and to

nuclear power in mid-century. In every transition there were opponents to change, but in every case the strategic and tactical position of naval forces improved. In this century, I have asked the Navy to lead again by pioneering technological change through use of alternative energy. But I want to reiterate that every action and program we undertake must and will have as an effect improved warfighting capability. And we will strive in every case to improve energy efficiency and reach cost-neutrality over the life of the program.

Many of our initiatives are already doing this. We conducted a ground test of an F/A-18 Hornet jet engine this fall running on a biofuel blend and we intend to conduct an airborne test of the “Green Hornet” later this year. In late 2010, the Navy will also conduct tests of a more efficient F/A-18 engine, which will increase the aircraft’s range. Afloat, the USS *MAKIN ISLAND*, the first ship constructed with a hybrid-electric drive that dramatically lowers fuel consumption at lower speeds, saved approximately \$2 million in a single transit to her new homeport in San Diego. Over the life of the ship, we estimate the savings will be up to \$250 million using today’s fuel prices. Writ large across the Navy, as we begin to retrofit our DDG fleet with similar propulsion systems, the potential fuel savings will only grow.

In addition to these tactical applications, we have implemented a number of energy projects at our facilities ashore, and numerous other efficiency initiatives throughout the Fleet. As the President clearly stated in Copenhagen, changing the way we use and produce energy is a national security imperative.

**Acquisition Excellence**

The ships and aircraft of the Navy and Marine Corps are unmatched at sea and over land. Our precision munitions, networked targeting systems, armored vehicles, stealth technology, and unmanned vehicles are advanced systems that define the leading edge of warfare in all domains.

These truths have been brought home to me during my visits with the defense industry. I have had the opportunity to visit shipyards, aircraft manufacturers, factories, and depots; and I applaud the hard work and dedication of this country's skilled workforce – Americans who take as much pride in their patriotism as they do in their craftsmanship.

The issue before us all, however, is affordability. Acquisition costs are rising faster than our budget's top-line, and without deliberate, sustained action to reverse this trend, we put the size and capability of the future force at risk. In accordance with the Weapons System Acquisition Reform Act passed by Congress in 2009, the Navy and Marine Corps will aggressively pursue additional ways to make the acquisitions process more rigorous; we will prudently safeguard the resources entrusted to us by the American taxpayer, and we will fully meet the obligation we hold to our Sailors and Marines.

This requires close examination of the way we do business in our policies, practices, priorities, and organization, with a clear focus on controlling cost. The Navy and Marine

Corps will continue initiatives to raise standards, to improve processes, to instill discipline in procurement, and to strengthen the professional corps that manages our major defense acquisition programs.

We are pressing forward with key initiatives that promise to improve our ability to affordably deliver combat capability to the fleet.

We are improving the quality of our cost estimates, which underpin our investment decisions. We are strengthening our cost estimating group, requiring independent cost estimates, and incorporating Departmental best practices in the formulation of our Service Cost Position for all major programs. We are using these realistic cost and schedule estimates to drive difficult decisions at the front end of the requirements process.

We are developing our acquisition strategies with the intent of expanding the use of fixed price contracts, leveraging competition, and tightening up on the use of incentive and award fees to ensure quality systems are delivered consistently on budget and on time to our Sailors and Marines. When we could not achieve these objectives this past year on the Littoral Combat Ship program, we rewrote the program's acquisition strategy to improve performance through competition. I thank the Committee for its strong support of this revised strategy, and I assure you that I will not hesitate to re-compete or cancel programs when sub-standard performance demands change.

We are demanding strict discipline in the execution of our contracts. Before commencing production on new start ship programs, I have reported to you the results of reviews conducted to ensure that designs are mature. We are specifically clamping down on contract changes, the most-often cited reason for cost growth, through improved policies and increased oversight.

Our goals for modernizing today's force and recapitalizing the fleet affordably cannot be accomplished without a healthy industrial base and strong performance by our industry partners. We have worked hard to procure our ships, aircraft, and weapon systems at a rate intended to bring stability to the industrial base and enable efficient production. The Navy's long-range shipbuilding plan was developed with particular regard for maintaining the unique characteristics and strength of the base and our efforts support the QDR's emphasis on maintaining the defense industrial base with appropriate levels of competition, innovation, and capacity. The Future Years' Defense Program outlines construction of a balanced force of 50 ships, an average of 10 ships per year, which requires the full breadth of capabilities and services provided by our major shipbuilders and vendors.

In the end, industry must perform. We will work with our shipyards, aircraft manufacturers, and weapon systems providers to benchmark performance, to identify where improvements are necessary, to provide the proper incentives for capital investments where warranted, and to reward strong performance with terms and conditions that reflect our desire for a strong government-industry partnership.

To meet our objectives, we must be smart buyers. The acquisition workforce has been downsized over the past fifteen years and in truth our professional acquisition corps has been stretched too thin. Accordingly, and with your strong support, we are rebuilding the acquisition workforce through a number of parallel efforts. We must both increase the number of acquisition workers and restore to the government the core competencies inherent to their profession. The Department has added 800 acquisition professionals in the last year towards the goal of increasing the community by 5000 over the Future Years' Defense Program. This represents a 12 percent growth in our workforce.

### **Unmanned Systems**

The complex nature of today's security environment, as well as current and future anti-access threats faced by the United States require that the Navy and Marine Corps investigate the contributions unmanned systems can make to warfighting capability.

Unmanned systems are unobtrusive, versatile, persistent, and they reduce the exposure of our Sailors and Marines to unnecessary threats. They perform a vast array of tasks such as intelligence collection, precision target designation, oceanographic reconnaissance, and mine detection, and that array will grow exponentially year to year.

Navy and Marine Corps unmanned systems have already made key contributions to operations in Afghanistan, Iraq, and in the counter-piracy effort off the coast of Africa. Unmanned aircraft systems have flown thousands of flight hours in support of Operation

Iraqi Freedom and Operation Enduring Freedom. Unmanned ground vehicles employed by the Marine Corps have conducted thousands of missions detecting and/or neutralizing improvised explosive devices. And unmanned maritime systems have provided improved port security.

We continue to support research and development activities to improve these capabilities and increase the level of autonomy in unmanned systems. Over the Future Years' Defense Program we will continue to focus on transitioning from research and development and limited deployments, through test and evaluation, to full fleet integration and operations. In order to best direct our research and harness the capabilities of unmanned systems, I am tasking the Department to develop a comprehensive roadmap for unmanned system development, to include a coordinated strategy for air, ground, surface, and subsurface systems focused on integration and interoperability with our existing platforms and capabilities.

The initiatives and investments contained in the FY 2011 Budget request will move us onto this path. I look forward to reporting continued progress throughout the year.

#### **Closing**

In this statement, I have discussed the strategic and tactical imperatives that guide the Department and influence the future decisions we will make. Specific programmatic requests are reflected in the FY 2011 Budget request, which I believe incorporates the

difficult trade-offs and disciplined decision making that you and the American taxpayer expect of us. We have carefully weighed risks and made proposals to you that will ensure we retain a ready and agile force capable of conducting the full range of military operations. And we will continue to work hard to be effective stewards of the resources you allocate to us.

Forty years ago I stood watch on the deck of the USS *LITTLE ROCK* as a young junior officer. Today I have the solemn privilege of standing watch on behalf of our Navy and Marine Corps in a time of war and national challenge. I am honored by the trust the President and Congress have placed in me and I fully recognize the solemn obligation I have to those who defend us.

That obligation fueled my desire to observe our people up close in their varied and often dangerous jobs. I've seen first hand the courage of our young Marines in Helmand, the determination of a wounded SEAL to walk despite losing two legs, the pride of a young Sailor in a hot engine room, the selfless dedication of corpsmen, nurses and doctors caring for the fallen.

Sacrifice and service created and preserve the freedom and opportunity that we enjoy as Americans. Although we aspire to create a world in which violence and aggression have been eliminated, we understand that peace and stability are often secured only when strong nations and good people are willing and prepared to use decisive force against those who threaten it. The Navy and Marine Corps stand ready to do so.

Your commitment to the service of our country and your recognition of the sacrifice of our Sailors, Marines, civilians and their families has been steadfast and is fully reflected in the support of this Committee for our key programs and our people.

I, along with my partners, the Chief of Naval Operations, Admiral Roughead, and the Commandant of the Marine Corps, General Conway, look forward to hearing your thoughts and answering any questions you may have about our Budget request or specific programs of interest. I also look forward to working closely with Congress as we move forward to sustain the Navy and Marine Corps as the most formidable expeditionary fighting force in the world.

Thank you and Godspeed.

Mr. DICKS. Admiral Roughead.

SUMMARY STATEMENT OF ADMIRAL ROUGHEAD

Admiral ROUGHEAD. Chairman Dicks, Congressman Frelinghuysen and distinguished Members of the Committee, it is an honor to appear before you again today, and I echo the Secretary's congratulations to you, Mr. Chairman, and as we recall the service and leadership of Chairman Murtha over his many years in service to our country. It is, indeed, my honor to be here representing more than 600,000 Sailors and Navy civilians and their families. 65,000 of them are deployed, 12,000 on land and the Central Command area of operations and 55 percent of our Fleet is underway carrying out our maritime strategy, a prescient precursor to the 2010 Quadrennial Defense Review.

They are projecting power into Afghanistan, building partnerships in Africa, delivering relief in Haiti and providing ballistic missile defense in the Arabian Gulf, western Pacific and eastern Mediterranean with pride and determination. They are even deployed on the first Littoral Combat Ship 2 years ahead of schedule. And in the first weeks of that ship's deployment, they have already seized nearly half a ton of cocaine. It is our Sailors and Navy civilians who make all things possible.

And thanks to your support, we made important progress in building tomorrow's Navy, remaining ready to fight today and supporting our Sailors, Navy civilians and families last year. This year's budget submission will take us even further. As the high demand for our Navy continues apace, we have stabilized end strength and the tone of the force remains positive. We will continue to aggressively improve wellness programs and medical and social services for our Wounded Warriors, indeed for all who serve.

Our Fleet, unlike other services, is a continuous deployed force that we reset in stride. Conducting routine, indeed regular maintenance and training is how our ships and aircraft reach their expected service lives. We increased our base budget and overseas contingency operation funding requests for operations and maintenance (O&M) in FY 2011 over last year. Our O&M requests are focused tightly on meeting increased OPTEMPO requirements, sustaining ships and aircraft to reach expected service lives, sustaining flying hour readiness requirements and funding price increases, notably in fuel.

I strongly request your support for full O&M funding request. While we reset, we must also procure ships and aircraft to reach our requirement of more than 313 ships. Last year, we commissioned nine ships and over the next decade our plan procures an average of 10 ships per year, significant growth for the near term. For aviation, I remain committed to bringing new capabilities on line, the Joint Strike Fighter and unmanned aircraft. And to maintaining the readiness of our current Naval Air Force, all of which give our Nation flexibility and response unencumbered by overseas basing.

Affordability for all of our plans will remain fundamental to our decisions. The effectiveness of our unmanned systems, ships and aircraft is a feature of the systems which connect them. Last year, I brought information capabilities and resources under a single In-

formation Dominance Directorate within the Navy staff and commissioned Fleet Cyber Command 10th Fleet. I see the benefits of this already. I am proud of our Navy's accomplishments last year, and I am confident we can achieve more with this year's budget submission.

Our risk continues to trend towards significant and achieving the right balance within and across my priorities remains critical to mitigating it. But I remain optimistic because of our outstanding Sailors and Navy civilians and the spirit of our Nation. We have seen more challenging times and emerged prosperous, secure and free. I ask you to support our FY 2011 budget request and thank you for all you do to make the United States Navy a global force for good today and into the future.

[The statement of Gary Roughead follows:]

NOT FOR PUBLICATION UNTIL  
RELEASE BY THE HOUSE  
SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS

**STATEMENT OF  
ADMIRAL GARY ROUGHEAD  
CHIEF OF NAVAL OPERATIONS  
BEFORE THE  
HOUSE SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS  
ON  
11 MARCH 2010**

NOT FOR PUBLICATION UNTIL  
RELEASE BY THE HOUSE  
SUBCOMMITTEE ON DEFENSE  
COMMITTEE ON APPROPRIATIONS

## Chief of Naval Operations

**9/29/2007 - Present**  
**Admiral Gary Roughead**

Admiral Roughead is a 1973 graduate of the United States Naval Academy.

Among his six operational commands, Roughead was the first officer to command both classes of Aegis ships, having commanded USS *Barry* (DDG 52) and USS *Port Royal* (DDG 73).

As a flag officer, Roughead commanded Cruiser Destroyer Group 2, the *George Washington* Battle Group; and U.S. 2nd Fleet/NATO Striking Fleet Atlantic and Naval Forces North Fleet East.

Ashore, he served as commandant, United States Naval Academy, the Department of the Navy's chief of legislative affairs, and as deputy commander, U.S. Pacific Command.

Roughead is one of only two officers to have commanded the fleets in the Pacific and Atlantic, commanding the U.S. Pacific Fleet and Joint Task Force 519, as well as U.S. Fleet Forces Command, where he was responsible for ensuring Navy forces were trained, ready, equipped and prepared to operate around the world, where and when needed.

Roughead's awards include the Defense Distinguished Service Medal, Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Meritorious Service Medal, Navy Commendation Medal, Navy Achievement Medal, and various unit and service awards.

Roughead became the 29th chief of naval operations Sep. 29, 2007.



**Navy FY 2011 Posture Statement**

Chairman Dicks, Representative Young, and members of the Committee, it is my honor and pleasure to appear before you, once again, representing the more than 600,000 Sailors and civilians of the United States Navy. Every day, our dedicated Navy men and women are forward deployed protecting the global commons in every domain: sea, land, air, space, and cyberspace. I appreciate your continued support for them as our Navy protects our Nation and our national interests.

When I signed our Maritime Strategy with General Conway and Admiral Allen more than two years ago, I was confident that the strategy would prepare us well for the current and future security environments. Since then, it has guided our operations and investments, and I am further convinced of its relevance to our operations today and of its enduring attributes. The 2010 Quadrennial Defense Review (QDR) validated the underlying principle articulated in the Maritime Strategy that preventing wars is as important as winning wars. The QDR also declared that U.S. security and prosperity are connected to that of the international system, that deterrence is a fundamental military function, and that partnerships are key to U.S. strategy and essential to the stability of global systems. These themes reinforce the tenets of our Maritime Strategy and the six core capabilities it identified for our maritime Services: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response (HA/DR).

My priorities for the Navy remain unchanged: to build tomorrow's Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. We are making progress in these areas thanks to your continued support. Some highlights follow.

We added nine new ships to our Fleet in 2009, including USS FREEDOM (LCS 1), currently on its first deployment, and USS INDEPENDENCE (LCS 2), our second Littoral Combat Ship. We delivered three DDG 51 destroyers and restarted the DDG 51 line to increase surface combatant capacity for maritime security, deterrence, and anti-submarine warfare. We are adapting our force to meet the President's demand for sea-based ballistic missile defense (BMD) of Europe while sustaining our current BMD missions in the Arabian Gulf and Western Pacific. Our Virginia Class submarine program continues to excel with the delivery of USS NEW MEXICO (SSN 779) four months ahead of schedule. We rolled out our first carrier variant of Joint Strike Fighter (F-35C) aircraft, the timely delivery of which remains essential to fulfilling our strike fighter requirements. We are conducting the first deployment of our Vertical Take Off and Landing Unmanned Aerial Vehicle (VTUAV) and we expect the first test flight of our Navy Unmanned Combat Aerial System demonstrator this year.

In the information and cyberspace domain, I established Fleet Cyber Command/U.S. Tenth Fleet as the global operator of Navy's cyber, networks, cryptology/signals intelligence, information, electronic warfare, and space operations. I restructured the Navy staff to bring all Navy information capabilities and resources under our new Information Dominance Deputy Chief of Naval Operations and created the Navy Information Dominance Corps, integrating more than 45,000 Sailors and civilians from our existing intelligence, information professional,

information warfare, meteorology/oceanography, and space communities. About 1,400 of these Sailors are deployed globally as individual augmentees (IAs) today, most supporting operations in the Central Command (CENTCOM) area of responsibility.

More than 40 percent of our Fleet is underway daily, globally present and persistently engaged. Our forward presence enabled the rapid response of our aircraft carrier USS CARL VINSON and numerous other surface and USNS ships, helicopters, and personnel to Haiti to provide humanitarian aid after the devastating earthquake in January. We remain engaged in operations in Afghanistan and in the drawdown of U.S. forces in Iraq. Navy has more than 21,000 active and reserve Sailors on the ground and at sea in CENTCOM. This includes a doubling of our construction battalion (SEABEE) presence in Afghanistan and ongoing IA support to both operations. I recently issued our *Navy Vision for Confronting Irregular Challenges* to shape how our Navy will plan for, resource, and deliver a wide range of capabilities to confront irregular challenges associated with regional instability, insurgency, crime, and violent extremism at sea, in the littorals, and on shore.

Our Navy continues to support our people and their families. We are in the process of expanding opportunities for service at sea to women in the Navy by opening to them assignments on submarines for the first time in history. Our Navy has received 19 national awards in the past 18 months for its workforce planning, life-work integration, diversity, and training initiatives. Most notably, *Workforce Management* magazine awarded Navy the 2009 Optimas Award for General Excellence, which recognized the U.S. Navy as an employer of choice among the ranks of previous distinguished recipients such as Google, Intel, and Hewlett-Packard. We have met or exceeded overall officer and enlisted (active and reserve) recruiting goals for 2009 and we are on track to achieve similar success in 2010. I appreciate the support of Congress for our Fleet and its dedicated Sailors, Navy civilians, and their families that serve our nation every day.

I continue to focus on ensuring our Navy is properly balanced to answer the call now and in the decades to come. Last year, I stated our risk was moderate trending toward significant because of the challenges associated with Fleet capacity, increasing operational requirements, and growing manpower, maintenance, and infrastructure costs. This risk has increased over the last year as trends in each of these areas have continued. We are able to meet the most critical Combatant Commander demands today, but I am increasingly concerned about our ability to meet any additional demands while sustaining the health of the force, conducting essential maintenance and modernization to ensure units reach full service life, and procuring our future Navy so we are prepared to meet the challenges of tomorrow.

The costs to own and operate our Fleet continue to rise due to increasing operational demands, higher maintenance requirements, and growing manpower costs. Over the last decade, the overall size of our active Fleet decreased by more than 30 ships, about 10 percent, and our active duty end strength decreased by about 13 percent, while operational demands globally have grown. Our Navy's high tempo of operations has placed additional stress on our smaller Fleet of Sailors, ships, and aircraft and we are consuming the service life of our Fleet at a higher than expected rate. We are implementing force management measures in the near term to stretch the capacity of our 286-ship force to meet increasing global requirements. Through our Fleet Response Plan, we are tailoring our training and maintenance cycles to generate ready forces,

allowing us to meet the most critical Combatant Commander requirements today. The impact of these measures on our Fleet has been felt in longer deployments and shorter dwell times, which increase stress on our Sailors and drive up maintenance requirements and costs for our ships and aircraft. Regular maintenance of our ships and aircraft, and training and certification of our crews between deployments, is essential to our ability to sustain our force. It is how we reset. This “reset in stride” is different from other Services. It ensures our ships and aircraft maintain the required continuous forward presence whether supporting coalition troops in Afghanistan, deterring North Korea and Iran, or providing humanitarian aid in Haiti. For our Navy, continuous reset translates into decades of service for each ship and aircraft, a significant return on investment.

Our reset and readiness are tied directly to our operations and maintenance (O&M) funding. Over the last decade, we have relied upon a combination of base budget and overseas contingency operations (OCO) funding to operate and maintain our Navy. Our FY 2011 OCO request for O&M is tightly focused on supporting our ongoing and increased operations in CENTCOM. Our FY 2011 base budget request for O&M is focused on properly sustaining our ships and aircraft so they reach their expected service life; funding enduring readiness requirements, particularly in aviation; and funding price increases, most notably in fuel, to support our enduring operations. Together, our OCO and base budget O&M requests reflect our commitment to resource current operations while preserving our Fleet for future operations. I ask for your full support of this year’s O&M request.

Our FY 2011 budget request achieves the optimal balance among my priorities to build tomorrow’s Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. It supports our Maritime Strategy and the 2010 QDR and continues us on the path we started in FY 2010 to support our forces forward, take care of our people, continue rebalancing our force to meet current and future challenges, and reform how and what we buy. Highlights follow.

#### **Build Tomorrow’s Navy**

Since the release of our Maritime Strategy, I have stated that our Navy requires a minimum of 313 ships to meet operational requirements globally. This minimum, a product of our 2005 force structure analysis, remains valid. We are adjusting our requirement to address increased operational demands and expanding requirements, as outlined in the QDR, for ballistic missile defense, intra-theater lift, and forces capable of confronting irregular challenges. Our shipbuilding plan addresses these operational needs by growing our Fleet to 315 ships in 2020 and peaking at 320 ships in 2024. Per the President’s direction, we will improve our capacity to conduct sea-based ballistic missile defense of Europe by increasing our inventory of Aegis-capable ships through our restarted DDG 51 production line and modernization of our existing cruisers and destroyers. The funding for these upgrades will deliver the capability and capacity of ships required to perform this mission while maintaining sustainable deployment ratios for our Sailors. To fulfill Combatant Commander requirements for intra-theater lift, we will increase the number of Joint High Speed Vessels (JHSV) in our Fleet; the large payload bays, speed, and shallow draft of these versatile ships make them capable of supporting a wide range of naval missions, including security cooperation, security force assistance, and logistics support. To

provide forces capable of confronting irregular challenges, we will continue to pursue the planned number of Littoral Combat Ships, providing a flexible and modular ship optimized for operations close to shore. We are moving from developing a Maritime Prepositioning Force (Future) squadron optimized for high-end, forcible entry operations to augmenting our three existing Maritime Prepositioning Squadrons (MPS) with enhanced sea basing capabilities that are useful across a wide range of military operations. The augmented MPS will support our amphibious warfare force, which we will build to a minimum of 33 ships to increase our capacity to conduct theater security cooperation, sustain combat and assistance operations from the sea, and hedge against future conflict.

We have improved the balance among capability, capacity, affordability, and executability in our procurement plans by developing a shipbuilding plan that procures our most needed capabilities, increases Fleet capacity in the near-to-mid-term, and is fiscally executable within the FYDP. It carefully manages increasing levels of operational and institutional risk, recognizing that, for as much as our Navy does to protect our national security and prosperity, the overall economy of our nation undoubtedly does more. I am confident our near-term plan provides the capability and capacity we need to conduct contingency operations and build partner capacity while retaining our ability to deter aggressors, assure allies, and defeat adversaries. Beyond 2024, I am concerned about the decrease in Fleet capacity that will occur as our legacy cruisers, destroyers, submarines, and amphibious ships reach the end of their service lives. Many of these ships were brought into service during the 1980s, when we procured some ship classes at a rate of four to five ships per year. While economic and security conditions are sure to change between now and then, it takes 10 to 15 years to design and build our ships, which then remain in service for 20 to 50 years. A long view is necessary to ensure our Navy has sufficient capacity to protect America's global national interests in the future.

As directed by the QDR, we are working with the Air Force and Marine Corps on an Air Sea Battle concept that will identify the doctrine, procedures, training, organization, and equipment needed for our Navy to counter growing military threats to our freedom of action. This joint effort will help us inform investments and identify future opportunities to better integrate naval and air forces across the entire range of operations. We are already moving forward with the Air Force to streamline capabilities, manpower, and resources related to our unmanned aviation systems. We continue to pursue our unique maritime aviation capabilities in carrier-based strike, anti-submarine warfare, and naval special warfare missions.

Underpinning the capacity and capability of our Fleet is a highly technical and specialized industrial base. A strategic national asset, our shipbuilding and aviation industrial base is essential to sustaining our global Fleet and remains a significant contributor to our nation's economic prosperity. Our shipbuilding industrial base directly supports more than 97,000 uniquely-skilled American jobs and indirectly supports thousands more through second and third tier suppliers. The highly specialized skills in our shipbuilding base take years to develop and, if lost, cannot be easily or quickly replaced. Level loading and predictable ship procurement allow industry to stabilize its workforce and retain the critical skills essential to our national security.

I am committed to reducing the total ownership cost of our Fleet so that what we buy today does not pressurize our ability to operate tomorrow. Significant cost drivers for our Fleet include increasing technical and design complexity, changes in requirements, reductions in the number of ships procured, and higher labor costs. To reduce these costs, we are pursuing common hull forms and components, open architecture for hardware and software, and increased modularity. Moreover, we are considering total ownership costs in procurement decisions. We are exploring new ways to design our ships with greater affordability throughout their lives, including reducing costs of fuel consumption, maintenance, and manpower and by increasing the efficiency of our maintenance and support processes and organizations. We are leveraging open production lines to deliver proven and required capabilities, such as in our DDG 51 and EA-18G programs. We are promoting longer production runs with our Virginia Class SSNs, EA-18G and F/A-18E/F, P-8A, BAMS, and DDG 51 programs. We are capitalizing on repeat builds to control requirements creep and increase predictability with our aircraft carrier, destroyer, and submarine programs. Finally, we are pursuing evolutionary instead of revolutionary designs to deliver required future capabilities. Our future missile defense capable ship, for example, will be developed by spiraling capability into our DDG51 Class ships, instead of designing and building a new cruiser from the keel up.

I remain committed to delivering a balanced and capable Fleet that will meet our national security requirements. I seek your support for the following initiatives and programs:

#### **Aviation Programs**

##### **Aircraft Carrier Force Structure**

The Navy remains firmly committed to maintaining a force of 11 carriers for the next three decades. With the commissioning of USS GEORGE H. W. BUSH (CVN 77) and inactivation of the 48-year-old USS KITTY HAWK (CV 63), our last conventionally powered aircraft carrier, we now have an all nuclear-powered carrier force. Our carriers enable our nation to respond rapidly, decisively, and globally to project power, as we have done in Iraq and Afghanistan, or to deliver humanitarian assistance, as we have done in Haiti, while operating from a small, yet persistent, footprint that does not impose unnecessary political or logistic burdens on other nations. Our carriers remain a great investment for our nation.

Our eleven-carrier force structure is based on worldwide presence and surge requirements, while also taking into account training and maintenance needs. I thank Congress for granting us a waiver to temporarily reduce our force to ten carriers for the period between the inactivation of USS ENTERPRISE (CVN 65) and the delivery of GERALD R. FORD (CVN 78). We will continue to meet operational commitments during this 33-month period by managing carefully carrier deployment and maintenance cycles. After the delivery of CVN 78, we will maintain an eleven-carrier force through the continued refueling program for NIMITZ Class ships and the delivery of our FORD Class carriers at five-year intervals starting in 2020.

CVN 78 is the lead ship of our first new class of aircraft carriers in nearly 40 years. FORD Class carriers will be our nation's premier forward-deployed asset capable of responding to crises or delivering early decisive striking power in a major combat operation. These new carriers incorporate an innovative new flight deck design that provides greater operational

flexibility, reduced manning requirements, and the ability to operate current and future naval aircraft from its deck. Among the new technologies being integrated in these ships is the Electromagnetic Aircraft Launch System (EMALS), which will enable the carrier's increased sortie generation rate and lower total ownership costs. EMALS is on track for an aircraft demonstration later this year and is on schedule to support delivery of CVN 78 in September 2015.

**Strike Fighter Capacity: Joint Strike Fighter and F/A-18 E/F**

Our Navy remains committed to the Joint Strike Fighter (JSF) program. The timely delivery of the F-35C carrier variant remains critical to our future carrier airwing strike fighter capacity. Our Navy has the necessary tactical aircraft capacity in the near term to support our nation's strategic demands; however, a January 2010 assessment forecasts a decrease in our carrier-based strike fighter capacity that peaks in 2018. We have a plan to address this capacity decrease that involves several management and investment measures.

Our force management measures are targeted at preserving the service life of our existing legacy strike fighter aircraft (F/A-18A-D). We will reduce the number of aircraft available in our squadrons during non-deployed phases to the minimum required. We will reduce our Unit Deployed squadrons (UDP) from twelve aircraft to ten aircraft per squadron to match the corresponding decrease in Marine Corps expeditionary squadrons. We are accelerating the transition of five legacy F/A-18C squadrons to F/A-18 E/F Super Hornets using available F/A-18E/F aircraft and will transition two additional legacy squadrons using Super Hornet attrition reserve aircraft. These measures make our legacy strike fighter aircraft available for High Flight Hour (HFH) inspections and our Service Life Extension Program, which together will extend their service life and manage to some extent the decrease in our carrier-based strike fighter capacity through 2018. These measures expend the service life of our Super Hornets earlier than programmed, so we are refining our depot level production processes to maximize throughput and return legacy strike fighter aircraft to the Fleet expeditiously. Our FY 2011 budget procures 22 additional F/A-18E/F aircraft.

Our investment measures are targeted at extending the service life of our F/A-18A-D aircraft and procuring Joint Strike Fighter (JSF). HFH inspections, which have been in place for two years, provide the ability to extend the service life of our legacy F/A-18A-D aircraft to 8,600 flight hours, while engineering analysis is underway to determine the SLEP requirements necessary to reach the service life extension goal of 10,000 flight hours. The HFH and SLEP programs increase our institutional risk by diverting investment and maintenance funds from other accounts, but they are necessary measures to address our strike fighter decrease while preserving our investment in JSF.

I remain committed to the JSF program because of the advanced sensor, precision strike, firepower, and stealth capabilities JSF will bring to our Fleet. While the overall system demonstration and development schedule for JSF has slipped, we still plan for our squadrons to receive their first JSF airplanes in 2014 and we have not reduced the total number of airplanes we plan to buy. We are monitoring the JSF program closely and managing our existing strike fighter capacity to meet power projection demands until JSF is delivered. Procurement of an alternate engine for JSF increases our risk in this program. The Navy does not have a

requirement for an alternate engine, and its additional costs threaten our ability to fund currently planned aircraft procurement quantities, which would exacerbate our anticipated decrease in strike fighter capacity. Our FY 2011 budget request procures seven F-35C aircraft.

#### **EA-18G Growler**

The proliferation of technology has allowed state and non-state actors to use the electromagnetic spectrum with increasing sophistication. Airborne Electronic Attack (AEA) provides one of the most flexible offensive capabilities available to the joint warfighter and it remains in high demand in traditional, irregular, and hybrid conflicts. The Navy continues to provide extensive AEA support from our carriers afloat and from our expeditionary EA-6B Prowler squadrons deployed currently to Iraq and Afghanistan.

We are leveraging the mature and proven F/A-18E/F airframe production line to recapitalize our aging EA-6B aircraft with the EA-18G Growler. As directed in the QDR, we are planning to procure an additional 26 EA-18G Growler aircraft across the FYDP to increase joint force capacity to conduct expeditionary electronic attack. Our program of record will buy 114 total EA-18G aircraft, recapitalizing 10 Fleet EA-6B squadrons and four expeditionary squadrons. The program continues to deliver as scheduled. In September, our first EA-18G transition squadron, based at NAS Whidbey Island, reached Initial Operational Capability and it will deploy as an expeditionary squadron later this year. Our FY 2011 budget requests funding for 12 EA-18Gs.

#### **P-3 Orion and P-8A Poseidon Multi-Mission Maritime Aircraft**

Your continued support of the P-3 and P-8A force remains essential and is appreciated greatly. Our P-3 Orion roadmap focuses on sustainment and selected modernization until it is replaced by the P-8A Poseidon. These aircraft provide capabilities ideally suited for regional and littoral crises and conflict, and are our pre-eminent airborne capability against submarine threats. Our P-3s are in high demand today for the time-critical intelligence, surveillance and reconnaissance they provide to the joint force on the ground in CENTCOM and for their direct contributions to our maritime domain awareness in key regions across the globe.

P-3 Zone 5 wing fatigue has resulted in the unplanned grounding of 49 aircraft between 2007 and 2009, with more expected. Mitigation measures include a combination of targeted Zone 5 modifications and outer wing replacements. As of December, we have returned 12 aircraft to service after completing Zone 5 modification and 32 aircraft are currently being repaired. As part of our sustainment program, we have included \$39.6 million in our FY 2011 budget request to conduct outer wing installations on nine of our P-3 aircraft. P-3 sustainment and modernization programs are critical to ensuring successful transition to the P-8A, while preserving essential maritime and overland battle space awareness.

The P-8A completed its first Navy test flight this past October and will resume integrated flight testing in March of this year. The P-8A will achieve initial operating capability and begin replacing our aging P-3 aircraft in 2013. Our FY 2011 budget request procures seven P-8A aircraft.

#### **MH-60R/S Multi-Mission Helicopter**

The MH-60R and MH-60S successfully completed their first deployment together this past summer with the USS JOHN C. STENNIS carrier strike group. The MH-60R multi-mission helicopter replaces the surface combatant-based SH-60B and carrier-based SH-60F with a newly manufactured airframe and enhanced mission systems. With these systems, the MH-60R provides focused surface warfare and anti-submarine warfare capabilities for our strike groups and individual ships. Our FY 2011 budget request procures 24 MH-60R helicopters. The MH-60S supports surface warfare, combat logistics, vertical replenishment, search and rescue, air ambulance, airborne mine counter-measures, and naval special warfare mission areas. Our FY 2011 budget request procures 18 MH-60S helicopters.

#### **Surface Ship Programs**

##### **Littoral Combat Ship (LCS)**

LCS is a fast, agile, networked surface combatant that is optimized to support naval and joint force operations in the littorals and capable of supporting open-ocean operations. It will operate with tailored-mission packages to counter quiet diesel submarines, mines, and fast surface craft. The modular and open architecture design of the seaframe and mission modules provides the inherent flexibility to adapt or add capabilities beyond the current Anti-Submarine, Mine Countermeasures, and Surface Warfare missions. These ships will employ a combination of manned helicopters and unmanned aerial, surface, and undersea vehicles.

USS FREEDOM (LCS 1) has completed her post-delivery testing, trial, and shakedown periods and commenced her maiden deployment in February to Southern Command and Pacific Command. Her deployment two years ahead of schedule will allow us to incorporate operational lessons more quickly and effectively as we integrate these ships into our Fleet. USS INDEPENDENCE (LCS 2) completed builder's trials in October 2009 and acceptance trials in November 2009. We accepted delivery of INDEPENDENCE on 18 December 2009, and commissioned her 16 January 2010. In March 2009, fixed price contracts were awarded for USS FORT WORTH (LCS 3) and USS CORONADO (LCS 4) which are now under construction by Lockheed Martin and General Dynamics respectively.

I am impressed and satisfied with the capabilities of both LCS designs and am committed to procuring 55 of these ships. Affordability remains the key factor in acquiring LCS in the quantities we require. After careful review of the FY 2010 industry proposals, consideration of total program costs, and ongoing discussions with Congress, we made the decision to cancel for affordability reasons the Phase II requests for proposals for three FY 2010 LCS ships and adjust our acquisition strategy. In FY 2010, we will conduct a competition among the existing LCS industry participants to down-select to a single LCS design. The winner of the down-select will be awarded a block buy contract for up to 10 ships, to be procured from FY 2010 through FY 2014 at a rate of two ships per year, built in one shipyard. To sustain competition and increase capacity, the winner of the down-select will be required to deliver a Technical Data Package to the Navy to support competition for a second contract source. We plan to award up to five ships to a second source beginning in FY 2012 with one ship and continuing with an additional two ships per year through FY 2014. The winner of the down-select will provide combat systems equipment, up to 15 ship sets, for the ships built by the two contract sources: 10 sets for the 10

ships under contract with the winner of the down-select and up to five additional sets for the five ships being procured by the second contract source. The five additional sets will later be provided as government-furnished equipment to support the second source LCS contract. We intend to procure all future LCS ships within the FY 2010 National Defense Authorization Act (NDAA) revised cost cap. Our down-select strategy leverages competition to the maximum extent practical, provides for economic procurement quantities, improves learning curve and commonality opportunities, and ultimately provides for program stability. We recently issued the requests for proposals for this contract and expect industry bids in March of this year.

Consistent with our new strategy, our FY 2011 budget requests two LCS seaframes and an additional \$278 million to secure an LCS block buy, which is essential to lowering unit costs. I request your support as we acquire LCS in the most cost-effective manner and deliver its innovative capability in sufficient capacity to our Fleet.

#### **Integrated Air and Missile Defense (IAMD)**

Integrated Air and Missile Defense (IAMD) incorporates all aspects of air defense against ballistic, anti-ship, and overland cruise missiles. IAMD is vital to the protection of our force, and it is an integral part of our core capability to deter aggression through conventional means. The demand for sea-based ballistic missile defense (BMD) is increasing significantly. The Navy's mature and successfully demonstrated maritime BMD capability will play a primary role in the first phase of our nation's plan to provide for the missile defense of Europe. Aegis BMD counters short, medium, and some intermediate range ballistic missiles through active defense and is able to pass target information to other BMD systems, thereby expanding the BMD battlespace and support of homeland defense. Currently, 20 ships (four cruisers and 16 destroyers) have this capability and are being used to perform maritime BMD. All of the Arleigh Burke Class destroyers and nine of the Ticonderoga Class cruisers are planned to receive BMD capability through our modernization program.

#### **DDG 51 Restart and Future Surface Combatant**

To address the rapid proliferation of ballistic and anti-ship missiles and deep-water submarine threats, as well as increase the capacity of our multipurpose surface ships, we restarted production of our DDG 51 Arleigh Burke Class destroyers (Flight IIA series). These ships will be the first constructed with IAMD, providing much-needed Ballistic Missile Defense (BMD) capacity to the Fleet, and they will incorporate the hull, mechanical, and electrical alterations associated with our mature DDG modernization program. We will spiral DDG 51 production to incorporate future integrated air and missile defense capabilities.

We are well underway with restarting DDG 51 production. We awarded advance procurement (AP) contracts for DDG 113 and 114, and expect to award an AP contract for DDG 115 in the coming months, to support the long lead items necessary for production of these ships. I thank Congress for supporting our FY 2010 budget, which funded construction of DDG 113. We anticipate a contract award for DDG 113 production this Spring. Our FY 2011 budget requests funding for the construction of DDG 114 and DDG 115 as part of our plan to build a total of eight DDG 51 ships through the FYDP.

The Navy, in consultation with the Office of the Secretary of Defense, conducted a Radar/Hull Study for future surface combatants that analyzed the total ship system solution necessary to meet our IAMD requirements while balancing affordability and capacity in our surface Fleet. The study concluded that Navy should integrate the Air and Missile Defense Radar program S Band radar (AMDR-S), SPY-3 (X Band radar), and Aegis Advanced Capability Build (ACB) combat system into a DDG 51 hull. While our Radar/Hull Study indicated that both DDG 51 and DDG 1000 were able to support our preferred radar systems, leveraging the DDG 51 hull was the most affordable option. Accordingly, our FY 2011 budget cancels the next generation cruiser program due to projected high cost and risk in technology and design of this ship. I request your support as we invest in spiraling the capabilities of our DDG 51 Class from our Flight IIA Arleigh Burke ships to Flight III ships, which will be our future IAMD-capable surface combatant. We will procure the first Flight III ship in FY 2016.

#### **Modernization**

As threats evolve, we must modernize our existing ships with updated capabilities that sustain our combat effectiveness and enable our ships to reach their expected service life, which in the case of our destroyers and cruisers, is more than three decades. Our destroyer and cruiser modernization program includes advances in standard missiles, integrated air and missile defense, open architecture, and essential hull, mechanical and electrical (HM&E) upgrades. Maintaining the stability of the cruiser and destroyer modernization program is critical to achieving relevant future Navy capability and capacity.

Our Navy plans to conduct DDG modernization in two six-month availabilities. The first availability is focused on HM&E modifications, while the second availability, conducted two years later, is focused on combat systems modernization. The program will commence in FY 2010 and focuses on the Flight I and II DDG 51 ships (hulls 51-78). All ships of the class will be modernized at midlife. Key tenets of the DDG modernization program include: an upgrade of the Aegis Weapons System to include an Open Architecture (OA) computing environment, an upgrade of the SPY radar signal processor, the addition of Ballistic Missile Defense capability, installation of the Evolved Sea Sparrow Missile (ESSM), an upgraded SQQ-89A(V)15 anti-submarine warfare system, integration with the SM-6 Missile, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability.

The Cruiser Modernization Program will modernize all remaining cruisers (Baseline 2, 3, and 4). The first fully modernized cruiser, USS BUNKER HILL (CG 52), was completed in June 2009. The key aspects of the CG modernization program include: an upgrade to the Aegis weapons system to include an OA computing environment, installation of an SPQ-9B radar, addition of the Evolved Sea Sparrow Missile (ESSM), an upgrade to Close In Weapon System (CIWS) Block 1B, an upgraded SQQ-89A(V)15 anti-submarine warfare system, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability. Six Baseline 4 cruisers will receive the Ballistic Missile Defense upgrade.

Our FY 2011 budget requests funding for the modernization of three cruisers and three destroyers.

**DDG 1000**

The DDG 1000 Zumwalt guided missile destroyer will be an optimally crewed, multi-mission surface combatant designed to fulfill long-range precision land attack requirements. In addition to providing offensive, distributed and precision fires in support of forces ashore, these ships will serve as test-beds for advanced technology, such as integrated power systems, dual band radars, and advanced survivability features, which can be incorporated into our other ship classes. The first DDG 1000 is under construction and approximately 20 percent complete. We recently notified Congress of a Nunn-McCurdy breach in this program as a result of our decision to reduce the number of DDG 1000s in the original program. DDG 1000 will be a three-ship class. It is scheduled to deliver in FY 2013 with an initial operating capability in FY 2015.

**Joint High Speed Vessel (JHSV)**

Intra-theater lift is key to enabling the United States to rapidly project, maneuver, and sustain military forces in distant, overseas operations. The Joint High Speed Vessel (JHSV) program is an Army and Navy joint program that will deliver a high-speed, shallow draft surface ship capable of rapid transport of medium payloads of cargo and personnel within a theater to austere ports without reliance on port infrastructure for load/offload. In addition, the Navy JHSV will be capable of supporting extensive Security Force Assistance and Theater Security Cooperation operations, including the hosting of small craft for training. A JHSV Production Readiness Review was completed in October 2009 and the first vessel construction began this past December with an anticipated delivery to the Army in FY 2012. The second ship, a Navy vessel, is scheduled to be delivered in 2013. Our FY 2011 budget includes funds for the construction of Navy's third JHSV. Navy continues oversight of JHSV procurement for the five Army-funded vessels in this program. The Army assumes full responsibility for these five vessels following acquisition.

**Submarine Programs****Virginia Class SSN**

The VIRGINIA Class submarine is a multi-mission submarine that dominates in the littorals and open oceans. Now in its 13th year of construction, the VIRGINIA program is demonstrating that this critical undersea capability can be delivered affordably and on time. Thanks to Congress, these ships will begin construction at a rate of two a year in 2011, with two ship deliveries per year beginning in 2017. The Navy continues to realize a return from investments in the VIRGINIA cost reduction program and construction process improvements through enhanced shipbuilder performance on each successive ship. These submarines are under budget and ahead of schedule, and their performance continues to exceed expectations with every ship delivered. Three of the five commissioned ships completed initial deployments prior to their Post Shakedown Availabilities, a first for the Navy. I am pleased with the accomplishments of the combined Navy-Industry team and look forward to even greater success as we ramp up production to two submarines next year.

**SSGN**

Our Navy has four guided missile submarines that provide high-volume strike and irregular warfare capabilities in support of operations and missions across the broad spectrum of conflict. SSGNs are performing well on deployment, and we are learning valuable lessons from each mission. Combatant Commanders value the long-range strike capability they provide and

we are investigating options to sustain this capability in the most operationally and cost effective manner, to include options for expanding the long-range strike capacity of the submarine fleet.

#### **SSBN and OHIO Replacement**

Our Navy supports the nation's nuclear deterrence capability with a credible and survivable fleet of 14 OHIO Class ballistic missile submarines (SSBN). Originally designed for a 30-year service life, this class will start retiring in 2027 after more than 42 years of service.

The United States needs a reliable and survivable sea-based strategic deterrent for the foreseeable future. To ensure there is no gap in this critical capability, our FY 2011 budget requests research and development funds for the OHIO Replacement to support the start of construction of the first ship in FY 2019. The OHIO Replacement will be a strategic, national asset with the endurance and stealth to enable our Navy to provide continuous, survivable strategic deterrence into the 2080s. Appropriate R&D investment is essential to design a reliable, survivable, and adaptable submarine capable of deterring all potential adversaries. We completed our Analysis of Alternatives study in 2009, and Milestone A is planned for April 2010. The OHIO Replacement program will leverage the many successes of the VIRGINIA SSN program to achieve acquisition and total ownership cost goals. The United States will realize significant program benefits as a result of our close partnership with the United Kingdom's VANGUARD SSBN replacement program, particularly in the design and construction of a common missile compartment. Our cooperation with the UK mitigates technical risk and shares design costs.

#### **Amphibious Warfare Ships**

Our amphibious warfare ships provide essential capabilities for the full range of military operations, including theater security cooperation, humanitarian assistance, conventional deterrence, and forcible entry as part of major combat operations. With the unique capability to move hundreds of personnel and substantial material through complementary surface and air capabilities, these ships are key to our ability to overcome geographic, political, and infrastructure impediments to access. The Commandant of the Marine Corps and I have determined that a minimum of 33 amphibious assault ships represents the limit of acceptable risk in meeting the 38-ship requirement for supporting a forcible entry operation conducted by an assault echelon of two Marine Expeditionary Brigades (MEB). Our 33-ship force would be comprised of 11 LHA/D amphibious assault ships and a mix of 11 LPD 17 amphibious transport dock ships and 11 LSD dock landing ships. At this capacity, we are accepting risk in the speed of arrival of the combat support elements of the MEB. The QDR and our 30-Year Shipbuilding Plan account for 29-31 amphibious warfare ships within the FYDP. We plan to procure the 11<sup>th</sup> LPD-17 in 2012, which will allow us to realize a 33-ship minimum amphibious force in about FY 2016. We continue to review options to achieve and sustain the minimum 33 amphibious ship assault echelon force.

#### **LPD 17 Class Amphibious Warfare Ship**

The LPD 17 Class amphibious warfare ships represent the Navy and Marine Corps commitment to an expeditionary Fleet capable of power projection, security force assistance, and theater security cooperation in diverse operating environments. These ships have a 40-year expected service life and will replace four classes of older ships: the LKA, LST, LSD 36, and

the LPD 4. Two LPD-17 Class ships have completed their initial deployments, and USS NEW YORK (LPD 21), forged with steel from the World Trade Center, delivered in November 2009. We continue to apply the lessons learned during construction and initial operation of the early ships to those under construction. Quality is improving with each ship delivered as we continue to work closely with the shipbuilder to address cost, schedule, and performance concerns.

#### **LHA Replacement (LHA(R))**

LHA(R) is the replacement for our aging TARAWA Class ships, which will reach the end of their already extended service life between 2011-2015. LHA(R) will provide us flexible, multi-mission amphibious capabilities by leveraging the LHD 8 design and increasing aviation capacity to better accommodate the Joint Strike Fighter, MV-22, and other aircraft that comprise the future Marine Corps Air Combat Element. We laid the keel of the lead ship, USS AMERICA (LHA 6), in April 2009 and our FY 2011 budget includes one LHA(R) which is split-funded in FY 2011 and FY2012.

#### **Mobile Landing Platform (MLP) and Future Maritime Preposition Force (MPF(F))**

The MPF(F) program was envisioned as a forward-deployed squadron of ships capable of at-sea assembly and rapid employment of forces in an area of interest during a crisis. Our requirement for amphibious and joint forcible entry operations was reevaluated during the QDR and, as a result, we have adjusted our approach to augment our three existing Maritime Prepositioning Squadrons (MPS) instead of developing an MPF(F) squadron. MPF(F) was optimized for high-end, forcible entry operations, while the augmented MPS will provide enhanced sea basing capabilities across a wide range of contingency operations. Each existing MPS will be augmented by one Large Medium-Speed Roll-on/Roll-off (LMSR) cargo ship (transferred from the Army), a T-AKE combat logistics ship, and a new Mobile Landing Platform (MLP). The MLP will be based on existing designs for commercial ocean-going tankers and will meet most of the mission requirements envisioned for the original MLP design. The three augmented MPS reflect the QDR's emphasis on day-to-day deterrence and partner capacity building, while continuing to meet forcible entry needs. Our FY 2011 budget request procures one MLP.

#### **Information Dominance Programs**

##### **Unmanned Aircraft Systems (UAS)**

We are investing in unmanned aircraft to meet an increasing warfighter demand for Intelligence, Surveillance and Reconnaissance (ISR), and we are making technology investments to expand UAS operations to other mission areas. The Broad Area Maritime Surveillance (BAMS) UAS will enhance our situational awareness and shorten the sensor-to-shooter kill chain by providing persistent, multiple-sensor capabilities to Fleet and Joint Commanders. The Vertical Take-off and Landing Tactical Unmanned Air Vehicle (VTUAV) Fire Scout is on its first deployment aboard the USS McINERNEY (FFG 8). We are developing a medium endurance maritime-based UAS and a Small Tactical Unmanned Aerial System (STUAS) that will support a variety of ships, Naval Special Warfare and Navy Expeditionary Combat Command units, and Marine Corps elements.

The Navy Unmanned Combat Aircraft System demonstration (UCAS-D) is designed to prove carrier suitability of an autonomous, unmanned, low observable, carrier-based aircraft. This effort includes maturing technologies for aircraft carrier catapult launches and arrested landings, as well integration into carrier-controlled airspace. Initial flight tests to demonstrate carrier suitability are scheduled to start later this year and autonomous aerial refueling demonstrations are planned for 2013. We will leverage the lessons learned from operating the demonstrator in developing a low-observable unmanned carrier-launched airborne strike and surveillance system.

#### **Mobile User Objective System (MUOS)**

Our Maritime Strategy demands a flexible, interoperable, and secure global communications capability that can support the command and control requirements of highly mobile and distributed U.S. and coalition forces. Satellite communications give deployed forces a decisive military advantage and often offer the only communication means to support on-going operations. Rapidly expanding joint demand for more access at ever-higher data rates requires moving beyond our current legacy Ultra High Frequency (UHF) satellite capabilities. The Mobile User Objective System (MUOS) will satisfy those demands when initial operational capability is reached in FY 2012. I request your continued support of MUOS and the critical UHF satellite communication capability it will provide to the joint warfighter as the aging UHF Follow-On (UFO) constellation degrades.

#### **Next Generation Enterprise Network (NGEN)**

The Navy is continuing its transition from disparate independent computer networks to a single secure network environment. We are currently evolving our ashore network from the Navy Marine Corps Intranet (NMCI), the largest intranet in the world, to the Next Generation Enterprise Network (NGEN). NGEN Increment 1 is the follow-on to the existing NMCI contract, which expires at the end of FY 2010. NGEN will sustain the services currently provided by NMCI, while increasing government command and control of our network and enabling secure, reliable, and adaptable global information exchange. Future NGEN increments will expand on services currently provided by NMCI and support seamless transition between afloat and ashore environments. A continuity of services contract is expected to be awarded this spring and NGEN Initial Operating Capability is scheduled for the summer of 2012.

#### **E-2D Advanced Hawkeye**

The E-2D Advanced Hawkeye aircraft, which replaces the E-2C, will improve nearly every facet of tactical air operations and add overland and littoral surveillance to support theater Integrated Air and Missile Defense against air threats in high clutter, complex electro-magnetic and jamming environments. The airborne radar on the E-2D, with its improved surveillance capability, is a key pillar of the Navy Integrated Fire Control concept. The E-2D is scheduled to begin operational test and evaluation in 2012. The first Fleet squadron transition is planned for 2013, with deployment planned for October 2014. Our FY 2011 budget requests four E-2D Hawkeye aircraft.

**Remain Ready to Fight Today**

Our Navy continues to operate at a high tempo. We are filling new Combatant Commander requirements for ballistic missile defense, electronic attack, intelligence, surveillance, and reconnaissance (ISR), combat support, combat service support, and maritime security force assistance, in addition to conducting ongoing deployments in support of our maritime and national strategies.

In CENTCOM alone, we have more than 9,000 Sailors at sea, including a U.S. Navy aircraft carrier and air wing dedicated to providing 24/7 air support to U.S. and coalition forces on the ground. Navy Riverine forces are on their sixth deployment to Iraq, conducting interdiction patrols and training their Iraqi counterparts. Our surface ships in the region are providing ballistic missile defense and conducting counter-terrorism, counter-piracy, maritime security, theater security cooperation, and security force assistance operations. On the ground in CENTCOM, we have more than 12,000 active and reserve Sailors supporting Navy, joint force, and coalition operations. Navy Commanders lead seven of the 13 U.S.-led Provincial Reconstruction Teams in Afghanistan. We have doubled our construction battalions (SEABEES) in Afghanistan, increasing our capacity to build forward bases for U.S. forces and improve critical infrastructure in that country. Our Naval Special Warfare Teams continue to be engaged heavily in direct combat operations and our Explosive Ordnance Disposal teams continue to conduct life-saving counter-Improvised Explosive Device operations on a daily basis. As we shift our effort from Iraq to Afghanistan, demand for Navy individual augmentees (IAs) has grown. We are providing IAs to support the increase of U.S. forces in Afghanistan while our IAs in Iraq remain at current levels to support the withdrawal of U.S. combat troops, maintain detention facilities and critical infrastructure, and assist coalition efforts until they can be turned over to Iraqi forces. During my recent trip to CENTCOM, I met with many of our dedicated Navy men and women supporting these efforts and I could not be more proud of their contributions. Their expert skill, ingenuity, competence, and drive are impressive and unmatched.

Our high tempo will likely continue as combat forces draw down in Iraq and Afghanistan. Navy enabling forces will remain in CENTCOM to provide protection, ISR, and logistics support to our troops and partner forces in the region, while we will continue to maintain a forward-deployed presence of about 100 ships around the world to prevent conflict, increase interoperability with our allies, enhance the maritime security and capacity of our traditional and emerging partners, and respond to crises. Global demand for Navy forces remains high and continues to rise because of the unequalled and unique ability of our naval forces to overcome diplomatic, geographic, and military impediments to access while bringing the persistence, flexibility, and agility to conduct operations from the sea.

Reset in stride is how our Navy prepares our Fleet to deploy again. Lifecycle maintenance and training between deployments is essential to our reset and to the ability of our ships and aircraft to reach their expected service lives. Although we are on pace to grow our Fleet for the next 10 years, our Fleet reduced in size over the past decade. As a result, while we continue to maintain the same number of ships at sea assigned to Combatant Commanders, we

have a historically low number of ships available for at-sea training, exercises, and surge operations. Our FY 2011 budget request balances the need to meet increasing operational requirements, sustain our Sailors' proficiency, and conduct the maintenance required to ensure our ships and aircraft reach their full service lives. Highlights follow of initiatives that ensure our Navy remains ready to fight today.

#### **Depot Level Maintenance**

Our ships and aircraft are capital assets that operate in challenging physical and security environments. Keeping these assets in acceptable operating condition is vital to their ability to accomplish assigned missions and to reach their expected service lives. Timely depot level maintenance, performed in a cycle determined by an engineered assessment of expected material durability and scoped by actual physical condition, will preserve our existing force structure and ensure it can meet assigned tasking. Continued investment in depot level maintenance is essential to our efforts to achieve and sustain the force structure required to implement the Maritime Strategy.

Last year, I established the Surface Ship Life Cycle Management (SSLCM) Activity to address deficiencies in our ship class maintenance plans that could prevent our ships from reaching their full service life. SSLCM has established an engineered approach to surface ship maintenance that optimizes existing maintenance availability work packages and better tracks ship material condition through robust inspections and corrosion control tasks. We accelerated our review of the requirements for certain ship classes, significantly improving the accuracy of our surface ship maintenance requirements in FY 2011 over prior years. We are committed to a full review of all surface ship class maintenance plans, which will take several years. The value of investing in an engineered approach to maintenance is evident in our submarine force, where we have successfully extended the time between scheduled availabilities based on demonstrated material conditions and verification of engineering analysis. Because we have invested in this engineering and planning effort, we have been able to safely recover additional operational availability and reduce the overall depot level maintenance requirement for our submarines. This significant step has provided some of the resources needed to make additional investments in surface ship maintenance.

Our combined FY 2011 budget funds 99 percent of the projected depot ship maintenance requirements necessary to sustain our Navy's global presence. Our budget funds aviation depot maintenance to provide 100 percent of the airframes for deployed squadrons and 96 percent of the non-deployed airframes. I request that you fully support our baseline and contingency funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our ships and aircraft.

#### **Shore Readiness**

Our shore infrastructure is a fundamental enabler of our operational and combat readiness and is essential to the quality of life and quality of work for our Sailors, Navy civilians, and their families. As I described last year, rising manpower costs and growing operational demands on our aging Fleet have led our Navy to take risk in shore readiness. This risk increases our maintenance, sustainment, restoration, and modernization requirements and continues our reliance on old and less efficient energy systems. These factors increase the cost of ownership of

our shore infrastructure and outpace our efforts to reduce costs through facilities improvements and energy upgrades. At our current investment levels, our future shore readiness, particularly the recapitalization of our facilities infrastructure, is at risk.

To manage our risk in shore infrastructure, our FY 2011 budget request prioritizes funding for our most critical needs, including Navy and Joint mission readiness, nuclear weapons security and safety, and improving our bachelor quarters through sustained funding for our Homeport Ashore initiative. To guide investment in other areas ashore, we continue to pursue our capabilities-based Shore Investment Strategy, which targets our investment in shore infrastructure to where it will produce the highest return on investment and have the greatest impact on achieving our strategic and operational objectives, such as in areas that enable critical warfighting capabilities, improve quality of life, and fulfill Joint requirements.

We have made essential progress and improvements in nuclear weapons security, child care facilities, and bachelor's quarters. Thank you for funding all our requested military construction projects in 2010, as well as 19 additional projects and our Reserve program. Your support allowed us to address ship, aircraft, systems, infrastructure, and training requirements, while enhancing the quality of life and quality of service for our Sailors and their families. Your similar support and assistance through the American Recovery and Reinvestment Act of 2009 was also very helpful. As you requested, we identified Military Construction projects for Child Development Centers and barracks and prioritized them according to operational need and the ability to obligate funds quickly. We selected infrastructure and energy projects based on mission requirements, quality of life impact, environmental planning status, and our ability to execute quickly. Our aggressive execution schedule is on track; we have awarded all but one of our 85 initial projects and construction outlays are ramping up swiftly.

#### **Training Readiness**

Our Fleet Synthetic Training (FST) program provides realistic operational training with seamless integration of geographically dispersed Navy, Joint, Interagency and Coalition forces. Using virtual and constructive training environments has allowed us to reduce our energy consumption and greenhouse gas emissions while providing the level of sophistication necessary to prepare our Sailors for operational and tactical mission proficiency. We continue to evolve FST to provide our Sailors with exposure to a multitude of warfare areas. Last year, we conducted our first BMD Fleet Synthetic Training event, proving the viability and effectiveness of integrated Navy, Joint and partner-nation BMD training.

The proliferation of advanced, stealthy, nuclear and non-nuclear submarines continues to challenge our Navy's ability to guarantee the access and safety of joint forces. Effective Anti-Submarine Warfare (ASW) training with active sonar systems is vital to meeting potential threats. The Navy remains a world leader in marine mammal research and we will continue our robust investment in this research in FY 2011 and beyond. Through such efforts, and in full consultation and cooperation with other federal agencies, Navy has developed effective measures that protect marine mammals and the ocean environment from adverse impacts of mid-frequency active (MFA) sonar while not impeding vital Navy training. We continue to work closely with our interagency partners to further refine our protective measures as scientific knowledge

evolves. It is vitally important that any such measures ensure the continued flexibility necessary to respond to future, potentially unforeseen national security requirements.

Over the last year, we completed environmental planning for seven existing and proposed at-sea training and combat certification areas. We expect to complete planning for another six areas by the end of 2010 as we continue to balance our responsibility to prepare naval forces for deployment and combat operations with our responsibility to be good stewards of the marine environment.

Conducting night and day field carrier landing practice (FCLP) prior to at-sea carrier qualifications is a critical training requirement for our fixed-wing carrier-based pilots, who must develop and maintain proficiency in the fundamentals necessary to conduct safe carrier-based flight operations. We continue to seek additional airfield capacity in the form of an outlying landing field (OLF) that will enhance our ability to support FCLP training for fixed-wing, carrier pilots operating from Naval Air Station Oceana and Naval Station Norfolk. The additional OLF will allow Navy to meet training requirements and overcome challenges related to capacity limits, urban encroachment, and impacts from adverse weather conditions at existing East Coast facilities. In August 2009, the Navy announced that the release of the draft environmental impact statement (EIS) for construction and operation of an OLF would be delayed. This delay was necessary to ensure Joint Strike Fighter noise analysis is included in the OLF draft EIS. The Navy is committed to developing, with local, state, and federal leaders, a plan to ensure the OLF provides positive benefits to local communities while addressing Navy training shortfalls.

#### **Energy and Climate**

Energy reform is a strategic imperative. The Secretary of the Navy and I are committed to changing the way we do business to realize an energy-secure future. In alignment with the Secretary of the Navy's five goals, our priorities are to advance energy security by improving combat capability, assuring mobility, "lightening the load", and greening our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons. Most of our projects remain in the demonstration phase; however, we are making good progress in the form of hybrid-electric drive, delivered last year on the USS MAKIN ISLAND (LHD 8), bio-fuel engines, advanced hull and propeller coatings, solid state lighting, and policies that encourage Sailors to reduce their consumption through simple changes in behavior.

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

In our Maritime Strategy we addressed maritime operations in an era of climate change, especially in the ice diminished Arctic. In May 2009, I established the Navy's Task Force on Climate Change (TFCC) to develop policy, investment, and force-structure recommendations

regarding climate change in the Arctic and globally over the long-term. Our focus will be to ensure Navy readiness and capability in a changing global environment.

#### **Second East Coast Carrier-capable Port**

Hampton Roads is the only nuclear carrier capable port on the East Coast. A catastrophic event in the Hampton Roads Area affecting port facilities, shipping channels, supporting maintenance or training infrastructure, or the surrounding community has the potential to severely limit East Coast Carrier operations, even if the ships themselves are not affected. Consistent with today's dispersal of West Coast aircraft carriers between California and Washington State, the QDR direction to make Naval Station Mayport a nuclear carrier-capable homeport addresses the Navy's requirement for a capable facility to maintain aircraft carriers in the event that a natural or manmade disaster makes the Hampton Roads area inaccessible. While there is an upfront cost to upgrade Naval Station Mayport to support our nuclear aircraft carriers, Mayport has been a carrier homeport since 1952 and is the most cost-effective means to achieve strategic dispersal on the East Coast. The national security benefits of this additional homeport far outweigh those costs.

#### **United Nations Convention on the Law of the Sea**

The Law of the Sea Convention codifies navigation and overflight rights and high seas freedoms that are essential for the global mobility of our armed forces. It directly supports our national security interests. Not being a party to this Convention constrains efforts to develop enduring maritime partnerships, inhibits efforts to expand the Proliferation Security Initiative, and elevates the level of risk for our Sailors as they undertake operations to preserve navigation rights and freedoms, particularly in areas such as the Strait of Hormuz and Arabian Gulf, and the East and South China Seas. By becoming a party to the Convention, the U.S. will be able to expand its sovereign rights to the increasingly accessible outer continental shelf areas of the resource rich environment of the Arctic, as well as in other locations where technological advances are opening up previously unobtainable resources. Accession to the Law of the Sea Convention remains a priority for our Navy.

#### **Develop and Support our Sailors, Navy Civilians and their Families**

Our Sailors, Navy civilians, and their families underpin our Maritime Strategy and are the foundation of our nation's global force for good. We have great ships, aircraft, weapons, and systems, but it is our skilled and innovative Sailors who turn these ships, aircraft, and technologies into capabilities that can prevent conflict and win wars. In January 2010, we released the Navy Total Force Vision for the 21st Century to guide our efforts to attract, recruit, develop, assign, and retain a highly-skilled workforce and reaffirm our commitment to supporting our uniformed and civilian people wherever they serve and live.

We have transitioned from reducing end strength to stabilizing our force through a series of performance-based measures. Our stabilization efforts remain focused on maintaining a balanced force in terms of seniority, experience, and skills while supporting growth in high-demand areas such as cyber and special operations. We recognize the importance of retaining the talent and experience of our Sailors after they complete their active duty obligation so we are actively removing barriers associated with the transition between active and reserve careers to allow for a continuum of service over a lifetime. Our FY 2011 budget requests authorization and

funding for 328,700 active end strength and 65,500 reserve end strength. We continue to request OCO funding for our individual augmentees that are performing non-core Navy missions in support of contingency operations in Iraq and Afghanistan. OCO funding remains critical to our ability to meet these missions without adversely impacting Fleet readiness or Sailor dwell time.

We continue to provide support to our Sailors and their families, including those who are wounded, ill and injured, through expanded Fleet and Family Support services, Navy Safe Harbor, and our Operational Stress Control program. We are addressing aggressively the recent rise in suicide rates by implementing new training and outreach programs for Fleet commanders, Sailors, and Navy families to increase suicide awareness and prevention. We are focused on reducing sexual assaults in our Navy through our new Sexual Assault Prevention and Response Office and initiatives that emphasize our intolerance for sexual assault and related behavior in our Navy. We remain committed to helping our Sailors balance work and family commitments through initiatives such as 12-month operational deferments for new mothers (the most comprehensive policy of all military services), 21 days of administrative leave for adoptive parents, 10 days of paternity leave, a Career Intermission pilot program, and flexible work options. I continue to emphasize diversity outreach and mentorship to ensure we attract, leverage, and retain the diverse talent of our nation. Diversity among U.S. Naval Academy and Navy Reserve Officer Training Corps (NROTC) applicants and graduates continues to grow each year. Through our Naval War College and Naval Postgraduate School, we are providing Joint Professional Military Education and world-class higher education and training to our Sailors. We continue to build our Foreign Area Officer program to strengthen existing and emerging international partnerships.

Our FY 2011 budget request represents a balanced approach to supporting our Sailors and their families, sustaining the high tempo of current operations, and preserving Fleet and family readiness. I request the continued support of Congress for our FY 2011 manpower and personnel initiatives.

#### **Recruiting and Retention**

Our Navy has attracted, recruited and retained a highly-skilled workforce over the past several years, and we expect this success to continue into FY 2011. FY 2009 marked the second consecutive year Navy achieved its aggregate officer and enlisted recruiting goals in both the active and reserve components. At the forefront of this effort is our highly trained and professional recruiting force, which has postured us to respond to changing trends. We continue to attract the highest quality enlisted recruits in our history. We are exceeding DoD and Navy standards for the percentage of non-prior service enlisted recruits who have earned a high school diploma and whose test scores are in the upper mental group category. We met the Navy standard of 95 percent of recruits with a high school diploma in FY 2009 and are currently at 96 percent this fiscal year. We exceeded the Navy standard of 70 percent of recruits in the upper mental group category in FY 2009 (77 percent tested into this group) and we are currently at 78 percent this fiscal year.

Navy will remain competitive in the employment market through the disciplined use of monetary and non-monetary incentives. Using a targeted approach, we will continue our recruiting and retention initiatives to attract and retain our best Sailors, especially those within

high-demand, critical skill areas that remain insulated from economic conditions. Judicious use of special and incentive pays remains essential to recruiting and retaining these professionals in the current economic environment, and will increase in importance as the economic recovery continues. Our goal remains to maintain a balanced force, in which seniority, experience, and skills are matched to requirements.

#### **Diversity**

Our Navy draws its strength and innovation from the diversity of our nation. We continue to aggressively expand our diversity. We are committed to implementing policies and programs that foster a Navy Total Force composition that reflects America's diversity. We have increased diverse accessions through targeted recruiting in diverse markets, developed relationships with key influencers in the top diverse metropolitan markets, and are aligning all Navy assets and related organizations to maximize our connection with educators, business leaders and government officials to increase our influencer base. Recruiting and retaining a diverse workforce, reflective of the nation's demographics at all levels of the chain of command, is a strategic imperative, critical to mission accomplishment, and remains focus area for leaders throughout our Navy.

We continue to expand our relationships with key influencers and science, technology, engineering, and mathematics (STEM)-based affinity groups to inform our nation's youth about the unique opportunities available in our Navy. To increase our accessibility to diverse markets, we established NROTC units at Arizona State University and Tuskegee University. Tuskegee University accepted students in the fall of 2009, and ASU will accept students in the fall of 2010. Our diversity outreach efforts have contributed to our 2013 U.S. Naval Academy and NROTC classes being the most diverse student bodies in our history. In the years ahead, we will continue to focus our efforts on retaining this talent by building and sustaining a continuum of mentorship approach that reaches out and engages Sailors throughout their career. This approach includes social networking, strong relationships with affinity groups, and various programs offered by our Sailors' immediate commands and associated leadership in addition to their respective enterprises and communities.

#### **Women on Submarines**

The Secretary of the Navy and I are in the process of changing the Navy policy that restricts women from serving aboard our submarines. This move will enable our Navy and, specifically, our submarine force to leverage the tremendous talent and potential of our female officers and enlisted personnel. Initial integration will include female officers assigned to ballistic missile (SSBN) and guided missile (SSGN) submarines, since officer accommodations on these submarines have more available space and appear to require less modification. The plan also integrates female supply corps officers onto SSBNs and SSGNs at the department head level. We are planning the first female submarine officer candidate accessions into the standard nuclear training and submarine training pipelines this year, making it possible to assign the first women to submarines as early as FY 2012. Integration of enlisted females on SSBNs and SSGNs and integration of officer and enlisted female personnel on attack submarines (SSNs) will occur later, once the extent of necessary modifications is determined. This initiative has my personal attention and I will continue to keep you informed as we integrate these highly motivated and capable officers into our submarine force.

### **Sailor and Family Continuum of Care**

We remain committed to providing our Sailors and their families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our FY 2011 budget request expands this network of services and caregivers to ensure that all Sailors and their families receive the highest quality healthcare available. Navy Safe Harbor, Navy's Operational Stress Control Program, Reserve Psychological Health Outreach Program, Warrior Transition Program, and Returning Warrior Workshop are critical elements of this continuum.

Navy Safe Harbor continues to provide non-medical support for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families through a network of Recovery Care Coordinators and non-medical Care Managers at 16 locations across the country. Over the past year, Safe Harbor's enrollment has grown from 387 to 542. Over 84,000 Sailors have participated in Operational Stress Control (OSC) training, which is providing a comprehensive approach designed to actively promote the psychological health of Sailors and their families throughout their careers while reducing the traditional stigma associated with seeking help. The Warrior Transition Program (WTP) and Returning Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. WTP, established in Kuwait and expanded via Mobile Care Teams to Iraq and Afghanistan, provides a place and time for individual augmentees to decompress and transition from life in a war zone to resumption of life at home. The RWW identifies problems, encourages Sailors to share their experiences, refers family members to essential resources, and facilitates the demobilization process.

### **Stress on the Force**

As we continue to operate at a high operational tempo to meet our nation's demands in the Middle East and around the world, the tone of the force remains positive. We continue to monitor the health of the force by tracking statistics on personal and family-related indicators such as stress, financial well-being and command climate, as well as Sailor and family satisfaction with the Navy. Recent results indicate that Sailors and their families remain satisfied with command morale, the quality of leadership, education benefits, health care, and compensation.

Suicide affects individuals, commands and families. We continue efforts at suicide prevention through a multi-faceted approach of communication, training, and command support designed to foster resilience and promote psychological health among Sailors. Navy's calendar year 2009 suicide rate of 13.8 per 100,000 Sailors represents an increase from the previous year rate of 11.6 per 100,000 Sailors. Although this is below the national rate of 19.0 per 100,000 individuals for the same age and gender demographic, any loss of life as a result of suicide is unacceptable. We remain committed to creating an environment in which stress and other suicide-related factors are more openly recognized, discussed, and addressed. We continue to develop and enhance programs designed to mitigate suicide risk factors and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support, with the goal of reducing individual stress. We continue to work towards a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communication efforts are meeting their intended objectives.

Sexual assault is incompatible with our Navy core values, high standards of professionalism, and personal discipline. We have reorganized our efforts in this critical area under the Navy Sexual Assault Prevention and Response (SAPR) program, which takes a multi-faceted approach to raise awareness of effective prevention methods, victim response and offender accountability. Recent program reviews undertaken by the Government Accountability Office, the Defense Task Force on Sexual Assault in the Military Services, and the Navy Inspector General will help us to identify program gaps and refine our program so we can continue to promote a culture that is intolerant of sexual assault.

#### **Learning and Development**

Education and training are strategic investments that give us an asymmetric advantage over our adversaries. To develop the highly-skilled, combat-ready force necessary to meet the demands of the Maritime Strategy and the Joint Force, we have 15 learning centers around the country providing top-notch training to our Sailors and Navy civilians. We continue to leverage civilian credentialing programs to bolster the professional qualifications of Sailors in all ratings and increase Sailor equity in their own professional advancement. We are balancing existing education and training requirements with growth in important mission areas such as cyber warfare, missile defense, and anti-submarine warfare. Cultural, historical, and linguistic expertise remain essential to the Navy's global mission, and our budget request supports expansion of the Language, Regional Expertise, and Culture (LREC) program for NROTC midshipmen, as well as implementation of the AF-PAK Hands Program. We recognize the importance of providing our people meaningful and relevant education, particularly Joint Professional Military Education (JPME), which develops leaders who are strategically-minded, capable of critical thinking, and adept in naval and joint warfare. Our resident courses at Naval War College, non-resident courses at Naval Postgraduate School and Fleet Seminar program, and distance offerings provide ample opportunity for achievement of this vital education. I appreciate the support of Congress in the recent post-9/11 GI Bill. We have led DoD in implementing this vital education benefit and continue to carefully balance our voluntary education investments to further develop our force.

#### **Conclusion**

Our Sailors are performing brilliantly, providing incredible service in the maritime, land, air, space, and cyberspace domains around the world today. I am optimistic about our future and the global leadership opportunities that our Navy provides for our nation. Our FY 2011 budget request continues the progress we started in FY 2010 to increase Fleet capacity, maintain our warfighting readiness, and develop and enhance the Navy Total Force. I ask for your strong support of our FY 2011 budget request and my identified priorities. Thank you for your unwavering commitment to our Sailors, Navy civilians, and their families, and for all you do to make our United States Navy an effective and enduring global force for good.

Mr. DICKS. General Conway. And before you start, I just want to thank you for your remarks at Mr. Murtha's funeral. They were well received.

#### SUMMARY STATEMENT OF GENERAL CONWAY

General CONWAY. Thank you, sir. And with your indulgence, I would also observe that it is a bit unusual to be in this room and not see John Murtha somewhere near the center of that desk. But as I am sure he told his Marines many times, we the living have to collect our casualties, honor the fallen, reorganize and move out to accomplish the mission. And it is in that sense, I think, we convene the hearing today.

Mr. DICKS. Thank you.

General CONWAY. Sir, and distinguished members of the committee, thank you for the opportunity to report to you on the posture of your Marine Corps. My pledge, as it has been over the years, is to provide you today a candid and honest assessment. Having recently returned from a trip to theater, I am pleased to report to you on the magnificent performance of Marines and Sailors in combat. If you count the 4-year enlistment as a generation of Marines, we are now experiencing our third generation of great young patriots since our Nation was provoked on 9/11. The first generation broke trail, leading strikes into Afghanistan and Iraq.

The second generation quelled the once volatile province of Anbar. Today there are less Marines in Iraq, but our third generation has more than 16,000 serving in Afghanistan. Your Marines are fighting a skilled and determined enemy, but with the Afghan security forces, they are once again proving that they are the strongest tribe in the Taliban stronghold of Helmand. Let me assure you from what the Sergeant Major and I witnessed firsthand, the highest morale in the Corps resides in those units that are posted in Afghanistan.

My written statement to the committee provides a snapshot of the Corps and describes our near-term focus, long-term priorities and our vision of the future. That vision matches closely the results of the QDR. The Secretary of Defense seeks to create a U.S. military more closely focused on hybrid threats, yet capable of responding to a major level contingency. That combination essentially describes the Marine Corps that we have built today, a Corps that we call a two fisted fighter, able to perform equally well in a counterinsurgency or in a high intensity combined arms fight.

Our resource expenditures, moreover, reflect our dual or swing capacity, that is to say that 100 percent of Marine Corps equipment can be used in a hybrid conflict or in a major fight. Equipment procurement is indeed our primary concern as we look at the FY 2011 budget and beyond. Our requirements for equipment density in Afghanistan and our resolve to reestablish our maritime preposition squadrons have driven equipment stocks to an all-time low in our operating forces at home station. The ability to properly train for deployment and certainly the ability to respond to an unexpected contingency is at significant risk based on this increasing shortfall.

Congress has promised us resources for reset and reconstitution, but increasingly we cannot wait for the guns to fall silent in Af-

ghanistan for such an effort to begin. We ask for your help in this critical area. Our military construction accounts in the FY 2011 budget and the FYDP are sufficient to help maintain a promise we have made to our Marines, that they will have quality living spaces while home between deployments.

One need only visit some of our major bases and stations to realize that we waited too long to begin the effort. Similarly, we believe that even in wartime we must continue a heavy emphasis on education of our officers and staff Non-Commissioned Officers (NCOs). A strong reservoir of strategic and operational thinkers is a must on sophisticated joint and combined battlefields. Therefore a quality Marine Corps University with facilities to match our already world class student body, faculty and curriculum is a major priority. We trust that you will receive—that we will receive your full support for our MILCON investments that will repay huge dividends in the years to come. Ladies and gentlemen of the committee, I must admit my own surprise that our Corps of Marines and their families have remained so resilient over these 9 years of conflict.

They have been incredibly determined, loyal and courageous in an effort to see these two wars to a successful close. Much of the credit goes to you in the Congress for providing them with the finest in terms of equipment, warrior care, quality of life for families and compensation. The number one question in the minds of our troops is always is the country behind us? The Members of Congress have answered that question in spades, both by your apportionment of the nation's precious resources and also through your personal efforts to visit the troops in theater and see our wounded at Bethesda and Walter Reed. As a result of the above and the natural tendency for Marines to stick around for a fight, our recruitment and retention are at all-time highs.

I predict that for the second year in a row, we will close out reenlistment opportunities for the first term and the career force halfway through the fiscal year. Clearly, such a phenomenon would not be possible if Marines and their families were not happy in the service of their country. One day this long war with terrorists and Islamic extremists will be over. Your Marine Corps will cease being a second land army and will gladly rejoin our Navy brothers aboard amphibious ships in order to project America's global presence, demonstrate American goodwill and if need be, protect America's vital interests.

Until that day comes however, for your Corps as we say "to do windows;" that is, we will continue to take aboard the indomitable youth of America and make them Marines with the absolute conviction that as a result they will one day be better citizens. We will be trained and equally as prepared to route Taliban fighters in Marja as we are to feed beleaguered Haitians outside Port-au-Prince.

With your continued support and that of our loyal countrymen, we will do whatever the Nation asks us to do and do it exceedingly well. Thank you, sir. And I look forward to your questions.

[The statement of General Conway follows:]

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HAC-D

STATEMENT OF

GENERAL JAMES T. CONWAY  
COMMANDANT OF THE MARINE CORPS

BEFORE

THE HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON DEFENSE

ON

THE 2010 POSTURE OF THE UNITED STATES MARINE CORPS

MARCH 11, 2010

Not public until released by the  
HAC-D



**General James T. Conway**  
**Commandant of the Marine Corps**



General Conway was born in Walnut Ridge, Arkansas and is a graduate of Southeast Missouri State University. He was commissioned in 1970 as an infantry officer. His company grade assignments included multiple platoon and company commander billets with both the 1st and 2nd Marine Divisions; Executive Officer of the Marine Detachment aboard the USS Kitty Hawk (CVA-63); series and company commander at the Marine Corps Recruit Depot in San Diego; aide to the Commanding General, and Director, Sea School.

As a field grade officer, he commanded two companies of officer students and taught tactics at The Basic School; he also served as operations officer for the 31st Marine Amphibious Unit to include contingency operations off Beirut, Lebanon; and as Senior Aide to the Chairman, Joint Chiefs of Staff. Promoted to Lieutenant Colonel, he was reassigned to the 2d Marine Division as Division G-3 Operations Officer before assuming command of 3d Battalion, 2d Marines in January 1990. He commanded Battalion Landing Team 3/2 during Operations Desert Shield and Desert Storm. Selected for colonel, he served as the Ground Colonels' Monitor, and as Commanding Officer of The Basic School. His general officer duties included Deputy Director of Operations, J-34, Combating Terrorism, Joint Staff, Washington, D.C.; and President, Marine Corps University at Quantico, VA. After promotion to Major General, he assumed command of the 1st Marine Division. In November 2002, Major General Conway was promoted to Lieutenant General and assumed command of the I Marine Expeditionary Force. He commanded I Marine Expeditionary Force during two combat tours in Iraq. In 2004, he was reassigned as the Director of Operations, J-3, Joint Staff, in Washington, D.C.

General Conway graduated with honors from The Basic School, the U.S. Army Infantry Officers' Advanced Course, the Marine Corps Command and Staff College and the Air War College.

General Conway's personal decorations include the Defense Distinguished Service Medal with with bronze oak leaf cluster, Navy Distinguished Service Medal, Legion of Merit, Defense Meritorious Service Medal, Meritorious Service Medal with two Gold Stars, Navy Commendation Medal, Navy Achievement Medal and the Combat Action Ribbon.

Chairman ..., Congressman Young, Members of the Committee, thank you for the opportunity to provide a written report for the record on the current posture of the Marine Corps. My pledge, as always, is to provide you with a candid and honest assessment. On behalf of all Marines, their families, and our civilian employees, I want to thank you for your concern and continued support.

This brief statement contains a summary of our near-term focus and enduring priorities, an update on your Marine Corps today, a discussion of the challenges we see ahead, and our vision of the future. In addition to any testimony you wish to receive from me, I have directed the Deputy Commandants of the Marine Corps to meet with you as individuals and members of your respective subcommittees, and to provide you any other information you require. Our liaison officers will also deliver copies of *2010 U.S. Marine Corps Concepts and Programs* to the offices of each member of the committee. This almanac and reference book contains detailed descriptions of all our major programs and initiatives. We hope you will find it useful.

### **I. YOUR MARINE CORPS**

We believe that Americans expect their Marines to be ready to respond when our country is threatened; to arrive on the scene on short notice anywhere in the world via the amphibious ships of the United States Navy, as was necessary when a disastrous earthquake recently struck Haiti; and to fight and win our Nation's battles. The public invests greatly in the Marine Corps. In turn, our commitment is to uphold their special trust and confidence and provide them the best return on their investment.

**Characteristics.** Your Marine Corps is a young force that provides great value to the Nation.

- The average age of a Marine is 25 years old.
- Almost half of the enlisted force — 84,830 Marines — is between the ranks of private and lance corporal (pay grades E1 - E3).<sup>1</sup>
- Almost 70 percent of your Marines are on their first enlistment, and some 30,000 have been in uniform for less than a year.<sup>2</sup>
- The ratio of officers to enlisted Marines is 1:9 — the lowest of all the services.<sup>3</sup>
- More than 136,000 Marines (67 percent) are in deploying units — what we call the Operating Forces. Nearly 30,000 Marines are forward deployed, forward based, or on training exercises around the world.
- For 6.5 percent<sup>4</sup> of the baseline 2010 Defense budget, the Marine Corps provides:
  - 17 percent of the Nation's active ground combat maneuver units
  - 12 percent of the Nation's fixed wing tactical aircraft

1. As of 23 December 2009.

2. As of 1 December 2009, the percentage of Marines on their first enlistment was 68.6 percent, and the number of Marines with less than one year on active duty is 29,032.

3. Authorized endstrength of 202,000 = 21,000 officers + 181,000 enlisted Marines = 1:9.

4. 6.5 percent of DoD budget represents FY10 USMC Green dollars and Direct Blue (Navy) dollars.

- 19 percent of the Nation's attack helicopters

**Expeditionary.** The Marine Corps is the Nation's naval expeditionary, combined-arms force-in-readiness. To Marines, *expeditionary* connotes *fast*, *austere*, and *lethal*.

- Expeditionary means rapid deployment by air or sea to respond to crises of temporary duration. For example, within 24 hours of the speech by the President of the United States in December announcing the current strategy in Afghanistan, the lead elements of 1st Battalion, 6th Marines from Camp Lejeune, North Carolina were en route to Afghanistan.
- Expeditionary means being efficient and effective while operating in an austere environment — a task-organized force that is manned and equipped no larger or heavier than necessary to accomplish the mission.
- Expeditionary means being prepared for decisive action — to be *lethal, if necessary* — but also possessing the lesser-included capabilities for security cooperation, humanitarian assistance, or disaster relief.
- In summary, the term expeditionary to Marines goes to the very heart of our service culture, core values, and warrior ethos. Service as part of an expeditionary force means embracing a Spartan way of life and regular deployments on foreign soil in furtherance of our Nation's interests.<sup>5</sup>

**Organization.** The Marine Corps is the only general-purpose force in the Department of Defense that is trained and equipped as the Nation's first responders.

- We organize in Marine Air-Ground Task Forces (MAGTFs). Under a single command element, the MAGTF integrates three major subordinate elements: (1) Ground Combat Element, (2) Aviation Combat Element, (3) Logistics Combat Element. Each element of the MAGTF is complementary, and Marine Corps forces are most effective and best employed as MAGTFs within the joint or multinational command structure.
- MAGTFs are adaptive, general-purpose rapid response forces. They are multi-capable, transitioning seamlessly from fighting conventional and hybrid threats to promoting stability and mitigating conditions that lead to conflict. For example, in 2003, after completing a conventional, 350-mile attack over land from Kuwait to Baghdad, I Marine Expeditionary Force — a 60,000-Marine-plus MAGTF — was able to transition quickly to security and stability operations.

**Near-Term Focus.** We understand the economic challenges facing our country and the hard decisions Congress must make. We thank you for your unwavering support. This report discusses the near-term focus of the Marine Corps:

- The current fight in Afghanistan and the responsible drawdown in Iraq
- Readiness and reset of equipment

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5. This is consistent with the official Defense Department definition of an expeditionary force: "An armed force organized to accomplish a specific objective in a foreign country." *Joint Pub 1-02 Department of Defense Dictionary of Military and Associated Terms* (Washington, D.C.: 2001, as amended through 31 August 2005), p. 193.

- Modernization of the MAGTF
- Preparing for the next contingency and the uncertainties of the future

**Enduring Priorities.** Through the future years defense plan and beyond, we are focused on:

- Providing the Nation a naval expeditionary force fully prepared for employment as a MAGTF across the spectrum of operations
- Remaining the most ready when our Nation is least ready
- Providing for our Marines and their families

## **II. IRAQ AND AFGHANISTAN**

**Operation IRAQI FREEDOM.** Since testimony before your committee last year, the Marine Corps has transferred authority for Anbar Province to the U.S. Army and is near completion of a responsible drawdown from Iraq.

- From 2003-2009, our force levels in Iraq averaged 25,000 Marines.
- As of February 19, 2010, there were 159 Marines in Iraq. By spring of this year, our mission in Iraq will be complete and your Marines will redeploy.

**Operation ENDURING FREEDOM.** In Afghanistan, the mission has expanded.

- As of September 23, 2009, there were more Marines in Afghanistan than in Iraq.
- By March 2010, there will be more than 18,500 Marines in Afghanistan, and by mid-April, that number will grow to a robust MAGTF of 19,400 personnel with equipment, and will be commanded by a Marine two-star general.
- Your Marines have already had success and have made a difference in some of the toughest regions of Afghanistan, primarily Helmand Province in the South — formerly a Taliban stronghold, and the source of the highest volume of opium production in the world. However, more work remains to be done.

### **Summary**

- Operations in Iraq and Afghanistan have required the Marine Corps to fight as a second land army. Although we have been successful in our assigned missions in Iraq and Afghanistan, that success has come at the price of degraded readiness for our designed missions. The Marine Corps will always do whatever the Nation requires. But, as Congress has authorized and resourced, the Marine Corps is trained, organized, and equipped for our primary mission as a force in readiness.
- The harsh environments and tempo of operations in Iraq and Afghanistan through eight years of combat have accelerated wear and tear on our equipment. The enemy's weapon of choice

— the improvised explosive device or IED — has forced us to increase the weight of our personal protective equipment and the armor on our vehicles.

- The distributed nature of operations has shown us that our legacy tables of equipment were inadequate. The required type and number of ground vehicles, radios, and other major end items of equipment have significantly increased. In our infantry battalions, for example, the number of tactical vehicles has almost doubled while the number of radio sets has grown sevenfold. Our preliminary estimates indicate that the cost of restructuring the Marine Corps' tables of equipment would be \$5 billion over FY 2012 through FY 2015.
- The amount of equipment that has been damaged, destroyed, or has reached the end of service life from accelerated use has increased, and the cost associated with fixing or replacing this equipment has increased significantly.
- Based upon the Marine Corps current analysis, our estimated reset cost is \$8 billion. The \$8 billion consists of \$3 billion requested in the FY11 OCO and an additional long term reset liability of \$5 billion upon termination of the conflict.
- Equipment on hand at home station to support training has been seriously degraded. Particularly worrisome is our capacity to respond to other contingencies.
- We are institutionalizing the lessons learned in Iraq and Afghanistan in training, education, organization, doctrine, and capability development. One of the ways we are doing this is through the *Marine Corps Center for Lessons Learned*.
- The current operating environment in Iraq and Afghanistan has led to an exponentially increased need for intelligence collection assets down to lower levels of command. The Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise (MCISR-E) provides support to the MAGTF in this operating environment by organizing all of the intelligence disciplines, sensors, and equipment and communication architecture into a single capability that is integrated and networked across all echelons.

### III. READINESS

#### 1. Personnel Readiness

Our people — the brave men and women who wear our uniform and the spouses, children, and the parents who support them — are our most valuable resource. In 2009, your Corps lost 65 Marines to enemy action in combat. We also lost 52 Marines who died by suicide — this serious issue, which will be discussed later in this report, has my personal attention.

**Endstrength.** Current authorized endstrength is 202,100 Marines in the active component and 39,600 Marines in the Selected Reserve.

- During fiscal year 2007, the Marine Corps requested and received authorization to grow 27,000 additional personnel by the end of fiscal year 2011.
- We completed our growth during fiscal year 2009 — two years ahead of schedule. We attribute this to four factors: quality recruiting, exceptional retention, reduced personnel

attrition, and a great young generation of Americans who want to serve their country during wartime.

- With this personnel increase, we will improve training, upgrade readiness, and enhance the quality of life for all personnel and their families. The goal is to build the equivalent capacity of three Marine Expeditionary Forces — the largest MAGTF and principal Marine Corps warfighting organization.
- We are continuing to shape the Marine Corps with the right mix of units, grades, and occupational specialties.

### Quality

- **Recruiting.** In fiscal year 2009, we exceeded goals in numbers and standards for the active component and the Selected Reserve. The active component accessed 31,413 personnel, and the Selected Reserve accessed 9,627 personnel. In fiscal year 2010, our goal is to access 27,500 enlisted personnel in the active component and commission 1,800 new officers.
- **Enlistment Standards.** One of the Department of Defense standards for new recruits is that at least 90 percent will possess a high school diploma. The Marine Corps has chosen to maintain a higher standard; our goal is a high school graduation rate of 95 percent. In fiscal year 2009, for our combined active and reserve components, the high school graduation rate of our recruits exceeded 98 percent.
- **First Term Reenlistments.** In fiscal year 2009, 8,011 first-term Marines reenlisted, meeting 109.2 percent of our goal. This represented a retention rate of 33.7 percent, exceeding our traditional retention rate of 24 percent. In the first quarter of fiscal year 2010, 5,194 first-term Marines have already reenlisted — 77 percent of the goal for the entire year.
- **Subsequent Term Reenlistments.** In fiscal year 2009, 7,985 Marines who had completed at least two enlistment contracts chose to reenlist again. This number represented 107 percent of our goal and a 78.6 retention rate — the highest in history. In the first quarter of fiscal year 2010, 5,685 Marines who had completed at least two enlistment contracts chose to reenlist again — 82 percent of the goal for the entire year.
- **Officers.** The quality of officers accessed and retained remains high. In one example, the share of Marine-option United States Naval Academy candidates in the top third of their graduating class greatly exceeded representative levels in 2008. The number of Naval Academy graduates who chose to become Marine Corps officers last year was 270 — the highest number in history for the second year in a row.
- In fiscal year 2009, our officer retention rate was 93 percent and during fiscal year 2010, we expect officer retention to remain stable.

**Reservists.** The Marine Corps Reserve is a full partner in the total force. As of January 2010, there were 39,164 Marines in the Selected Reserve and another 55,233 in the Inactive Ready Reserve. Marine Forces Reserve includes 183 training centers in 48 states, the District of Columbia, and Puerto Rico.

- The extensive contributions of the Reserve have reduced deployment requirements for the active component, thereby improving the health of the total force. More than 54,000 Marines from the Selected Reserve and the Inactive Ready Reserve have mobilized and deployed in support of Operations IRAQI FREEDOM, ENDURING FREEDOM, or other operational commitments around the globe.<sup>6</sup>

**“Every Marine into the Fight.”** The majority of your Marines joined the Corps after our Nation was already at war. They expect to train, deploy, and fight because that is what they believe Marines are supposed to do. As such, the 2007 “Every Marine into the Fight” initiative adjusted personnel assignment policies so Marines serving in non-deploying units or the supporting establishment would have the opportunity to deploy. At the same time, we monitor carefully the frequency and duration that units and individual personnel spend deployed.

- To date, 73 percent of the available Marines have deployed in support of Operations IRAQI FREEDOM and ENDURING FREEDOM, or other operational commitments around the globe.
- **Individual Deployment Tempo.** We measure individual deployment tempo on a two-year sliding scale — the number of days deployed out of the previous 730 days. In the last seven years, we have seen a twentyfold increase in the individual deployment tempo of Marines in the active component. In October 2002, the number of Marines who deployed for at least 120 consecutive days in a two-year period was 4,845. As of January 2010, 100,760 Marines had deployed for at least 120 consecutive days.
- **Unit Operational Tempo.** The metric we use to measure unit operational tempo is the ratio of “deployment to dwell” — months deployed to months at home station. We limit the duration of deployments for units and individual Marines to no more than seven months for battalions and squadrons. Higher headquarters units deploy for one year.
- Our goal is to achieve a 1:2 deployment to dwell ratio in the active component and a 1:5 ratio in the reserve component. Our reserve units are currently operating at a ratio that more closely approximates a ratio of 1:4, while many of our active component units, on average, are nearing the goal of 1:2 (see Table 1).

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Table 1. MAGTF Unit Deployment to Dwell Ratios<sup>7</sup>

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<u>MAGTF Element</u>	<u>Average Ratio</u> <u>(Months Deployed : Months Home Station)</u>
Command Element	1 : 1.43
Ground Combat Element	1 : 2.08
Aviation Combat Element	1 : 2.11
Logistics Combat Element	1 : 1.79

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6. As of 3 January 2010.

7. As of 18 November 2009.

- The subordinate units most frequently deployed are Intelligence Battalions, 1:1.01 (Command Element); Infantry Battalions, 1:1.78 (Ground Combat Element); VMU Squadrons, 1:1.10, and Attack Helicopter Squadrons, 1:1.28 (Aviation Combat Element); and Explosive Ordnance Disposal Companies 1:1.30 (Logistics Combat Element).

**Suicide Prevention.** The number of Marines who have died by suicide in recent years is shocking and unacceptable. **This issue has my personal attention, and we have multiple programs at work to reverse this trend.**

- **Causes.** Our studies have shown that regardless of duty station, deployment, or duty status, the primary stressors associated with Marine suicides are problems in romantic relationships, physical health, work-related issues, such as poor performance and job dissatisfaction, and pending legal or administrative action. Multiple stressors are typically present in a suicide. This is consistent with the findings of the other services and civilian agencies.
- **Deployments.** We analyze suicides monthly and annually for combat-related trends such as the number of deployments and dwell time. Although it is reasonable to assume that one or more deployments may cause an increase in suicides, to date, we have been unable to establish a direct correlation between deployments and suicides.

**Sexual Assault Prevention and Response.** Sexual assault is a crime, and it tears at the very fabric of our ethos. We continue to train and educate all Marines on the warning signs and the situations that lead to sexual assault. To our commanders, we have reinforced their responsibility to investigate all allegations of sexual assault and take the appropriate actions consistent with their findings. Finally, we continue to take aggressive strides toward improving our Sexual Assault Prevention and Response Program.

**Civilian Employees.** Civilian employees are a vital part of the Marine Corps. In fiscal year 2010, civilian federal employees will number more than 25,000. Through initiatives in management and career development, the Marine Corps is dedicated to maintaining a civilian workforce with the leadership skills and technical competencies necessary to meet the challenges of today as well as those of the future.

- Traditionally, civilian employees have served primarily in the supporting establishment. Now, more than ever before, they are deploying with the operating forces and serving in positions traditionally occupied by active duty Marines. For example, we are in the process of hiring more than 260 tactical safety specialists, who will each rotate on deployments with the operating forces. We are also participating in DoD's program to build a deployable Civilian Expeditionary Workforce.

**Families.** While we recruit Marines, we retain families. More than 45 percent of your Marines are married, and we believe that investing in military families is critical to the long-term health of the institution. When Marines know that their loved ones at home station have access to quality housing, healthcare, child development services, and education, they are better prepared to face the rigors of deployment and more inclined to stay in uniform when they return home.

- **Family Readiness Programs.** Our baseline budget in fiscal years 2010 and 2011 for family programs is \$399 million per year. We have reformed our family readiness programs at every level of command at all of our installations. As an example, we have created more than 400 full-time positions for family readiness officers down to the battalion and squadron level.
- **Child Care.** Today, we are currently meeting 64 percent of potential need for child care spaces. To meet the DoD standard of 80 percent of potential need based on the current population, we would require approximately 3,000 additional spaces. With your support, we have programmed an additional 2,615 spaces that will open over the next 18-24 months.
- **Families with Special Needs.** With an increase of \$11 million for the Exceptional Family Member Program in this year's baseline budget, we have made great strides improving the programs that support special needs family members. Enrollment is now mandatory and more than 8,900 exceptional family members are in the program. The Marine Corps assigns a caseworker to each family, who assists during relocation, deployment, and life events. In addition, the Marine Corps now underwrites the cost of up to 40 hours of respite care per month for families in the program. To date, the Marine Corps has provided more than 250,000 hours of respite care.

**Wounded Warriors.** About 9,000 Marines have been injured or fallen seriously ill while serving in support of Operations IRAQI FREEDOM or ENDURING FREEDOM. We are deeply committed to their care as well as the welfare of their families. Since activation in April 2007, the Wounded Warrior Regiment has provided a wide range of non-medical care for the injured and ill. The Marine Corps now also has wounded warrior battalions at Camp Pendleton and Camp Lejeune.

- **Infrastructure.** The Marine Corps is investing \$50 million from the 2009 Overseas Contingency Operations supplemental for the construction of resource and recovery centers at Camp Pendleton and Camp Lejeune. These recovery centers will provide spaces for counseling, physical therapy, employment support, financial management, and other training and outreach programs in support of our wounded.
- **Outreach.** With a 24-hour call center for wounded Marines and their families, the Wounded Warrior Regiment has contacted 99.4 percent of all Marines (7,654 out of 7,703) who were wounded since the beginning of Operations IRAQI FREEDOM and ENDURING FREEDOM, in order to determine their health status. We also maintain a toll-free number to the medical center in Landstuhl, Germany for families to contact their loved ones who have been wounded.
- **Recovery Care.** The Marine Corps has 42 recovery care coordinators, who coordinate non-medical services for Marines and their families during recovery, rehabilitation, and transition.
- **Mental Health**
  - **Traumatic Brain Injury.** Naval medicine remains at the forefront of researching and implementing pioneering techniques to treat traumatic brain injury. One technique, Hyperbaric Oxygen Treatment, is showing great promise. We anticipate a study to begin this spring that tests the efficacy of this revolutionary treatment. The Marine Corps has a

formal screening protocol for Marines who suffer concussions or who are exposed to blast events in theater.

- **Post-Traumatic Stress Disorder (PTSD).** We are attentive to the mental health of our warriors and we are dedicated to ensuring that all Marines and family members who bear the invisible wounds caused by stress receive the best help possible. We developed the Combat Operational Stress Control (COSC) program to prevent, identify, and holistically treat mental injuries caused by combat or other operations.
- With the increased workload, we do have concerns about the capacity of mental health care in military medicine. Operational support and current treatment facility demands continue to stretch our mental health professional communities, even though DoD has taken many steps to increase mental health services. Our shortages of mental health professionals are a reflection of Nation-wide shortages of this specialty. We are actively engaged in discussions about possible solutions.

## 2. **Equipment Readiness**

We have sourced equipment globally, taking from non-deployed units and strategic programs to support our forces in theater. As a result, the amount of equipment remaining for non-deployed units to use for training and other potential contingencies is seriously deficient.

- For example, while the overall supply rating of Marine Corps units in Afghanistan is near 100 percent, the supply rating of units at home station is less than 60 percent.
- Additional equipment is being procured with supplemental funds, but the production rates are too slow to meet our requirements for new equipment orders.

**Equipment Reset.** As mentioned previously, the distributed and decentralized nature of operations in Iraq and Afghanistan has shown us that our legacy, 20th century tables of equipment are significantly inadequate. Moreover, the tempo of operations has accelerated the wear and tear on equipment. Also, the diversion of equipment in theater from Iraq to Afghanistan has delayed reset actions at our logistics depots in the United States.

- Our preliminary estimates indicate that the cost of restructuring the Marine Corps' tables of equipment would be **\$5 billion** over FY 2012 through FY 2015.
- In light of the continued high tempo of operations in Afghanistan, and the delay in reset actions due to the diversion of equipment in theater, we estimate the cost of reset for the Marine Corps to be **\$8 billion** (\$3 billion requested in the FY11 OCO and an additional \$5 billion reset liability upon termination of the conflict).

**Aviation Readiness.** All Marine Corps aircraft in support of overseas contingency operations are exceeding programmed rates, and are thus consuming service life at a rate sometimes three times higher than that scheduled for the lifetime of the aircraft. (See Table 2.) This will eventually result in compressed time lines between rework and, ultimately, earlier retirement of the aircraft than originally programmed.

- It is critical that our aviation modernization programs, discussed in the next section of this report, continue to receive the support of Congress.
- The majority of our legacy platforms are at the end of their service life and most of the production lines are closed.

Table 2. Fiscal Year 2009 USMC Aircraft Utilization Rates  
Overseas Contingency Operations

<u>Aircraft</u>	<u>Average Age</u> (Years)	<u>Programmed Rates</u> (Hours/Month)	<u>OCO Rates</u> (Hours/Month)	<u>OCO Life</u> <u>Usage</u>
AH-1W	19	19.5	32.7	1.7x
UH-1N	35	21.7	30.0	1.4x
CH-46E	41	13.6	31.1	2.3x
CH-53D	40	23.8	50.3	2.1x
CH-53E	21	19.2	33.6	1.8x
MV-22B	3	20.9	29.4	1.4x
AV-8B	13	20.9	24.1	1.2x
F/A-18A	23	25.5	72.5	2.9x
F/A-18C	16	23.9	65.5	2.7x
EA-6B	27	26.4	66.0	2.5x

*Note:* Programmed rates are defined in the Weapon System Planning Document and are based on the projected dates an aircraft will be replaced by a new platform or reworked to extend its service life. Programmed rates include monthly flight hours and the associated logistical support required for each aircraft.

#### **Strategic Positioning Programs**

- Marine Corps prepositioning programs trace their origins back 30 years, when the Iranian revolution, the Soviet invasion of Afghanistan, the Iraqi attack on Iran, and the deepening civil war in Lebanon collectively brought to the forefront the limitations of strategic airlift to respond to no-notice contingencies. The solution — the Secretary of Defense testified in 1980, and Congress agreed — was prepositioned combat equipment, ammunition, and supplies afloat on commercial vessels underway or docked in strategic locations. The Marine Corps developed three squadrons of maritime prepositioned ships and, in 1982, began prepositioning equipment and ammunition underground in Norway.
- The first real test for these programs was in 1991, during Operation DESERT SHIELD. In 2003, in Kuwait, the Marine Corps downloaded 11 vessels from all three prepositioned squadrons and moved 648 principal end items from Norway in preparation for Operation IRAQI FREEDOM. Without this capacity, the Marine Corps would not have been able to move half of the entire operating forces — more than 60,000 fully equipped Marines — halfway around the world for a 350-mile attack on Baghdad.

- When completely loaded, Marine Corps prepositioning vessels today carry more than 26,000 pieces of major equipment including tanks, wheeled tactical vehicles, and howitzers, as well as the necessary supplies to support the force.
- When measured against authorized allowances, the percentage of major item equipment (Class VII) currently present in the prepositioned fleet is 94 percent; the percentage of supplies currently present is in excess of 99 percent.<sup>8</sup>
- In Norway, the current percentage of on-hand major end item equipment (Class VII) measured against authorized allowances is 47 percent; the percentage of on-hand supplies is 78 percent.<sup>9</sup>
- It is important to note that these programs are not just a strategic war reserve. Marine Corps prepositioning programs support forward-deployed training exercises and, along with the amphibious ships of the U.S. Navy, the steady state requirements of the combatant commanders. For example, using the equipment positioned in Norway, the Marine Corps provides security force assistance to partner nations in U.S. European Command and U.S. Africa Command.
- In summary, Marine Corps prepositioning programs are vital to the Nation and they require the continued funding and support of Congress.

### 3. **Infrastructure**

**Bachelor Housing.** Our number one priority in military construction is barracks. In years past, due to fiscal constraints, we had focused on operational concerns. We now have a program under way that will provide adequate bachelor housing for our entire force by 2014. Table 3 depicts Marine Corps fiscal year 2011 investment in new barracks.

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8. Data as of 18 February 2010. To clarify any misperceptions, these are not the formal readiness percentages the Marine Corps uses in separate reports to Joint Chiefs of Staff, the Office of the Secretary of Defense, and Congress. The readiness percentages in those reports are a measurement against MARES reportable items, a more select range of equipment.

9. Data as of 18 February 2010.

Table 3. USMC Fiscal Year 2011 Barracks Construction

<u>Location</u>	<u>FY11 Investment</u>	<u>New Barracks Spaces</u>
Twentynine Palms, CA	\$53.2 million	384
Camp Lejeune, NC	\$326.6 million	2,794
Cherry Point, NC	\$42.5 million	464
Camp Pendleton, CA	\$79.9 million	860
MCB Hawaii, HI	\$90.5 million	214
MCB Quantico, VA	<u>\$37.8 million</u>	<u>300</u>
Total	<u>\$630.5 million</u>	<u>5,016</u>

- The Marine Corps is committed to funding the replacement of barracks furnishings on a seven-year cycle and to funding the repair and maintenance of existing barracks to improve the quality of life of Marines.

#### Summary

- **Our equipment shortfalls are serious and the impacts on readiness have been significant.** Our non-deployed units do not have the required amount of equipment they need to train or support other contingencies. Moreover, the harsh environments of Iraq and Afghanistan, the tempo of operations, and our employment as a second land army since 2004 has accelerated wear and tear on our equipment and delayed the reset activities necessary to prepare for the next contingency.
- We estimate that the cost of restructuring the Marine Corps' tables of equipment from FY 2012 through FY 2015 would be **\$5 billion** and the cost to reset for the Marine Corps will be **\$8 billion** (\$3 billion requested in FY11 OCO and an additional \$5 billion reset liability upon termination of the conflict).
- **Iraq and Afghanistan have not adversely affected personnel readiness or the resiliency of the force.** The Marine Corps continues to recruit and retain the highest quality people. Your Marines want to make a difference; they understand being a Marine means deploying and fighting our Nation's battles. Indeed, the Marines with the highest morale are those currently in Afghanistan.
- The Marine Corps has achieved its goal of 202,000 active duty personnel and has done so with no compromise in quality. However, the Marine Corps has not achieved the correct mix of skills and pay grades. Continued funding will be needed to balance the force correctly.
- Our personnel growth has outpaced our growth in infrastructure, and your continued support is needed to provide the additional barracks, messing, and office spaces required.

#### IV. MODERNIZATION OF THE MAGTF

Our modernization effort is not merely a collection of programs but a means of aligning the core capabilities of the MAGTF across the spectrum of present and future security challenges. All of our procurement programs are designed to support the full range of military operations.

**The Individual Marine.** *Marines* are the heart and soul of your Corps. The trained, educated, and physically fit Marine enables the Corps to operate in urban areas, mountains, deserts, or jungles. However, we are concerned about weight. Depending on the enemy situation, and including helmet, body armor, individual weapon, water, ammunition, and batteries, the weight of gear for a Marine on foot-patrol in Afghanistan can average 90 pounds. There is a delicate balance between weight and protection, and we continue to pursue the latest in technology to provide Marines with scalable protection based on the mission and threat.

**Tactical Vehicles.** The Marine Corps currently has a total ground tactical vehicle quantity of nearly 47,500. Over the next ten years, we plan to replace about 50 percent of that total.

- We are planning, programming, and budgeting toward a balanced fleet of vehicles. Our chief considerations are mobility, survivability, payload, transportability, and sustainability. Our goal is a portfolio of vehicles that is able to support amphibious operations, irregular warfare, and operations ashore across the range of military operations. We envision a blend of Expeditionary Fighting Vehicles, Marine Personnel Carriers, Mine Resistant Ambush Protected vehicles (MRAPs), and replacements for our High Mobility Multipurpose Wheeled Vehicles (HMMWVs).
- **The Expeditionary Fighting Vehicle (EFV)** is the number one modernization program in the ground combat element of the MAGTF. The requirements of the current and future security environment have driven the research and development of the critical capabilities associated with the EFV. **The Marine Corps has not taken a myopic view of the EFV; we are well aware of the fiscal realities and developmental challenges associated with such a revolutionary vehicle.** We are, however, convinced that national security demands the capabilities of the EFV and justifies the costs. This vehicle will save lives and enable mission success across an extremely wide, and highly probable, range of operational scenarios.

**Fire Support.** We are modernizing Marine Corps land-based fire support through a triad of weapons systems — a new and more capable 155mm howitzer, a system of land-based rockets, and a helicopter-transportable 120mm mortar. Each of these is extremely accurate. This accuracy is critical in counterinsurgency operations and irregular warfare because accuracy reduces the instances of civilian casualties and collateral damage to local infrastructure.

- **The Lightweight 155mm Towed Howitzer (M777)** weighs about half of the cannon it is replacing and fires projectiles to a range of 15-19 miles. Our Marine Expeditionary Brigade in Afghanistan has 15 of these howitzers at three different locations, which have collectively fired more than 600 rounds since April 2009.

- **The High Mobility Artillery Rocket System** (M142 HIMARS) provides high-value rocket and missile fire in support of ground forces. Each system carries six rockets or one missile. Like our new lightweight howitzer, HIMARS has proven itself over the past year in Afghanistan, delivering long-range precision fires.
- **The Expeditionary Fire Support System** is a rifled 120mm mortar, internally transportable 110 nautical miles by both the MV-22 Osprey and the CH-53E helicopter. This will be the primary indirect fire-support system for helicopter-transported elements of the ground combat element. A platoon equipped with these new mortars recently deployed with the 24th Marine Expeditionary Unit.

**Marine Aviation.** Marine pilots are naval aviators; they are trained to fly from the ships of the U.S. Navy or from expeditionary airfields ashore in support of Marines on the ground. We are in the midst of an unprecedented modernization effort. By 2020, we will have:

- Transitioned more than 50 percent of our aviation squadrons to new aircraft
- Added 5 more operational squadrons and almost 100 more aircraft to our inventory
- Completed fielding of the tilt-rotor MV-22 Osprey and the upgraded Huey (UH-1Y) utility helicopter
- Updated our entire fleet of aerial refuelers to the KC-130J model
- Fielded the upgraded Cobra (AH-1Z) attack helicopter and the Joint Strike Fighter (F-35B)
- Fielded an entirely new family of Unmanned Aircraft Systems (UAS)
- Introduced a new model of the heavy-lift CH-53 cargo helicopter

**The Joint Strike Fighter.** The Marine Corps is on track to activate the Department of Defense's first operational Joint Strike Fighter squadron in 2012. Although our investment in this program may seem high, it is important to note that the Marine Corps has not bought a fixed-wing tactical aircraft in 11 years, and that the Joint Strike Fighter will ultimately replace three different types of aircraft currently in our inventory.

- The short takeoff and vertical landing (STOVL) variant (F-35B) of the Joint Strike Fighter will be transportable aboard the amphibious ships of the U.S. Navy; it will be able to operate under the same austere conditions as does the AV-8 Harrier; it will be able to carry more bombs and loiter overhead longer than does the F/A-18 Hornet; and it will be a better electronic warfare platform than our legacy EA-6 Prowler.

**The Osprey.** We are very pleased with the performance of the tilt-rotor MV-22 Osprey. The Osprey provides greater speed, more range, and enhanced survivability compared to other rotary wing platforms. It flies more than twice as fast and carries three times the payload at more than six times the range of the medium-lift helicopter it is replacing.

- Osprey squadrons have completed three successful deployments to Iraq and one aboard ship. One squadron is currently in Afghanistan. We are nearing delivery of our 100th operational aircraft, and at a current build of 30 Ospreys per year, we are replacing our CH-46E medium-lift helicopter squadrons at a rate of two squadrons per year.

**Logistics Command and Control.** *Global Combat Service Support System* — *Marine Corps* is the cornerstone of our logistics modernization strategy.

- The program is a portfolio of information technology systems that will support logistics command and control, joint logistics interoperability, secure access to information, and overall visibility of logistics data. It will align Marine Corps logistics with real-world challenges, where speed and information have replaced mass and footprint as the foremost attributes of combat operations; it will replace 30-year old legacy supply and maintenance information technology systems; and it will provide the backbone for all logistics information for the MAGTF.

## V. VISION

The current transnational struggle against violent extremism will not end anytime soon. Other threats — conventional and irregular — will continue to emerge and the complexity of the future operating environment will only increase. As we look to the future, we believe we must refocus on our core competencies, especially combined-arms training and operations at sea with the United States Navy.

**2010 Quadrennial Defense Review.** We believe the report from the Quadrennial Defense Review offers an accurate and informed analysis of the challenges in the future security environment, particularly with respect to growing complexity of hybrid threats and the spread of advanced anti-access capabilities.

- We concur with the overarching need for a comprehensive and balanced approach to national security — a whole of government approach.
- We agree with the need for a U.S. military that is balanced in capabilities for irregular warfare and conventional conflict. For the Marine Corps, we have always believed in such a balance. Our equipment and major programs, and our means of employment as an integrated MAGTF, reflect our commitment to be flexible in the face of uncertainty. **One hundred percent of our procurement can be employed either in a hybrid conflict or in conventional combat.**
- Finally, while our current focus is rightly on today's fights, we believe it is critical that we do not underestimate the need to maintain the ability to gain access in any contested region of the world.

**Seabasing and the Navy-Marine Corps Team.** With oceans comprising about 70 percent of the earth's surface and the world's populations located primarily on the coasts, seabasing allows our Nation to conduct crucial joint operations from the sea.

- Seabasing is a capability and a concept. It is the establishment of a mobile port, airfield, and replenishment capability at sea that supports operations ashore. In effect, seabasing moves traditional land-based logistics functions offshore.
- From the sea, U.S. forces will be able to conduct the full range of military operations, from disaster relief and humanitarian assistance to irregular warfare and major combat operations. Sea-based logistics, sea-based fire support, and the use of the ocean as a medium for tactical and operational maneuver permit U.S. forces to move directly from sea to objectives ashore.
- There are misperceptions that the United States has not conducted an amphibious operation since Inchon during the Korean War in 1950. Since 1982, our Nation has conducted more than 100 amphibious operations. For example, the Navy-Marine Corps Team has been on the scene in Bangladesh (1991), the Philippines (1991), Liberia (1996), and East Timor (1999).
  - After 9/11, U.S. amphibious forces, from a seabase, led the first conventional strikes against the Taliban in Afghanistan.
  - In 2004, the 15th Marine Expeditionary Unit was on station in Southeast Asia to support the relief efforts after the Tsunami.
  - In 2005, from a seabase in the Gulf of Mexico, the Navy and Marine Corps supported recovery efforts after Hurricane KATRINA.
  - In 2009, off the coast of Somalia, when pirates boarded the *Maersk Alabama*, the 13th Marine Expeditionary Unit and the USS *Boxer* were on station to support the counterpiracy operations.
- Last month, with Haiti's airfield overwhelmed and their seaport disabled by wreckage following the earthquake, the USS *Bataan* Amphibious Ready Group and the 22nd Marine Expeditionary Unit provided a significant and sustainable delivery of food, water, and other supplies without the logistical burden ashore.
- ***Seabasing — Maritime Prepositioning Force (MPF) Enhancements***
  - Critical to seabasing are the logistics vessels of the Maritime Prepositioning Force. As discussed in the Long-Range Plan for Naval Vessels, we have restructured our Maritime Prepositioned Force (Future) program and will enhance the current capabilities of each of our three existing Maritime Preposition Force Squadrons.
  - One mobile landing platform (MLP), one Large Medium-Speed Roll-on/Roll-off (LMSR) ship, and one *Lewis and Clark* class (T-AKE) cargo ship will be added to each squadron of the MPF.
  - The MLP will interface with the LMSRs, which are being added to each MPF squadron from FY09-11, thus providing the capability to transfer cargo while at sea and making each MPF squadron highly responsive to demands across the full-spectrum of operations.
- **In summary, as the security environment grows more complex, so does the value of amphibious forces.**

**Expeditionary Operations in the Littoral Domain.** The littoral domain is where the land and sea meet. This is where seaborne commerce originates and where most of the world lives. Littorals include straits — strategic chokepoints that offer potential control of the world’s sea lanes of communication. The Navy-Marine Corps team and the vitality of the amphibious fleet is critical to overcoming anti-access challenges in locations along the coastlines of the world where there are no American military forces or basing agreements.

- The QDR emphasized the need for U.S. naval forces to be capable of robust forward presence and power projection operations, while adding capability and capacity for working with a wide range of partner navies. Amphibious forces are perfectly suited for engagement and security force assistance missions, as well as humanitarian missions such as are ongoing in Haiti. In short, the strategic rebalancing directed in the QDR places high demands on our amphibious forces.
- Given the fiscal constraints facing the Department of the Navy, the Secretary of the Navy, Chief of Naval Operations, and I agreed that 33 amphibious ships represents the limit of acceptable risk in meeting the 38-ship requirement we established in a letter to the committee on 7 January 2009.
- We currently have a 31-ship force in the U.S. amphibious fleet. The Long-Range Plan for Naval Vessels projects a 33 ship amphibious inventory in the near-term.
- With a robust inventory of amphibious ships the Navy-Marine Corps team will be able to:
  - Better address the growing steady state combatant commander requirement for theater security cooperation, forward presence, and crisis response.
  - Strengthen our Nation’s relations with allied and partner countries through peacetime engagement and training exercises.
  - Better ensure our Nation is ready to respond with humanitarian assistance when disaster strikes anywhere around the globe.
  - In the event of major conflict, improve our response time to gain theater access with combat forces without having to rely on basing agreements with foreign governments.
- Finally, to clarify any misperceptions about the numbers of amphibious ships cited in the 2010 QDR Report, those numbers of ships are neither shipbuilding requirements nor targets; they are simply statements of the amphibious ship numbers across the FY 2011-2015 future years defense program.<sup>10</sup>

#### **Training, Education, and Professional Development**

- **“Two-Fisted Fighters.”** The QDR Report calls for increased counterinsurgency capacity in the general purpose forces of the United States.<sup>11</sup> The Marine Corps has long recognized the special skills required to operate with host nation forces and among local populations. Evidence of this dates back to the Marine Corps publications of *Small Wars Operations* (1935) and the *Small Wars Manual* (1940), both comprehensive texts on counterinsurgency

10. Department of Defense, *Quadrennial Defense Review (QDR Report)* (Washington, DC: Feb 2010), p. xvi, 46.

11. Department of Defense, *Quadrennial Defense Review (QDR Report)* (Washington, DC: Feb 2010), pp. 20-26.

operations and irregular warfare. Today, through standing Marine Corps organizations such as the *Center for Advanced Operational Culture Learning* and the *Center for Irregular Warfare*, and programs such as the *International Affairs Officers Program*, we continue to build capacity in foreign language, and regional and cultural skills.<sup>12</sup>

- **Leadership Development.** We recognize the need for a diversity of skills and specialties, and our standing guidance to promotion, command, and special selection boards is to give due consideration to personnel with special skills and non-traditional career patterns.
- **Marine Corps University.** Annually, a percentage of Marine Corps officers from the rank of captain through colonel attend year-long resident courses in professional military education at Marine Corps University in Quantico. The Marine Corps University is regionally accredited to award postgraduate degrees and, in 2009 alone, University schools awarded 200 master's degrees.<sup>13</sup>
- Facilities are an integral part of supporting professional military education. To that end, the Marine Corps fiscal year 2011 military construction budget request includes funding for additions in Quantico to the General Alfred M. Gray Research Center and the Staff NCO Academy. These projects will support our plan to upgrade the infrastructure of the Marine Corps University.
- **Acquisition Professionals.** The Marine Corps has an active acquisition professional program in place to meet the need identified in the QDR "for technically trained personnel — cost estimators, systems engineers, and acquisition managers — to conduct effective oversight."<sup>14</sup> There are about 520 acquisition billets in the Marine Corps — 400 are entry and mid-level positions filled by enlisted Marines and officers, and 120 are senior-level acquisition professional positions filled by field grade officers who oversee our major ground and aviation programs. Our acquisition professional officers are members of the Defense Acquisition Community; they possess Level II certification, four years of acquisition experience, at least 24 undergraduate credit hours in business.

**Future Realignment of Marine Forces in the Pacific.** The governments of the United States and Japan have agreed to invest in a realignment of forces that will result in Marine Corps forces postured in the Pacific for a long-term presence on Japan, Guam, and Hawaii. Critical requisites to the implementation of this realignment are:

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12. Each year, the Marine Corps selects officers for the **International Affairs Officer Program**, which consists of two professional tracks: Foreign Area Officer (FAO), and Regional Area Officer (RAO). The International Affairs Officer Program provides graduate-level study and language training for nine geographic areas. There are 329 international affairs officers on active duty (262 FAOs, 67 RAOs). The officers in this program possess advanced knowledge and expertise in the language, culture, and political-military affairs of a given region. Since 2008, the Marine Corps has doubled the number of accessions in the FAO program, and accessions will continue to increase through 2015. Moreover, the Marine Corps provides mid-grade officers (major – lieutenant colonel) for the **Afghanistan-Pakistan (AFPAK) Hands Program**. Our current requirement is to provide 63 officers — three cohorts of 21 officers each.

13. The Marine Corps also has a separate, voluntary graduate education program, through which officers attend **Naval Postgraduate School** and other secondary institutions to obtain advanced degrees. There are 300 officer billets in the Marine Corps that require master's degrees. The Marine Corps also maintains an active **fellowship program**.

14. DoD, *QDR*, p. 76.

- Japanese construction of a replacement for Marine Corps Air Station Futenma that meets both operational and safety requirements.
- An appropriate force laydown that supports the operational requirements of the Commander, U.S. Pacific Command.
- Adequate available airlift and sealift within theater to transport Marines to training areas and partner countries.
- Adequate training areas and ranges in Guam and the Northern Mariana Islands that can maintain readiness as well as support security cooperation with our regional partners.
- An enduring, sustainable “live where you work,” base on Guam that maximizes operational effectiveness, minimizes encroachment, accommodates future development, and provides a quality of life on Guam commensurate with any other U.S. base.
- Continued political and financial support by the governments of the United States and Japan.

Refined planning and staff interaction processes within the Department of Defense have made significant contributions to our efforts to align these requirements. Planned and executed properly, this realignment effort will result in an enduring solution that provides forward deployed combat ready Marine forces to uphold our Nation’s commitment to the security and stability of the Pacific region.

**Energy and Water Initiatives.** We believe energy and water are two of our Nation’s most valuable resources. We are focused on improving our stewardship at our installations and on the battlefield.

- ***Our Installations.*** We have already gained efficiencies and achieved savings at all our major installations. We have three major goals:
  1. From 2003-2015, reduce energy consumption by 30 percent
  2. Through 2020, reduce water consumption by 2 percent per year
  3. By 2020, increase the use of alternative energy at our installations to 50 percent of the total energy consumed
- ***On the Battlefield.*** Operations in Afghanistan have forced us to reevaluate energy and water distribution and usage in expeditionary environments. We believe the future security environment will again require the Marine Corps to operate over long distances in austere environments, and we are actively pursuing a wide range of solutions to:
  - Lighten the combat load of our Marines and Sailors
  - Reduce our overall footprint in current and future expeditionary operations
  - Lessen energy consumption and dependence on fossil fuels
  - Achieve resource self-sufficiency in expeditionary environments

**CONCLUSION**

As a naval expeditionary force in the form of an elite air-ground team, the Marine Corps is ready and willing to go into harm's way on short notice and do what is necessary to make our country safe. America expects this of her Marines. In the complex and dangerous security environment of the future, the Marine Corps stands ready for the challenges ahead. We appreciate the continued support of Congress. Thank you again for this opportunity to report on the posture of your Marine Corps.

## MARINE CORPS SUICIDES

Mr. DICKS. I just had a chance with four members of this subcommittee and two members of the Appropriations Committee to be in Afghanistan and Pakistan. And I was very impressed by the operation in Marja and we will have to see how the governance phase of this takes over and how well the Karzai government can do in reestablishing itself in the area. But I think the Marines did an outstanding job and I know we have all of the services involved in an operation like this. And you have another operation coming up in Kandahar which is a much bigger operation. But I want to compliment you on the work of the Marines and I can remember with Mr. Lewis being over there—right before we started in Iraq and—in—I guess it was 2003—when you were leading the Marines into Baghdad.

So we appreciate your leadership and the great work that you have done and we think the Marine Corps is in outstanding shape. Let me ask you this: This is one sensitive issue, General Conway. In recent years, the number of suicides in the Marine Corps has continued to increase, which reflects a very disturbing trend. I know this is an issue that you take very seriously, can you tell us what you are trying to do? I know the Army takes this seriously. I am sure the Navy does too, but maybe doesn't have the same level of problem. Mainly it is people that have been in combat where this issue is focused. So could you tell us what your thoughts are on this?

General CONWAY. Thank you, sir, for your comments regarding the Marines in Marja. I will certainly make sure that that gets passed along. With regard to suicide, sir, it is an incredibly perplexing issue because our trend lines are all in the wrong direction. You are exactly right. For 2008, we had 42 suicides, which was a high watermark for us, and last year we had 52. So we are turned on to it as a very serious problem and we are actually attacking it, I think, through a number of ways. There are studies, but our view is that studies take too long. We have turned immediately to a program that uses our NCOs to teach other NCOs and Marines on what the indicators are. We have gone back to try to analyze those suicides that we have had. The factor that we see, I think, most as a corollary, is failed relationships.

Of the 42 that we had in 2008, 35, we believe, came as a result of a failed relationship, a loss of a wife or potentially a girlfriend. I say that because they are almost exclusively male. And we believe that that 24-hour leadership, the young NCOs are the first that would see a behavior that would indicate that there is a problem and can start to do something about it.

So we have trained those people. We have created videos. They have created scenarios, if you will, in some pretty raw language to get the point across. But it is well received by the troops when they are instructed. And that is I think probably our cornerstone effort. Again, there are many other approaches that we are trying to institute that we think will also help. Every Marine remembers the names of his three drill instructors. He will take it to the grave. So we are using those people from the very beginning to be talking about this suicide tendency that we see and that it is, in fact, not

very Marine like not to use your fire team, not to use your buddies to help you with a problem that you face. Seek others' perspective and advice and help them to help you is another approach. We certainly have increased the staff and the counseling that is available at local bases and stations, but, sir, I would say we are hinging a lot on the success of our NCO effort.

#### IMPROVISED EXPLOSIVE DEVICES

Mr. DICKS. I hope it works. Let me ask you—Admiral Mullen, I think about a week ago, as Chairman of the Joint Chiefs, said that if somebody is involved in an Improvised Explosive Device (IED) explosion, that they would be taken out of combat for a period of time, like 24 hours to observe them so that you wouldn't get in a situation where somebody might be in an IED explosion on one day and the then the next day another one because apparently at least he feels that that is a problem. What do you think of his—I know it only affects a very small number of people, but what do you think of that?

General CONWAY. Sir, Admiral Mullen is giving voice to a program we have had in effect for probably 2½ years now. We categorize people who are in an explosion, Cat 1, Cat 2, Cat 3. And then depending upon what category they are in, they either don't go out at all, they may be able to go out within 48 hours. The level of treatment varies. But we are very conscious of that. In fact, the Commanders in Afghanistan have a program called three strikes, and you are in. If you endure three IED strikes, then you don't go outside the wire after that because we know as a result of our studies and what the Naval doctors have given us that the brain simply needs rest in the wake of even a mild concussion.

#### TRAUMATIC BRAIN INJURIES

Mr. DICKS. Mr. Secretary, do you want to comment on this, or Admiral Roughead?

Mr. MABUS. The other thing we are trying to do on these traumatic brain injuries is do a baseline before people are deployed so that we will know how far they have moved off of that baseline to determine what category of injury they have suffered and what level of treatment that they need. We also do these checks when they come back to see if there are hidden traumatic brain injuries that simply haven't been picked up. But I think that it is very safe to say that for the Marine Corps and for the Navy, that we are absolutely focused on this, on Post-Traumatic Stress Disorder (PTSD) for people in theater. And, in fact, I spent a good part of yesterday evening and last night at Bethesda. And a couple of the Marines I saw were there as a result of TBI and they are getting incredibly good care. And the earlier you can diagnose a traumatic brain injury in the field if possible, the better care and the better results you are going to get.

Admiral ROUGHEAD. And I agree with the Commandant. All of us have been following the protocols that the Commandant described. But on the topic of suicide, no service is immune. I am not getting out in front of my headlights on this, but for the first time since we have been keeping records as a result of some of the efforts that we have been put into this in January we had zero suicides. We

have never had that before. In February, two less than last year. And so far this month, no suicides. It is a question of leadership, it is a question of awareness, it is a question of destigmatizing.

So I am encouraged by what we are seeing right now and we really in the last 3 months, have seen a downturn which is a first over many, many months. So we are very encouraged with the programs that we put into place.

Mr. DICKS. Do we try to work with the families? Because this is part—as you suggested, it is a relationship issue, then trying to work with the families—I know you all do that very, very well. But is that part of your strategy?

Admiral ROUGHEAD. Yes, sir, it is the families, as the Commandant said, a common theme is relationships. You mix that with alcohol and you put a gun in the mix and 75 percent of the time that is the common trio that will produce such an unfortunate outcome. But it is the families, it is shipmates, it is an awareness of what is going on around you and your shipmates and that is where we are bringing all of our programs to bear. And as I said, I am encouraged by what I am seeing.

Mr. DICKS. Mr. Frelinghuysen.

#### F-35 OPERATING COSTS

Mr. FRELINGHUYSEN. Thank you Mr. Chairman. I echo the chairman's comments. The Marine family really looks after its Marines. It is a wonderful model. I got myself in hot water in another caucus. I did serve in the Army by saying that the Marines really look after those families. It is a wonderful model for all of our services, to follow. Part of our posture review, and both the chairman and I have mentioned it. We need more ships, we need more subs. Combat aircraft could do—focus for a minute—the Marine—you have—you are part of the joint strike—you are going to have your version of the Joint Strike Fighter, the Navy is going to have it.

We had a hearing a couple of weeks ago, we had Admiral Philman, I believe, and General Scott from the Air Force. And I asked a question and I must say the response was a little unclear, the whole issue of what we call fully burdened costs associated with that program. There have been delays in the program, but there is also quite a lot of speculation and I apparently—quite a lot of evidence that the cost of operation into the future is considerably significant and has to be figured in to all of what you do. And I suppose this is sort of addressed to you, Admiral Roughead.

Admiral ROUGHEAD. Yes, sir. There is no question that I have been spending a lot of time on total ownership costs not just on airplanes, but on ships. I think it is important that that be a factor in our procurement decisions, but I will also tell you that we are kind of in the fledgling state of how do we get our arms around of how to project these out, do we have the right costing experts and that is not something where we as a service have been in the past. But we clearly have to look at that. I would say that in the case of the Joint Strike Fighter, we are still in the early, early development stages of that aircraft and we are trying to work through what the likely total ownership costs are going to be on that airplane. And to date, I have not been able to completely have a good confident assessment of what that is. But again, we are

early in that process and we will continue to work on that as we introduce the airplane.

#### STRIKE FIGHTER SHORTFALL

Mr. FRELINGHUYSEN. The expression that comes to mind, we are flying the wings off our aircraft. They are always up there, always under pressure. All of our assets are under pressure. There is talk obviously of a gap here. How do we meet that gap given what we see to be the delays with the Joint Strike Fighter?

Admiral ROUGHEAD. Sir, we, in the past years, as we have been looking at what the strike fighter requirements are for the Navy have been managing that inventory very carefully by doing a lot of individual management of airframes and how those airframes are used, depending on the health of a particular airframe. We have also made adjustments in our squadrons. We have transitioned some squadrons early. We have used some of the attrition aircraft that were in the procurement because we have seen that—particularly in the case of the Es and Fs, we are not seeing the attrition rates that were assumed at the front end of that program.

We will continue to manage the Fleet and as we get into next year's budget, look at life extension programs for some of the earlier Hornets that we purchased, the As through Ds. And that will be part of our way of managing the inventory until we get to the Joint Strike Fighter, which is clearly an airplane that the United States Navy needs to have on its flight decks for the types of operations and environments that we are going to operate in in the future.

General CONWAY. Sir, as I think you are aware, we haven't bought a fighter bomber aircraft now in about 11 years and so we are very excited about the arrival of the Joint Strike Fighter. And I guess I have got to say in a period of some relatively somber news on the aircraft, we are hearing some encouraging things I think that will involve total life cycle costs and potentially some of the peripheral costs associated with the aircraft. Our informal studies show that heat and noise and blast are all in the general range of the legacy aircraft.

So we are encouraged by that and we will further those tests certainly. We have got three aircraft at Pax River right now under developmental flight. And it is my belief and I advised the Secretary yesterday that we are within one or two test flights of vertical launch, which is a big deal for the Joint Strike Fighter STOVL (Short Takeoff or vertical landing) variant. So we are hanging on to that 2012 IOC for our aircraft again because we desperately need it.

We will have a shortfall. It was 87 aircraft yesterday. It may be 88 today because we lost one last night. The pilots got out fine. Anyway, we see through the mitigation procedures that CNO talked about and some other things that we can do that we can manage our way through it successfully notwithstanding the potential for a major contingency.

Mr. DICKS. Mr. Visclosky.

## F-35 ALTERNATE ENGINE

Mr. VISCLOSKY. Thank you, Mr. Chairman. Admiral, we had the Air Force Chief of Staff in yesterday. In one of the discussions following up on the discussion about the Joint Strike Fighter is the issue of the alternate engine. The Air Force indicated that they would be the only purchaser and that there would not be purchasers overseas or the Navy was included as far as the alternate engine. You are sitting here now and I would like to ask you, is that the Navy's position?

Admiral ROUGHEAD. Yes, sir, we do not desire an alternate engine. And our rationale is that we deploy in some very confined containers, if you will, our aircraft carriers and our large deck amphibious ships. So we want to be as compact as we can and a single engine is the best interest of the Navy. It is also consistent with every aircraft that we have in our inventory. They are all single engine or single manufacturer engines with our entire Naval Air Force. So this is consistent with how we have deployed in the past and it is really a function of being as efficient as we can in our deployment model, which is how we use the Navy.

Mr. VISCLOSKY. In the not too distant past, did you have a mix of aircraft and a mix of engines on carriers?

Admiral ROUGHEAD. Not to my knowledge, no, sir.

## SHIPBUILDING

Mr. VISCLOSKY. I would like to ask you about shipbuilding. I have the program for fiscal year 2008 and I have got the chart for the outyears for 2009, and I have got the chart for 2011. In 2008—and it is my understanding that in September, you indicated that 313 ships is a floor, implying that it is a minimum. We were going to be at a 313 ship Navy in 2016. That was as of fiscal year 2008. In 2009, we were going to be at a 313 ship Navy in 2019. This year we are going to be there in 2020. This is the first year since 1992 we will have 9 ships on order. And the chart continues to go to the right. Why should I have any belief that the chart that was submitted to the committee this year isn't going to move off the chart in 2012?

Admiral ROUGHEAD. Sir, I believe that the shipbuilding plan that we have in place in this budget submission puts us on the trajectory to that 313 floor. I would submit that this plan also is somewhat different in that if you look at the product lines that we have, we are now down to the two submarines per year which we set out to bring those within cost. We have restarted the DDG 51 line, which is a ship that we know how to build that we have many in our inventory.

So we can be sure of what that production is. We know how to build that ship. We have built tens of those ships. We already have 62 in the inventory. We are in the process of down selecting 2 Littoral Combat Ships both of which are at sea, and both of which we see as operationally satisfactory and now it is to drive to one variant so that we can begin to build those in numbers at an affordable price.

We are in the process of building the Joint High Speed Vessel which we are holding the cost on that because we are absolutely

ruthless in containing the requirements on that ship. We are building the amphibious ships that are in the plan. So I would submit that this plan is a much more stable from a design perspective than perhaps we have had in the past.

Mr. VISCLOSKY. Indicating that you might see an increase of units in the same ship and you would have a lower cost, would you then imply that you would get to the 313 ship Navy without an appreciable increase in your budget request in the next out years?

Admiral ROUGHEAD. Sir, we believe that we have properly costed the ships. I think that as we have worked on the plan with the acquisition executive, that we have some realistic costs and I have confidence in this plan.

Mr. VISCLOSKY. If I recall, and I stand to be corrected, to be there in 2010 dollars, you would have to average about 20 billion a year. Am I correct in that assumption? In current dollars, it is about 14.7 billion. That is where you are today?

Mr. MABUS. Yes, to do that.

Mr. VISCLOSKY. In those constant dollars, does that get you there in 2020 or in those constant dollars are we talking closer to 20 billion a year?

Mr. MABUS. In constant dollars. If you will look at the 30-year plan for the first 10 years, we are at a little under 15 billion. It goes up in the second 10 years because of the SSBN recapitalization.

#### COMMON HULL FORMS

Mr. VISCLOSKY. As far as cost containment in your discussion about the common hull form, why is it not a requirement to consider a common hull form and alternative analysis if you are talking about the hospital ship and combat ship program? That is something the Navy is looking at, but it is not a requirement to judge the alternative cost by looking at that common hull to keep your costs under control?

Admiral ROUGHEAD. That is one of the things that I believe is in this plan that we put together, sir. It is a very common hull with a large combatant, the DDG, when we downselect to the LCS common hull. There is nothing in the plan to currently recapitalize the hospital ships. Our auxiliary ships, the T-AKES, that is a constant plan. So our approach has been to drive toward commonality in hulls wherever we can, because I do believe that is the best way that we can minimize costs.

Mr. VISCLOSKY. Do you think on the issue of common hull, that will be a common requirement as far as the alternative analysis?

Admiral ROUGHEAD. I may be misunderstanding the question, sir. My objective is to, whenever possible, to look at and certain applications be done with hulls that we are already building and then deviate from that because I think we can save money by doing that. But we also have mission requirements to consider. And in some cases, that might not be possible. Since I have been CNO, my focus has been on driving to a common hull whenever we can.

Mr. VISCLOSKY. I am reasonably certain that next year that chart is not going to slide to the right.

Admiral ROUGHEAD. I have confidence in the plan that we put forward this time because of the consistency and the stability in

the designs that we have and in the way that we have properly costed the ships. So I have confidence in this plan, sir.

Mr. VISCLOSKY. Thank you, Mr. Chairman. Thank you, Admiral.

#### DDG-51 MAIN REDUCTION GEAR

Mr. DICKS. Thank you. Let me just ask one quick little question at this point. Mr. Secretary, the committee understands there is currently no provider for the DDG-51 Main Reduction Gear, which is a central component in the construction of the ship. What are we going to do about it? Is there a plan to do something about this?

Mr. MABUS. Yes, sir. There was a gap in the DDG 51 procurement as you know, and we have recently restarted that line. That is going to require a recapitalization not only of the main supplier, but also some of the subsupplier base to reach out and make sure that happens, but we have been working with the manufacturers, the two shipyards that make the DDG 51s to make sure that the supplier base that they rely on are there and it is one of the things that we looked at in this plan to make sure that we had the industrial base requirements in there to have those very specific skills that you need for things like you mentioned for the DDG 51.

Mr. DICKS. Are you comfortable with the fact we are going to be able to get a main reduction gear?

Mr. MABUS. Yes, sir, I am.

Mr. DICKS. Mr. Lewis.

#### MINE ROLLERS

Mr. LEWIS. Thank you, Mr. Chairman, Mr. Secretary, Admiral, General, welcome. It is a pleasure to be with you. I believe this is for you, General. In your unfunded mandates lists, there is a \$38 million item that relates to the mine roller system. As I understand it, it really is designed as an asset that helps deal with IEDs. Could you update the committee relative to the significance of that system and what happens if we don't fund the unfunded?

General CONWAY. Sir, if we don't fund it, we will be okay. But we have done some discovery learning about that system in Afghanistan since we developed the budget. We have lost 38 of the mine rollers over that period of time. They are very effective at what they do and they blow up sufficiently in front of the Marines that we receive very few casualties. We have a stockage on hand and we will certainly have them in our baseline budget next year. But with the loss and with the value and with the desire to create a robust kind of backup capability, we have put it on the unfunded list.

#### EXPEDITIONARY FIGHTING VEHICLE

Mr. LEWIS. Thank you for that. The Expeditionary Fighting Vehicle is the replacement for the Amphibious Assault Vehicle as I understand it. It has had a troubled past with developmental and reliability problems. Can you update the committee relative to where we are?

General CONWAY. Yes, sir, I can. You are right, sir, we did reliability tests strangely enough on vehicles that were past their service life expectancy a few years ago. I never understood why or how

we did that, but that is where we are. We now have procured seven new vehicles that have the mods, the product improvements on them that we discovered from our reliability testing. They are being produced by the plant out in Ohio for delivery spring through summer of this year. It is our belief, based on some computer testing and some encouragements, that it is going to fare pretty well. The agreement that we have with the Secretary of Defense and with this committee is that we will do the necessary field testing, put them against the KPs that are well established. And if successful, we will ask for a full level of procurement. If not, the Marine Corps will kill the program and look for alternatives.

#### STRIKE FIGHTER SHORTFALL

Mr. LEWIS. Mr. Secretary, sometime ago I had a very interesting series of discussions with a number of leaders in the military about where we were going with tactical aircraft and at the time we were on three avenues leading down three different pathways. I don't want to mention who the Commandant was who talked to me about the fact that we might look at those systems and see where our priorities are. But I am curious about what you all see as the challenges ahead of us. Do we have time to wait for the development of the JSF and indeed presume that between now and then we may well be equipped enough to not have to—or not believe that we are going to be challenged air to air or air to ground until JSF comes along. Help the committee understand just exactly where you think we are currently in the—

Mr. MABUS. I think to echo what the CNO said earlier, that up until this point, Navy and Marine Corps have been managing the tactical air assets that we have very well, doing stuff like bringing aircraft out of our attrition squadrons, speeding up the introduction of the Es and the Fs into the force. We also in this budget—and if you count FY 2010—are buying an additional 124 F-18s, E, Fs and Gs to go into our Fleet. There are ways to manage the aircraft that we have and the aircraft that we are going to get between now and 2013.

As the CNO said, in preparing next year's budget, one of the things we are going to have to look at is service life extension programs for some of our legacy aircraft. How many that will be and what the business case is for doing that will require the rest of this year to answer those questions in terms of the ramp for the JSF, and as we receive it and also the success of the service life assessment programs that are currently going on now. But at this point, we understand what the situation is. We are using the tools that we have and we feel that we can successfully manage this as the JSF comes on line.

Mr. LEWIS. Well, thank you with that, Admiral. I am very concerned that this entire panel have the sense there is going to be huge pressure developing out there in terms of your budget futures. There is not any doubt that the call for money all across the board is increasing at levels that are disconcerting to those who care about our national strength and national security. I would hope that you would help us. You can't very well do it with what is available before you at this point in time. But I would hope that there is a level of communication that has you understand that this

committee stands very strongly behind making sure those dollars flow in an effective way. But don't kid yourself, there is going to be lots of pressure to put your money somewhere else. But thanks for being here. Thank you, Mr. Chairman.

Mr. DICKS. Mr. Moran.

#### EXPEDITIONARY FIGHTING VEHICLE

Mr. MORAN. Thanks very much, Mr. Chairman. Let me ask General Conway about the Expeditionary Fighting Vehicle (EFV) because some of the numbers are troubling. The GAO has informed us the total estimated research and development costs jumped from \$1.5 billion to \$3.6 billion and the average unit cost rose from \$8 million to \$23 million. It is one of the only programs that Secretary Gates hasn't gone after because he has gone after other programs that he felt while they were superb programs they just weren't coming in on time and on budget and we had limited money.

This budget submission shows that the Marine Corps made the decision in coordination with the Navy to slide procurement of the EFVs for one year. And since its inception, the major program review cut the number of EFVs to be purchased from over a thousand to just over 500, 573. And now we understand it may go to below 500. And, of course, that has a profound impact on the unit cost. The total original cost estimate for the program was \$7 billion it is now \$16 billion, more than twice as much. The program spent \$3 billion, not including the current request for an additional 250. It is a breach of the Nunn-McCurdy limits. Now, I am sure you are aware of those facts. Do you want to address them for the record? And particularly as the significance or the importance of the EFV in the combat situation we are in now?

General CONWAY. Yes, sir. Sir, the only figure I think that you cited there that is new to me is the \$23 million unit cost. We are projecting down in a range about 16. I hope it doesn't get to 23. But in any event, that is the only new fact that I think you referenced. Sir, we see the program as being absolutely essential to our ability to do what the Nation asks us to do and that is ensure access in an anti-access environment. There is a lot of blue on that map of the arc of instability and our Nation has been fortunate the last couple of fights we have been in there has been a nation next door that allowed us to build the iron mountain, amass the forces across the border.

We don't think that is always going to be the case. In an anti-access environment, the Navy doctrine—and I certainly support it—is that they won't go closer than about 25 miles to another nation's shoreline for the risk that is involved to ship, Sailors and Marines. So we have to bridge that distance and that gap. And our current vehicle, which is a good vehicle, a good armored personnel carrier as well as good amphib, only goes 5 to 6 miles in the water. So that makes it, I think, not viable really in that kind of environment. When we breached Nunn-McCurdy, Secretary Mabus' predecessor, and I looked at options within industry to see if there was someplace else we could go for a different type of vehicle or something that could better define the requirement.

And because it is on the leading edge of technology, an armored personnel carrier that goes 25 miles an hour, there was just nobody

else that could do it. So we continue, sir, with what we have got. We hope and work hard and pray that the problems have been fixed and that we can keep the costs tamped down. We will buy the minimum number of vehicles necessary to get the job done based upon the mission that the nation gives us and see what falls out of it all.

Mr. MORAN. I understand, General. And I don't want to be argumentative here, but I do think we ought to get this on the record. Secretary Gates was at least implicitly critical of the program and suggested in a recent news conference—well, it must have been last year—that the EFV had not learned that combat lessons such that need to be learned such as the need for a V shaped bottom. Do you want to address that?

General CONWAY. Yes, sir, briefly. Sir, the Secretary made similar comments about the entirety of the amphibious fleet, but case studies during the QDR showed that in fact amphibious ships and what they offer are of tremendous value to the Department. And so I think that is at least in part in his decision to continue with where we are on the EFV and amphibs at large. So we go from there. We have had a blast test, I might add, very recently compared against a midgrade MRAP that showed the vehicle much more sustainable even with a flat bottom than I think we anticipated. So there is a bit of good news already with the development of these additional seven vehicles.

Mr. MORAN. I understand further developmental work is being—

Mr. DICKS. Would you yield just for a second?

Mr. MORAN. Yes.

Mr. DICKS. Mr. Secretary, we would like to hear from you on this, too. What is your perspective here?

Mr. MABUS. As the Commandant said, we have had some encouraging news in terms of the blast survivability, even before you put the applique armor on there. But as I said in my opening statement, if programs don't perform the way they should and if they—the budget ramp is too steep and the performance is not up to par, we, the Department of the Navy, the Department of the Marine Corps, will not hesitate to kill it and seek an alternative.

Mr. DICKS. You are just getting seven new vehicles, right?

Mr. MABUS. We have—

Mr. DICKS. This is going to be kind of a key moment, right, to test these out, to see if improvements are made and then you are going to have a moment of truth where you decide whether you go forward or not? Is that—

General CONWAY. Absolutely, correct, Mr. Chairman. There are five KPs that will determine that for us that will be I think engaged over the next 18 months or so. And if it does not pass those KPs successfully, then we don't have the vehicle that we need. If it does, if they do, then we would again argue for full procurement.

Mr. MORAN. One knowledge point you are going to have to get through is the staff's estimate is \$23 million per unit, but we need to work that out because normally we defer to staff.

Mr. DICKS. In my notes here, it is \$7.1 to \$16 billion, cost of the total program.

Mr. MORAN. Yeah, the total program. But it is \$23 million per.

Mr. DICKS. Okay. I got you.

V-22 MEDEVAC VARIANT

Mr. MORAN. And the General was saying that is not accurate. So we will get after it, the numbers. You have got the same numbers I do, yeah. General, a question about the Osprey. Given that the Marines typically operate at long distance from medical facilities, do you think that a MedEvac variant of the V-22 would be a worthwhile effort?

General CONWAY. Sir, I do. I think that what we are discovering with the capability of that airplane to really consolidate the battlefield, make great distances much closer, I would encourage consideration on part of those that have that mission for the long haul. We are certainly using it today to ferry patients from Helmand to Bagram with regard to the medical regulation procedures within theater and it is very effective for that.

Mr. MORAN. Okay. Good. I will let the chairman move onto the next series of questions. I do want to say it is nice to see Secretary Mabus in that position. I didn't have the heart to throw you any hardballs, so I didn't. But nice to have all three of you here. Thank you.

Mr. MABUS. I thank you on several levels, sir.

Mr. MORAN. Thank you, Mr. Chairman.

Mr. DICKS. Mr. Tiahrt.

PERSONNEL TRANSPORT IN THEATER

Mr. TIAHRT. Thank you, Mr. Chairman. Thank you all for your service to the country. It means a lot to us and we don't say it enough. I want to bring to the committee's attention, 2 of the 11 unfunded projects in the Marine Corps budget and ask you about them, General. The first one is the UC-12W extended range Hawker Beechcraft King Air 350ER. And the second one is the UC-35 extended range Cessna sovereign. Could you please tell the committee the military value and the requirements for the two programs?

General CONWAY. Sir, those are what we call OSA aircraft. And frankly, if I were to categorize all of our listings on the UPL, they would be at the bottom of the list. That said, what we find is that our commanders, our staffs, our Marines who need transportation around theater, especially in the Pacific, find that the aircraft that we are using today just do not have the legs to get the numbers of people that we need to the locations where they need to go.

So it is not something that I would suggest to this committee that you provide in lieu of those budget items that we have in the fiscal year 2011 budget. We will look after it next year in the baseline and it will compete and we will see if they come to pass. And as we asked our commanders for things that they thought ought to be included on that UPL, this was one that came forward from our Pacific Command.

Mr. TIAHRT. I appreciate it. Mr. Chairman, that is all I have.

Mr. DICKS. Ms. Kaptur.

## THREAT NAVAL FORCES

Ms. KAPTUR. Thank you, Mr. Chairman. Thank you for your service to our country. And my first question has to do, Secretary Mabus or Admiral Roughead, that as you look at the other navies in the world, and you think about how we compare, I know we are the best, but could you talk a little bit about comparative advantage and how you really see our Navy position versus other countries' navies and how you would rank them?

Mr. MABUS. Well, to answer the last part of that question first, I would rank us number one with a bullet and I think we are unsurpassed in—

Ms. KAPTUR. Who is number 2?

Mr. MABUS. I am not sure who number 2 is frankly. The CNO may have a better—there is a number of countries that have embarked on naval building capacity, Russia, China, India, Japan. I may be missing someone here, Korea, who all have varying capabilities. But the one thing that most of them have in common is they are building regional fleets, fleets for their home waters or waters within their geographical vicinity. We have a Global Fleet which I think we have to maintain with the capabilities that that Global Fleet gives us. Some of the new missions that we have been given include ballistic missile defense, which we believe the AEGIS system that we have today is the best ballistic missile defense system that America has or that the world has and that this is a capability that we believe we can shoulder as a fleet and still do the other jobs that we have.

Ms. KAPTUR. Well, Mr. Secretary and Admiral Roughead, if you could send me an article or review of how you look at the world from your perspective as Navy, I would really appreciate it. And if you want to count the number of ships, the type of vessel, the type of capabilities, I am very interested in Russia, very interested in east Asia and just relative comparison. You must have a grid in your own minds that only you have based on your years of experience, but I am interested in understanding some of that myself. So I appreciate it very much. I have to say I am very impressed with your testimony and the fact that all of you gentlemen have referenced the importance of energy and U.S. security and you are making real efforts inside Navy, inside Marine Corps to help pull our country forward.

## FUEL EFFICIENCIES AND SAVINGS

In addition to what you submitted for the record, I would be very interested in how what you say generally is reflected in either savings in your budgets or projections for savings both on base as well as procurement of various fuels. Are you at a point where you can definitively say that based on what you have done today, you are actually saving dollars that you can move to other operations now or are you not that far along? I am looking for some measure of what your goals are.

Mr. MABUS. I can. We are there in some programs. I will give you two quick examples. We have a noncombat fleet of vehicles of about 50,000. Those vehicles turn over about every 5 years. The fleet does. We have changed the type of vehicles we are buying. We

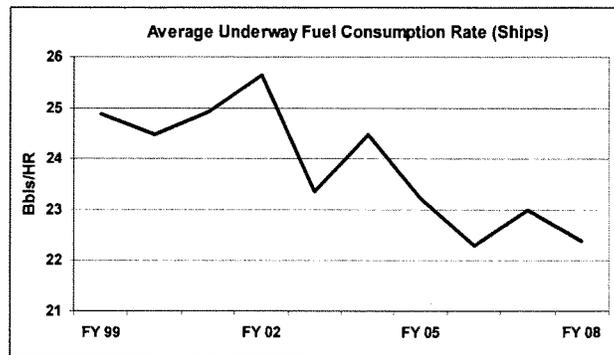
are buying more hybrid vehicles, more electric vehicles, more vehicles that use alternative fuels. The return on investment is very short on those. Most of that we will begin saving within a year or two for that program. A second thing that we can show savings on today is we launched our first hybrid amphibious ship as two different drives, a diesel drive for higher speeds and an electric drive for speeds under 10 knots or so. It was built in Mississippi and went around South America on its maiden voyage to its home port in San Diego. We saved about \$2 million in fuel costs doing that. Over the lifetime of that ship, we expect that today's fuel prices will save about \$250 million in fuel for that one ship. We are prototyping an electric engine to go in our DDGs and we have asked for money for that prototype in this budget so that we can retrofit the DDGs with the same system.

Ms. KAPTUR. All right. Any additional detail you can provide how you are thinking about the construct of all of that, how much you have saved to date, how much you expect to save. I read the overall goals, but as the appropriations committee, we are interested in dollars. So any way that would be better presented would be most appreciated.

[The information follows:]

Energy efficiency gains have been made both afloat and ashore.

Afloat, the Incentivized Energy Conservation (i-ENCON) program supports efficient shipboard operations by comparing ship burn rates to previous year class averages. Ships that underburn receive cash awards. In FY 2009, the program tracked a net underburn of more than 250,000 barrels. However, the i-ENCON program advises that these cost avoidance results are not suitable for budgetary decisions. Programming decisions are made based on class average burn rates which have trended down since FY 1999 due to a combination of force structure changes, shipboard technology upgrades, and efficient operating procedures. Therefore, future fuel requirements are consistently adjusted to account for actual fuel savings achieved through energy efficiency investment and changes in operational practices.

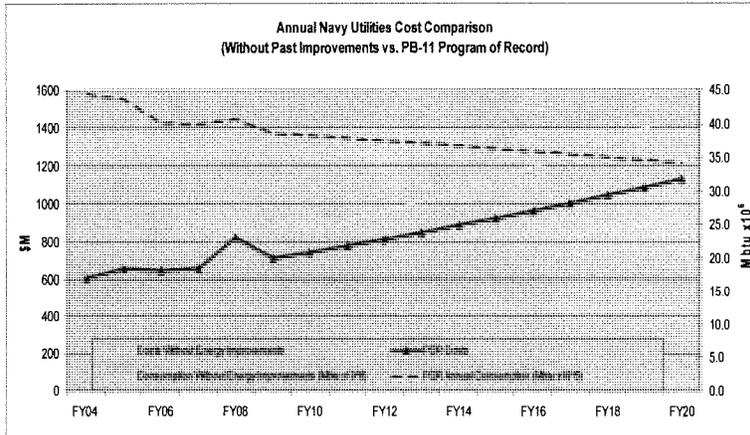


In addition, aviation training simulators enable energy conservation while enhancing training and readiness. Simulator hours have increased since 2003. The training syllabus at CNATRA, of

which 37% can be completed in simulators, enabled fuel cost avoidance of \$45 million in FY 2008.

The Department of Navy is investing in further technology upgrades and examining operating procedures to ensure greater energy efficiency in the future. Some of these investments are “quick wins” with short payback periods, while others are long-term investments in potential “game-changers.” However, budgets for FY 2012-17 must be finalized before accurate estimates of future cost avoidance can be made. Finally, the Department is pursuing an aggressive testing and certification program for alternative fuels that may provide a hedge against the price volatility of petroleum markets in the future; however, at present these fuels are not produced at a cost or quantity that would enable cost avoidance.

Ashore, energy consumption reductions due to efficiency gains and energy commodity price fluctuations are both built into our Utility cost model. Historically, energy commodity price increases have consistently outpaced inflation and our energy efficiency gains. As such, the Navy’s total energy costs have increased annually, though they have increased at a much slower rate than without the energy efficiency gains. Thus these are avoided costs, not cost savings dollars which could be taken and used for other programs. Based on the PB-11 program, the Navy Shore is projecting \$2.7 billion in cumulative Utility Cost Avoidance from 2004 through 2020.



In addition, we have leveraged third-party energy financing vehicles to use non-government funds to cover the large capital expenditures necessary to construct energy efficiency projects on our bases. These corporate capital expenditures are then “paid back” directly from the reduction in annual energy costs seen locally at a given base. Thus, while the Department of Navy becomes more efficient as a whole (and moves closer to legal compliance), the annual cash savings (the ROI) of those efficiencies goes to offset third-party investments.

The Department is diligently pursuing both policy and technological advances to increase energy efficiency. These efforts will provide greater energy security for Naval forces ashore and afloat.

Ms. KAPTUR. I am wondering if for the record you could provide an answer to this, the Obama administration has proposed overturning the don't-ask, don't-tell policy at the Department of Defense. I am wondering if you could comment on the advantages and disadvantages was that in those under your command if that has not been provided in other forms. I would just be interested.

[The information follows:]

The Department of the Navy is participating in the Department of Defense Comprehensive Review Group to assess the implications of a repeal of 10 U.S.C. § 654, should that occur, and develop an implementation plan for any new statutory mandate.

The Comprehensive Review Working Group will identify the impacts to the force of a repeal of 10 U.S.C. §54 in areas that include military readiness, military effectiveness, unit cohesion, recruiting/retention, and family readiness, and recommend actions that should be taken in light of such impacts in a report of its findings by December 1, 2010.

#### LEASING OF FOREIGN-BUILT SHIPS

Ms. KAPTUR. And finally, could I ask you in terms of the leasing of foreign-built ships, what is the Navy's plan—first of all, how many foreign-built ships are you leasing? Is the trend going down and do you envision a time when maybe we will be able to wean itself away from leasing any foreign-built ships?

Admiral ROUGHEAD. Yes, ma'am. Last year you asked about this. We had 14 ships on lease. Where this year we have 12 ships on lease and we are moving toward 10 and we are coming down. The challenge does however remain that when we need a particular capability and we go to lease on occasion that is the only thing that is out there. But we are coming down on the path that we projected last year when we testified.

Ms. KAPTUR. Thank you. Thank you, Mr. Chairman.

Mr. DICKS. Ms. Granger.

#### JOINT STRIKEFIGHTER UPDATE

Ms. GRANGER. Yes, Mr. Secretary. Sorry. In January, Secretary Gates announced a restructuring of the Joint Strike Fighter program. They say there are no insurmountable problems, not technical or otherwise. I would like your assessment of the measures that have been taken. I know that we met the last time at Lockheed Martin looking at the Joint Strike Fighter. I want to know if you think that those measures that have been taken are sufficient for success and I would like the comments also, General Conway, you said that was some encouraging news if you have any comments or Admiral Roughead either.

Mr. MABUS. Yes, ma'am. The measures that have been taken at the Department of Defense-wide level, evening out the ramp of production, moving back for 13 months the developmental testing, putting more aircraft in the test program and reducing the number of aircraft early in the ramp, I believe will have the effect of getting this program on the way that it should be to get us the aircraft that we need. Also by withholding some award fees from the contractor and giving them an incentive to beat these deadlines, giving an incentive to beat the price that is out there I think will also be very helpful. As General Conway said, we already have three test

aircraft at Pax River of the STOVL version. They are performing very well. They are close to vertical takeoff flight.

And the Marine Corps is still on its way to an IOC of late fiscal year 2012. And in terms of receiving aircraft, we are still looking to begin receiving aircraft for the Marine Corps in 2012 and for the Navy in 2014. Given all of that, we think that the program and given the need for the JSF on the decks of our carriers, our amphibs and with the Marines in theater, we think that the program will be—is now on track to be successful in the terms that have been set forth.

General CONWAY. Ma'am, to your question, based on the restructuring we did see the loss of 28 aircraft over the 5 years of the defense plan. But I think the good news in that is that we don't think that is a definite loss. We think we will get those airplanes back later on when we are into the full procurement cycles. The CNO answered the question on alternate engines. Our perspective is that we do not want to see the alternate engine because it could cost us tails. It is a competition there between the aircraft we think we need or an alternate engine to put in the aircraft that we would have and we would rather have a larger number of tails than a second engine.

Admiral ROUGHEAD. Ma'am, I would say the focus on getting more airplanes into the test program is going to be extraordinarily helpful, and of course, in the case of the Navy is we are the third service in line. We are going to benefit from all of the testing that has been going on. Our focus is still on making our first deployment in 2016 with our first JSF squadron. So I think the adjustments that have been made will enhance the probability of success of that outcome.

#### STEALTH AIRCRAFT

Ms. GRANGER. Thank you. This is for Admiral Roughead and General Conway. I know this is an open hearing, but could you discuss the recent developments in 5th generation fighter aircraft and advanced air defense systems in countries like Russia and China and how do these developments in these countries, including their sales in advance equipment shape the fighter force we need in 2020 and beyond and how does the F-35 measure up to what they have?

General CONWAY. We certainly can't talk about the last aspect of that question in an open hearing, ma'am. But I will say that those developments I think put an emphasis point on the value of the 5th generation fighter, certainly to the Marine Corps.

Admiral ROUGHEAD. And clearly, ma'am, the trend in fighters is towards stealth and towards the types of capabilities that are not unlike what we are putting into the Joint Strike Fighter. I am a little biased. I would say that the Joint Strike Fighter still keeps us in the dominant position.

Ms. GRANGER. It is an okay bias to have.

Admiral ROUGHEAD. I couldn't agree more.

#### LITTORAL COMBAT SHIP

Ms. GRANGER. Mr. Secretary, just one more question. You know that Fort Worth is extremely excited about the USS FORT WORTH. And I would like to know if you could tell us something

about what the timeline be to decide who will host the commissioning for the USS. FORT WORTH?

Mr. MABUS. We have a little bit of time as you know. I think sometime in the middle of 2012 is when that commissioning would occur and we will work with the commissioning committee and with its most excellent sponsor.

Ms. GRANGER. Thank you very much.

Mr. MABUS. To come up with an appropriate commissioning place and time.

Ms. GRANGER. Thank you very much.

Mr. DICKS. Mr. Hinchey.

#### PRESIDENTIAL HELICOPTER

Mr. HINCHEY. Thank you, Mr. Chairman. Gentlemen, nice to be with you again. Thank you very much. I wanted to just talk a little bit about the presidential helicopter. We know it is a sad situation now. VH-71 is something that we tried to work on here. And to restructure the VH-71 and the purpose of that was to bring about something that was more effective and save money that should have been saved. My understanding is that now as a result of a loss of that particular program, there is a loss of about \$4 billion and a substantial amount of other issues that need to be dealt with.

The existing presidential helicopter system was designed back in the 1950s and manufactured in the 1970s. So it is really starting to tire out. So I am just wondering what is likely to take place? What do you think we are going to be doing? And what would you be recommending to deal with this program over the course of this year into next?

Mr. MABUS. There are two specific answers to your question. One is that we are very early into analysis of alternatives on how to go with the program. The Navy working with OSD and with the White House in terms of needs are looking—beginning to look at alternatives as to what happens to the program. In terms of the presidential helicopters that are now flying, obviously the main concern is to keep those effective, flying safe, everything that you would expect in that helicopter. We have funds in this budget request and over the next 5 years to make sure that the current fleet of what presidential helicopters continues to do the job they were meant to do.

Mr. HINCHEY. What does that mean, you are starting from scratch with a new program?

Mr. MABUS. They are looking at all alternatives in the analysis.

Mr. HINCHEY. No decisions have been made so far?

Mr. MABUS. No, sir.

Mr. HINCHEY. So this thing is still in the air, I would assume?

Mr. MABUS. I am not sure you can put it that way. But okay.

Mr. HINCHEY. There is still a possibility that—or is there a possibility that the VH-71 might still be bought back? That would be the sensible cost saving and most effective thing to do. I think one of the issues at hand now, for example, is that there is in the redesign of the upcoming presidential helicopter, there would be a removal of one of the important parts of the program internally within the helicopter.

Apparently like a rest station. Take that out of the helicopter. Not that people would be engaging in a lot of rest there. I don't mean that. So what is likely to happen? Do you think? Do you have any idea? Or is the whole thing just so tentative now that nobody knows?

Mr. MABUS. Well, I think it is fair to say that the whole thing is so early in the look at what those alternatives are that no decisions have been made on what is on the table or what is off the table.

Mr. HINCHEY. Okay. I know it is an awkward situation.

Mr. DICKS. Would the gentleman yield for just a second? What time frame are we talking about now since we have cancelled this program and Mr. Hinchey feels very strongly that was a mistake. What time frame are we talking about? You said the next 5 years, the existing helicopters, we have got funding to make sure they are as safe as possible which obviously we all support. But what—how long is this going to take if we go—once you do your analysis of alternatives, to get back into development?

Mr. MABUS. Well, first I think the analysis of alternatives is going to take a better part of this year to look at. I think that is, in fact, maybe on the short side. It is going to take a while to look at what alternatives are available, how much they will cost, what they will require to produce. Before that analysis of alternatives, I cannot give you an answer on how long it will be. What I can tell you is that we have put in the budget the funds, as you just pointed out, to keep the current helicopter fleet viable, safe, effective until we know from that—what alternative is picked how long it will be before the new helicopter comes into service.

Mr. DICKS. Mr. Hinchey.

Mr. HINCHEY. Thank you, Mr. Chairman. So I guess we will just—well, what I would like to do is continue to work with you and stay close to you and just so we have an understanding of what the situation is going to be like and what the outcome is going to be. It is something that I have taken a great deal of interest in and as a result of taking a great deal of interest in it, I understand the situation very clearly. And I know that something has got to be done here it has to be done effectively and it has to be done as soon as possible.

So I would like to continue to stay close to you and see what we can do about getting this problem solved. As soon as we can and as effectively as we can.

Mr. MABUS. Look forward to that.

#### ALTERNATIVE ENERGY

Mr. HINCHEY. I just have another question to ask about it is the energy situation. Our military is the largest energy consumer on this planet. And the situation is specifically something that really needs to be addressed. You know how much it needs to be addressed in terms of costs, in terms of availability, all of those things. So I know that there is some issue, some interest rather on the issue of generating alternative energy—

Mr. DICKS. If I could just interrupt. They have addressed this issue in some detail. If you want to go ahead and ask it again, go right ahead.

Mr. HINCHEY. Well, you addressed it in some detail. That means that the record here shows that you have a plan to deal with the energy issue? You are going to be focusing on alternative energy, solar energy particularly. And you are anticipating how soon, how much will become available?

Mr. MABUS. If I could, Mr. Chairman.

Mr. DICKS. 50 percent, wasn't that your—

Mr. MABUS. It is the goal of the Navy, Department of the Navy to, by 2020, have half its energy needs met by nonfossil fuels. That includes ashore and afloat. And ashore, the goal is to have at least half of our bases be energy neutral in terms of producing at least as much energy as we use.

The final thing I will say is that today we have a very small solar capacity, 5 megawatts. We have now signed contracts for an additional 60 megawatts. When you put that together, that is enough to power about 41,000 homes. We are driving toward enough solar power, not counting other forms of alternative energy, in the 10-year period to power about 250,000 homes.

Mr. HINCHEY. Well, thanks very much.

Mr. DICKS. Mr. Rogers.

#### V-22 EMPLOYMENT

Mr. ROGERS. Thank you, Mr. Chairman. General Conway, you were asked about the Osprey earlier. You are asking for another 30 aircraft to go with the last 2 years' similar numbers for about \$2.5 billion annually. How is the Osprey being used overseas?

General CONWAY. Sir, those 30 are part of a multiyear that will close out in another fiscal year or two. But the answer I would have to say is very well. We have deployed it to Iraq three times. We have put it aboard ship, the amphibians, to see what lessons we could pull down from that and now we have a squadron in Afghanistan.

Interestingly, I just spoke to my commander in Afghanistan this morning on some other issues, but we discussed Osprey. He has fallen in love with the airplane. And the principal reason, in addition to its range and speed and carrying capacity, buildup capacity in some of the attacks that he has conducted there, is the ability to land at night in complete brownout conditions. That aircraft will simply lower itself to the deck. It has got lasers that identify four different points on the ground and pilots have complete confidence in a complete brownout condition at night to set it down with Marines and then take off under those same conditions. So that is something that no other helicopter can do today.

Mr. ROGERS. What are you using it for there?

General CONWAY. Sir, the full gamut of use. It is primarily—it is a medium assault lift helicopter. And we have used it in that context now in two major operations, one at Now Zad and the other one now in Marja. But it also transports troops and supplies around the battlefield. It inserts and extracts reconnaissance teams.

I mentioned earlier we are using it for casualty evacuation. Not a primary MedEvac role, but any time that the aircraft is overflying and takes a call for a casualty, it swoops down, picks them up and gets them to care very rapidly. We transfer patients within

the theater. We use it to transfer VIP delegations. The commander told me he just went to Kabul and back this morning on an Osprey.

It is a multi-use airplane that is doing everything we ask it to do.

Mr. ROGERS. Given the long distance generally of Marines from medical facilities, it is about the only kind of vehicle you have that would get evacuations long distance, is it not? From the battlefield to the medical—

General CONWAY. Yes, sir. C-130s can serve that role, sir, but you have to take the casualties too, the C-130s, as opposed to perhaps landing in a zone very nearby and plucking them off the battlefield.

Mr. ROGERS. I understand about a dozen Ospreys went to Haiti. Tell us about that.

General CONWAY. That is correct. Sir, once again they were performing the whole gamut of drill, primarily ship to shore kind of movement of supplies and delivery of Marines, equipment and supplies ashore. There was also evacuation of patients out to the amphib ships and their dispensaries. So the traditional things that you would expect when you see a Marine Expeditionary Unit with its air combat element on board.

Mr. ROGERS. That is the first time it has been used for humanitarian relief?

General CONWAY. Yes, sir, I think it is. In fact I am sure it is.

Mr. ROGERS. Have you had any accidents anywhere with the aircraft?

General CONWAY. No, sir. We have not. Since we declared operational capacity and put it into the fight in a relatively early phase of its full operational capacity, it has been shot at. It hasn't been hit and it has been doing again all we have asked it to do. We have put, by the way, guns on—I think 5 of the 12 in theater have guns now. So it can either do self-escort or even some zone prep, certainly self-defense. So we are expanding on the capacity of the aircraft as we go. We need a good weather radar that we do not have to date because it flies a long distance and it encounters different types of weather.

Mr. ROGERS. So you are pleased obviously with the aircraft?

General CONWAY. Sir, we are. I can't say anything otherwise.

#### P-3 WING REPAIR CONTRACTS

Mr. ROGERS. Let me ask you quickly also about the P-8 Poseidon and the P-3 Orion. We provided over \$300 million to the Navy for wing repairs, Admiral, to the P-3 to keep them flying until you get the P-8s, and we have been told from DOD that several contracts for new wing assemblies were awarded in the August 2008 time frame but not yet definitized. When can we expect that?

Admiral ROUGHEAD. Sir, we have been inducting the P-3s into the rewinging process and that procedure is going very, very well. But I will look at the specifics, at the numbers that you are talking about. But we are moving out smartly on that because we need that capability. It is in great demand and we have a good flow going with those P-3s right now. But I will get the particulars.

[The information follows:]

Naval Air Systems Command (NAVAIR) expects the two undefinitized contract actions (UCAs) to enter formal negotiations in third quarter FY 2010 and be definitized not later than fourth quarter FY 2010. NAVAIR issued the two UCAs, one each to Lockheed Martin and L3 Communications, in order to expedite the manufacturing of new outer wing assemblies (OWA) and return aircraft to the Fleet as quickly as possible. The current definitization status does not impact Fleet availability.

Mr. DICKS. Will the gentleman yield? The Navy is in much better position on these undefinitized contracts than the Air Force. The Air Force is way behind. But there is a 180-day rule. You are suppose to definitize these things within 180 days. That clearly is not happening here on the issue that was brought up. And obviously I think this P-8A aircraft is doing very well. In fact, I have been out there and seen it myself, and it is doing very well. And the P-3 rewinging is very important. But we are hoping that we can work with each of the services to try to not let this—there is a tendency to well, you get in and you use these undefinitized contracts and it kind of drifts along. And that is going to be part of our oversight responsibility, Mr. Secretary, to make sure we get these things definitized within the rules and within the statutory requirements.

Mr. Rogers.

#### P-8A POSEIDON

Mr. ROGERS. So where are we with the P-8A?

Admiral ROUGHEAD. We are moving along well with the P-8A, sir. We have been flying the airplane. We have another airframe that has been stress tested. So we are moving forward with the P-8A. It is a good program. And we have a good profile in this budget. I don't anticipate any issues with the P-8 and, similar to the chairman, I have been out to Boeing and have looked at the airplane and I am very encouraged by what I see.

Mr. ROGERS. What is the timetable for replacing the P-3?

Admiral ROUGHEAD. The timetable will actually have some overlap and particularly since we have rewinged some of the P-3s there will be some overlap. But we expect to see the P-8 in service in squadrons in 2012.

Mr. ROGERS. But the P-3s will still be flying until you get the full complement of P-8s.

Admiral ROUGHEAD. Yes, sir. They will continue to fly. And, of course, our EP-3s will continue to fly until 2024.

Mr. ROGERS. Will you need more money for the rewinging?

Admiral ROUGHEAD. At present time, sir, we have a good program in place for the rewinging.

Mr. ROGERS. Now you are going to acquire, as I understand, 117 aircraft?

Admiral ROUGHEAD. You are referring to the P-8, sir?

Mr. ROGERS. Yes.

Admiral ROUGHEAD. 117, sir?

Mr. MABUS. 117 in total, but 69 over the course of the FYDP.

Mr. ROGERS. I am sorry?

Mr. MABUS. 117 total in the program, but 69 over the next 5 years.

Mr. ROGERS. Gotcha. Well, you will consider that program as a multiyear procurement, will you not, upon completion of the testing?

Admiral ROUGHEAD. Yes, sir. Our objective is whenever we can obtain a multiyear that delivers the types of savings that make a difference. That is what we are interested in.

Mr. ROGERS. Thank you, gentlemen, Mr. Chairman.

#### DEPOT MAINTENANCE

Mr. DICKS. Admiral Roughead, you and I talked about depot maintenance the other day. And I am interested to know, I see here in the budget that in 2009 it was \$7.8 billion and then dropped in 2010 to \$6.4 billion. Now it is back up to \$7.05 billion. And as I understand, this is supposed to be 99 percent of the ship maintenance in 2011? Is that your understanding?

Admiral ROUGHEAD. Yes, sir. What we have done is we have significantly increased our operation and maintenance funding request to address the usage on the Fleet and the required maintenance that we need to get the Fleet to its extended service life, or estimated service life. That is why you are seeing the increase that you have seen in there. If you look at where we are with the unfunded maintenance that was in my unfunded program, we have significantly closed down on our ability to invest in what I call the cost to own the Navy. So we have made those increases and that does get us to 99 percent of what we need.

Mr. DICKS. Just like in my area, out in the Puget Sound area, we have some, like Todd's Shipyard, some private companies that do help do maintenance for the Navy. But it is very, very kind of up and down. And I just hope that the Navy will look at—we have our mainly public shipyards, do great work as far as I am concerned. But also there are these other companies that do provide help and service to the Navy and I am just worried that we try to protect that industrial base as best we can and by being sensitive to the fact that some of this work, especially on surface ships, can be done in private yards as well.

Admiral ROUGHEAD. Absolutely, sir, and they do great work. And that is what we are trying to do here because this is our reset. We are not like the ground force that comes back and renews. We have to be able to make investments like this. We have to be able to maintain ships in such a way, whether it is public or private. We have to be able to get the ships in there, get them to the end of the life, and the other thing that happens when we don't properly invest in the operation and maintenance accounts, the Sailors will pick it up and when they are home off of deployment, when they should be with their families and enjoying the opportunity to be with them, to train, to refresh, oftentimes we put the work on their back.

Mr. DICKS. You have to go back on the ship to do——

Admiral ROUGHEAD. To do things that otherwise would be done by a contractor or by a public shipyard. This not only keeps the Fleet ready, but it also allows our Sailors to have a reasonable life when they are back home.

Mr. DICKS. Mr. Lewis.

#### OPERATION AND MAINTENANCE FUNDING

Mr. LEWIS. On that point, you are taking us directly to the last question area I had dealing with O&M. When we start massaging

your budgets, there is a tendency for the committee often to look at the pool that might be available, O&M is often that pool. So would you share with us a little more of the condition of your O&M accounts for 2010 and maybe take us to the unfunded accounts again for 2011?

Admiral ROUGHEAD. Yes, sir. What we did was to bring our maintenance accounts up to where I believe they need to be. And when I was asked for my unfunded program list, there were only a couple of things in there. One was ship maintenance, aviation maintenance, and aircraft spares. In order to close that gap up. I mean, I could get an acceptable level of risk, but by taking the account to where it needed to be and then the underfunded just closed the gap. And the only thing that is in the unfunded list is about 9 ship availabilities and about 100 airplane depot repairs. So we have really closed the gap down. And as you said, sir, oftentimes that fund is used for other things. But it is so important for our readiness, for our training, for the life of the Fleet and actually the welfare of our men and women that serve at sea.

So we believe that we have got it right this time and my commitment is that I am going to do everything I can to properly fund that O&M account.

General CONWAY. Sir, if I may. Our O&M is about 22 percent of budget. As you can imagine, it has got to do the training and preparation and the deployment of Marines to theater. But I would like to speak on behalf of the Navy's O&M because it affects us, too. And say for the last 2 years, we have seen a reduction in sailing time and, perhaps as importantly, in aircraft hours. That in many ways degrades our capacity to train for what we have to do. I do think the CNO has recognized that. He has got it right this year. And I certainly would like to be on record in support of his O&M cost.

Mr. LEWIS. Mr. Chairman, I think it is very important that you help us continue on this pathway. It is one of the better developments I have heard.

#### MARINE CORPS RESET

Mr. DICKS. I completely agree. Let me ask. General, you mentioned in your statement that there is a necessity to buy additional supplies, equipment that I think, as you said, had been promised but has not yet been fully fulfilled. Would you describe that situation for us?

General CONWAY. Sir, what we have seen over the years is initially I think Congress was very aware of the requirement and is as concerned about it as we are. And not that there is a lack of concern, but there has been a slippage. We were staying within about 75 percent of the requirement. And now as we examine it, we are at about 50 percent of the requirement that we are able to reset or reconstitute in stride. There has been a thought process that when we are done in Iraq and now Afghanistan, that there would be monies forthcoming for a 2- or 3-year period and that would be when both the Marine Corps and the Army both got healthy. My concern is, as was evidenced earlier I think by Representative Lewis, is that the Nation has other requirements that

we are going to have to face pretty dramatically and that those monies just might not be available. So I would like to try to get—

Mr. DICKS. You are talking here about war reserves?

General CONWAY. Sir, we are talking about day-to-day equipment.

Mr. DICKS. Just regular things you need for—

General CONWAY. Training sets, sir, the ability to respond to a second contingency. Our home stations are at 60 percent equipment availability today. That is the worst we have been now in about a 4- or 5-year period and it concerns me. Again, as I referenced in the opening statement, our MPS stocks are up, the ships are at about 94 percent of supply. We consider that in some ways a national reserve because the Army has not been able to keep pace with that. But we just see the need for us to be able to recock and be ready to go someplace else as soon as possible, and I am just uneasy with the thought process of doing it all after we are out of Afghanistan.

Mr. DICKS. Mr. Secretary, what do you think about that?

Mr. MABUS. Well, as the CNO said, the Navy has to reset in stride, unlike the Marine Corps, unlike the Army. We have got to keep our O&M accounts going, and I think that this budget at 99 percent does the things that the Navy needs to do.

I share the Commandant's concern about Marine reset for a couple of reasons. One is the fight in Iraq and Afghanistan has expanded the table of supply for a Marine unit. We are simply using more and different types of equipment than we were before, and so the definition of reset has not kept up with what equipment the Marines are actually using in theater. And so I think that first the definition of what reset is for the Marines should be expanded somewhat and, second, to the Commandant's point, that we not wait until the end of Afghanistan to begin to reset the Marine Corps.

Mr. DICKS. But I take it that the budget doesn't satisfy this as requested, doesn't satisfy this need?

Mr. MABUS. The budget makes a start on this. It certainly does not do the whole thing, but it makes a start.

Mr. DICKS. We are in a very difficult fiscal mess here. We have to keep—but I want to make sure we know—does this have an adverse effect on training?

General CONWAY. Sir, it is starting to and that is one of the caution flags that my staff and commanders raised with us this year, is that our training sets and the ability to prepare the next rotation is starting to be adversely impacted by some selected end items that simply aren't available to home base and station.

Mr. DICKS. Because I would expect that as they deploy they have everything they need?

General CONWAY. Absolutely.

Mr. DICKS. That is one we have always protected. So that isn't a problem. But it is not having the equipment for the people who are back at home who should be training that you are worried about and having the equipment in case there is another contingency?

General CONWAY. You have got our concerns exactly, sir.

## MRAP VEHICLES

Mr. DICKS. What about the MRAPs or the M-ATV. I understand that you are buying some of the original heavier MRAPs. Could you explain that?

General CONWAY. Sir, we have purchased over 2,000 in the Marine Corps, Cat 1, 2 and 3 MRAPs, and mainly Cat 1s because we were the lighters of the variants, that is what we saw our usage being for the long term with that particular type of vehicle. Now, in Afghanistan we are finding even those vehicles are too large for some of the roads, some of the places where they have to go, bridge classifications and that type of thing. So the Department has developed a new vehicle called the M-ATV, read Afghanistan MRAP, that is in many ways a replacement for the up-armored HMMWV. It is still having its problems in Afghanistan like it had in Iraq, and it is a very dangerous vehicle to be riding around in.

We have tried to minimize our buys because, as I said again in the opening statement, there will come a day when where we will want to shed some of this weight and get back to being expeditionary, and those things won't even fit aboard the CNO's ships in some cases.

We have done some expeditionary types of things. The original MRAPs don't go off road very well. So we have taken our suspension off the 7-ton trucks and put them on our Cat 1s and the troops absolutely love them in Afghanistan where they can go. But we are incorporating some of them into what will be our long-term tables of equipment. But I think a lot of the others will go into supply storage, probably in Barstow, because of the humidity factors involved. And we will use them only in the future if we get into another static environment where the IED is the weapon of choice.

## MARINE CORPS TRAINING

Mr. LEWIS. Mr. Chairman, could I follow through on that? General Conway, I am very concerned about—you probably know that 29 Palms is in my district.

General CONWAY. Yes, sir, I do know that well.

Mr. LEWIS. I am very concerned and I raised this question with General McChrystal and got quite a response, I have not been able to follow up on it. So maybe you can help me follow up on it. The Marine Corps is about to make some decisions relative to the training territory available to them and the Congress is thinking about taking some action, and it concerns me that we may have decisions being made at a local level, at the base, that is looking short term, satisfying short-term training needs and ignoring the prospect of real needs for cross-training between the Army and the Marine Corps, whether in the air or on the ground or otherwise. There is only so much space out there and if we give it away, General, it will never come back.

And so I would urge you to talk to the highest level of people in this training, communicate with the Army as well at the highest level and the Secretary to make certain that we don't give away the store while we are spending time trying to satisfy somebody this week.

General CONWAY. Yes, sir. Okay. Thank you for that.

Mr. LEWIS. We should talk further. Thank you.

CVN-78 COST CAP

Mr. DICKS. Mr. Secretary, the committee understands that you recently approved an increase of approximately \$1.3 billion to the cost cap for the CVN 78. Why was this required?

Mr. MABUS. As you know, Mr. Chairman, the CVN 78 is the lead ship in the class, first ship of the Ford class carriers. Most of this increase was simply inflation, inflation from the time the carrier was begun until today and as we are looking forward in terms of the materiel that we are going to have to buy. Some of it was a smaller amount for changes primarily for safety concerns on the carrier. But the program itself, the total program for this carrier we think is moving along very well. We are still looking to field the carrier on time with the schedule that we have previously set forth.

EMALS

Mr. DICKS. The committee understands that the Electromagnetic Aircraft Launching System, EMALS, has recently experienced a fairly significant incident during land-based testing causing a fair amount of equipment damage. What is the current status of the Electromagnetic Aircraft Launching System? Can you tell us about this incident?

Mr. MABUS. Yes. The incident you described was about 3 months ago. It was an engineering incident. It has been worked through. We are about to restart the testing both in New Jersey, in Lakehurst, and in Mississippi, in Tupelo, for the four EMALS and we are still on schedule to put EMALS on the carrier when it is supposed to be integrated into the carrier. We are close to testing EMALS with a test sled and then an aircraft launch a little while later. But even with this short delay, we are still within the schedule and it is one of those reasons that you test, to see what problems pop up. This one did, but it was one that could be worked through.

SURFACE COMBATANTS

Mr. DICKS. How many DDG 51s are we going to buy? Or do we know?

Mr. MABUS. Over the course of the FYDP, we requested an additional eight.

Mr. DICKS. Okay. And how about the LCS?

Mr. MABUS. Over the course of FYDP, 17.

Mr. DICKS. Any other questions?

Mr. VISCLOSKY. Yes.

Mr. DICKS. Mr. Visclosky.

CVN-78 COST

Mr. VISCLOSKY. Thank you, Mr. Chairman. Getting back to the chairman's question about the increase on the CVN 78, Admiral, we had discussed the shipbuilding program earlier. I assume that cost increase is built into that base looking forward and that would not be an additional cost?

Admiral ROUGHEAD. Yes, sir. That is correct.

Mr. VISCLOSKY. Mr. Secretary, you indicated, as I understand it, that you don't anticipate there would be an additional increase in the cost at this point?

Mr. MABUS. Not at this point. No, sir.

#### LEASING OF FOREIGN-BUILT SHIPS

Mr. VISCLOSKY. Not at this point. On the industrial base, and the chairman alluded to that too, if I could ask about the leasing of foreign ships, as I do every year, I would acknowledge that in 2009 the Navy had 14 leased vessels and in 2002 they had 22. So I would certainly acknowledge that the number has declined.

Mr. DICKS. I think Admiral Roughead described this for Ms. Kaptur. What are we down to, 10?

Admiral ROUGHEAD. We are down to 12 this year and we will have—I am sorry, we are down to 12 this year and we will be down to 10, I expect, in 2014.

Mr. VISCLOSKY. I am sorry. I must have been distracted. My preference is that we not have any foreign leased vessels. I just don't think it makes any sense in this time and place talking about the industrial base, whether they are smaller shipyards, whether they are the six major yards that we have. We are not building ships here because we are leasing ships from somebody else. Not much left to protect. I mean, I am very serious. And on the 313, I hope you understand my intent, I want you to have 313. That is what you need.

Admiral ROUGHEAD. I would like to have more than 313.

Mr. VISCLOSKY. I know. That is how I read your remarks in September. But year after year—

Admiral ROUGHEAD. Yes, sir. But I think as you pointed out, we are on a down slope on the foreign leased ships. But there are on occasion when we are looking for particular capabilities, sometimes that is the only one that is on the market. So we end up—

Ms. KAPTUR. Would the gentleman yield on that one, please? What countries are you leasing them from, Admiral?

Admiral ROUGHEAD. I will have to get back to you on the specific countries.

Ms. KAPTUR. What are we paying them?

Admiral ROUGHEAD. I will have to get back to you on the exact costs.

[The information follows:]

The Navy's Military Sealift Command (MSC) does not lease ships from any foreign country. MSC charters ships from commercial entities to most efficiently respond to military requirements that are immediate, subject to change, or of uncertain duration. MSC currently has contracts to charter 21 vessels for a period of more than 6 months. Eleven of these ships were built outside the U.S., in Australia, Denmark, France, Germany, South Korea, or Turkey. The monthly cost of the leases for these foreign-built ships is approximately \$9.5M. Foreign-built ships chartered by MSC for periods greater than 6 months must be converted to U.S.-flag in U.S. shipyards, be crewed by U.S. citizen mariners, and be in compliance with U.S. Coast Guard requirements.

#### DDG-51 MAIN REDUCTION GEAR

Mr. VISCLOSKY. Mr. Secretary, on the DDG 51, I understand that there is no provider for the main reduction gear?

Mr. DICKS. We talked about this.

Mr. VISCLOSKY. You did, too. I have got to pay attention.

Mr. DICKS. But I am glad you asked the question because it shows you are thinking.

Mr. VISCLOSKY. I wasn't paying attention. I was thinking.

Have you found a vendor? Is there a problem finding the vendor?

Admiral ROUGHEAD. We have requests for proposals out now, sir.

Mr. DICKS. Could you build it in a shipyard? Could you build it in one of our naval shipyards?

Admiral ROUGHEAD. I would say right now probably not.

Mr. DICKS. Probably not.

Admiral ROUGHEAD. Because of the tooling that is required, the skills that are required.

Mr. DICKS. Mr. Hinchey—

Mr. VISCLOSKY. One more question, but I am sure it was asked already.

Mr. DICKS. No, go ahead.

Mr. Hinchey.

#### LEASING OF FOREIGN-BUILT SHIPS

Mr. HINCHEY. Well, I am just fascinated about this issue because I know there is an awful lot of ability to build ships here, and there are a lot of major companies that are interested in shipbuilding and this is one of the declines in the economy, in the industry in this country, in not building ships internally. So I am very encouraged by what you are saying as the number is dropping down, down to 13 now?

Admiral ROUGHEAD. 12, sir.

Mr. HINCHEY. Down to 12 now and you are anticipating that by—

Admiral ROUGHEAD. 2014 we will be down to 10.

Mr. HINCHEY. Is there any tension to lease any more?

Admiral ROUGHEAD. As I mentioned, sir, when we have a requirement for a particular type of ship and we go out on the market to look for it, on occasion sometimes the only ship that fits that bill is the foreign ship.

Mr. HINCHEY. The only one that fits the bill is a foreign ship.

Admiral ROUGHEAD. Sometimes, the only ones that fit.

Mr. HINCHEY. What would that be?

Admiral ROUGHEAD. Simply the design that may be required, the capability that is required.

Mr. HINCHEY. Like what? What would that design be?

Are we talking about military?

Admiral ROUGHEAD. No, sir. We are not talking about military ships. These are ships that are used for commercial purposes, ships that I do not build or that the Navy does not build, but that these are ships that we go out and have some logistics need for or largely with our Military Sealift Command. But these are not Navy ships that we are talking about. All U.S. warships are U.S. made.

And I would like to just for the record, no one builds a warship like the United States does. There are none that equal it.

Mr. HINCHEY. Good. I understand that and that is very true and very good.

Mr. DICKS. Can I ask one quick question right at this point? Admiral Roughead, the Navy has now accepted delivery of five LPD 17 ships. Each one of them had quality issues. How confident are you in the LPD 17 shipbuilders' ability to deliver a quality ship that can satisfy your requirements right out of the box?

Admiral ROUGHEAD. First of all, sir, we have had issues with some design, some quality control and then, particularly in the case of the main engines, we have had some issues there. But the contractor and the Navy technical community are working very well in correcting the problems that we have, and I know that the ship builder is also addressing these quality issues as a matter of priority. So the LPD 17 is a great ship. It has great capability. I think the Commandant would echo that. But we are working to correct these issues and make the design changes where they are required to get the reliability that we need for the ship.

Mr. DICKS. Ms. Kaptur.

#### MARINE CORPS SUICIDES

Ms. KAPTUR. Thank you, Mr. Chairman. I wanted to follow up very briefly in two areas. General Conway, you addressed in your testimony the number of suicides, and my question is did those occur on homeland soil here? Did they occur in theater? If so, which theater? What can you tell us about where those individuals had served, Iraq, Afghanistan?

General CONWAY. Last year we had nine in theater, the year before that we had seven. Interestingly, there was a comment that they come as a result of deployment. We think that is true, but I would also say that the numbers of suicides that we have, the percentage that we have, of people who are deployed are almost the same. We have about a third of our suicides from people who have never deployed. And if you look at people who have deployed three and four times, the number is way low. So although we think there is a parallel here, a residual factor with increased deployments, there is not the pure statistics to support that. Yet I have to think that if failed relationships is one of the primary issues, deployments have effect on relationships. So we are trying to sort all that out to see exactly again what our counter means ought to be.

Mr. DICKS. They have a very good program with their NCOs that are focused on trying to see if these people are having issues.

Ms. KAPTUR. I heard that, Mr. Chairman. Thank you. And in Ohio we have been working with our Guard and Reserve because they don't return to a home base and we have had some serious situations back home. And as a result of hundreds, actually thousands at this point, of soldiers being screened we have verified exactly what you are saying. We are even doing a genetic sampling now to look at predisposition.

But the way in which the question is formed and their ability to have proper assessment has been a real problem. And I would refer you—not that you want to talk to anybody in the Guard or Reserve—but General Wayt, who will be retiring at the end of this year, who is head of our guard in Ohio, is really heavily into this and has some excellent data now working with several of our pri-

vate hospital systems. We don't have military hospitals for the most part throughout Ohio. And I would just refer you to that which we believe should be pretty path breaking work and you might find it of value in what you are doing.

General CONWAY. This is such a critical issue that the Assistant Commandant is my action officer on it. He is in close cohorts with General Chiarelli in the Army. And I think those factors are being brought in because the Army certainly has Guard and Reserve. But I will go back and confirm that with him.

Admiral ROUGHEAD. Ms. Kaptur, one of the things that we have done, really focused on our reserve, we do not have a guard in the Navy. But on our reserve is we have put in place something that we call Returning Warrior Workshops that we hold around the country. It is not only targeted at the service member, but we bring the spouses in as well because oftentimes we get the indications that there may be an issue from the spouse. And we can also inform our spouses about things to be looking for. So we have been out doing that.

We have also created 17 deployment health centers again to get greater awareness of the types of things that families should be mindful of and the early signs of a problem.

Ms. KAPTUR. Admiral, I have to compliment, there is a small naval reserve unit in my district I was invited out to an event. I thought there would be 20 people there. It was sea cadets. I am telling you, that naval reserve unit was so phenomenal what they were doing with hundreds of young people up in our area.

So I just wanted to mention that particular effort in the Toledo area which I was unaware of and I was very, very impressed with what they were doing.

#### USMC NON-TRADITIONAL ROLES

Mr. Chairman, I just did want to ask General Conway, with what is going on in Afghanistan and some Marines in offensive positions and taking ground, could you discuss a little more the other roles that Marines are assuming inside of Afghanistan that may be nontraditional and how comfortable you are with that?

General CONWAY. Yes, ma'am. Well, ma'am, we have advocated for a number of years, really since probably 2004 in Iraq, that this type of counterinsurgency warfare needs all elements of American power engaged. And we have had some modicum of success with that, with interagency, with nongovernmental organizations, with the assistance from other NATO nations, but not nearly to the degree that the requirement states. So what we have found is that our commanders, our NCOs, our staff NCOs have to do those things, civil affairs types of things, nation building types of things, agriculture, fire department, city management, all those manner of things that they are not really trained or qualified to do but if they don't it no one else is there to do it.

So it is all a part of the job as we see it. We welcome the help when it is there but where it does not exist we simply tighten up our pack straps and move on.

Ms. KAPTUR. Mr. Chairman, on this point, you are living this experience. I haven't heard in all the hearings over the last several years, a whole decade, I haven't heard one creative proposal. So

what do we do about it for the future? How can we make it better in the future? You take care of it internally within the Corps?

We need a structure, we need some way—maybe it is not the Corps. Maybe it is somebody else. But I see some of the young people from my area going into Afghanistan. I am thinking oh, my goodness, there is no language skill, there is no—they are Marines and they are being asked to take care of schools or go door to door or something like that. I have trouble with that, and I am wondering what is the mechanism, what is the school, what is the training, how do we provide that better in the future?

General CONWAY. Ma'am, the CNO and I have had this conversation now with two consecutive administrations and it has been recognized at that level, and I will give some credit. I mean, people are adjusting their culture, they are asking for additional resources, they are looking for people who are willing to deploy overseas to some conditions that could be hazardous to their health. And it is moving slowly, but really too slowly, again for the requirement that we face right now and today.

So I think people are aware and people recognize that it is something that must be accomplished. It is just the capacity is not where it needs to be.

Ms. KAPTUR. Mr. Chairman, for a long time we had that group down there in Georgia where we train, we use our officers and we bring people up from Latin America. I don't see why we don't have some sort of training place within the architecture of this country where we can help train our people in democracy building or at least transition to something other than what they had. It just seems to me it is kind of hit and miss and that is not the best way to do the job, and so I just wanted to put that on the record. And General, if you have thoughts—

Mr. DICKS. Aren't we getting a lot more than we did in Iraq, a lot more State Department people there, for the PRTs, and so that it isn't falling as much on the military?

General CONWAY. That is right, sir.

Mr. DICKS. You also mentioned to me that some of your NCOs at the end of their career are now helping with training. I thought that was something that would be very legitimate and something that they are well prepared for.

General CONWAY. That is something we should do, sir, and we are stepping up to that requirement as best we can as a bridge until such time as Army units who have that mission can arrive and take it over.

And you are right, sir, with your earlier comment that there is a gradual improvement. I think we would say it is a little better in Afghanistan than it was in Iraq, and so there is gradual improvement. But again it is still short of satisfying the need that exists today.

#### INDIVIDUAL AUGMENTEE PROGRAM

Mr. DICKS. I am a bit impressed with the individual, in lieu of, they changed that. What is the new phrase we use to describe what was the individual augmentation?

Admiral ROUGHEAD. What we have done is we have 12,000 Sailors on the ground in the Middle East in addition to the 10,000 I

have at sea. And we have what we call an individual augmentee program where we will take someone from a command and then put them in a position that would normally be occupied by someone from the ground force or perhaps another agency. But then we have also injected into the process something that we call a GWOT support assignment, and that is a permanent change of station so that we can get more predictability, more stability in the lives of our men and women.

We tend to use them both. We are trying to move more toward the permanent change of station assignment because it does give us more stability. And I can't say enough about the great work that our young men and women in the Navy are doing. For example, of the 12 provincial reconstruction teams in Afghanistan, six are led by the Navy. I never thought I would stand on a cold mountain in Afghanistan talking to the PRT leader who is a former commanding officer of a nuclear submarine, and he was having the time of his life and he was making a difference, and he was getting great satisfaction from that.

Mr. DICKS. Do you think they are trained to do that? Or do they have to have training?

Admiral ROUGHEAD. What we do, sir, is we put them through some ground training, and then we give them some cultural awareness. We in the Navy and all the services, but for example, we are now providing incentives for individuals to learn languages that we believe are going to be important in the future. When we deploy our carrier strike groups, for example, we have a regional awareness program that is taught on the way over, as they go, and also for our amphibious groups.

So we are getting at this. We have increased the numbers of our Foreign Area Officers so that they understand and are more expert in the regions of the world. So we are moving in this direction, and I can't say enough about the great work our people are doing.

#### NAVY AND MARINE CORPS END STRENGTH

Mr. DICKS. We are going to have to wind this up, but I have to ask one last question. We are a little concerned about Navy and Marine Corps end strength. As of February, you are at 330,000, your planned end strength is 324,000. The Marine Corps is at 205,000, and the baseline was 202,000.

What we are worried about is if this doesn't change you are going to be \$300 million over on personnel. So I assume you are well aware of this problem, people want to stay in, and I know that is a difficult problem when people who are really good and well trained and are needed are kind of forced out because of these limits.

Admiral ROUGHEAD. Yes, sir, and we are watching it very, very carefully because last year when we saw the retention behavior change we knew that that was likely going to happen.

And if I could just, our compensated end strength is really 328-

8.

Mr. DICKS. Even better. You are closer?

Admiral ROUGHEAD. I am closer, yes, sir. But we are watching it very carefully and I predict we will be on target at the end of the year.

## MARINE CORPS SPECIAL FORCES

Mr. DICKS. The Marine Corps was going to have a special forces unit.

General CONWAY. Yes, sir.

Mr. DICKS. Twenty-five hundred, as I understand it. How is that going?

General CONWAY. Sir, it is going well. They are still in the developmental stages of coming to what we would call full IOC capability. But they have been very successful in Afghanistan. There was a standing 1-0 requirement. That has now gone to 2-0. So we have two companies to deploy to Afghanistan at all times. The Army has also asked us to take a turn at battalion headquarters. So we are fielding two battalion headquarters to go in and command not only our company but other Army companies of special operators.

So I would say it is going pretty well. We are looking to get the right quality individual in there because what they do is fairly dangerous, as you can imagine. But it has added a dimension to our capabilities.

Mr. DICKS. The committee is adjourned until 1:30 p.m. On Tuesday, the 16th of March, when we will hold a hearing on Central Command. Thank you, gentlemen, for an excellent job.



WEDNESDAY, MARCH 17, 2010.

## CONTINGENCY CONTRACTING

### WITNESSES

**SHAY ASSAD, DIRECTOR OF DEFENSE PROCUREMENT AND ACQUISITION POLICY, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS**

**JEFFREY PARSONS, EXECUTIVE DIRECTOR, U.S. ARMY CONTRACTING COMMAND**

**WILLIAM M. SOLIS, DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT, GOVERNMENT ACCOUNTABILITY OFFICE**

### OPENING STATEMENT OF CHAIRMAN DICKS

Mr. DICKS. The committee will come to order.

Today, the Defense Appropriations Subcommittee will receive testimony concerning contingency contracting from three witnesses: Mr. Shay Assad, Director of Defense Procurement and Acquisition Policy, Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics; Mr. Jeffrey Parsons, Executive Director of the U.S. Army Contracting Command; and Mr. William Solis, Director, Defense Capabilities and Management Team, Government Accountability Office.

Mr. Assad, Mr. Parsons and their staffs have worked diligently to improve contingency contracting since July 2009.

There is now clear guidance which provides consistent ground rules for both the operational and support communities. Standard procedures have been established and articulated to ensure contracts contain the appropriate conditions for work to be performed in Iraq and Afghanistan.

Mr. Assad and Mr. Parsons have published a Joint Contingency Contracting Handbook, which includes task checklists, training templates, and links to relevant regulations and Web sites. Also, there is now a Contingency Contracting Course from Defense Acquisition University and 10 Army training courses and leader education instructions for non-acquisition soldiers.

Mr. Assad is also leading the DOD-wide effort to rebuild the acquisition and contracting force.

We wish you well on that. That is something that needs to be done.

The job of rebuilding the acquisition workforce is daunting. By 2014, the acquisition workforce is expected to grow by nearly 20,000 personnel; 10,000 due to in-sourcing, and 9,887 new hires.

Despite the improvements in contingency contracting, challenges remain. One challenge is simply the magnitude of contract service support needed to conduct Operation Iraqi Freedom and Operation Enduring Freedom. Of the \$100 billion in operation and mainte-

nance funding requested for 2001 overseas contingency operation, \$43 billion is for contracted services.

The largest single contract for services is the Logistic Civil Augmentation Program (LOGCAP) contract for logistical support, billeting, food and laundry services, power generation and water supply in Iraq and Afghanistan. In fiscal year 2010 and 2011, \$7 billion and \$10 billion is budgeted for LOGCAP respectively.

Currently, 169,000 military personnel, versus 207,000 contracted personnel, are in Iraq and Afghanistan. In addition, there are 32,000 contracted personnel in other locations within CENTCOM's area of responsibility, for a total of 240,000 contractors in CENTCOM.

The sheer magnitude of the reliance on contractors presents difficulty in background screening, contract management and contracting oversight, and has resulted in a continuing shortage of contract officer representatives, the personnel who are responsible for developing and managing the technical aspects of the contracts.

We look forward to your testimony and to an informative question and answer session.

Now, before we hear your testimony, I would like to call on our ranking member today, Rodney Frelinghuysen, for any comments he would like to make.

#### REMARKS OF MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Gentlemen, welcome, this afternoon and for the chairman's focus on contingency contracting.

We have always had wars, and now wars are described as sort of contingency. But all wars have been accompanied by contractors. They may be called by a different name.

One thing that has sort of been clear to me is we need to focus on people who might be classified as bad contractors and root them out and do it systematically. And I assume you have many years collectively focused on that.

But I am mindful that, in Iraq and Afghanistan—and you can correct me, perhaps, during your testimony or the Q&A—that 70 percent of those who are contractors often are foreign nationals. How competent they are, I don't know. But there is sort of a view here that we can run two wars simultaneously without having contractors. And I am all for lesser numbers of contractors, but we probably could not have been as successful as we have been to date in both of these contingencies without the support of contractors. So I put my stake down here, but I am obviously willing to be educated by all of you as to what improvements we have made in the contracting process.

So thank you very much, Mr. Chairman.

Thank you, gentlemen, for being here.

Mr. DICKS. Mr. Assad, we will hear from you first.

Mr. ASSAD. Thank you, Mr. Chairman.

If you would so allow, we would like to have our written comments that we submitted to the committee entered into the record.

Mr. DICKS. Without objection, they will be placed into the record.

Mr. ASSAD. Thank you.

## SUMMARY STATEMENT OF MR. ASSAD

Mr. Chairman and members of the subcommittee, it is a pleasure to be today to speak to you about contingency contracting. This is an extremely important element of what we do within the Department of Defense to support our warfighters whose boots are on the ground.

I would personally like to thank this committee for its unwavering support to our soldiers, sailors, airmen and Marines. It is greatly appreciated. I am going to be very brief because I would like to allow significant time for questions.

I will tell you that there has been a remarkable improvement in the way we do contracting for the goods and services that we buy. Over the past 6 years, we will be able to discuss with you a number of steps that we have taken to ensure that we are being good stewards and our warfighters whose boots are on the ground are being good stewards of taxpayer funds.

Having said that, there is a significant amount of improvement still to be had, and there are a number of areas that we will discuss with you that we see as major challenges that we are continuing to work on as diligently as we possibly can.

Once again, Mr. Chairman, I would like to thank you for your support. I would like to thank this committee for its support. And that is going to conclude my opening statement.

Mr. DICKS. Mr. Parsons.

Mr. PARSONS. Yes, sir. I just echo what Mr. Assad said here already and thank you and the rest of the committee for the support that we have been provided. It keeps our eye on the ball when it comes to making improvements in contracting support and the execution. So we thank you for that.

And I look forward to answering your questions in regards to specifically what we have done in the Army, and as Mr. Assad has said, I think we have come a long way over the last few years, work remains to be done and some challenges to be faced, but we are making significant progress. Thank you.

[The joint statement of Mr. Assad and Mr. Parsons follows:]

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HOLD UNTIL RELEASED BY THE  
U.S. HOUSE OF REPRESENTATIVES

WRITTEN STATEMENT OF

MR. SHAY D. ASSAD  
DIRECTOR, DEFENSE PROCUREMENT AND ACQUISITION POLICY

*AND*

MR. JEFFREY PARSONS  
EXECUTIVE DIRECTOR, U.S. ARMY CONTRACTING COMMAND  
PRINCIPAL ADVISOR TO THE COMMANDING GENERAL OF ARMY MATERIEL  
COMMAND

BEFORE

THE HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON DEFENSE (HAC-D)

ON

DEPARTMENT OF DEFENSE  
CONTINGENCY CONTRACTING INITIATIVES

March 17, 2010

HOLD UNTIL RELEASED BY THE  
U.S. HOUSE OF REPRESENTATIVES

Chairman Dicks, Representative Young, and distinguished members of the subcommittee, I welcome this opportunity to report to you about what the Department has done to assist our contingency contracting officers in providing the best support possible to our deployed forces—whether they are directly supporting the warfighter, or assisting people in dire need of assistance in response to a natural disaster, such as the earthquake in Haiti. The oral and written statement has been developed jointly with the Army. This written statement supplements my short oral testimony, where I report on a variety of contingency contracting initiatives.

#### **DoD Task Force on Wartime Contracting**

Improving contingency contracting has top Departmental support and is benefitting from joint solutions. To begin, I will briefly discuss the DoD Task Force on Wartime Contracting.

First, the Under Secretary of Defense for Acquisition, Technology and Logistics stood up the Task Force in July 2009 to analyze the Commission on Wartime Contracting Interim Report. Establishing this task force is a clear sign of his commitment to improvements, as are the biweekly updates he requires from me and my staff on contingency contracting issues. The composition of the task force is further testimony to senior leadership support of contingency contracting. The senior procurement executive from each Service participates on the task force, as do the directors of the Defense Contract Management Agency and the Defense Contract Audit Agency (DCAA).

Second, this joint task force inventoried and assessed an extensive array of Departmental solutions—both in process and in place—to the concerns the Wartime Commission voiced. The joint task force created a scorecard and rated the Department's efforts on two dimensions: impetus and progress. With regard to impetus, the Department has been proactive in its pursuit of initiatives: the Department already had significant initiatives underway addressing 94 percent of the Commission's observations. On the aspect of progress, the task force stated that the Department is making significant forward progress on its initiatives; 83 percent of the Department's initiatives are free from major challenges. They identified six observations where the Department has encountered major challenges, primarily in the area of resourcing of personnel for contingency contracting officer's representatives (CORs), subject matter experts and at DCAA. The Director, DCAA and I are responsible for working these issues, and we each identified a plan of action and milestones for addressing these major challenges.

The Task Force report is available on my DPAP website at:

[http://www.acq.osd.mil/dpap/pacc/cc/docs/TFWC\\_Rpt\\_to\\_USD.pdf](http://www.acq.osd.mil/dpap/pacc/cc/docs/TFWC_Rpt_to_USD.pdf).

### **Resourcing**

As I mentioned, resourcing can present a challenge. The Department proactively is working to ensure we have the right number and quality of people to award, manage, oversee, and closeout contracts as we drawdown in Iraq and buildup in Afghanistan.

**Contract Oversight**

One of the major challenges we have been successfully addressing was an inadequate number of trained Contracting Officer Representatives (CORs) assigned to contractor oversight in Iraq and Afghanistan. The Department has come a long way. Within the last year, the number of CORs in Iraq has jumped from a 59-percent fill rate up to a 94-percent fill. Similarly, the number of CORs in Afghanistan has more than doubled, jumping from a 38-percent fill rate in January of last year to an 84-percent fill rate by January of this year. In short, the Army has added hundreds of CORs to the war zone to help oversee theater contracting. Specific to the Joint Contracting Command, 100 percent of COR requirements are currently filled. Although we have improved considerably, we will continue to monitor these resources closely.

In conjunction with the Services and DCMA, the Department conducted a Total Force Assessment for contingency contract administration services. The Deputy Secretary of Defense mandated this Total Force Assessment—further testimony of the significant leadership interest in contingency contracting. We began this effort in 2008 and it continues to this day. Our efforts to date entailed determining needed contingency contract administration resources, identifying capability gaps, and creating a risk mitigation plan. CORs emerged as a capability gap—so we have been concurrently working solutions to mitigate this challenge.

This is a multi-dimensional problem—not only must we consider sheer numbers, but those resources must have training and the right technical background. As such, our troops need to have pre-identified CORs who have the required training, in advance of their arrival into theater. Two initiatives demonstrate how we are making this work.

First, in Iraq and Afghanistan, Fragmentary Orders require nomination, training and appointment by the Contracting Officer of CORs on or prior to contract award. In addition, subordinate units will ensure a replacement COR is in place before the previously assigned COR departs. Although we are not always 100 percent successful in achieving the above because of change in personnel and mission requirements, we have come a long way in garnering the attention of commanders to help fill this gap.

There are a myriad of other initiatives to improve the resourcing, training and support for CORs in the field. I will cover several of them shortly: the COR standard, the Joint COR handbook, and the COR tracking tool.

#### **Contingency Contracting Officers**

The Department has also proactively managed the placement of Contingency Contracting Officers to support Iraq and Afghanistan. The JCC is currently 95 percent staffed overall within their Joint Manning Document and Request for Forces. The number authorized does not include just CCOs, however. This number includes personnel, information technology, administrative, legal, logistics, and supply personnel. All the skilled people needed to support a Headquarters and Regional Contracting

Centers. Our Contingency Contracting Officers are always in high demand and many have been rotated in and out numerous times. The JCC is currently staffed at 88 percent so our continued efforts will be in getting these CCO's sourced and into theater.

We have adjusted our CCO distribution as needed to respond to the drawdown in Iraq and the surge in Afghanistan. For example, due to an initial shortfall in contracting resources in Afghanistan, the JCC Commander was able to divert CCOs from Iraq to Afghanistan to ensure the most efficient coverage of contracting requirements. This allowed for the current manning of 130 personnel, up from 65 personnel in January 2009. This key force multiplier, the ability to be able to shift resources from one location to another based on demand, was enabled by the standing up of the JCC as a command with inherent operational control of its CCOs. The increased shift in personnel also allowed for an additional 3 new Regional Contracting Centers and 1 Division. To ensure adequate oversight of Afghanistan operations, the JCC Commanding General has made it a priority to be in Afghanistan for two weeks out of every month.

The Commanding General also co-chairs the Iraq and Afghanistan Joint Logistics Procurement Support Boards (JLPSB). These boards ensure that contract management programs are properly coordinated and prioritized in support of the drawdown, identifies common requirements, eliminates redundancies, identifies contracting gaps, and identifies and resolves problems early on. The Commanding General is currently in the process of reshaping the Inter-Agency Combined Joint Logistics Procurement Support Board in Afghanistan, which focuses on key contract support decisions. The JCC is also

continuing to improve its processes by maximizing “reach-back” contracting, leveraging Rock Island Arsenal for those contracts that are complex, resource intensive, and require a detailed source selection process. This allows the on-ground CCOs to pay attention to more tactical, day to day issues. Throughout its tough mission, the JCC continues to excel in the area of competition by executing \$4.9B out of a total obligation of over \$5B for a competition percentage of 97.7%.

### **Professionalism**

To start, I want to commend the outstanding efforts of our acquisition workforce and our technical subject matter experts. These professionals are dedicated and hard working. One of the biggest challenges they have working in a joint environment is the individuality of each Service’s contracting personnel and the CORs assigned to oversee contracts. Individuals from Defense Contract Management Agency (DCMA) to the Army’s Criminal Investigation Command (CID) provide invaluable support to our contracting mission. All have different degrees of experience, training, and education levels. We want to make their jobs easier, and more joint. One means to do this is through professional standards.

**Contingency Contracting Officers**

DPAP is developing a joint standard for CCOs, which will help the Commander ask for exactly what skill level person he or she needs.

At the outset of a military engagement, a CCO likely will not need be as well experienced in contracting to accomplish the mission. When this CCO first hits the ground, he is typically making small dollar purchases—mainly cash and carry or credit card—for basic life support items such as food, water, billeting, and transportation.

As the conflict moves on to build-up and sustainment, the Commander is going to need a seasoned, experienced CCO who can buy more complex, high dollar items utilizing various contracting vehicles that go beyond those basic contracting skills. Such purchases could be major or minor construction contracts, or complex, long-term service contracts with options, under which a CCO should begin to consolidate requirements into more efficient contract vehicles. Having a CCO with the requisite experience is key to ensuring effective and efficient mission support during all phases of a conflict.

To fill this gap, DPAP is developing a standardized proficiency level for CCOs – a concept that has been briefed to the Contracting Functional Integrated Product Team. We are in the process of socializing this concept with the Services in order to refine it. The Defense Acquisition Workforce Improvement Act (DAWIA) looks at education and training and years and type of experience for its three levels of contracting officer certification. What we need for CCOs is further granularity and specificity: we have to

break this down to contingency education and training and contingency contracting experience.

The current strawman of our proposed proficiency levels has six levels, but this may ultimately change, dependent upon Service feedback. The key to our strawman is hands-on experience level: Has the individual participated in base exercises? Has he or she deployed and performed acquisitions under the micro-purchase threshold? Has this person had DAU training and achieved a DAWIA certification level? Do they have special skills, such as construction buying experience or source selection experience?

Once the CCO is certified, the deployed contracting commander will actually be able to put a requirement in for what he or she actually needs, and the Services can respond accordingly. This approach will allow the Department collectively to use the right person and match the individual to the right job. Why seek a DAWIA Level III CCO, when all you need is someone who can do simplified acquisitions under Federal Acquisition Regulation Part 13? The challenge we will face in this area is how to automate and track our CCO levels and what the standard should be, and we look forward to working these details with the Services.

#### **Contingency Contracting Officer's Representatives**

Just as we are dedicated to making improvements for our CCOs, so too are we committed to ensuring enhancements for our contracting officer's representatives (or

CORs) that monitor contract performance. The Section 813 Contracting Integrity Panel, which Congress required in the Fiscal Year 2007 National Defense Authorization Act, required the Department to examine efforts to eliminate areas of vulnerability that allow for fraud, waste, and abuse. Insufficient surveillance on contracts was identified a vulnerability which can lead to fraud, waste, and abuse—by both the contractor and the government. The Section 813 Panel identified solutions to help eliminate vulnerabilities in contract surveillance. They include developing a COR standard for certification, developing a COR-specific policy, and requiring a COR's performance to be reflected in his or her performance assessment.

The subcommittee has developed a draft DoD Instruction, or DoDI. This DoDI is significant, not only because it will standardize COR functions, but also because it will require the Defense Components to plan and budget for COR requirements.

Defense Acquisition University has also made progress in developing training for CORs, which even includes training for CORs in a contingency environment. This will help in filling some training gaps that were present in our CORs in Iraq and Afghanistan.

### **Military Leadership**

The 2007 “Gansler Commission” report to the Secretary of the Army voiced a concern about the lack of military leadership in the contracting profession. One initiative that addresses this concern is the Department's implementation of legislation Congress

provided in the Fiscal Year 2009 National Defense Authorization Act, which adds 10 military general/flag officer billets. Having senior leaders in military positions will be a great help our contracting workforce, specifically in enhancing the stature of our contracting officers.

The Army has recently promoted three colonels to general officer and one of them, BG Camille Nichols, is currently serving in Iraq as the Commander of the Joint Contracting Command and Head of the Contracting Activity.

### **Tools**

Next I would like to address some tools that the Department has developed—or is in the process of developing—to help our acquisition community do its job better and more efficiently. I have selected two handbooks, two web sites, and two automated tools. This is just a sampling of many ongoing initiatives DPAP is leading in order to provide a robust set of tools to enhance contingency contracting.

#### **Joint Contingency Contracting Handbook**

Our Joint Contingency Contracting Handbook was developed to fill a gap: while deployed CCOs performing in a joint environment had Service-specific guidance, they lacked consolidated, joint guidance. The joint handbook was developed by CCOs, for CCOs. It was developed in a joint environment so all Services and Components had a

say in what went into it. We also went beyond the contracting community to get feedback: auditors and lawyers helped us develop the right content. From the start, the handbook has contained tools, templates, forms, training, and checklists. We continue to refine these, as well as add features, for each annual update to the handbook. For example, the second edition introduced critical action checklists and made the accompanying DVD more user-friendly. By popular demand, over 10 thousand second edition handbooks were distributed. The third edition is currently being worked and is due to be published this June.

Initially started as a hard copy with a DVD, the handbook has become more automated over time. Starting with the second version, the handbook and DVD information are now also available on the DPAP web site. This enables us to update content in real-time, if we find needed improvements or specific gaps in training. Having multiple platforms to access this information ensures the broadest support to CCOs.

The handbook is a key component of our CCO training program. The Defense Acquisition University (DAU) uses this handbook as its foundation for our contingency contracting officer course, CON234, and to date, the course is a success with great feedback. DPAP has also issued policy to the Services to use this handbook for in garrison or squadron training. This way, our CCOs will train with the handbook, and bring it to the fight as a resource. While on the topic of training, it is worth pointing out that DAU, DPAP, and the Services have already standardized our formal CCO training, and the result is 90 to 95 percent commonality across all Services.

The DVD and web site provide access to a variety of resources, so our deployed contracting offices do not have to start from scratch. The resources include training, specific forms they will most likely use, and samples of determinations and findings. We include a topical index to facilitate navigating the plentiful resources. We also include games, which make the learning process entertaining, including a contracting version of, “Jeopardy” And, “Combat Ace.” This is a good tool and is being made better by feedback from CCOs who have recently returned from a deployment.

### **Joint Contingency Contracting Officer’s Representative Handbook and COR**

#### **Tracking Tool**

Building on a successful joint handbook for CCOs, we are also in the process of creating a joint handbook for CORs. The model will be the same: leverage existing Service-specific guidance, work with stakeholders to make it joint, and create multiple formats to reach the broadest audience.

DPAP leads the working group developing the Joint COR Handbook. Membership includes the Services, DCMA, and DAU. The group relied heavily on the Army’s Deployed COR Handbook as a baseline for the joint handbook, which is nearing completion. The first phase in this project is to finalize the first version of the handbook by the end of March 2010. Future plans call for development of an associated DVD and a website.

This unified guide will strengthen the ability of CORs to provide needed contract surveillance. And another tool under development, with initial capability expected in March 2010—the DoD COR Tracking Tool—will assist in providing an automated means to access important data on CORs, including the COR name, career field, certification level, and other contact information; the COR’s supervisor contact information; and the Contracting Officer’s contact information. Beyond contact information, it will also identify all training completed by the COR, detailed by complexity of the work. The DoD COR Tracking Tool will also automate key parts of the process—it will enable an electronic nomination, approval, and termination process of candidate CORs, and it will provide the capability of recording key process documents online, such as status reports, trip reports, correspondence.

#### **Standardized Geographic Combatant Commander Website**

Websites are key in today’s business environment. In 2007, DPAP issued policy requiring GCC contracting offices to develop their own website for their unique contracting policies and theater-specific requirements. All of our Geographic Combatant Command (GCC) contracting offices now have them, but we are in the process of refining our approach to include standardization so that contracting officers, contractors, and requiring activities do not have to spend countless hours googling the web in order to find needed information. To develop this standard, DPAP gathered a team together to develop a standardized template with specific requirements. Virtually all the GCCs have

implemented the template into their websites. To make it easy to access these websites, DPAP included a link to the GCCs, both in our DoD Federal Acquisition Regulation and on our DPAP website, via a map of the GCCs, where a user simply clicks on the combatant command of interest and they are linked to that GCC's website.

#### **Automated Contingency Contracting Officer After Action Report**

Knowledge sharing and leveraging lessons learned are an essential means of making improvements. Through After Action Reports (AARs), CCOs can share their knowledge for the benefit of their successors. CCOs had been submitting after action reports on the Defense Acquisition University's Community of Practice website. However, the lack of automation in the process meant it was cumbersome for CCOs to use the tool, and virtually impossible to data mine it. So to make the AAR initiative useful, we are in the process of automating it on-line, basing it on a standard set of questions, and enabling a report generation feature.

To accomplish this, we first developed a standardized set of questions, primarily in yes/no and multiple-choice format, for ease of use. To ensure stakeholder buy-in we worked jointly on several draft iterations and made any recommended changes. Once this tool is online, it will be very easy to complete, and we will be able to capture specific information to help identify best practices, training deficiencies, and policy improvements.

The AAR site will be limited to authorized users, as it is in its current location on the DAU community of practice. Having this security feature is important, as some of the questions and answers could provide information on what is going on in specific geographic areas, like Iraq and Afghanistan. On this limited-access web site, the AAR “survey” is available in a fillable .pdf format, along with instructions on how to open the survey in Adobe Reader, complete the fillable form once in Adobe, and save and submit the information.

The AAR is information-rich, collecting data via 40 questions, including initial information on the CCO completing the survey. We used survey experts to design the questions, using multiple choice questions, yes/no answers, and pull-down menus. This not only makes it easier for CCOs to complete, but it also facilitates running reports, which present information in various formats. We are still in the process of defining those reports. Our goal is to make reporting information available to OSD and CCOs alike. Our first use of this new tool will be with CCO’s returning from Haiti and we anticipate good feedback.

### **3-in-1 Handheld Device**

The 3-in-1 tool is the Department’s joint, electronic solution for the challenges inherent in the current process for “cash and carry” purchases in theater. The current manual process is not only time consuming and inefficient, it can be dangerous. The need

to reconcile the cash records means the field ordering officer, or FOO, is traveling dangerous roads.

In the U.S., we handle most of these on-the spot, over-the-counter purchases with the government commercial purchase card; however, presenting a government card as payment in many deployed locations is not feasible because vendors do not accept them, or the infrastructure does not support its use. To correct this, we are developing a handheld device to replace the circa 1960s manual Standard Form 44. It will effectively serve as a purchase log.

The current SF44 process engages multiple players: the field ordering officer, the property administrator, the regional contracting center, and the financial manager. And due to the need for checks and balances, these parties interact at various points, many of them requiring the FOO to travel, which is dangerous in the Southwest Asia theater of operations. As with any manual process, there are downsides, including inaccurate data, inefficiency, and lack of insight into purchases.

This new tool will allow us to move from a manual to an automated process. Our technology-based solution will electronically capture needed purchase, disbursement, and receiving information. The 3-in-1 tool is a handheld device, similar to what you see the United Parcel Service delivery person using.

The device will help with data accuracy and efficiency. Further, through uploads of the information stored in the device onto the Joint Contracting Command System, or JCCS, we achieve insight into purchases. Through management reports, we can determine if we should be using other means of buying these items, such as grouping together requirements and issuing a contract.

The development of the 3-in-1 tool is well underway. In February, we conducted a user assessment in Texas. The results were just as we hoped: no major problems and favorable feedback on the tool's usefulness and ease-of-use.

#### **Contingency Acquisition Support Module**

As evidenced by the previous initiatives, a unified approach is extremely important in a joint theater command like Iraq and Afghanistan. The prior initiatives demonstrate a contracting joint solution—the JCC Handbook, for example. They also show a COR joint solution—the joint COR Handbook, for instance. Equally important, the requirements community on the front end of the acquisition process needs a joint solution: they need an efficient way to get complete and accurate acquisition packages to contracting.

Our joint solution, which is still under development, is the Contingency Acquisition Support Module, or cASM, which will be an easy-to-use tool that helps users get their requirements on contract more quickly. The tool assists with translating a

combatant commander's requirement into a procurement package that includes the required documents and approvals, a responsive contract statement of work, and any ancillary information for acquisition approval and contract action. A key aspect to cASM is that it is like Turbo Tax – automated, easy to use, and yielding accurate outputs. Instead of regenerating work statements on an ad hoc basis, cASM templates can yield standardized, complete requirements documents.

I end my examples of DoD contingency contracting initiatives with this tool because it illustrates two themes essential to our successful implementation of business solutions that to enhance mission support. The first theme is that OSD leverages Service-specific approaches to develop joint solutions. In the case of cASM, it is a module developed from an Air Force platform: the Acquisition Support Module. We are taking an Air Force centric tool for normal operations, adapting it for the joint contingency environment, and delivering a joint solution for all deployed workforce. A second theme is that contingency contracting has the support of the Department's senior leaders. In the case of cASM, the Under Secretary of Defense for Acquisition, Technology, and Logistics has designated it as a special interest program with a user assessment scheduled this month.

#### **Army Contingency Contracting Improvements**

As we have learned throughout history, contracted support is a critical component of Army logistics. Further, as noted by the Congressional Budget Office's 2005 study on

military logistics, contractors provide flexible, responsive support at a lower long term cost than military forces. The Army has made a strategic shift from utilizing contractor support as the last alternative to an understanding that operational contract support, or OCS, is a strategic capability that must be integrated into Army planning and training as well as mission execution.

OCS is broader than contingency contracting. OCS delivers effects using contracts and contractors to support joint force commanders during contingencies. OCS includes multiple stakeholders, including the major commands that are now incorporating contracted support into their logistics support plans, the units that develop requirements documents to augment their organic capabilities, the resource management and finance personnel that allocate and disburse funds, contracting officers that award contracts and their representatives that oversee those contracts, and the contractors that perform the contract. Recognizing OCS as a joint capability area, the Army has improved OCS training, developed OCS policy and doctrine, and is expanding the personnel and organizations responsible for training, planning, coordinating, and executing operational contract support.

### **Training**

The Army has enhanced the training of the contracting workforce and acquisition support staff to build the skills necessary to better support the warfighter and better

manage contracted support. To do this, they have added and improved multiple acquisition training courses including instruction in 16 officer and non-commissioned officer courses; incorporated contracting operations and planning into the Battle Command Training Program and Combat Training Center training; and included OCS scenarios to exercise CORs during Mission Readiness Exercises prior to deployments.

Last year, the Army Logistics Management University began the OCS Planning and Management Course, a two-week course which trains logistics planners at any echelon in OCS management and oversight, requirements determination, and performance work statement writing. Currently, the demand for the course is exceeding available capacity. Officers and NCOs who complete the course are awarded an additional skill identifier – 3C – which will allow the Army to better manage OCS planner assignments.

In addition to the required Defense Acquisition University training for CORs, the Army has added ethics training as an additional requirement. To better train CORs for deployment, the Army Contracting Command (ACC) has developed and implemented a COR training program provided to brigades prior to deploying, a critical step in strengthening the Army's ability to oversee contractor performance. The Army has issued an Execution Order, referred to as an EXORD, to all commands requiring commanders to determine the number of CORs they'll need in theater *before they deploy* and train enough CORs to fill those positions. The EXORD also requires COR training to be added to Soldiers' electronic training records, requires reporting of COR training

shortfalls, and requires training on Commander's Emergency Response Program (CERP).

### **Policy, Doctrine, and Training Materials**

The Army has initiated several publications to better define and support an integrated OCS strategy as a key component of Army logistics. Army Regulation 70-13, Management of Services Contracts, will provide additional guidance to improve the management and oversight over services contracts. This regulation is undergoing final pre-publication review at the Office of the Administrative Assistant to the Secretary of the Army. Army Regulation 715-9, in final draft, defines the roles and responsibilities of OCS stakeholders. Army Regulation 700-137, LOGCAP, is being updated for the first time in two decades to reflect current LOGCAP policies and processes. The Army has also published several guides, including handbooks and quick reference guides for CORs, the CERP program, writing statements of work, contingency contracting officer guides and field manuals, and a guide to treating money as a weapons system. The capstone guide on planning, executing, and managing Army OCS is also in final draft, and along with Joint Publication 4-10, Operational Contract Support, will set the foundation for integrated operational logistics including contracted support.

### **Organization**

The Army has reorganized its contingency contracting forces to better plan, train, equip, and execute operational contract support. The Army's Expeditionary Contracting Command (ECC) headquarters reached Full-Operational Capability on 8 October 2009. The ECC has six active Contracting Support Brigades (CSBs). These CSBs are geographically aligned in order to provide responsive operational contracting support to the Army Service Component Commands (ASCCs) and provide the Army with greater flexibility to place contracting teams into areas to support Joint Force operations. This organizational alignment has proven effective in assisting the ASCCs in developing and synchronizing contracting support integration plans. The ECC is scheduled to stand-up a seventh CSB in support of AFRICOM. In addition to training and equipping contingency contracting officers, the ECC has engaged the brigades deploying to Operation Enduring Freedom and Operation Iraqi Freedom to provide on-site training on COR responsibilities in a contingency operation, field ordering officer training, and Commander's Emergency Response Program project office training.

All the hard work to build the Army expeditionary and contingency contracting capability is paying off as demonstrated in the Army's rapid response to support the mission in Haiti. The ECC 410<sup>th</sup> Contracting Support Brigade (CSB) was engaged with US Army South and the Southern Command within hours after the earthquake and deployed contracting personnel into Haiti within 48 hours to establish a regional contracting office. Currently, the force structure stands at 13 contracting and acquisition professionals lead by a senior military contracting official.

In order to leverage the power of the ACC enterprise in supporting global operations, the Army has established a "Reach-Back" contracting capability. In addition

to the ECC and MICC, the ACC also has seven major contracting centers. These contracting centers provide contracting to a wide number of customers. The real power of these contracting centers has been demonstrated in the Army's ability to provide reach-back contracting support to contingency operations that are enduring in nature. As an example, the Rock Island Contracting Center (RICC) established a reach-back team in early 2008 with 8 personnel executing over 800 million dollars worth of contracts in support of our Kuwait contracting operations. As of March 2010, the RICC has established two Reach-back Branches consisting of 31 personnel dedicated to executing complex contract support (Over \$1M) and four Air Force contracting professionals to execute non-complex buys (under \$1M). Currently the Reach-back teams are working 211 active requirements with a total value of \$9.5B that are in varying stages of the acquisition cycle.

On 8 December 2009, the Assistant Secretary of the Army for Acquisition, Logistics and Technology chartered the Operational Contracting Support and Policy Directorate. This new directorate is the proponent for operational contracting policies supporting the full spectrum of contingency operations worldwide, and will synchronize contingency contracting planning and policy across the Army and Army Staff. The OCS Policy directorate also provides liaison for and oversight of the Joint Contracting Command – Iraq/Afghanistan on behalf of the Army Acquisition Executive. Additionally, a concept plan is in development to staff the directorate to increase its planning and oversight capability for future operations.

**Workforce Growth**

On 6 April 2009, the Secretary of Defense gave direction to grow and in-source the acquisition workforce. By Fiscal Year 2015 the Army contracting civilian workforce will grow by over 1,600 new positions. This growth has been facilitated by Section 852 of the 2008 National Defense Authorization Act, which provided short term funding to hire acquisition personnel while permanent positions are resourced. Section 852 has been utilized to hire 352 Army civilian contracting interns to date, with hundreds more planned over the next three years. Section 852 provided critical funds to help reconstitute the acquisition workforce as well as many other initiatives and I would like to thank Congress for its foresight in providing these funds.

To provide better management and oversight of operational contract support, the Army recently approved the Army Contracting Command's request to grow by 594 civilians and 256 military. Military personnel will be sourced during Fiscal Years 2011 and 2012. These Army civilians will be hired during Fiscal Years 2011 through 2014 if the funds are available and allocated. As of February 2010, there are 279 soldiers and 263 officer 51C Military Acquisition Position List (MAPL) supported positions in the Army. I cannot stress enough how critical the commitment of Senior Army and Defense Leadership, as well as the U.S. Congress, is to funding and resourcing this personnel growth. With the addition of these contracting, quality assurance, and support personnel,

the likelihood of repeating the contracting problems that occurred early in the war is greatly reduced.

#### **Improved OCS Coordination**

The Assistant Secretary of the Army (Acquisition, Logistics and Technology) is collaborating with the Army G4 and the Army Materiel Command through the Materiel Enterprise Coordination Council to synchronize support to Operation Iraqi Freedom and Operation Enduring Freedom. Materiel readiness concerns, equipment fielding priorities, responsible drawdown, and reset plans are coordinated by the Materiel Enterprise Coordination Council.

The Logistics Civilian Augmentation Program, known as LOGCAP, is a key component of the Army's OCS strategy. For the past several months, a Task Force has been discussing and refining how LOGCAP can be better staffed, structured, and organized to better integrate LOGCAP into the broader OCS joint capability area. Already, 31 additional personnel have been authorized to enable more effective planning and oversight of LOGCAP.

Additionally, the Army has expanded upon an ECC initiative to establish an OCS Working Group. The working group is composed of multiple OCS stakeholders, and is used as a forum to raise concerns, staff OCS policies, and coordinate more than two

dozen OCS initiatives ongoing within the Army. The Execution Order on COR training is one of the early successes of the Army OCS Working Group.

### **Conclusion**

All of the Services are working hard to translate the lessons learned regarding contingency contracting and translate them into an integrated logistics strategy that incorporates contracted support planning, management, and oversight. As our deployed acquisition workforce continues to serve in harm's way, we owe them the resources required to complete the tasks we have given them. DPAP, in partnership with OSD, the Services, and Components, is enhancing professional standards, tools, and training to better serve this workforce. Again, I thank you for the opportunity to report to you on just some of the many initiatives we are working to support these patriots.

Mr. DICKS. Mr. Solis.

Mr. SOLIS. I also, sir, have a statement for the record.

Mr. DICKS. Which we will place in the record, without objection.

#### SUMMARY STATEMENT OF MR. SOLIS

Mr. SOLIS. Chairman Dicks, Ranking Member Frelinghuysen, and members of the subcommittee, I appreciate the opportunity to be here to discuss a number of issues regarding the oversight and management of contractors, contractors supporting U.S. forces and contingency operations.

As you know, DOD relies greatly on contractors to support its current operations, and DOD officials have stated the Department is likely to continue to rely on contractors to support future deployments.

My statement today will focus on two things: One, the challenges DOD faces in providing management and oversight of contractors for ongoing contingency operations; and two, the extent to which DOD has made progress in institutionalizing a Department-wide approach to managing and overseeing contract support.

Based on our preliminary observations from ongoing work in Iraq and Afghanistan, DOD faces five challenges related to the managing and overseeing of contractors. These challenges are: one, providing an adequate number of personnel to conduct contract oversight and the management of contractors; secondly, training of non-acquisition personnel, such as unit commanders and contracting officer representatives (COR), on how to work effectively with contractors in operations; thirdly, ensuring that local and host country nationals have been properly screened and badged; fourth, compiling reliable data on the number of contractor personnel supporting U.S. forces in deployed locations; and five, identifying requirements for contractor support in ongoing operations.

GAO has made many recommendations, starting in the mid-1990s, at addressing each of these challenges. While DOD has taken some actions in response to our recommendations, it has been slow to implement others. For example, we have reported on the shortage of CORs who provide much of the day-to-day oversight of contractors during contingency operations. We have also identified challenges DOD faces in ensuring CORs are properly trained to execute their duties.

In our ongoing work in Iraq and Afghanistan, we found inefficiencies in DOD's oversight of contractors due to an inadequate number of personnel to carry out these duties.

Some actions have been taken to help mitigate this problem, such as the Army recently directing commanders to determine prior to deployment the number of CORs that they will need. However, these efforts are in the early stages of implementation.

Similarly, we found that individuals are often deployed without knowing that they would be assigned as CORs, thus precluding their ability to take the required training prior to deployment. In addition, we found that CORs and other oversight personnel often lack the technical knowledge and training needed to effectively oversee certain contracts. For example, in Afghanistan, officials expressed concern that there were not enough CORs trained in the

trades, such as electrical wiring and plumbing, to provide oversight over construction contracts.

While DOD has agreed with multiple recommendations we have made regarding the redeployment of military commanders and CORs, this training has not been institutionalized throughout DOD. In addition, Congress has mandated that the policies include a requirement that operational contract support be included in predeployment training, but these policies have not yet been finalized.

Until DOD has fully implemented our recommendations in each of these five issue areas, we will not be in a position to ensure adequate management and oversight of contractors in Iraq and Afghanistan.

Lastly, in addition to challenges from ongoing operations, much remains to be done to institutionalize a DOD-wide approach to overseeing operational contract support.

DOD has taken some actions, such as to establish a focal point for DOD's efforts to improve contract management and oversight at deployed locations. In addition, the Department has issued a variety of contractor-related guidance.

However, other guidance, such as the expeditionary contract policy and an update of the DOD instruction on contractors accompanying the force has yet to be finalized. Further, ongoing work has also shown that the Department continues to face challenges in identifying contractor requirements in its plans for future contingency operations.

Until DOD institutionalizes operational contract support into its guidance, training and planning, the Department will likely continue to confront the challenges it faces today in a future contingency. That concludes my statement. I would be happy to answer any questions.

[The statement of Mr. Solis follows:]

United States Government Accountability Office

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**GAO**

Testimony  
Before the Subcommittee on Defense,  
Committee on Appropriations, House of  
Representatives

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For Release on Delivery  
Expected at 1:30 p.m. EDT  
Wednesday, March 17, 2010

## WARFIGHTER SUPPORT

### Continued Actions Needed by DOD to Improve and Institutionalize Contractor Support in Contingency Operations

Statement of William M. Solis, Director  
Defense Capabilities and Management



March 2010



Highlights of GAO-10-551T, a testimony before the Subcommittee on Defense, Committee on Appropriations, House of Representatives.

### Why GAO Did This Study

The Department of Defense (DOD) relies greatly on contractors to support its current operations and is likely to continue to depend on contractors in support of future operations. As of December 2009, DOD estimated that over 207,000 contractor personnel were supporting operations in Iraq and Afghanistan. DOD expects to increase the number of contractors as more troops deploy to Afghanistan. The use of contractors in contingencies has challenged DOD in overseeing and managing contractors.

This testimony addresses (1) the challenges DOD faces when trying to provide management and oversight of contractors in Iraq and Afghanistan, and (2) the extent to which DOD has made progress in institutionalizing a department-wide approach to managing and overseeing operational contract support.

Today's testimony is based on GAO's ongoing audit work in Iraq and Afghanistan, looking at planning for operational contract support and at DOD's efforts to manage and oversee contractors, as well as on recently published related GAO reports and testimonies.

View GAO-10-551T or key components. For more information, contact William Solis, 202-512-8365, solisw@gao.gov.

## WARFIGHTER SUPPORT

### Continued Actions Needed by DOD to Improve and Institutionalize Contractor Support in Contingency Operations

#### What GAO Found

DOD continues to face a number of challenges overseeing and managing contractors in ongoing operations. These challenges include:

- Providing an adequate number of personnel to conduct oversight and management of contractors.
- Training personnel, including non-acquisition personnel such as unit commanders, on how to work effectively with contractors in operations.
- Ensuring that local and third-country nationals have been properly screened, given the lack of standardized documents, the lack of national police agencies in many countries, and poor record keeping in many countries.
- Compiling reliable data on the number of contractor personnel supporting U.S. forces in contingencies.
- Identifying requirements for contractor support in ongoing operations, although GAO notes that some steps have been taken at the individual unit level.

GAO has made many recommendations in the past aimed at addressing each of these challenges. While DOD has implemented some of our recommendations, it has been slow to implement others. For example, DOD has not developed agency-wide procedures to screen foreign national contractor personnel. In addition, the department has not fully addressed congressional direction to include operational contract support in predeployment training. Until DOD has fully implemented GAO's recommendations and congressional direction, it will not be in a position to ensure adequate management and oversight of contractors in contingency operations. Furthermore, inattention to these challenges may negatively affect the military's mission through the inefficient use of personnel, may increase the risk to U.S. personnel through inadequate background screenings, and may result in increased waste of taxpayer dollars.

While DOD has taken some actions to institutionalize operational contract support, significant work remains to be done. For example, in 2006 DOD established the Assistant Deputy Under Secretary of Defense (Program Support) to act as a focal point for DOD's efforts to improve contract management and oversight at deployed locations. In addition, the department has issued a variety of contractor-related guidance, including the Joint Contingency Contracting Handbook and a Joint Publication that establishes doctrine for operational contract support; however, other guidance, including an Expeditionary Contracting Policy and an update of the DOD Instruction on Contractors Accompanying the Force, has yet to be finalized. Our ongoing work has also shown that the department continues to face challenges identifying contractor requirements in its plans for future operations. Until DOD institutionalizes operational contract support by incorporating it into its guidance, training, and planning, the department may continue to confront the challenges it faces in Iraq and Afghanistan in future operations.

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Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today to discuss a number of issues regarding the oversight and management of contracts used to support U.S. forces in contingency operations, which constitute a key portion of the broader issues the department refers to as operational contract support.<sup>1</sup> As you know, the Department of Defense (DOD) relies greatly on contractors to support its missions and operations, due in part to such factors as the reductions in DOD's civilian and military personnel following the collapse of the Soviet Union, the increasing complexity of weapons systems, and more recently, the increased demands related to overseas contingency operations, such as the need for large numbers of Arabic speakers. DOD officials have stated that without a significant increase in its civilian and military workforce, the department is likely to continue to rely on contractors both in the United States and overseas in support of future deployments. For example, the Deputy Under Secretary of Defense for Logistics and Materiel Readiness testified in 2008 that the structure of the U.S. military had been adapted to an environment in which contractors were an indispensable part of the force. In that regard, DOD estimates that more than 207,000 contractor personnel were supporting operations in Iraq and Afghanistan as of December 2009, and DOD anticipates that this number will grow as the department increases its troop presence in Afghanistan.

Congress has enacted legislation requiring DOD to take specific actions to improve its management and oversight of contractors in contingencies, such as (1) improving contractor accountability; (2) developing joint policies for requirements definition, contingency program management, and contingency contracting during combat and post-conflict operations; and (3) developing policies and procedures for the use of private security contractors in contingency operations. Our previous work has highlighted long-standing problems regarding the oversight and management of contractors supporting deployed forces. Since the advent of our work on contractor support to deployed forces in 1997, we have made many

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<sup>1</sup> Operational contract support is the process of planning for and obtaining supplies, services, and construction from commercial sources in support of joint operations, along with the associated contractor management functions. Operational contract support includes planning for contracted support, requirements development, contract execution, oversight of contractors, accountability and support of contractors, property management, and retrograde of contractors and equipment. In the past, DOD has used the phrase "contractors accompanying the force" to encompass the process the department now refers to as operational contract support.

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recommendations to improve DOD's management of contractors in deployed locations.<sup>2</sup> While the department has implemented some of our recommendations, it has been slow to implement others, including those recommendations related to operational contract support training for commanders and other personnel responsible for the management and oversight of contractors. Further, in part because of the lack of an adequate number of trained acquisition and contract oversight personnel, GAO has designated DOD contract management as a high-risk area.

The government contracting process consists of three phases: contract planning, contract formation, and contract management. The contract planning phase includes requirements determination, in which specific requirements and specifications for contracted products and services are identified and validated. The contract formulation phase typically involves solicitation and evaluation of offers and the award of a contract. Finally, the contract management phase begins after the contract is awarded. Post-award activities include contract oversight and management, contract completion and close-out activities. The contracting process is governed by contracting laws, rules, and guidance, such as the Federal Acquisition Regulation, as well as specific policies established by DOD on how to administer and manage contracts that support contingency operations, such as Joint Publication 4-10 and DOD Instruction 3020.41. DOD has acknowledged shortcomings in how the role of contractors was addressed in its planning for Iraq and Afghanistan, and has taken some recent actions to improve contracting and issue guidance.

In view of this, my statement today will focus on (1) the challenges DOD faces when trying to provide management and oversight of contractors in Iraq and Afghanistan; and (2) the extent to which DOD has made progress in institutionalizing a department-wide approach to managing and overseeing operational contract support. I will conclude with some observations about further actions the department could take to improve its use of contractors in contingency operations. My statement is based on recently published related reports and testimonies and reflects preliminary observations drawn from ongoing work looking at planning for operational contract support and the department's efforts to manage and oversee

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<sup>2</sup> GAO, *Contingency Operations: Opportunities to Improve the Logistics Civil Augmentation Program*, GAO/NSIAD-97-63 (Washington, D.C.: Feb. 11, 1997)

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contractors in Afghanistan and Iraq. Our work was conducted in accordance with generally accepted government auditing standards.<sup>3</sup>

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## Background

The U.S. military has long used contractors to provide supplies and services to deployed U.S. forces, and more recently contractors have been involved in every major military operation since the 1991 Gulf War. However, the scale of contractor support DOD relies on today in Iraq and throughout Southwest Asia has increased considerably from what DOD relied on during previous military operations, such as Operations Desert Shield/Desert Storm and those in the Balkans. At the end of the first quarter of fiscal year 2010, DOD estimated the number of contractors in Iraq to be about 100,000 and the number in Afghanistan about 107,000. In both Iraq and Afghanistan, U.S. citizens constitute a minority of the total contractor workforce. In Iraq, approximately 72,000 contractors are third country or Iraqi nationals, and in Afghanistan approximately 81,000 contractors, or 75 percent, are Afghan nationals. However, these numbers do not reflect the thousands of contractors in Kuwait and elsewhere who support operations in Iraq and Afghanistan. By way of contrast, an estimated 9,200 contractor personnel supported military operations in the 1991 Gulf War. Factors that have contributed to the increase include reductions in the size of the military, an increase in the number of operations and missions undertaken, and DOD's use of increasingly sophisticated weapons systems.

DOD uses contractors to meet many of its logistical and operational support needs during combat operations, peacekeeping missions, and humanitarian assistance missions. Today, contractors located throughout the Middle East and Southwest Asia provide U.S. forces with such services as linguistic support, equipment maintenance, base operations support, and security support. In Iraq and Afghanistan, contractors provide deployed U.S. forces with communication services; interpreters who accompany military patrols; base operations support (e.g., food and housing); weapons systems maintenance; intelligence analysis; and a variety of other types of support. Contractors provide logistics support that includes parts and equipment distribution, ammunition accountability

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<sup>3</sup> Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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and control, port support activities, and support to weapons systems and tactical vehicles. For example, in Kuwait, Iraq, Qatar, and Afghanistan, the Army uses contractors to refurbish, repair, and return to the warfighters a variety of military vehicles.

Oversight of contracts—which can refer to contract administration functions, quality assurance surveillance, corrective action, property administration, and past performance evaluation—ultimately rests with the contracting officer, who has the responsibility for ensuring that contractors meet the requirements as set forth in the contract. Frequently, however, contracting officers are not located in the contingency area or at the installations where the services are being provided. As a result, contracting officers appoint contract monitors, who are responsible for monitoring contractor performance. For some contracts, such as LOGCAP,<sup>4</sup> AFCAP,<sup>5</sup> or theater-wide service contracts like the Afghan trucking contract, contracting officers may delegate contract oversight to the Defense Contract Management Agency (DCMA) to monitor contractor performance. In Iraq and Afghanistan, these teams include administrative contracting officers, who direct the contractor to perform work, and quality assurance representatives, who ensure that the contractors perform work to the standards written in the contracts and oversee the Contracting Officer's Representatives (CORs) assigned to DCMA-administered contracts.<sup>6</sup> The DCMA team also includes property administrators and subject matter experts who advise the agency on technical issues such as food service, electrical engineering, and air traffic

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<sup>4</sup> The Logistics Civil Augmentation Program, commonly referred to as LOGCAP, is a program to provide worldwide logistics and base and life support services in contingency environments and provides the majority of base and life support services to U.S. forces in Iraq and Afghanistan.

<sup>5</sup> The Air Force Contract Augmentation Program (AFCAP) is a logistics and engineering support contract used to support contingency operations.

<sup>6</sup> The administrative contracting officer is a certified contracting officer with specialized training and experience. Administrative contracting officers may be responsible for many duties including ensuring contractor compliance with contract quality assurance requirements, approving the contractor's use of subcontractors, reviewing the contractor's management systems, reviewing and monitoring the contractor's purchasing system, and ensuring that government personnel involved with contract management have the proper training and experience.

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control procedures.<sup>7</sup> These subject matter experts augment the DCMA staff and provide expertise not inherent to DCMA's workforce and normally outside of DCMA's core competency area of oversight responsibilities. Unless the contracting officer delegates the administrative contract management and oversight functions to DCMA, the contracting officer is responsible for the administrative oversight and management of the contract.

Regardless of whether or not DCMA provides administrative oversight of a contract, contracting officers generally appoint CORs. These individuals provide much of the day-to-day oversight of a contract during a contingency operation. They are typically drawn from units receiving contractor-provided services, they are not normally contracting specialists, and often their service as contracting officer's representatives is an additional duty. They cannot direct the contractor by making commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract. Instead, they act as the eyes and ears of the contracting officer and serve as the liaison between the contractor and the contracting officer. In Iraq and Afghanistan, CORs who have been appointed as contracting officer's representatives for contracts administered by DCMA report their oversight results to DCMA personnel. For contracts not administered by DCMA, CORs provide oversight information to the contracting officer, who may be located in Iraq, Afghanistan, or outside the theater of operations.

DOD guidance requires that trained CORs be appointed prior to the award of a service contract. In Iraq and Afghanistan, the Joint Contracting Command requires that its contracting officers appoint CORs for all contracts valued at more than \$2,500 and having significant technical requirements that require on-going advice and surveillance from technical/requirements personnel. The contracting officer may exempt service contracts from this requirement when the following three conditions are all met:

1. The contract is awarded using simplified acquisition procedures;

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<sup>7</sup> The responsibilities of the property administrator include administering the contract clauses related to government property in the possession of the contractor, developing and applying a property systems analysis program to assess the effectiveness of contractor government property management systems, and evaluating the contractor's property management system to ensure that it does not create an unacceptable risk of loss, damage, or destruction of property.

2. The requirement is not complex; and

3. The contracting officer documents the file, in writing, as to why the appointment of a COR is unnecessary.

**DOD Continues to Face Challenges in Providing Management and Oversight of Contractors in Ongoing Operations**

Based on preliminary observations from our ongoing work in Iraq and Afghanistan, we found that DOD continues to be faced with five challenges related to providing management and oversight of contractors in ongoing operations. First, DOD continues to be challenged in having an adequate number of personnel to provide oversight and management of contracts. While DOD has acknowledged shortages of personnel and has made some efforts to address them, these efforts are in the early stages of implementation. Second, training non-acquisition personnel such as CORs and unit commanders to work with contractors continues to be a problem. For example, we found some instances in which a lack of training raised concerns over the potential risk of military commanders directing contractors to perform work outside the scope of the contract—something commanders lack the authority to do. Third, DOD continues to face badging and screening challenges, particularly of local national and third-country national contractor personnel. Fourth, DOD lacks reliable tracking data on contractor personnel in Iraq and Afghanistan. Fifth, DOD faces challenges in identifying its operational contract support requirements for ongoing operations in Iraq and Afghanistan. For instance, officials from U.S. Forces-Afghanistan's logistics staff appeared to be unaware of their responsibility as defined by DOD guidance to identify contractor requirements or develop the contract management and support plans required by guidance.

**Challenges in Providing an Adequate Number of Contract Oversight and Management Personnel in Deployed Locations Are Likely to Continue to Hinder DOD's Oversight of Contractors**

As we noted in several of our previous reports, having the right people with the right skills to oversee contractor performance is crucial to ensuring that DOD receives the best value for the billions of dollars spent on contractor-provided services supporting contingency operations. Additionally, as our previous work has shown, poor contract oversight and the poor contractor performance that may result can negatively affect the military's mission. Although we could find no DOD guidelines regarding the appropriate number of personnel needed to oversee and manage DOD contracts at a deployed location, several reviews by GAO and DOD organizations have consistently found significant deficiencies in DOD's

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oversight of contractors due to having an inadequate number of personnel to carry out these duties. In 2004,<sup>8</sup> 2006,<sup>9</sup> and again in 2008,<sup>10</sup> we reported on DOD's inability to provide an adequate number of oversight personnel in CENTCOM's theater of operation, and our ongoing work in Afghanistan and Iraq demonstrates that this problem has not been resolved. For example,

- During our December 2009 trip to Afghanistan, officials at a contracting command told us that their workload required them to devote all their efforts to awarding contracts, and as a result they could not provide contract oversight.
- During that same trip, the commander of a maintenance battalion in Afghanistan expressed concern over having an inadequate number of personnel available to provide oversight of a key maintenance contract used to support the increase of troops in Afghanistan. He noted that the lack of sufficient quality assurance personnel and technical experts was an identified problem they were working to correct, but that the additional civilian personnel were slow to arrive. Furthermore, he expressed concern that the expanding U.S. mission in Afghanistan would require additional technical experts and quality assurance personnel to oversee the increased number of contractors expected to be needed to support the increased vehicle maintenance and repair requirements.
- In preliminary findings concerning the drawdown of forces from Iraq, we noted that an Army unit in Kuwait that was responsible for ensuring the steady flow of equipment out of Kuwait and for conducting certain maintenance tasks had 32 government personnel to provide oversight for more than 3,000 contractor personnel. In January 2010, Army Materiel Command requested funding to double to approximately 800 the number of this unit's contractor personnel assigned to conduct retrograde-specific tasks—for example, receiving,

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<sup>8</sup> GAO, *Military Operations: DOD's Extensive Use of Logistics Support Contracts Requires Strengthened Oversight*, GAO-04-854 (Washington, DC: July 19, 2004).

<sup>9</sup> GAO, *Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces*, GAO-07-145 (Washington, DC: Dec. 18, 2006).

<sup>10</sup> GAO, *Military Operations: DOD Needs to Address Contract Oversight and Quality Assurance Issues for Contracts Used to Support Contingency Operations*, GAO-08-1087 (Washington, DC: Sept. 26, 2008).

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accounting for, sorting, and moving equipment— necessary to prevent equipment backlogs in Kuwait. In July 2009 this unit identified the lack of oversight personnel as a significant concern with respect to successfully moving equipment out of Kuwait. According to contracting officials, the unit had requested an increase in civilian oversight personnel. However, we have previously reported on the Army's difficulties in filling civilian personnel vacancies in Kuwait.<sup>11</sup>

- In a June 2009 report, the Commission on Wartime Contracting in Iraq and Afghanistan found that DOD had insufficient logistics subject matter experts in Iraq and Afghanistan.<sup>12</sup> In the department's response to the June 2009 report, DOD noted that DCMA had in March 2009 requested 57 subject matter experts for food, water, medical, fire, and petroleum services, but only 40 of the 57 positions had been filled. Furthermore, according to DCMA as of January 2010, only 19 of the 40 personnel had arrived in theater. During our December 2009 trip to Afghanistan, DCMA officials stressed to us the need for more subject matter experts, and they have requested an additional 47 subject matter experts, but officials do not know when these positions will be filled. To help mitigate the shortfall of subject matter experts, DCMA intends to use contractors to provide the needed expertise, according to DCMA officials.

Since 2004, we and others have reported that DOD has a lack of contract oversight officials, including CORs, to provide contract oversight and management in contingency operations. During operations in Iraq and Afghanistan, the shortage of CORs has been particularly acute for DCMA-administered contracts. For example, in June 2009 DCMA had a requirement for 1,252 CORs in Iraq but had only 985 in place. Similarly, in June 2009 DCMA in Afghanistan had a COR requirement of 576 but had less than half (or 253) of the needed CORs in place. In October 2009 DCMA announced a new risk-based approach toward assigning CORs. According to DCMA officials, it had been DCMA's policy that a COR would be designated for each contractor-provided service at the location of the service. According to DCMA officials and documentation, DCMA now recommends that units assign CORs only to key services—which they define as high- and medium-risk services that could put health, life, and safety at risk if not executed in a manner consistent with the contract.

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<sup>11</sup> GAO-08-1087.

<sup>12</sup> Commission on Wartime Contracting in Iraq and Afghanistan, *"At What Cost? Contingency Contracting in Iraq and Afghanistan"* Interim Report, June 2009.

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Examples of high- and medium-risk services include food service, power generation, and postal services. Services such as morale, welfare and recreation are considered low risk. Services that are not designated as "key services" do not require CORs, but are monitored on a quarterly basis by a quality assurance representative. Since implementing this policy, DCMA has reduced the requirement for CORs to oversee its contracts in Iraq from 1,100 in October 2009 to 580 in January 2010, and DCMA officials in Iraq anticipate that they will be able to reduce the COR requirement further as they continue to designate additional services as low-risk. In January 2010 DCMA reported that it had 88 percent of its required CORs in place in Afghanistan. We have not evaluated the effectiveness of this risk-based management program at this time.

In an effort to build economic capacity within Iraq and Afghanistan, Congress has authorized and DOD has developed programs to encourage the use of local contractor firms. However, these programs, the Iraq First Program and the Afghan First Program, further strain the availability of personnel to provide contract management and oversight. According to officials from the Joint Contracting Command-Iraq/Afghanistan local national contractors frequently require more oversight than U.S. firms because they lack experience, have limited capacity, are frequently less capable than their U.S. counterparts, are unfamiliar with U.S. quality standards and expectations, and lack the quality control processes that U.S. firms have in place. For example, according to DOD officials, buildings constructed by Afghan contractors have had to be re-wired when the LOGCAP program assumed responsibility for them because the LOGCAP contractors responsible for maintenance lacked assurance that the electrical work was done correctly. Other officials described receiving poor quality office furniture, while still others noted that trucking companies contracted to move U.S. goods often failed to meet delivery schedules. Without a sufficient number of contract oversight personnel in place, including subject matter experts, DOD may not be able to obtain reasonable assurance that contractors are meeting their contract requirements efficiently and effectively at each location, and that health and safety concerns have been addressed.

**Actions to Improve Availability of Oversight Personnel**

Several individual organizations or services within DOD have taken actions to help mitigate the problem of not having enough personnel to oversee and manage contractors in Afghanistan and Iraq. For example, the Army issued an Execution Order on CORs in December 2009. In the order, the Army Chief of Staff directed the commanders of deploying units to

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coordinate with the unit they will replace in theater to determine the number of CORs they will need to designate prior to deployment. The order states that if the commander is unable to determine specific COR requirements, each deploying brigade should designate and train 80 CORs prior to deployment.

In addition, a deploying Marine Expeditionary Force has created an operational contracting support cell within the logistics element of its command headquarters. The members of the cell will assist subordinate units with contracting oversight and guidance on policy, and they will act as contracting liaisons to the Joint Contracting Command-Iraq/Afghanistan and as conduits to the regional contracting commands should any issue arise. The Marines were prompted to set up this cell by lessons learned from their deployment to Operation Iraqi Freedom, where problems arose as a result of a lack of expertise and personnel to help oversee and manage contractors. In addition, the Marine Expeditionary Force trained approximately 100 Marines as CORs prior to its deployment to Afghanistan this spring. While not all personnel have been designated as CORs for the upcoming deployment, all could be called upon to serve as CORs should the need arise.

While we recognize the efforts DOD has under way to develop long-term plans intended to address its personnel shortages, the problems we have identified in the past continue. In previous reports we have recommended that DOD develop strategies to address its oversight problems, and noted that unless DOD takes steps to address its current shortages, the department will continue to be at risk with regard to its assurance that contractors are providing their required services in an effective and efficient manner.

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**Training of CORs and Non-Acquisition Personnel, Such as Unit Commanders, to Provide Contract Oversight and Management Remains an Issue**

Equally important as having enough CORs is having CORs who are properly trained to provide contract oversight. According to the Army Chief of Staff's Execution Order, the lack of personnel in theater who are sufficiently trained in COR responsibilities is hindering effective oversight and management of contracts in support of operations in Afghanistan and Iraq. In addition, a lack of CORs with the right skills can make it more difficult to resolve contractor performance issues.

The Defense Federal Acquisition Regulation Supplement requires that CORs be qualified by training and experience commensurate with the responsibilities to be delegated to them. Specifically, DOD requires that potential CORs complete courses (which are available on line) that

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include training on specific COR duties, an awareness course on trafficking in persons to help combat this practice and ethics training. In 2006 we reported that individuals deployed without knowing that they would be assigned as CORs, thus precluding their ability to take the required training prior to deployment. Individuals we spoke with noted that it was difficult to set aside the time necessary to complete the training once they arrived in Iraq.<sup>13</sup> During our recent visit to Afghanistan we found that units continue to deploy without nominating CORs beforehand, and as a result the personnel assigned to serve as CORs have to take the required training upon arrival in theater. Because training is offered through online courses, staff officers at a combined joint command as well as at an Army sustainment command in Afghanistan told us that technical limitations, including a lack of bandwidth, make it difficult to access the training from Afghanistan. In November 2009 DOD acknowledged concerns regarding web-based COR training due to connectivity issues.

We also found that although CORs and other oversight personnel are responsible for evaluating the technical aspects of a contractor's performance, these oversight personnel often lack the technical knowledge and training needed to effectively oversee certain contracts. For example, in Afghanistan, officials from various organizations expressed concern to us that there were not enough CORs trained in trades such as electrical wiring and plumbing to provide oversight over all the construction contracts, and that this problem will only worsen as the number of construction projects continues to grow. Also, in a November 2009 analysis, a DOD task force acknowledged the importance of having CORs with the right skills, noting that units nominating CORs should consider the technical aspects, monitoring frequency, and monetary value of the contract to ensure that CORs' subject matter expertise and availability are commensurate with the requirement.

An additional, long-standing training challenge hindering management and oversight of contractors supporting deployed forces is the lack of training for military commanders and other non-acquisition personnel, such as senior leaders who need contractors to execute their mission. As we testified in 2008, limited or no pre-deployment training on the use of contractor support can cause a variety of problems for military

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<sup>13</sup> GAO, *Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Oversight and Management of Contractors*, GAO-07-145 (Washington, DC: Dec. 18, 2006).

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commanders in a deployed location, such as being unable to adequately plan for the use of those contractors, or confusion regarding the military commanders' roles and responsibilities in managing and overseeing contractors.<sup>14</sup> Currently, military commanders and other unit leaders are not required to complete operational contract support training prior to deployment.<sup>15</sup> In Afghanistan we continued to find that some commanders had to be advised by contract oversight personnel that they had to provide certain support, such as housing, force protection, and meals to the contractors they were overseeing. In addition, having limited or no pre-deployment training for military commanders on the use of contractor support to deployed forces can result in confusion regarding their roles and responsibilities in managing and overseeing contractors. For example, we found some instances in which a lack of training raised concerns over the potential risk of military commanders directing contractors to perform work outside the scope of the contract—something commanders lack the authority to do.

According to several contract oversight personnel, some commanders did not understand the command and control relationship between themselves and the contractor, and were unclear as to whether they could direct the contractor to perform work. Similarly, in a January 2010 acquisition conference, DCMA noted as a challenge the education of unit commanders on working with contractors. These challenges include educating the commanders on the value of contractors as a force multiplier, the unit's role in providing oversight, and distinguishing between command and contractual authority. The commander of the operational contract support cell at a Marine Expeditionary Force headquarters noted that he considered educating commanders to be one of his key challenges as his unit prepared to deploy. Without a clear understanding of the command and control relationship for contractors, commanders and other key leaders run the risk of directing the contractor to perform work beyond what was called for in the contract. As Army guidance makes clear, when military commanders try to direct contractors to perform activities outside the scope of the contract, this can cause the

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<sup>14</sup> GAO, *Military Operations: Implementation of Existing Guidance and Other Actions Needed to Improve DOD's Oversight and Management of Contractors in Future Operations*, GAO-08-436T (Washington, D.C.: Jan. 24, 2008).

<sup>15</sup> While DOD does not require military commanders to take operational contract support courses, Joint Forces Command has two operational contract support courses available online and other courses are available through the Defense Acquisition University and the Army.

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government to incur additional charges because modifications would need to be made to the contract. In some cases, the direction may potentially result in a violation of competition requirements.

While we continue to observe issues regarding training on the use of contractor support, initiatives have been taken to implement and emphasize enhanced training for contract management and oversight personnel. For example, the Army's December 2009 Execution Order directs the Army's Training and Doctrine Command to develop additional training, including training to familiarize CORs with LOGCAP. It also requires brigade commanders to identify and train individuals as CORs prior to deployment, and it requires that training scenarios for CORs be incorporated into mission rehearsal and mission readiness exercises. In an independent effort in Afghanistan, two sustainment units provided training that incorporated a set of contract-related scenarios prior to their deployment to Afghanistan. One of the units also sent an officer to the new 2-week Operational Contract Support course conducted by the Army Logistics Management College. Ninety soldiers from one of the units also attended COR training, either through the Defense Acquisition University or through equivalent training. In another example, one of the Marine Corps' expeditionary forces preparing to deploy to Afghanistan identified Marines who may have contract oversight roles in Afghanistan and brought in an instructor from the Defense Acquisition University to provide three sessions of COR training prior to their deployment. In addition, DCMA has begun reaching out to deploying units to provide them with pre-deployment training on what to expect when they arrive in Afghanistan, particularly with regard to LOGCAP. Officials responsible for overseeing a contract for linguist services also stated that their CORs received contract-specific training prior to deployment. However, these efforts do not address the concerns about CORs lacking the technical skills required to provide oversight on more technical contracts, specifically construction-related contracts. While these training efforts are promising, they have been driven by individual services and units.

We have been discussing the need for better pre-deployment training on the use of contractors to support deployed forces since the mid-1990s, and have accordingly made several recommendations that DOD improve its training. For example, in 2003 we recommended that DOD develop training courses for commanding officers and other senior leaders who are deploying to locations with contractor support, and in 2006 we expanded

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on our recommendation and recommended that operational contract support be included in professional military education and pre-deployment training.<sup>16</sup> In both instances DOD agreed with our recommendations but has not fully implemented them. Furthermore, in 2008, Congress mandated that DOD policies provide for contingency contracting training for certain non-acquisition personnel, including operational commanders expected to have acquisition or contract oversight responsibilities.<sup>17</sup> However, these policies have not yet been finalized, and consequently the training required has not been institutionalized throughout DOD.<sup>18</sup>

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#### DOD Continues to Face Badging and Screening Challenges

In Iraq and Afghanistan military commanders and other military officials have expressed concerns about the risks that contractor personnel, particularly third-country and local nationals, pose to U.S. forces due to limitations in the background screening process. In 2006 we first reported on the challenges that DOD faced in ensuring that contractor personnel had been thoroughly screened and vetted.<sup>19</sup> In July 2009 we reported that DOD had not developed department-wide procedures to screen local national and third-country national contractor personnel, in part because two offices within the department—that of the Under Secretary of Defense for Intelligence and that of the Under Secretary of Defense for Acquisition, Technology, and Logistics—could not agree on the level of detail that should be included in background screening for third country and local national employees, and therefore lacked assurance that all contractor personnel were properly screened. To resolve this issue we recommended that the Secretary of Defense designate a focal point at a sufficiently senior level and possessing the necessary authority to ensure that the appropriate offices in DOD coordinate, develop, and implement

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<sup>16</sup> GAO-03-695 and GAO 07-145.

<sup>17</sup> National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 849 (2008).

<sup>18</sup> Section 849 of the 2008 NDAA.

<sup>19</sup> GAO, *Military Operations: Background Screenings of Contractor Employees Supporting Deployed Forces May Lack Critical Information, but U.S. Forces Take Steps to Mitigate the Risk Contractors May Pose*, GAO-06-909R (Washington, D.C.: Sept. 22, 2006).

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policies and procedures to conduct and adjudicate background screenings in a timely manner.<sup>20</sup>

DOD has still not developed a department-wide policy on how to screen local national and third-country national contractor personnel, and as a result it continues to face challenges in conducting background screening of these personnel. As we reported in July 2009, absent a DOD-wide policy, commanders develop their own standards and processes to ensure that contractor personnel have been screened. In Iraq, U.S. Forces-Iraq, the U.S. led military organization responsible for conducting the war in Iraq, has developed a command-wide policy for screening and badging contractors. However, in Afghanistan, U.S. Forces-Afghanistan (USFOR-A)<sup>21</sup> has not established a command-wide policy for screening and badging contractors. Instead, each base is responsible for developing its own background screening and base access procedures, resulting in a variety of different procedures. Moreover, requirements differ between U.S. bases and NATO bases. The lack of guidance also affects the ability of force protection officials to determine the sufficiency of their background screening procedures. For example, at one base, force protection officials told us that while they require contractor personnel to provide valid background screening from their home countries, they had not received guidance on how to interpret those screenings, and did not know whether the screenings they received were valid or not. Officials stated that they rely on a biometric system, also used in Iraq, to screen local national and third-country national contractor personnel. However, as we reported in July 2009, the name-checks and biometric data collection associated with issuing badges rely primarily upon U.S.-based databases of criminal and terrorist information. In 2006, we reported that background checks that are reliant upon U.S.-based databases, such as the biometric system used in Iraq and Afghanistan, may not be effective in screening foreign nationals who have not lived or traveled to the U.S.<sup>22</sup> Further, some DOD contracts require contractors to conduct background screenings of their personnel. In July 2009 we reported that contracts for private security services often

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<sup>20</sup> GAO, *Contingency Contract Management: DOD Needs to Develop and Finalize Background Screening and Other Standards for Private Security Contractors*, GAO-09-351 (Washington D.C.: July 31, 2009).

<sup>21</sup> U.S. Forces-Afghanistan (USFOR-A), is the headquarters for U.S. forces operating in Afghanistan and was established in October 2008.

<sup>22</sup> GAO-06-990R.

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contained unrealistic background screening requirements.<sup>23</sup> For example, the requirements directed contractors to use data sources to which private firms may not have access, such as databases maintained by the Federal Bureau of Investigation and the Central Intelligence Agency. We continue to find that some DOD contracts include unrealistic background screening requirements similar to those identified in our July 2009 report. As we concluded in July 2009, without a coordinated DOD-wide effort to develop and implement standardized policies and procedures to ensure that contractor personnel—particularly local nationals and third-country nationals—have been screened, DOD cannot be assured that it has taken all reasonable steps to thoroughly screen contractor personnel and minimize any risks to the military posed by these personnel.

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**DOD Lacks Reliable Data on the Number of Contractor Personnel in Iraq and Afghanistan**

Since 2002, we have reported on the challenges faced by commanders and other leaders to obtain accurate information on the number of contractors and the services they are providing in contingencies and have made recommendations to improve DOD's ability to obtain contractor information. For example, in December 2006 we reported that commanders had limited visibility of contractors because information on the number of contractors at deployed locations or the services they provide was incomplete, unreliable, and not aggregated within any one DOD organization, a limitation that can inhibit planning, increase costs, and introduce unnecessary risks.<sup>24</sup> Although DOD has recognized the need for commanders and other leaders to have reliable data on the number of contractors and the services they provide, DOD continues to face challenges in tracking contracts and contractor personnel in Iraq and Afghanistan. Absent complete and accurate information on contractors supporting contingency operations, the agencies are limited in their ability to develop a complete picture of their reliance on contractors, the tasks being performed, and their associated costs. Reliable and meaningful data on contractors and the services they provide are a starting point for agency discussions about when and how to effectively use contractors; support contractors in terms of housing, security, and other services; and ensure that contractors are properly managed and overseen.

In January 2007, DOD designated the Synchronized Pre-deployment and Operational Tracker (SPOT) as its primary system for collecting data on

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<sup>23</sup> GAO-09-351.

<sup>24</sup> GAO-07-145.

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contractor personnel deployed with U.S. forces, and it directed contractor firms to enter personnel data for contracts performed in Iraq and Afghanistan.<sup>25</sup> The SPOT database is designed to provide accountability of contractor personnel by name, a summary of the services being provided, and information on government-provided support.

Our reviews of SPOT have highlighted shortcomings in DOD's implementation of the system in Iraq and Afghanistan.<sup>26</sup> Most important, we found that as a result of diverse interpretations as to which contractor personnel should be entered into the system, the information in SPOT does not present an accurate picture of the total number of contractor personnel in Iraq and Afghanistan. For example, in Iraq, DOD officials stated that the primary determinant of whether contractor personnel were entered into SPOT was a contractor's need or lack of need for a SPOT-generated letter of authorization. Contractor personnel need SPOT-generated letters of authorization to, among other things, enter Iraq, receive military identification cards, travel on U.S. military aircraft, or, for security contractors, receive approval to carry weapons.<sup>27</sup> However, not all contractor personnel in Iraq, and particularly local nationals, need letters of authorization, and agency officials informed us that such personnel were not being entered into SPOT. Similarly, officials with one contracting office in Afghanistan stated that the need for a letter of authorization determined whether someone was entered into SPOT, resulting in Afghans not being entered. However, officials from another office stated that that

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<sup>25</sup> In July 2008, DOD signed a memorandum of understanding with the Department of State and the U.S. Agency for International Development in which the three agencies agreed to track information on contracts meeting specified thresholds performed in Iraq or Afghanistan and the personnel working on those contracts.

<sup>26</sup> GAO, *Contingency Contracting: Further Improvements Needed in Agency Tracking of Contractor Personnel and Contracts in Iraq and Afghanistan*, GAO-10-187 (Washington D.C.: Nov. 2, 2009).

<sup>27</sup> A letter of authorization (LOA) is a document issued by a government contracting officer or designee that authorizes contractor personnel to travel to, from, and within a designated area and to identify any additional authorizations, privileges, or government support the contractor is entitled to under the contract.

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office was following DOD's 2007 guidance<sup>28</sup> on the use of SPOT and entering local nationals into the system.

Because of the varying practices for entering personnel into SPOT, there are inconsistencies and gaps in the data generated by the system. For example, while DOD officials expressed confidence that the SPOT data were relatively complete for contractor personnel who need a letter of authorization, they acknowledged that SPOT does not fully reflect the number of local nationals working on contracts. Tracking local nationals in SPOT presents particular challenges because their numbers tend to fluctuate due to the use of day laborers, and because local firms do not always keep track of the individuals working on their projects. DOD officials also explained that they have had to develop workarounds to get around the SPOT requirement of a first and last name to be entered for each individual, along with a birth date and unique identification number. The officials noted that many Afghan laborers have only one name, do not know their birth dates, and lack identification numbers.

Because of the short-comings of SPOT, DOD has conducted quarterly censuses to obtain information on the number of contractor personnel in Iraq and Afghanistan.<sup>29</sup> DOD officials have regarded the census as the most complete source of contractor personnel data, but they acknowledged that the census numbers represent only a rough approximation of the actual number of contractor personnel working in either country. We found that census data were sometimes incomplete, while in other cases personnel were doubly counted.<sup>30</sup> Because of these and related limitations, we determined that the census data should not be used to identify trends or draw conclusions about the number of contractor personnel in either Iraq or Afghanistan.

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<sup>28</sup> This guidance was implemented in the Defense FAR Supplement, § 252.225-7040(g), which specifies that contractors are to enter information into SPOT for all personnel authorized to accompany the U.S. Armed Forces during contingency operations and certain other actions outside the United States. However, Class Deviation 2007-00010 excluded contracts with performance in the U.S. Central Command's area of responsibility that did not exceed \$25,000 and had a period of performance of less than 30 days.

<sup>29</sup> In January 2010 the Under Secretary of Defense for Acquisition, Technology and Logistics issued a memo stating that the department would begin transitioning from the manual quarterly census to an automated report generated from SPOT. However, U.S. Forces-Iraq has decided to continue its monthly census instead of relying on SPOT to help manage the drawdown.

<sup>30</sup> GAO-10-1.

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**Challenges in Identifying Operational Contract Support Requirements in Iraq and Afghanistan**

DOD guidance highlights the need to plan for operational contract support early in an operations planning process because of the challenges associated with using contractors in contingencies. These challenges include overseeing and managing contractors in contingency operations. In previous reports and testimonies we have noted that DOD has not followed long-standing guidance on planning for operational contract support.<sup>31</sup> Specifically, joint guidance calls for DOD to identify contract support requirements as early as possible, to ensure that the military receives contract support at the right place, at the right time, and for the right price. Other guidance directs the combatant commander or joint task force commander to identify operational contract support requirements as well as develop plans to obtain and manage contract support and include them in operation plans, operation orders, or fragmentary orders. Our preliminary observations from ongoing work continue to show that DOD has not fully planned for the use of contractors in support of ongoing contingency operations in Iraq and Afghanistan.

On December 1, 2009, the President announced that an additional 30,000 U.S. troops would be sent to Afghanistan to assist in the ongoing operations there, and the Congressional Research Service estimates that between 26,000 and 56,000 additional contractors may be needed to support the additional troops. However, during our December 2009 trip to Afghanistan, we found that only limited planning was being done with regard to contracts or contractors. Specifically, we found that with the exception of planning for the increased use of LOGCAP, USFOR-A had not begun to consider the full range of contractor services that might be needed to support the planned increase of U.S. forces. More important, officials from USFOR-A's logistics staff appeared to be unaware of their responsibility as defined by DOD guidance to identify contractor requirements or develop the contract management and support plans required by guidance.<sup>32</sup> However, we did find some planning being done by U.S. military officials at Regional Command-East. According to planners from Regional Command-East, the command had identified the types of units that are being deployed to their operational area of Afghanistan and was coordinating with similar units already in Afghanistan to determine what types of contract support the units relied on. Furthermore, according

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<sup>31</sup> GAO-04-554 and GAO-08-436T.

<sup>32</sup> Joint Publication 3-33, "Joint Task Force Headquarters," 16 February 2007, pg. C-7 and C-9.

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to operational contract support personnel associated with a Marine Expeditionary Force getting ready to deploy to Afghanistan, the staff offices within the Marine Expeditionary Force headquarters organization were directed to identify force structure gaps that could be filled by contractors prior to deployment and begin contracting for those services.<sup>33</sup> For example, one section responsible for civil affairs identified the need to supplement its staff with contractors possessing engineering expertise because the needed engineers were not available from the Navy.

In addition, although U.S. Forces-Iraq<sup>34</sup> has taken steps to identify all the LOGCAP support they will need for the drawdown, they have not identified the other contracted support they may need. According to DOD joint doctrine and service guidance, personnel who plan, support, and execute military operations must also determine the contracted support needed to accomplish their missions. Such personnel include combat force commanders, base commanders, and logistics personnel. In particular, these personnel are responsible for determining the best approach to accomplish their assigned tasks and—if the approach includes contractors—identifying the types and levels of contracted support needed. Multi-National Force-Iraq's (MNF-I) drawdown plan, however, delegated the responsibility for determining contract support requirements to contracting agencies, such as the Joint Contracting Command-Iraq/Afghanistan, rather than to operational personnel. Joint Contracting Command-Iraq/Afghanistan officials told us, however, that they could not determine the theater-wide levels of contracted services required, or plan for mandated reductions based on those needs, because they lack sufficient, relevant information on future requirements for contracted services—information that should have been provided by operational personnel. For example, according to MNF-I documentation, during an October 2009 meeting between operational personnel and contracting officials, MNF-I reiterated that the levels of contracted service ultimately needed in Iraq during the drawdown were unknown. This is consistent with an overarching weakness identified by a Joint Staff task force, which recognized limited, if any, visibility of contractor support and

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<sup>33</sup> Examples of staff sections include Comptroller, Civil Affairs, Engineering, and Communications.

<sup>34</sup> Multi-National Force-Iraq (MNF-I) and its subordinate headquarters merged into a single headquarters called United States Forces-Iraq (USF-I) in January 2010. Documents obtained and discussions held prior to January 2010 will be attributed to MNF-I or one of its subordinate commands as appropriate. Discussions held and documents obtained after January 2010 will be attributed to USF-I.

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plans, and a lack of requirements definition. As a result, rather than relying on information based on operationally driven requirements for contracted services, MNF-I planned for, and U.S. Forces-Iraq (USFOR-I) is subsequently tracking, the reduction of contracted support in Iraq using historical ratios of contractor personnel to servicemembers in Iraq, which may not accurately reflect the actual levels of contracted support needed during the drawdown.

Insufficient planning may also lead to shortages in contractor personnel available to perform key functions affecting contractor responsiveness. For instance, during our December visit to Afghanistan, multiple DOD officials, including the commander of a base, told us that the current LOGCAP contractor had pulled many of its skilled workers off the job, which led to issues such as electrical problems that remained unresolved for longer than desired periods of time. Furthermore, a maintenance battalion commander told us that without the assistance of soldiers and civilian mechanics from the Red River Army Depot, the contractor would not have had enough personnel to maintain and repair the vehicles and equipment necessary to meet the mission. Additionally, in December 2009, an official from USFOR-A-South told us that in Kandahar military personnel were called upon to augment the operations of a supply facility because the contractor had not fully staffed the operation. In response to a DCMA letter of concern regarding contractor personnel shortages, the contractor agreed to have a full complement of contractor personnel in place by the middle of February 2010.

Timely planning is critical to avoiding potential waste and ensuring that critical services are available when needed as the United States increases troops in Afghanistan and withdraws them from Iraq. In a January 2008 statement before Congress we again highlighted the need for the department to follow its long-standing planning guidance regarding the use of contractors to support deployed forces.<sup>35</sup> In that testimony we called upon DOD leadership to take steps to ensure compliance with existing guidance. Insufficient planning for requirements may lead to other poor outcomes, such as increased cost, lengthened schedules, underperformance, and delays in receiving services. We continue to believe that the department should take steps to ensure that it adheres to the guidance detailed in both joint and service publications.

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<sup>35</sup> GAO-08-436T.

**While DOD Has Taken Some Actions to Institutionalize Operational Contract Support, Much Remains to Be Done**

In response to congressional direction and GAO recommendations, DOD has taken some actions to institutionalize operational contract support, however much remains to be done. The department has appointed a focal point to lead in these efforts, has issued some new guidance, and has begun to determine its reliance on contractors, but it has yet to finalize the policies required by Congress in the National Defense Authorization Acts for Fiscal Years 2007 and 2008. In addition, the department needs to take additional actions to improve its planning for operational contract support for future operations.

**DOD Has Taken Some Department-wide Steps to Institutionalize Operational Contract Support**

In October 2006, the Deputy Under Secretary of Defense for Logistics and Materiel Readiness established the office of the Assistant Deputy Under Secretary of Defense (Program Support) to act as a focal point for leading DOD's efforts to improve contract management and oversight at deployed locations. That office has, for example established a community of practice for operational contract support comprising subject matter experts from the Office of the Secretary of Defense, the Joint Staff, and the services, and this community may be called upon to work on a specific task or project. Additionally, the office has established a Council of Colonels, which serves as a "gatekeeper" for initiatives, issues, or concepts, as well as a Joint Policy Development General Officer Steering Committee, which includes senior commissioned officers or civilians designated by the services. The committee's objective is to guide the development of Office of the Secretary of Defense, Joint Staff, and service policy, doctrine, and procedures to adequately reflect situational and legislative changes as they occur within operational contract support. The Program Support office is also developing an Operational Contract Support Concept of Operations, and it has provided the geographic combatant commanders with operational contract support planners to assist them in meeting contract planning requirements.

To provide additional assistance to deployed forces, the department and the Army introduced several handbooks to improve contracting and contract management in deployed locations. For example,

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- In 2007 the department introduced the Joint Contingency Contracting Handbook, which provides tools, templates, and training that enable a contingency contracting officer to be effective in any contracting environment. The handbook also contains resources for contracting officers to promote uniform contracting practices, including standardized contract forms and language for terms and conditions. The handbook is currently being updated and the department expects it to be issued in July 2010.
  - In 2008 the Army issued the Deployed Contracting Officer's Representative Handbook. This handbook provides the basic tools and knowledge needed for use in conjunction with formal COR training. The handbook was designed to address the realities that CORs face when operating outside the United States in a contingency operation.
  - Additionally in October 2008, the department issued Joint Publication 4-10, "Operational Contract Support," which establishes doctrine and provides standardized guidance for planning, conducting, and assessing operational contract support integration, contractor management functions, and contracting command and control organizational options in support of joint operations.

Finally, in 2008, the Joint Staff (J-4), at the direction of the Chairman, undertook a study to determine how reliant the department was on contractors in Iraq. The intent of the study was to (1) better understand contracted capabilities in Iraq, to determine areas of high reliance or dependence; (2) determine where the department is most reliant, and in some cases dependent, on contractor support, to inform longer-term force structure and potential "buy back" implications; and (3) guide the development of future contingency planning and force development. According to the Joint Staff their initial findings suggest that in Iraq the department was highly dependent on contractors in four of the nine joint capability areas, including Logistics.<sup>36</sup> For example, the study showed that in the third quarter of fiscal year 2008, over 150,000 contractors were providing logistical support, while slightly more than 31,000 military personnel were providing similar support. Having determined the level of dependency and reliance on contractors in Iraq, the Joint Staff plans to examine ways to improve operational contract support planning, including

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<sup>36</sup> Joint capability areas are a collection of like DOD capabilities functionally grouped to support capability analysis, strategy development, investment decision making, capability portfolio management, and capabilities-based force development and operational planning.

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the development of tools, rules, and refinements to the existing planning process.

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**DOD Has Yet to Finalize Operational Contract Support Guidance to Meet Congressional Direction**

In 2006 Congress directed the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to develop joint policies by April 2008 for requirements definition, contingency program management, and contingency contracting during combat and post-conflict operations.<sup>37</sup> In 2008, Congress amended this requirement by directing that the joint policies also provide for the training of military personnel outside the acquisition workforce who are expected to have acquisition responsibilities, including oversight of contracts or contractors during combat operations, post-conflict operations, and contingency operations.<sup>38</sup> It also directed that GAO review DOD's joint policies and determine the extent to which those policies and the implementation of such policies comply with the statutory requirements. In November 2008 we reported that the department had yet to finalize several key documents designed to meet the requirements established by Congress.<sup>39</sup> We also noted that DOD was developing an Expeditionary Contracting Policy to address the requirement to develop a joint policy on contingency contracting, and was revising the October 2005 version of DOD Instruction 3020.41, Contractor Personnel Authorized to Accompany the US Armed Forces, to meet the congressional direction to develop a joint policy on requirements definition; program management, including the oversight of contractor personnel supporting a contingency operation; and training. At the time of our 2008 report, the draft Instruction directed combatant commanders and service component commanders to conduct planning to identify military capability shortfalls that require acquisition solutions in commanders' operational plans, and combatant commanders to integrate operational contract support issues into training simulations, mission rehearsals, and exercises. The draft Instruction also directed the service to include requirements of the Instruction in their training.

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<sup>37</sup> John Warner National Defense Authorization Act for Fiscal Year 2007, Pub. L. No. 109-364, § 854 (2006) (codified at 10 U.S.C. § 2333).

<sup>38</sup> National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 849 (2008).

<sup>39</sup> GAO, *Contract Management: DOD Developed Draft Guidance for Operational Contract Support but Has Not Met All Legislative Requirements*, GAO-09-114R (Washington, D.C.: Nov. 20, 2008)

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As of March 2010, the department had yet to issue either of these documents. According to the Assistant Deputy Under Secretary of Defense (Program Support), the revisions to DOD Instruction 3020.41 have been held up in the review process. The current plan is to post the proposed revisions in the Federal Register and issue the revised instruction in the summer of 2010. Until the DOD instruction is revised and issued, the department's overarching policy document will not reflect the department's current approach to operational contract support. Furthermore, the provisions of the draft instruction that were intended to meet the congressional requirement for joint policy applicable to combatant commanders and the military services have not been established. Regarding the expeditionary contracting policy, the department has determined that it will not issue the expeditionary policy because the practitioners do not believe a joint policy is necessary.

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**Plans for Future Operations Lack Information on Contractor Support Requirements**

DOD also faces challenges incorporating operational contract support issues in its operation plans for potential future contingencies. Since 2003, we have identified the need for the department to ensure that specific information on the use and roles of contract support to deployed forces is integrated into its plans for future contingency operations.<sup>60</sup> DOD guidance has long recognized the need to include the role of contractors in operation plans and, since early 2006, this guidance has required planners to include an operational contract support annex—known as Annex W—in the combatant commands' most detailed operation plans. Our ongoing work has found that the department has made some progress in both meeting this specific guidance and, more generally, in incorporating contract requirements in its operation plans. However, additional steps are needed to fully implement DOD guidance.

First, we found that four operation plans with Annex Ws have been approved, and planners have drafted Annex Ws for an additional 30 plans. However, according to combatant command officials, most of the annexes drafted to date restate broad language from existing DOD guidance on the use of contractors to support deployed forces and included few details on the type of contractors needed to execute a given plan—despite guidance requiring Annex Ws to list contracts likely to be used in theater. This was due to several factors, including a lack of information within the operation plans on matters such as the size and capabilities of the military force

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<sup>60</sup> GAO-03-695.

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involved. According to combatant command planners, this information is needed to enable them to identify the details on contracted services and capabilities needed to support an operation. In addition, shortcomings in guidance on how and when to develop these annexes have resulted in a mismatch in expectations between senior DOD leadership and combatant command planners regarding the degree to which Annex Ws will contain specific information on contract support requirements. We found that several senior DOD officials have the expectation that most combatant command plans should at least identify the capabilities that contractors may provide, regardless of the level of plan. However, the contract support planners and other officials responsible for developing the Annex Ws disagreed, stating that given the limited amount of information on military forces in most operation plans, the expected level of detail was difficult if not impossible to achieve. In most cases, we found that Annex Ws did not contain the level of detail expected by senior DOD leadership and envisioned in current guidance, thus limiting the utility of the Annex W as a planning tool to assess and address contract support requirements.

Second, in discussion with combatant command officials responsible for developing operation plans, we found that detailed information on operational contract support requirements is generally not included in other sections or annexes of these plans. Although the Annex W is intended to be the focal point within an operation plan for discussing operational contract support, DOD guidance underscores the importance of addressing contractor requirements throughout an operation plan. However, we found that non-logistics personnel tend to assume that the logistics community will address the need to incorporate operational contract support throughout operation plans. For example, combatant command officials told us they were not aware of any assumptions specifically addressing the potential use or role of operational contract support in their base plans. Assumptions are used to focus attention of senior DOD leadership on factors that could present risks to mission success. Similarly, according to DOD planners, there is a lack of details on contract support in other parts of most base plans or in the non-logistics (e.g., communication or intelligence) annexes of operation plans. DOD guidance for these annexes directs planners to identify the means or capabilities necessary for meeting mission requirements. Although this guidance does not specifically mention contractors, contractors provide significant support in these areas.

The lack of details on contract support requirements in Annex Ws, along with the limited discussion of contractors in other portions of operation plans, can hinder the ability of combatant commanders to understand the

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extent to which their plans are reliant on contractors. Moreover, senior decision makers may incorrectly assume that operation plans have adequately addressed contractor requirements. As a result, they risk not fully understanding the extent to which the combatant command will be relying on contractors to support combat operations, and being unprepared to provide the necessary management and oversight of deployed contractor personnel.

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### Concluding Observations

In closing, DOD has taken positive steps in recognizing its reliance on contractors to support operations both now and in the future, and it has emphasized the need for increased oversight and management over these contractors. However, more work is needed to address the long-standing challenges I have discussed today. Many of the challenges I have identified, particularly those related to contract management, oversight, and planning, stem from DOD's inability to institutionalize operational contract support by accepting contractors as an integral part of the total force. Reforming the way DOD approaches operational contract support will require a fundamental cultural change for the department. As part of the effort to bring about such changes, DOD will need to continue to evaluate the role that contractors play in contingency operations to determine the appropriate balance of contractors and military forces and institutionalize operational contract support at all levels of professional military education as well as in predeployment training and exercises.

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Mr. Chairman, this concludes my statement. I would be happy to answer any questions.

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## CONTRACT SUPPORT REQUIREMENTS

Mr. DICKS. What do you have to say about that, Mr. Assad?

It sounds like we just did this on the wing, that there was no institutional framework within the Department to figure out how you would hire contractors when you have to deploy in a wartime contingency. Am I wrong? Was there any basis, existing organization, any thought given to what happens if we have to have contractors and we are in a foreign contingency?

## CONTRACTING OFFICER REPRESENTATIVES

Mr. ASSAD. When we went back into Iraq in 2004, Mr. Chairman, there were a lot of challenges. There were a lot of unknowns. But as we talk today—for example, Mr. Solis just referenced contracting officer representatives. Our fill rate now in contracting officer representatives is at 96 percent in Iraq. We believe we need 719 of them, we have 693 CORs with their boots on the ground.

One year ago, we had a fill rate in Afghanistan of around 46 percent. Today, our fill rate is 88 percent. Again, we think we are making some significant progress, but Mr. Solis is right, when we first got our boots on the ground—

Mr. DICKS. Remember, we have been in Afghanistan since October of 2001.

Mr. ASSAD. Yes, sir.

Mr. DICKS. And we have been in Iraq for a long period of time.

I mean, I must tell you, when we have asked questions of people up here about contractors—Ms. Kaptur being one of the leaders on this—it was like it was some mystery; well, we don't know how many people we have. It was very worrisome to me. And for a long time we couldn't even get the numbers. It was like—I wouldn't say a cover-up. I mean, it wasn't even that good. I mean, there just didn't seem to be anything real there. And it looks like now, 9 years into Afghanistan, and 2003 in Iraq, we are now getting something in place. A year ago we had about half of what was necessary.

I just hope that we learn from this so that if we have another contingency down the road, that we have an organization within the Department that can deal with the contractors and let us know how many people are involved and what the plan is, why you are doing it. Who decides it? Who decides, what should we have contractors do and what should we have the military and the civilians do? Who decides that?

## JOINT CONTINGENCY ACQUISITION SUPPORT OFFICER

Mr. ASSAD. What we didn't have in place several years ago, Mr. Chairman, was something called the Joint Contingency Acquisition Support Officer, the JCASO. They are now called logistics and capability planners; they are actually resident with the combatant commanders to enable them to understand what is the contracting capability, given a specific war plan, that will be necessary? How will we go about contracting for it? How will we in fact be able to address a contingency operation?

We didn't have that in place several years ago. We now have it in place. It has been in place for about a year. We just saw in Haiti

where that process worked very well, where the Army was able to put contracting officers on the ground almost immediately to address the contracting concerns that our operational forces needed because they were able to do the planning involved.

So the answer is, who is deciding what the capability is, that is the combatant commander's decision to decide what his force, his logistics, his J-4, if you will, his chief logistics officer planning how much of a capability do we need, how much of that will be inherent to the service, and how much of that will be contracted for; we can do that now.

Mr. DICKS. So you are telling me that, going forward—and Haiti is a good example, we were talking about this yesterday with General Petraeus, who thought that another contingency, what about Haiti? We were able to respond. We have the equipment. We didn't kill ourselves. But I think this is important. I think it is important that this be part of the planning the Department does. They have war plans over there for every possible contingency—

Mr. ASSAD. Yes, sir.

#### CONTRACT SUPPORT REQUIREMENTS

Mr. DICKS [continuing]. But you have to have how much of this are you going to do with military and civilians, and how much are you going to do with contractors? And you have got to be able to explain it to people, because if you don't, if you can't explain it, then it looks like we are trying to do things with contractors so we keep the numbers down so it doesn't look like we are spending that much money, or whatever it is.

I just think that this is one where we really need to keep this in place. So, hopefully, some day when we are out of Iraq and Afghanistan, I just hope this doesn't wither away and be forgotten because it is something that is very important. The American people have a right to know how many people we are contracting to. And the most important thing is the Inspectors General gave us all kinds of reports early on about all the fraud, waste and abuse and everything else that accompanied these contracts, which also was upsetting to this committee and to the American people.

Mr. Frelinghuysen.

#### JOINT CONTINGENCY ACQUISITION SUPPORT OFFICE

Mr. FRELINGHUYSEN. Mr. Assad, you prefaced your comments in the beginning by saying that this is all about what we need to do to support our soldiers, Marines, airmen, SeaBees in the field. And so, to some extent, the reason we have these contractors has a lot to do with, in some cases, while they may be protecting themselves, in some instances these contractors are used to protect them. Is that accurate?

Mr. ASSAD. Yes.

Mr. FRELINGHUYSEN. And our Army still moves on its stomach, so unless you want private first classes doing KP, we have for a long time relied on private contractors. What is the acronym, the Joint Acquisition Workforce, what is that acronym that someone referred to?

Mr. ASSAD. JCASO, the Joint Contingency Acquisition Support Officer.

Mr. FRELINGHUYSEN. These are civilians?

Mr. ASSAD. They are civilians. They could be military.

Mr. FRELINGHUYSEN. But are they associated with each one of your organizations?

Mr. ASSAD. No. They are coming from the Defense Logistics Agency. They are under the Defense Logistics Agency, and they are resident with the combatant commanders.

Mr. FRELINGHUYSEN. All right. So those that are civilians there, do they volunteer, or are they told that they have to go?

Mr. ASSAD. No, this is their job. Their job is to be logistics—

Mr. FRELINGHUYSEN. This is their job. So it is not like when we have problems with getting people from the State Department to volunteer?

Mr. ASSAD. That is correct, yes.

Mr. FRELINGHUYSEN. They have to go. They are obligated to go.

Mr. ASSAD. Yes, sir.

Mr. FRELINGHUYSEN. Who protects them?

Mr. ASSAD. Our military.

Mr. FRELINGHUYSEN. Are any of them protected by contractors?

Mr. ASSAD. I don't believe so, no.

Mr. FRELINGHUYSEN. So they are protected by the units in which they are imbedded.

Mr. ASSAD. That is correct.

#### CONTRACTING OFFICER REPRESENTATIVES

Mr. FRELINGHUYSEN. So the acquisition workforce that we talk about is 719 in total, or is that the number that have been added to the existing group that is there?

Mr. ASSAD. No. The contracting officer representatives, sir, are actually soldiers and Marines in the field. They are part of their fighting units.

And an ancillary duty that they have, that the Army and the Marines are now training their folks before they get their feet on the ground, is—

Mr. FRELINGHUYSEN. So it is part of their MOS; it is part of their military assignment.

Mr. ASSAD. That is correct.

#### SYNCHRONIZED PRE-DEPLOYMENT OPERATIONAL TRACKER (SPOT)

Mr. FRELINGHUYSEN. The technology that is available to assist, whatever happened to the so-called "synchronized pre-deployment and operational tracker," the acronym being SPOT?

Mr. ASSAD. The acronym being SPOT. We will have fully mechanized—in other words, everybody that is in theater will be fully mechanized under SPOT.

Mr. FRELINGHUYSEN. Is that a database?

Mr. ASSAD. Yes. It is an automated way for us to track our contractors.

Mr. FRELINGHUYSEN. So what exists now, and what has existed in the past?

Mr. ASSAD. SPOT does exist, it is just that there are some contractors who we do not yet have in an automated way into the system so we are putting them in right now.

Mr. FRELINGHUYSEN. So how are they tracked?

Mr. ASSAD. They are tracked manually and fed into SPOT on a manual basis.

#### COUNTING CONTRACTOR PERSONNEL

Mr. FRELINGHUYSEN. As we move towards 50,000 soldiers and Marines, et cetera, in Iraq, how many “contractors” do we have in Iraq today?

Mr. ASSAD. Well, we have over 100,000 in Iraq today, about 101,000 in Iraq today.

Mr. FRELINGHUYSEN. And what portion of those contractors are foreign nationals?

Mr. ASSAD. Approximately 80 percent are foreign nationals.

Mr. FRELINGHUYSEN. Is there a strong likelihood that we won’t need to depend on those as our military forces are reduced?

Mr. ASSAD. Yes. I should correct that. Of the 100,000 in Iraq, Mr. Congressman, 50,000 or about are third country nationals; about 20,000 are local. So about 70,000 contractors are not U.S. citizens of the 100,000 that are in Iraq.

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Mr. FRELINGHUYSEN. What type of work are they doing?

Mr. ASSAD. For the most part, they are doing logistic support, dining facilities, laundry facilities, about 83 percent.

One of the other things that the Secretary of Defense and the Chairman of the Joint Chiefs of Staff directed was that the Joint Staff do an extensive study on the dependency of the fighting force on contractors. What kinds of contractors do we have? Is that the right mix?

Mr. FRELINGHUYSEN. What is the right mix?

Mr. ASSAD. Well, the mix will change, but about 83 percent right now is logistics-related functions.

Mr. FRELINGHUYSEN. You have been an observer of this for some time.

Mr. ASSAD. About 150,000 of the 200,000 contractors in Iraq and Afghanistan are doing logistics functions.

Mr. FRELINGHUYSEN. Do you think that is the right mix?

Mr. ASSAD. Yes, I do.

Mr. FRELINGHUYSEN. There is a perception around the committee here—and you haven’t had the benefit of our exchange—that as we reduce our footprint in Iraq, that we are going to somehow miraculously go from 100,000 contractors down to something which is perhaps parallel to what we have with boots on the ground.

Mr. ASSAD. Well, that could very well happen. If you are going to have contractors, there is no doubt that the vast majority are going to be in the logistics environment, and in that particular case, no doubt most of them in light support services. That is what most of them are doing.

The other significant element of contractors is building partnerships, translators, things of that nature. That is the next largest size of contractors.

Mr. FRELINGHUYSEN. Well, they are indispensable. You don’t want to leave our force with no way to communicate.

Mr. ASSAD. Yes, sir. So those are the two principal, of the 200,000 contractors, about 165,000 are either doing logistics work,

about 150,000, and about 14,000 or 15,000 translators doing what we call building partnerships.

Mr. FRELINGHUYSEN. That is interesting.

Thank you, Mr. Chairman.

Mr. DICKS. Mr. Moran.

#### INHERENTLY GOVERNMENTAL FUNCTIONS

Mr. MORAN. Thank you, Mr. Chairman, for having the hearing.

Mr. Assad, nice to see you again. It is nice to see you other guys, too, but I don't know you like I do Mr. Assad, but I will make a point of doing that before I leave.

Mowing the grass is not an inherently governmental function, cleaning the windows, or many of the logistical functions that you refer to.

On the other hand, evaluating other contractors' bids is an inherently governmental function. Any number of auditing functions, budgeting functions, it seems to me that the role of lead integrator is a contractor function. Because for contractors to play those roles, there is an inherent conflict of interest, either direct or indirect. What we need from the Office of Management and Budget is a clear definition of, what is inherently governmental? We don't have that definition yet, do we?

Mr. ASSAD. No, sir. But I do know, Mr. Moran—

Mr. MORAN. Still working on it?

Mr. ASSAD. Well, I have actually seen a draft of it.

Mr. MORAN. Really?

Mr. ASSAD. Yes. The Administrator of the Office of Federal Procurement Policy has that draft. It is in coordination. And I do believe that they are getting ready to publish that direction to all of us.

#### INSOURCING

Mr. MORAN. That would help a lot.

As you know, one of the problems in this transitional period, from over-reliance upon contracting to bringing people in house, insourcing, as they say, is that it has been done in an inconsistent fashion.

Some managers get it right away, and they bring in as many people as they can. Others resist it and don't. The problem is some of those who have been bringing people in have been going to contractors that performed well services that were needed by the government and have undermined those contractors who have spent a good deal of money on training and capital equipment by simply offering employees as much money as they were being paid in the private sector but letting them know, you really don't have an option because we are going to hire these folks out from under this contract; if you want a job, you had better come in-house. That doesn't seem fair either. As much as we have tried to balance between the appropriate roles for contractors versus those of government personnel, we want to do it in a fair and a rational and a sustainable way.

Now, do you have some thoughts on how we can rectify some—I don't want to call them abuses, but at least inconsistencies that have occurred in the last year?

Mr. ASSAD. Yes, Mr. Moran. First of all, I think that what we need to ensure is that, as we make these insourcing decisions, that in fact we have made a careful assessment of the inherently governmental function that we are looking to build or the skill set that we are looking to bring into government and that there is a purpose and reason to it.

I agree that just insourcing for the sake of insourcing is not what we are trying to do within the Department. And frankly, as we have discussed in previous sessions, it borders on being unethical to try to entice people to come to work with the idea that somehow they are going to lose their job if they don't decide to come into government employment. That is not the way we want to do business.

Mr. MORAN. Are you going to try to rectify that through some guidance that is sent out to management?

Mr. ASSAD. Absolutely.

#### ACQUISITION WORKFORCE

Mr. MORAN. Very good.

Now, Chairman Murtha suggested that, given the problems we have had with acquisition personnel, the lack of quality and quantity of acquisition personnel when we had half what we had—in the year 2000, for example, we wound up, after Duncan Hunter pursued his policy of having them cut by 50 percent, they were, but contracts had gone up by at least that, at least double, while we were cutting acquisition personnel in half.

That didn't make any sense. So we wanted to quickly grow the number of qualified acquisition personnel, and yet when we suggested using GSA personnel, who seemed to have transferable talents, you were the one who resisted that, Mr. Assad, I am told by the contractors.

Now, is that a fair accusation?

Mr. ASSAD. That is inaccurate. I didn't resist it. What I simply said to my brothers and sisters in the other agencies that could assist us in doing contracting was they needed to come forward with the particular skill sets that we needed so that we could take advantage of them. And some organizations did. The Department of the Interior and their National Business Center has done quite a good job in supporting us.

GSA has also done an outstanding job. It was just in that particular instance, GSA, frankly, came to us and said, hey, we just don't have the kinds of folks that we can simply transfer over to do it. There were some unique skills that we needed. They were already supporting us, and the folks at GSA do a fine job supporting us.

Mr. MORAN. You are using that past tense. We are going to fix this in terms of acquisition personnel, right?

Mr. ASSAD. Yes, we are.

Mr. MORAN. We are going to bring in the quantity and quality we need, whatever it takes.

Mr. ASSAD. Yes. And also, we are going to take advantage of our sister agencies who have capabilities that we can leverage off of. That just makes all the sense in the world, and we are doing that.

## COMMON ACCESS (CAC) CONTROLS

Mr. MORAN. I have one more question.

I don't know whether it was your fine organization, Mr. Solis, or the Inspector General, but this committee was given information that there were contractors who were issuing common access cards, and many of those common access cards went to people they shouldn't have, and a whole lot of them were never returned.

The problem is that, as we have people invariably who want to get on to military bases, for example, the easiest way is to get themselves a common access card. So this committee had substantial concern over the integrity of those common access cards, and we didn't get any satisfying answers when we asked about this. There were tens of thousands of people, many of them nationals in the country where we were located, who had these cards, and they never got turned in. Do you see it as any kind of a security threat? And if so, how are you handling it?

Mr. SOLIS. We haven't looked at this issue, it must have been the IG. But we are aware of the issue.

To go to my statement, I think one of the challenges—not necessarily for CAC cards, but just in general background screening and badging, I think, particularly when you have a lot of local nationals, third-country nationals supporting the war fight.

Mr. MORAN. Well, I see this extraordinarily good staff has a question on it, and it was the DOD IG, but it could have been GAO as well, I know you share that concern.

Any other thoughts on that before I finish questioning? Okay. Thank you.

Thanks, Mr. Chairman.

## CONTRACTOR COMPONENT OF FORCE STRUCTURE

Mr. DICKS. Let me ask one quick question, and then I will go to Mr. Kingston.

And this is for Mr. Parsons.

When DOD talks about contractors being part of the total force, what does this mean to the Army? And what steps has the Department taken to implement this concept?

Mr. PARSONS. Sir, as Mr. Assad said, in parallel with what the Joint Staff has been doing in looking at the extent of contractors being used to support operations, so has the Army. I think what is really important—and you spoke to this earlier—is, how do you do the planning for what you need in terms of contractor support? And then just as importantly is, what things do you put in place to do proper execution in the management of those contracts? That is really where the Army has spent a lot of time.

We now have these Contracting Support Brigades which fall under my Expeditionary Contracting Command. Each one of those brigades supports an Army Service Component Commander, which would support a Geographic Combatant Commander. And their primary purpose is to work with that Army Service Component Commander in determining what their contract support requirements are going to be to support a given operation, whether it is a contingency operation or a full blown operation.

Mr. DICKS. But are we really calling contractors part of the total force? Is that now part of our definition? Is that correct?

Mr. PARSONS. Sir, I don't know if that is the Army's official position, but I can tell you that the contractors are a large part of—

Mr. DICKS. It used to be the active duty Army, the National Guard, and the Reserves, but we hadn't heard about the contractors being put into that definition. Now, maybe that is, you know, if you have 207,000 people over there, maybe it should be in that definition. I am not saying that that is not implausible, but I just was interested the first time I had seen that phrase used.

Mr. PARSONS. Sir, I think it is recognition by the Army that the contractors provide essential services which enable us to execute our mission. So we want to treat them as part of, what do we need to do to execute our mission?

#### COST EFFECTIVENESS OF CONTRACTOR SUPPORT

Mr. DICKS. Have we ever looked at, is it cost effective?

Mr. PARSONS. I think it is. I think that the use of contractors is cost effective, especially supporting—

Mr. DICKS. Have we done any studies on that, any analysis on that?

Mr. PARSONS. Sir, I know that several years ago, OMB had taken a look, especially at the LOGCAP contract, whether that approach was cost effective. I am not aware of any internal studies that have been conducted.

Mr. DICKS. And the outcome was?

Mr. PARSONS. As I recall, they felt that for contingency-type operations, like we have over in Iraq and Afghanistan, that there was cost effectiveness to using the contractors. But getting to Mr. Solis's point—

Mr. DICKS. And we have had a shortage of troops, there is no question about that. So it would put more stress on the force if you had to have active duty forces or Guard and Reserve forces doing these jobs.

Mr. Kingston.

#### ROLE OF CONTRACTORS

Mr. KINGSTON. Thank you, Mr. Chairman.

I want to follow up with those questions, Mr. Parsons, because I think that we should recognize the important role of contractors. And I am willing to believe it is cost effective because I would think if Uncle Sam pays a military person to learn how to operate Strykers and rolling over Humvees and all kinds of high-tech stuff, that that person has hundreds of thousands of dollars worth of training in him compared to somebody who is serving in a food line. It would make sense that, if you could farm out the person serving the food and keep the specialist on the front line, it is a cost-effective way to do things.

However, I am a little bit surprised that somebody who supports that position, that we don't have more kind of a, frankly, a hell yes, it is cost effective, look at this, show me the math. And so as somebody who is pro-contractor, I would like to see that math. And I would be very surprised if it did anything but showed a strong case for it.

## SECURITY IMPACTS COMMODITY PRICES

Now, having said that, I would also like to think that if I asked you what a gallon of gas cost in Kabul in January of 2002, you would be able to tell me because it was probably brought in by a contractor, and how much is a gallon of gas today in Kabul, because we are so many more years into the war, it would appear to me that we would still be using contractors to get that gas to us, but that the price would reflect the threat. Is that the case, and is somebody watching something like that?

Mr. PARSONS. Well, sir, I can't answer you—

Mr. KINGSTON. And I am just pulling gas out of the air, but I would say the same thing with the bread and the bologna and anything else that is being put in there for the troops.

Mr. PARSONS. I can't address your specific question on the fuel or even any given commodity, but certainly what we have seen is that the cost of items really is a reflection of what the environment is and also to the extent that we have competition going on.

## AVAILABILITY OF COMPETITION

Mr. KINGSTON. Well, because I think—originally the first premise was, we have a war to fight, get me a gallon of gas, and I am not going to bid this thing out. But 2 or 3 years down the road, you start saying, the war is still going on, I want to have more than one vendor. And it would be the same with any commodity. Again, I am just picking on gas. But isn't it a French company that feeds a lot of the troops over there? Isn't Gefco the company?

Mr. ASSAD. No, sir, it is LOGCAP. It is under a particular contractor.

Mr. KINGSTON. Is it Kellogg, Brown, and Root?

Mr. ASSAD. Kellogg, Brown, and Root (KBR) does some of it in Iraq, other contractors do it in Afghanistan.

Mr. KINGSTON. But you have a lot of vendors you can choose from on the—

Mr. ASSAD. Yes. Let me address that, Mr. Kingston, if I might.

The amount of competition that is going on in Iraq and Afghanistan right now by the Joint Contracting Command is about 97 percent. So 97 to 98 percent of the dollars that the Joint Contracting Command is issuing in theater to local companies is fixed price, and it is done on a competitive basis. So our soldiers and Marines and sailors and airmen that are doing the contracting on the ground—and General Camille Nichols is their commander—is absolutely focused on trying to get good value for the taxpayers. So your point that we ought to be able to do that—

Mr. KINGSTON. I am not interrupting you because I disagree with you; I just have a lot of questions in a short period. But I think that is something very important to say, if you say 97 percent of the items or the contractors have gone through competitive bid.

Mr. ASSAD. That is correct. That is being done by the Joint Contracting Command.

Mr. KINGSTON. But I think we also have to understand our first demand of the contractors was to get it done, and then further, the secondary question was get it done cheaply or get it done competitively.

Mr. ASSAD. That is correct.

COST EFFECTIVENESS OF CONTRACTOR SUPPORT

Mr. KINGSTON. The second question I wanted to ask is, when we send a civil servant over there, isn't the multiplier on their domestic salary about double?

Mr. ASSAD. No, I don't think so, sir.

Mr. KINGSTON. Well, I happen to have asked that question when we were in Afghanistan to one of the government agencies, and that is what they told me: For their employees to go over there, the package is about twice what they would pay here.

Mr. ASSAD. Well, I guess if you were going to add in the per diem and the travel and all of that, that could be true.

Mr. KINGSTON. The reason why, getting back to Mr. Parsons and this cost efficiency information, is that would be relevant, too, for us to know that if you have somebody who is doing a nonmilitary kind of function but supporting a civilian government transition, that if we get a Federal employee to do it, you are doubling their salary; whereas a contractor might be just as capable and less money. I happened to ask about a particular agency, I don't want to pick on them at the moment, but it was twice.

Mr. ASSAD. But I don't think it would be cheaper to go to a contractor versus a government person. Having said that, most of the civilians that we have in theater, it is very limited. The reality is, to do contracting on the ground, we are training soldiers and Marines and airmen to do that. Those are the folks that are doing it. That is who we intend to do it in the future. We do have a limited, but very limited, number of civilians in theater assisting them, but the reality of life is, in a combat situation, we are going to have to depend upon uniformed men and women to do that work, and they do a marvelous job at it.

Mr. KINGSTON. Well, one of the keys to victory right now in Afghanistan is bridging the gap between the military victory and the civilian transfer, and so there are going to be holes in there. That might not be your Department, so to speak, but that is something that is more and more important is, how much does it cost to send civilians over there?

CONTRACT WORKFORCE COMPENSATION

Now, the other question I have is, if you are hurt and you work for a contractor, how is your workers' compensation paid? Who pays it?

Mr. ASSAD. Well, the workers' compensation would be paid by the company that is involved.

Mr. KINGSTON. No, it is actually not. As I understand it, they actually come under the U.S. Longshoreman law.

Mr. ASSAD. No, Congressman, I would have to take that for the record, but I believe that—

Mr. KINGSTON. I don't know if there is anybody who knows that, because I am just asking.

Mr. ASSAD. I don't believe it is paid by the Longshoreman's Act. [The information follows.]

The Department of Labor's (DoL) Office of Workers' Compensation Programs (OWCP) is responsible for overseeing the provisions of the Defense Base Act (DBA)

and the War Hazards Compensation Act (WHCA). The DBA is an extension of the Longshore and Harbor Workers Compensation Act. The DBA covers all workers, regardless of nationality, who are injured or die while working overseas under contract to federal agencies. Like state workers' compensation systems, benefits under DBA are primarily paid by private insurance companies. DoL oversees benefit delivery by receiving and monitoring reports of injury and of benefit payments, and providing dispute resolution services. Cases where the parties are unable to resolve the issue in dispute are referred to a DoL administrative law judge for adjudication.

Mr. KINGSTON. Well, I actually worked a case in my office of some employees who were injured, and they were Blackwater or some—they were really a high-stress thing, but they were paid under U.S. Longshoreman. And the contract with the company actually does not pay their workers' compensation; the government gets involved in it. But it is sort of an orphan thing.

One of the things that is important to me, and I really would like you to get back to me, is who is making sure that these folks are paid for their injuries? And I will give you a full case on one that just shows some people who are really out there and giving it their all, and they were injured and never paid, or paid months to years afterwards.

Mr. ASSAD. Yes, sir. I can tell you that we do not, in practice, follow what employers do with their individual employees as it relates to injury, but I believe the actual execution is that the company is reimbursed for that workers' compensation payment by the functions that you are talking about, but I believe the company is responsible.

Mr. KINGSTON. In fact, Mr. Chairman, I will yield on this, but we actually put report language in the bill last time to get some people who had been injured or hurt, but it is a really illogical way that—a lot of boxes have to be checked before they get paid. And just from a human standpoint, I don't think we are doing these people much—

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Mr. DICKS. Mr. Solis, do you have any idea about this?

Mr. SOLIS. No, I don't. Actually I just wanted to go back to one issue you raised about contractors being recognized as part of the total force.

It has been in the actual Joint Guidance, in that guidance since 2000. More recently, in 2006, I think it was reemphasized that contractors are part of the total force in the 2006 QDR. So there is recognition by the Department that they are going to be part of the total force, along with the active military, the Reserve, the Guard, as well as DOD civilians.

Mr. KINGSTON. Thank you.

Mr. DICKS. Thank you for that explanation.

Mr. Bishop.

#### CONTRACT OVERSIGHT

Mr. BISHOP. Thank you very much, Mr. Chairman.

And thank you, gentlemen, for being here today.

I want to, in relation to contracting, talk a little bit about the resources that you have available and that you are actually utilizing to make sure that you have sufficient contract officers and sufficient auditing to deal with fraud, waste and abuse.

A few months ago, I was contacted, through my constituent service office, by a contractor over in Kuwait who had lost his job, which he felt on a pretext. He was an engineer for maintenance for one of the contractors that was charged with responsibility for making sure that the living quarters for the troops were habitable. This was some time after the trooper was electrocuted in the shower. He indicated that his job was to make sure that those kinds of things did not happen, and that he had to sign off on the repairs.

In his particular instance, he refused to sign off on some when his supervisory people said he should. Long story short, he wouldn't sign. It created some bad will. He was eventually let go because they alleged that he had claimed work time when he was actually off. He was called in from on his day off, had to go through the security check, which was documented, which could be documented by the contractors—same contractor who also had the gate security contract. He signed in, did everything, was registered. Once he got in, he did the work, came out, and signed out. When pay time came, he was charged with collecting the pay for not being present, and of course, they said that he could not document being present. And he said, well, you have the records when I came in to work.

Long story short, he loses his job, calls us to see if we could help him. In the process of talking with him and his wife, they identify what they consider to be fraud, waste and abuse; that in the performance of that contract, they billed for two and three times the work that they are supposed to be doing, so that the government is actually being billed two or three times more than it should be.

So my question to you is, in connection with these contractors, do you have a sufficient auditing force? Do you have sufficient ears to listen to whistle blowers? Or is the contractor—as in this particular case, the contractor was in the position to stop this individual from being able to prove that he was at work because he also controlled the access records to the base. So he was not in a position to prove that he was actually there because they would not give him access to those records.

His wife, of course, was also employed by the same contractor. She was reluctant to speak up too much because, with a two-worker family, with one of the bread winners out of work, she doesn't want to raise too much, I understand, under those circumstances, because they have kids.

My question is, what about oversight? What about access for whistle blowers? How are you auditing? Do you have sufficient auditing capacity to make sure that when the government is billed, it is for work actually done?

Mr. ASSAD. First of all, Mr. Bishop, I believe we do have a number of avenues that people can access if they believe that there has been some type of inappropriate behavior—overcharging, mischarging, whatever it might be—whether it be the Special Inspector General for Iraq Reconstruction (SIGIR), whether it be the IG, whether it be the GAO, Defense Contract Audit Agency, Defense Contract Management Agency, but we have several different organizations where people can get access to identify those things.

We have spent a significant amount of time training our contracting officers to be sensitive to and in fact have put into play

several different scenario-based environments where they can understand potential fraud environments that they should in fact report. So if your particular constituent, frankly, if he would notify me, we will make sure that it gets to the appropriate authorities in order to be properly investigated.

It is a challenge to keep people on the ground. DCAA has about 30 folks resident in both Iraq and Afghanistan, 30 and 30, about that, and they continue to rotate their people through. Make no mistake about it, it is challenging to keep people there, but we are doing it. And DCAA is comfortable that they have got sufficient resources to properly audit the invoices and the work that is being done.

Jeff, do you want to say anything about it?

Mr. PARSONS. Yes, sir. I would just add that, in Kuwait, where we did have some issues with some procurement fraud, we went even to the extent of making posters that we put all over the installations so that not only government people, but contractors too, would be familiar with the procedures for notifying the proper authorities where they were concerned that there might be some fraudulent behavior going on, but the contractors, too. In fact, the CID, the Army Criminal Investigation Command, has folks over in Kuwait, Iraq, Afghanistan, and many of the leads that they get for a lot of the procurement fraud are from company employees. So we do encourage company employees to come forward.

Mr. BISHOP. The staff does have, I think, the documentation on this particular case, but the individual was severely handicapped because once he lost his job, he lost access to the base. Because they lived actually off of the compound, he had no longer had access to it. So there was no way he could do any documentation for himself, let alone for the whistle blower, other than based on his knowledge and that of his spouse.

So if you would like that information, I think the staff can provide you with that.

Mr. Murtha, on his last trip to the theater, I had discussed it with him, and he had intended to actually look into it personally—he likes to visit with troops and with the individuals—but during that trip, because of the busy schedule, he was not able to do that. But the staff does have that information, and we would like to share it with you. And for whatever it is worth, if you could look into it; you have a contractor employee that lost his employment, had no recourse really.

#### CONTRACT FRAUD, WASTE AND ABUSE

And then the other issue, which is the bigger issue for our purposes, is how do you control that fraud, waste and abuse? Over the years, this subcommittee has actually tried to provide more resources because it was painfully obviously that there were not enough.

Mr. PARSONS. Sir, I want to tell you that the Army CID is increasing the number of agents that they have. And, again, when the employees will come to the agency with the merits of the issue, then the government has a right to go in and get some of the documentation that might be relevant. So we really do encourage them to come forward.

Mr. DICKS. Thank you.  
Ms. KILPATRICK.

REPORT ON CONTRACTOR FRAUD

Ms. KILPATRICK. Thank you, Mr. Chairman. Good afternoon, gentlemen.

One of the responsibilities of our subcommittee is obviously to protect the People's purse and to provide the Defense Department, Pentagon, and others with all their needs so that the young men and women survive and live again after they finish their tours and that we are defended as the Constitution requires.

Sitting on the committee for the last year or so, contracting has been one of the things that we have talked about a lot. In this 2010 Defense Bill, there is language in there that a report is due by March 15 on fraud and has specific things that it asks for, including the total assessment by Defense contractors and all that. Has that report been received by our committee?

Mr. ASSAD. Ms. Kilpatrick, I believe that that report is to be submitted by the IG. We will take it for the record and certainly get you an answer.

Ms. KILPATRICK. Please.

Mr. Chairman, do you know if we have received that report?

Mr. DICKS. No, we haven't received that report.

[The information follows:]

The Department submitted an interim report to the appropriate Committees on April 5, 2010. The interim report identifies some of the significant initiatives the Department has undertaken to address policies and safeguards against contractor fraud. We expect the final report addressing all the issues raised in the Joint Explanatory Statement to be furnished to the Committees around the July/August 2010 timeframe.

CONTRACTOR PERSONNEL

Ms. KILPATRICK. We appreciate it. Thank you, Mr. Assad, if you would check for us.

Secondly, you mentioned logistics contractors, translation contractors. Another area would be deployed contractors, or are they included in these two? Is that a third category? I am trying to distinguish who is military, who is not, logistically; who is in the service, who is not. The numbers we have is 169,000 are military service men and women personnel.

Mr. ASSAD. Well, for translating, building partnerships we call—

Ms. KILPATRICK. Wait, wait, wait. There are more contractors than there are military personnel; 207,000 are contractors. The 169,000, I am assuming they are deployed in your three categories, is that right?

Mr. ASSAD. Yes. In the logistics area, we have 150,000 civilians working in the logistics area, and 31,000 military, that is in logistics.

Ms. KILPATRICK. You said that about a half hour ago. I am talking about the deployed number.

Mr. ASSAD. That is what I mean, deployed.

Ms. KILPATRICK. So the deployed number is not necessarily who are boots on the ground?

Mr. ASSAD. No, deployed is the military on the ground.

Ms. KILPATRICK. And it is not 169,000; it is 150,000?

Mr. ASSAD. Well, it is 150,000 civilians in logistics.

Ms. KILPATRICK. I just left Iraq.

Mr. DICKS. I think what he is saying is those are the employees of the contractor, the 150,000, right?

Mr. ASSAD. That is correct.

Mr. DICKS. So they work for the company. They are doing logistics. And we have 31,000 military working with them.

Ms. KILPATRICK. 31,000 military means a part of the military service for the United States of America?

Mr. ASSAD. Yes, ma'am.

Ms. KILPATRICK. 31,000 of them, and 150,000 who work for contractors?

Mr. ASSAD. In the logistics area. Like, for example—

Ms. KILPATRICK. No, don't confuse me. I am just trying to understand. Thank you, though. That is why I want a report. I am a paper reader, kind of an airplane-rider kind of person, so I need something to hold on to. So I am looking for something to kind of distinguish so that we know. I have a little problem that there are only 30,000 enlisted and 150,000 contractors, because, again—

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Mr. DICKS. Explain that. I think that is a good question.

Mr. ASSAD. What I am trying to explain is that, is a particular area that we are very heavily dependent upon civilians. For example, in the area of command and control, we have six contractors and 3,882 military. So there are different types of environments that we need contractors, but dependent upon what it is, the ratio of military to contractors varies dramatically depending upon what the function is.

Ms. KILPATRICK. I totally accept that. What I am asking is, how come we can't get that in writing? I am a school teacher by profession, kindergarten. Is that classified? There is no document that exists that tell us that, which is what I am looking for. What you just said—and that makes all the sense in the world, Mr. Assad, in terms of different jobs require different military and different contractors. It is hard for us to distinguish between them.

One thing about the 435 in this body, 60-plus of us are on Appropriations, 16 on this committee; so the other 400 doesn't like this budget. They want to know, why is it so big? So they go after things they know nothing about. So it is our job to really explain it and keep the men and women safe and give them everything they need at the same time. So if we can't explain this—and what you just said is very good and understanding, but it is not enough for me to go back and teach it to the people we work with because they don't get it. And as the budgets are tight and getting tighter and you need more—and we may not be able to supply it—we better have a better grasp on it. We may need to change something. You may need to recommend some changes, but status quo is not going to be able to continue because America is suffering.

Mr. DICKS. Will the gentlelady yield just for a second?

Ms. KILPATRICK. Absolutely.

Mr. DICKS. We have a quarterly report that is done that really lays this out pretty effectively. I think it is on your desk.

Ms. KILPATRICK. I am real concerned—and thank you, I appreciate all the work that you do. I hope you understand our hard task as well. This committee, Chairman Murtha, as well as Chairman Dicks, is committed to giving you what you need. At the same time, it has got to be responsible, effective; and fraud, waste and abuse have to be eliminated, like we are trying to do. But I don't want us to tell you what that is. I want you to tell us what that is so we can act on it properly.

Mr. ASSAD. Yes, ma'am.

Ms. KILPATRICK. Thank you very much.

Thank you, Mr. Chairman.

Mr. DICKS. Ms. Kaptur.

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Ms. KAPTUR. Thank you, Mr. Chairman, for holding this hearing.

Welcome, great to have you. I wanted to have you verify the numbers that Congresswoman Kilpatrick—just so I understand—the number of contractors versus the military personnel in CENTCOM. The numbers I have are 240,000 contractors in CENTCOM, of which 207,000 of them are in Iraq and in Afghanistan. Now, what is the number of military personnel in CENTCOM?

Mr. ASSAD. I can get that answer for you. I don't have that right off the top of my head.

[The information follows:]

As of March 30, 2010 the total number of military personnel is 227,945.

#### MILITARY SUPPORT

Ms. KAPTUR. That is all I have, sir. I just have 160,000 military in Iraq and Afghanistan.

Mr. ASSAD. We can get that for you for the record.

Ms. KAPTUR. Would you guess that the number of contractors are greater than the number of military personnel?

Mr. ASSAD. Yes, that is true.

Ms. KAPTUR. How long, if one looks at a perspective from 1946 till today, and one looks at regular personnel, military personnel versus contractor personnel, what would each decade tell us?

Mr. ASSAD. Well, you know, it is very interesting that you mention that, because I was actually looking at a graphic that we had which went from war to war, and starting with the Revolutionary War. And it turns out that the least contractors we used were in World War II, and that was obviously because that was the most men and women that we had in service on the ground. That was about seven military to one contractor.

Ms. KAPTUR. World War II.

Mr. ASSAD. But for the most part, they have run around one to one, and we can provide that information to you.

Ms. KAPTUR. Did it start in Vietnam?

Mr. ASSAD. No, ma'am. We have been using contractors since the Revolutionary War.

Ms. KAPTUR. No, no. But the type of ratio we see today where they outnumber military personnel.

Mr. ASSAD. No, ma'am. I think you will find that there have been several different wars where the ratio—for example, when we were in Bosnia, was about one to one. But when we were in the Gulf War, because it was such an intense effort and so quick, the 1990s-type Gulf War, it was almost 40 military to a single contractor, because we were in and out.

Mr. DICKS. Because it was over so quickly.

Mr. ASSAD. Yes, sir. Yes, sir.

Mr. DICKS. The problem becomes when we stay there, then you have to feed people, you have to take care of them, you know. It is all the logistics to get them, bring their supplies in, the equipment in, and that requires a lot of people to do it.

Ms. KAPTUR. Well, you know, Mr. Chairman—

#### COST EFFECTIVENESS OF CONTRACTOR SUPPORT

Mr. DICKS. And what we have been kind of debating before you got here, is it more cost-effective to use contractors than if you had all those people working for the government? And there is some, I think, some of the opinion here is that it may well be less expensive to use contractors to do some of this work, because you don't have the tail of, you know, health care and pensions and everything else.

And I am not saying that is right or wrong. I am just saying that the reality is this is the way they are doing it, and it is largely because we have been there a long, long time and you have to support the people.

Ms. KAPTUR. So I think we could say it is relatively unique in American history?

Mr. DICKS. Could well be, yes.

Ms. KAPTUR. And therefore deserves particularly close inspection by all of us, because it is a—

#### COUNTING CONTRACTOR PERSONNEL

Mr. DICKS. Well, if the gentlewoman would yield. The thing that bothered me—I remembered our trip when we were there in 2007. We tried to ask people about—and it was just, everybody threw up their hands and said, we just don't know.

I mean, the Corps of Engineers. We had a number of meetings trying to get some handle on this. Now, obviously, you have got a handle on it now. There is no question about that. You have got the numbers. You can tell us all that.

But there was a lack, for a long time, at least I felt, there was a lack of clear evidence, information about this.

Now, let's ask Mr. Solis. Do you want to comment on that?

Mr. SOLIS. Yes. I think the numbers that we have reported, in looking at SPOT, are still not numbers that you could necessarily rely on. I think that the Census is another way of looking at it. But in terms of what goes in there, I wouldn't necessarily rely exclusively on those numbers.

## JOINT CONTINGENCY ACQUISITION SUPPORT OFFICE

But I do want to come back to one thing about this planning for the future, because we need to look beyond Iraq and Afghanistan—and we talked a little bit about the JCASO, which, again, is a great concept.

But in terms of where they are in staffing, I think they want to have about 30 people. I think they have five, and those five are contractors in terms of the planners themselves.

Also as I alluded to in my testimony, in terms of where they are with planning for future conflicts and what is called the Annex W, our review showed that there is very little planning for those contractors in the operational plans at this point in time.

And so the question then becomes after Iraq, after Afghanistan, what is the contractor footprint going to look like? I think the Department needs to consider this, because as I mentioned before, they are recognized as part of the total force.

## CONTRACTOR COMPONENT OF FORCE STRUCTURE

Ms. KAPTUR. Well, this is where I have a little bit of a problem. Others may not share this point of view. That is why I asked you about how unique this moment is in American history. I would not only say it is unique, I would say it is atypical and extraordinarily atypical to have this type of ratio, and what the force today means compared to past decades.

One of the questions I would ask is: Of the 240,000 contractors, how many of them are foreign nationals? We were told at one meeting that we have, oh, my gosh—

Mr. DICKS. No, we have a briefing memo here. Make sure you see this. It has got the numbers on it.

Ms. KAPTUR. I don't know where that is.

Mr. DICKS. Maybe your staff has it.

Mr. ASSAD. Yes. It is about 75 to 80 percent foreign nationals.

Ms. KAPTUR. I mean, this has never happened before in our country, has it, this level of procurement of services from foreign nationals, as a part of whatever strategy we are implementing? And it has happened rather accidentally in a way. I don't think the American people for the most part know it, and it is an extraordinary development in my opinion. So I was just given this chart now.

Mr. DICKS. I apologize. This was not available, I guess.

Ms. KAPTUR. Okay. Well, I thank the Chairman for this exceptional piece of information, because we can all reflect upon it.

But I guess I just want to say that if the authorizing committees debated the nature of U.S. force looking like this, I guess I missed it during the floor debates.

And whatever it is we are going to leave into the future in these places, it would seem to me it would behoove us to be much more—have much more foresight about what we are doing. I am very uncomfortable with this, with this turn of affairs in our country's history.

Mr. ASSAD. May I make a comment? Congresswoman, I have had a good deal of experience in the commercial sector in building significant facilities overseas, and I can tell you it is not unusual to have life support being provided by third-country nationals in the

country or local nationals in the country that you are raising it in, doing that kind of work.

Ms. KAPTUR. You were working for the private sector; right, sir?

Mr. ASSAD. Sure. But I am saying—

Ms. KAPTUR. Okay. What type of company were you working for?

Mr. ASSAD. It was a defense company, but it happened to be an engineering construction company.

Ms. KAPTUR. Were you building around the oil wells? What were you doing?

Mr. ASSAD. No. We were actually building power plants. We were building oil facilities.

Ms. KAPTUR. In what country, countries?

Mr. ASSAD. In India, in Saudi Arabia, in several other European countries, in China, in Taiwan. I mean, all over the world.

Ms. KAPTUR. But you were building it for private interests.

Mr. ASSAD. Sure.

Ms. KAPTUR. But in this case, we are talking about the public interest.

Mr. ASSAD. Yeah, but my point is that if you are going to contract for life support services in a foreign country, you are absolutely going to have to depend upon the local populace or third-country nationals to do that kind of work. It would be extraordinarily expensive to bring United States civilians overseas to do laundry services.

Mr. DICKS. Will you yield just for a second?

It is, I think, positive that we are hiring people from the country itself like Iraq or Afghanistan.

Mr. ASSAD. Yes, sir.

Mr. DICKS. To hire some of their people to do this work, which helps give them jobs, helps improve the economic circumstances for those people, I mean, that is one positive aspect of this.

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Ms. KAPTUR. How did we do the laundry during World War II? How did our guys do the laundry in World War II?

Mr. MORAN. Our guys did it.

Mr. ASSAD. Our guys did it.

Mr. DICKS. Or they got the locals to do it.

Mr. MORAN. Could I have a—I have got to leave. I just want to make a comment. I appreciate Ms. Kaptur's concern.

Mr. DICKS. I will give you additional time, Marcy.

Mr. MORAN. But I do think that things have evolved, and we are trying to make the training that our soldiers get more efficient so that they are not doing what they would consider scut work, that they are doing more specialized skills.

It is just that—I was on a codel in Iraq, and we were waiting in line to get into a place in the Green Zone. And there was another line where people would just flash a badge and walk right through, no inspection or anything.

I said, Who's in that line while we are waiting in this line? And they said, Oh, they are KBI, they run the place.

So the point is there needs to be some balance and they need to understand they don't run the place; that the government runs the place, and it is primarily a military operation, and they are there

to fill in gaps that are not being met and shouldn't be met necessarily by our more skilled military personnel who are—they are volunteers now.

In World War II they weren't volunteers. Now they are volunteers, and they seek out a career, a specialized skill, and we put a lot of training in them. So I can understand the evolution. But Ms. Kaptur makes a good point, and I am glad she harps back on it: that you have got to have balance, and that they need to understand what their limited role is. That is all.

Thank you, Mr. Chairman, for having the hearing.

Mr. DICKS. Again, I think the hard part on this thing was that we couldn't get an answer. Mr. Murtha tried to get answers. He couldn't get answers. We couldn't. Nobody seemed to know how many people were involved.

Now we have a quarterly report, but this is way into this, into these operations.

Mr. MORAN. Iraq was over, and now we have got the numbers.

Mr. DICKS. Congress had, really, Congress had really very little to say about this because we didn't know the magnitude of it.

Mr. MORAN. Yes.

#### CONTRACTOR SUPPORT REQUIREMENTS

Mr. DICKS. And we couldn't get the information for years. I am not blaming it on this administration, but it happened, it was part of the previous administration. But I am glad at least now we have an understanding of this, and I think Mr. Solis' comments about this—is this true, only 30 or 40 people are involved in this planning for the future operation? That doesn't sound like a very robust organization to me.

Ms. KILPATRICK. Not only that, Mr. Chairman, they are contractors.

Mr. DICKS. Five of them were contractors.

Ms. KILPATRICK. But that means no planning done by the military.

Mr. DICKS. Somebody has to do the work.

Ms. KILPATRICK. Okay.

Mr. PARSONS. Sir, if I could, and Mr. Solis is right, but I think if you really take a look at the contract support planning, while the geographic combatant commanders have got to set the tone for what their expectations are in a given operation, it is really at the service component level where a lot of this heavy lifting planning goes on regarding exactly what contractors are going to need.

And that is where I think, at least from the Army side, we are putting in a more robust structure to work with the service component commanders to do that type of planning. Then that will feed up to the geographic combatant commanders who are setting the overall policy for what the expectations are for contractor support and contractor oversight in the theater.

Mr. DICKS. Ms. Kaptur.

#### CONTRACTOR COMPONENT OF FORCE STRUCTURE

Ms. KAPTUR. Yes. I would just ask, I would just ask, the Chairman has been very nice, this is more of a dialogue, and I appreciate it.

I am just wondering, are all of you gentlemen career civilian employees of the U.S. Department of Defense? How many years have you been with DOD?

Mr. ASSAD. I am a career civilian. I have been with DOD for 6 years.

Ms. KAPTUR. Six years.

Mr. ASSAD. Yes.

Ms. KAPTUR. What about you, Mr. Parsons?

Mr. PARSONS. Ma'am I spent 26 years in the Air Force on Active Duty and have been with the Army as a career civilian since 2003.

Mr. DICKS. Mr. Solis is with the GAO.

Ms. KAPTUR. Oh, Mr. Solis is with the GAO. Okay. I just—what America is doing today—and this is just my opinion—is so very different than what we have done in the past, and we are now into nation building in a way we don't even understand.

And DOD is being dragged into this through contracted personnel, and you can't really say that the American people or even Members of Congress fully appreciate what has happened in this transmorphing of CENTCOM and of our Department of Defense.

So I am always going to be like a burr under the saddle on this, because I am very interested in who those 100—how many was it—67,000, whatever it was that are subcontracted now under CENTCOM, 207,000—no, 240,000 under CENTCOM, and how you group them, is that a part of your submission and how much they are earning compared to how much it would cost if we were doing it under regular force structure.

I am interested in that. Is there a way for you to disaggregate? I understand about 147,000 of them are being hired to drive trucks into Afghanistan, and there are police officers and all this other stuff.

Can you divide up that group, these foreign nationals and what they are doing, into the different categories and tell us who they are working for so we can put names to companies to function?

Mr. ASSAD. We can provide you a more in-depth understanding, if you will take it for the record. I am not sure we can get it as precisely as you want it, but we can certainly give you more insight as to how it is, what exactly these contractors are doing and who is employing them.

[The information follows:]

For the 1<sup>st</sup> Quarter FY '10 CENTCOM Contractor Census, there were 239K contractors in the CENTCOM AOR. The total number of contractors in Iraq was 100K and the total number in Afghanistan as 107K.

1<sup>st</sup> QTR FY '10 CENTCOM Contractor Census - Summary

Lead Component for Logistics & Contracting (LCLC)	TOTAL CONTRACTORS	US CITIZENS	THIRD COUNTRY NATIONAL	LOCAL/HOST COUNTRY NATIONAL
ARCENT	21,670	4,998	14,206	2,466
NAVCENT	2,408	85	406	1,917
AFCENT	8,046	1,588	5,078	1,370
1 <sup>st</sup> QTR 10 AFGHANISTAN	107,292	10,016	16,551	80,725
4 <sup>th</sup> QTR 09 AFGHANISTAN	104,101	9,322	16,349	78,430
1 <sup>st</sup> QTR 10 IRAQ	100,035	27,843	51,990	20,202
4 <sup>th</sup> QTR 09 IRAQ	113,731	29,944	63,780	30,007
1 <sup>st</sup> QTR 10 CENTCOM AOR	239,451	44,540	88,231	106,680
4 <sup>th</sup> QTR 09 CENTCOM AOR	242,230	43,987	85,968	112,275

The below census data provides information specifically for Iraq. To date, CENTCOM has not formally categorized Afghanistan contracts along all the lines of the categories provided for in Iraq.

1<sup>st</sup> QTR FY '10 JCC-I/A (Iraq) Contactor Census – By Service

SERVICE PROVIDED	TOTAL CONTRACTORS	US CITIZENS	THIRD COUNTRY NATIONAL	LOCAL/HOST COUNTRY NATIONAL
CONSTRUCTION	3,385	298	1,426	1,661
BASE SUPPORT	61,725	14,521	38,677	8,527
SECURITY	11,095	776	9,127	1,192
LOGISTICS/MAINTENANCE	6,085	3,731	1,711	643
TRANSPORTATION	2,060	305	352	1,403
COMMUNICATION SUPPORT	2,429	1,631	54	744
TRAINING	1,458	1,189	206	63
TRANSLATOR/INTERPRETER	8,414	2,885	0	5,529
OTHER	3,384	2,507	437	440
<b>Jan 10 TOTALS</b>	<b>100,035</b>	<b>27,843</b>	<b>51,990</b>	<b>20,202</b>
<b><i>3% of Contractor force provides Construction support; 62% Base Support; 89% of Contract Security provided by TCN and US; and 8% of Contractor force provide Translator/Interpreter support .</i></b>				

The below table depicts the CENTCOM Contractor Census for Afghanistan.

CENTCOM Contractor Census Afghanistan

Afghanistan	TOTAL CONTRACTORS	US CITIZENS	THIRD COUNTRY NATIONAL	LOCAL/HOST COUNTRY NATIONAL
JCC-I/A (Afghanistan)	22,971	202	1,547	21,222
LOGCAP Contractors	17,412	5,305	7,578	4,529
*Others	66,909	4,509	7,426	54,974
1 <sup>st</sup> QTR 10 Total	107,292	10,016	16,551	80,725
4 <sup>th</sup> QTR 09 Total	104,101	9,322	16,349	78,430

Notes

\* Other includes USACE, DLA, Army Materiel Command-AMCOM, Air Force External and Systems Support, and SOCOM

The next two charts depict the CENTCOM Contractor Census for Security Contractors in Iraq and Afghanistan

CENTCOM Contractor Census for Security Contractors in Iraq

JCC-I/A Iraq PSCs	Total Contractors	Total US/Coalition	Total Third Country Nationals	Local/Host Country Nationals
1 <sup>st</sup> QTR 10 Total PSC	11,095	776	9,127	1,192
1 <sup>st</sup> QTR PSCs Armed	9,431	660	7,758	1,013
4 <sup>th</sup> QTR 09 Total PSC	12,684	670	9,212	2,802
4 <sup>th</sup> QTR PSCs Armed	11,162	590	8,567	2,005

CENTCOM Contractor Census for Security Contractors in Afghanistan

JCC-I/A Afghanistan PSCs	Total Contractors	Total US/Coalition	Total Third Country Nationals	Local/Host Country Nationals
1 <sup>st</sup> QTR 10 Total PSC	14,439	114	409	13,916
1 <sup>st</sup> QTR PSCs Armed	13,717	108	389	13,220
4 <sup>th</sup> QTR 09 Total PSCs	11,423	76	1,017	10,330
4 <sup>th</sup> QTR 09 PSCs Armed	10,712	71	1,002	9,639

Data does not include 8,888 Private Security Contractors currently employed by other U.S.G. Agencies in Afghanistan, or 2,594 Private Security Contractors currently employed in support of NATO contracts.

## UNDEFINITIZED CONTRACTS

Mr. DICKS. Okay, thank you.

To meet urgent needs, the Defense Department can authorize contractors to begin work and incur costs before reaching a final agreement on the contract terms and conditions known as undefinitized contract actions or letter of contracts.

As of October 2009 the Department of Defense has 429 contracts that were undefinitized. Of these, several were specifically for contingency operations, many of them exceeding the time permitted to definitize.

Mr. Assad, how often are undefinitized contracts used for contingency operations?

Mr. ASSAD. Mr. Chairman, in theater, the Joint Contracting Command has not issued an unpriced contractual instrument for well over a year. So there they are almost exclusively used within the CONUS operation to support in-theater use. There are 36 of the 409 that are associated with contingency operations almost exclusively with the Air Force.

And, in fact, I am on my way to Wright-Patterson the week after next to do a detailed review and report to your committee on the results of that review for those particular contractors.

Mr. DICKS. Yes. We are on a jihad up here on undefinitized contracts, okay? I mean, this is being abused. You know, they use it to—you know, the Air Force is the big culprit here. But we are not going to stand for this.

I mean, you know, you have got major weapons systems, the C-17 on an undefinitized contract; global Hawk on an undefinitized contract. I mean, this has become a major problem.

You know, we need you guys to take this seriously, and I am glad you are going out to Wright-Pat, and we have got to get this thing—and just letting the time frame—it is 180 days, and it goes on and on for years, and they never definitize the contract.

Why is that? Is this a lack of personnel? Is this just a contempt for the law?

Mr. ASSAD. Mr. Chairman, I share your frustration in the utilization of unpriced contractual instruments. They are an incredibly inefficient and expensive way for us to do business. It is not cost-effective to use unpriced contractual instruments and, frankly, most commands do a very good job of controlling their use. We do have some organizations that have, in my opinion, abused that. They have a purpose, and that is when we just can't wait for a contractor's proposal and the appropriate negotiation of it. Then I can understand the use of an unpriced instrument, but they should be rare.

And we share your view and, frankly, we are on the same mission to stamp them out wherever we can. They are costly, they are ineffective, and they are not good uses of the taxpayers' money.

Mr. DICKS. Mr. Parsons, what about the Army?

Mr. PARSONS. Sir, I share and echo Mr. Assad's comments as well. Although it is a tool that is in the toolbox, and it is frequently used in contingency operations, the real key—and I think this is what you brought up—is, you know, to get those definitized,

though, within a reasonable time frame. You have got to be judicious in the use of them but they are a useful tool.

Mr. DICKS. One hundred eighty days.

Mr. ASSAD. Correct.

Mr. DICKS. That is what, 6 months?

Mr. ASSAD. Correct.

Mr. DICKS. To me, you know, this is just being used as a way to not definitize, I guess, the contract. And I don't think that is in our best interest, and you are the people in charge, and I am—we want—this committee wants you to get this thing turned around. The Air Force has promised that they are going to clean up their act, but they are the ones that are abusing it the most.

Mr. SOLIS, do you have any comments on this?

Mr. SOLIS. No, other than to just confirm what you just said. I mean, we have had a couple of reports in the past that have talked about these kinds of issues. And part of the other issue, I think, that comes up is the contracting officers are overwhelmed in terms of trying to get this done as well, in terms of looking at all the different contractors or contracts that are coming forward.

So I would just say—

#### ACQUISITION WORKFORCE PLANNING

Mr. DICKS. Let me ask you about that. How are you—you are talking, you are in charge of getting the—hire the people that do this type of work, right?

Mr. ASSAD. Yes, sir.

Mr. DICKS. And it is like, what, 17,000, 18,000 people?

Mr. ASSAD. I think about 20,000.

Mr. DICKS. Twenty thousand. Now, how do you do that? We understand, we have the impression that there is a Web site that people come through and then you pick people to interview based on the Web site. This is a very major task.

Mr. ASSAD. Yes, sir.

Mr. DICKS. To hire this many people. How are you going to get it done and how are you going to do it?

Mr. ASSAD. Well, the way we have set it into play is each of—primarily the three services, all of the Defense agencies are involved in this, have specific plans over the next 5 years. This is a 5-year process of hiring our 20,000 acquisition workforce members. For example, it is about 5,600 contracting officers, 2,500 folks at DCMA, 800 auditors at DCAA, 250 lawyers. I mean, there are a number of different professions in the contract oversight arena that we are looking to bring in very specifically. The Army is 1,600. That is what they are trying to hire to increase their workforce.

So we very specifically know by service, by the Defense agency, which particular skill sets we are trying to increase and what the plan is over the next 5 years, and we are managing that on a quarterly basis. So we bring the services in and we go through their plans.

Congress has been, frankly, more than reasonable in providing us a number of tools to increase the ability for us to hire people. Make no mistake about it, Mr. Chairman, this is a challenge.

Mr. DICKS. How many, just out of curiosity, how many people did you hire in 2009?

Mr. ASSAD. About 2,000.

Mr. DICKS. Two thousand?

Mr. ASSAD. Above our maintenance. In other words, growth. We hire about 6,000 people a year just to keep the pipeline going.

But we have a plan, for example, about 2,200, 2,300 people this year, roughly, and we expect to exceed that.

Mr. DICKS. These people then have to be trained, right?

Mr. ASSAD. Yes, they do, and it is an extraordinary time, Mr. Congressman. You know, there is a perception that we are only going to be able to hire very young folks with very little experience out of school. That is not what is happening. For example, it was just reported to me that the intern program at Wright-Patterson, they bring in 48 people every third of a year. Their last class, all 48 people had master's degrees. That is extraordinary, and so we are getting—

#### ACQUISITION WORKFORCE

Mr. DICKS. Well, right now is a good time to be trying to get people, too.

Mr. ASSAD. Yes, sir, we are getting a number of folks, manufacturing engineers and industrial engineers, coming into DCMA from the automobile industry. These people can transfer these skills, and so there is a good deal of training. Again, Congress—and we appreciate the committee's support of the Defense Acquisition Development Work Fund. These are tools that we need to get the job done. But rest assured that we are focused on this and that the services are focused on it.

Mr. DICKS. Mr. Frelinghuysen.

#### FOREIGN NATIONAL CONTRACTOR WORKFORCE

Mr. FRELINGHUYSEN. Yes, thank you, Mr. Chairman. Very briefly, Mr. Solis, you are the author of this GAO report we have in front of me here, and you look rather stoic on the end here, so I figured I might give you an opportunity to react. I understand you have some interesting observations about some of the Afghans we are working with, we are employing; is that correct?

Mr. SOLIS. In terms of the quality of work?

Mr. FRELINGHUYSEN. Quality of them, things that relate to their backgrounds that might be of interest to the committee.

Mr. SOLIS. Well, I think one for the challenges for the folks who are managing these contracts in terms of the quality of the Afghan contractors is that with the Afghani's limited experience in some areas it does require more oversight. That is not to say that you shouldn't award contracts to Afghan firms for the reasons that we talked about before in terms of trying to encourage and build their economy, but it does require more oversight for those particular reasons. That is part of the Afghan First program, which faces similar challenges as just like you the Iraq First program.

In terms of the background screening, I think also it just adds more challenges when you have more of the local nationals, because one of the things that the Department still doesn't have is a Department-wide policy on background screening. And so many times the screening is left up to the contractors. You can't necessarily go back. Obviously, contractors can't do FBI checks or CIA

checks with these folks because they are just not there in the system. So it becomes more of a challenge.

Mr. FRELINGHUYSEN. Many of the people with the same name?

Mr. SOLIS. That is correct. So it does present some challenges. One of the problems that they are having right now—

Mr. FRELINGHUYSEN. I actually went through your—while everyone was talking—I didn't see too much comment on this aspect of which you speak. Is this some sort of an addendum or are you making some recommendations in this area?

Mr. SOLIS. Well, we have made recommendations in the past.

Mr. FRELINGHUYSEN. Are they in here?

Mr. SOLIS. I believe they are in here, but also I believe we have made some recommendations in the past to the Department to try to get a handle on this.

Mr. FRELINGHUYSEN. I mean, there are issues that relate to the Afghani military, which some people give high marks to—God only knows, I am not sure what the measurement is there. And then in terms of the Iraqi police, people give pretty low marks to them. But not only do we need to know—I am not sure it is our job to know, to have background checks on all of these people.

But if they are going to be associated with us in any way, side by side, in combat or, for that matter, providing services in ways that local contractors have historically provided services, we better know something about them. I think we would be highly vulnerable if we didn't know something about them. So there is something in here that relates to some specific recommendations.

Mr. SOLIS. Either there or in our past reports, yes.

Mr. FRELINGHUYSEN. Okay. Well, I think we need to sort of highlight them, and I if I am not familiar with them, I apologize.

Mr. SOLIS. Yes.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. PARSONS. Sir, if I could just add to that. I mean, the local commanders do put into place policies for screening and monitoring the local nationals that they do bring and the foreign nationals in, so I don't want to leave the impression that there is nothing that is going on.

But I think what Mr. Solis' point is, is there is not an overarching policy from their perspective at the Department level. But rest assured at the local level, the commanders are concerned about force protection, and they do put processes and procedures in place, including watching over the local nationals as they are working. And as those local nationals prove themselves, they could reduce some of that oversight on them.

But make no mistake. There are some procedures and policies in place at that commander level.

Mr. FRELINGHUYSEN. Thank you for that clarification. Thank you Mr. Chairman.

Mr. DICKS. Mr. Visclosky.

#### FOREIGN NATIONAL CONTRACTOR WORKFORCE

Mr. VISCLOSKY. If I could follow up on that, the Department then would not have plans to have a Department-wide procedure or process for screening foreign national contractors?

Mr. ASSAD. Mr. Congressman, we are working right now on trying to determine how we bring in—right now, the way we are screening many of these third-country nationals is through biometrics, and we are trying to determine how we can incorporate those concepts into a Department-wide policy. Contractor Personnel authorized to accompany the U.S. Armed Forces, but we do not have a Department-wide policy besides Dod Instruction 3020.41 in terms of how to deal with contractors.

Mr. VISCLOSKY. Do you have any idea when that process will be completed?

Mr. ASSAD. I do not, Mr. Congressman, but I will take it for the record and get you an answer.

[The information follows:]

The Department currently has standardized procedures in place to vet third-country nationals in Iraq and Afghanistan. As far as specific vetting policy is concerned, it is the responsibility of the Geographic Combatant Commander to set the standards for vetting within his specific area of responsibility (AOR), which includes admission procedures and requirements, including country and theater clearance, waiver authority, immunizations, required training or equipment, and any restrictions necessary to ensure proper deployment, visibility, security, accountability, and redeployment of contingency contractor personnel deploying to their AOR.

Mr. VISCLOSKY. Mr. Solis, when did GAO make that recommendation?

Mr. SOLIS. I think we made it last year. In 2009 we were looking at background screening of private security contractors in Iraq, and we suggested that the Secretary designate a focal point because there is disagreement, I think, within the AT&L community and the Under Secretary of Defense Intelligence (USDI) community as to how far you should go on the background check.

That being said, we felt that somebody ought to take a look at that, and I think the recommendation is still not completed as of yet, as Mr. Assad said.

Mr. VISCLOSKY. Do you think you are making reasonable progress?

Mr. SOLIS. We haven't looked lately to where they are at, but obviously it is still a void.

Mr. VISCLOSKY. Mr. Solis, you also mentioned in the report the Department has not fully addressed congressional direction to include operational contract support in predeployment training.

Could I ask a question about that of the panel, and if you could tell me exactly what that means and then where are we?

Mr. ASSAD. I think Mr. Parsons can talk about the predeployment training being done with the Army.

Mr. PARSONS. Sir, one of the things we did recognize, and even with the Gansler Commission report, which really heightened the issue, is that we were not getting these soldiers in units that were going to end up performing some level of contractor management when they arrived in theater, some education and training on that, before they arrived.

My Expeditionary Contracting Command has been charged with training, deploying units before they leave. So the units that are getting ready to go into theater to replace the units that are there today are now starting to get contracting officer representative training and also CERP training, which is the Commanders' Emergency Response Program training, before they deploy.

Now, we have done 700—we have trained over 700 military since October that are now being deployed or will be deployed in the coming months over to theaters, so we should see an improvement in that area. Will we get 100 percent? Probably not. I mean, as things develop in theater and contracts come up, we may need to train some people on the ground. But we have made some drastic improvements.

And as Mr. Solis' report also acknowledged, the Army has put out an execution order that the units will identify, soldiers and their units, for potentially being CORs so that we can get them trained. So we have contacted every unit. We have either done some training or added scheduled training. We are in the process of getting that training schedule, so we are making significant strides on the CORs and the CERP.

Mr. VISCLOSKY. What is your biggest problem that you need congressional help on?

Mr. PARSONS. Well, sir, I don't think we need any specific congressional language to do this. I think, as I mentioned earlier, when we started—

#### LESSONS LEARNED

Mr. VISCLOSKY. No, I am talking generally as far as your responsibilities. Is there something missing here? And I don't mean to be facetious, but we have been a nation for several hundred years, we have had a military for several hundred years, we have been managing contracts for several hundred years. And while times change and conflicts change, it seems as though we are always reinventing this system. It would seem like we would have it down by now. I am curious.

Mr. ASSAD. Mr. Visclosky, one of the things that the Secretary of Defense charged Dr. Carter, the Under Secretary for AT&L and Mr. Hale, the Under Secretary of Defense (Comptroller) was to do exactly that: How are we ensuring that our lessons learned in Iraq are not either recreating the wheel or learning that lesson again in Afghanistan.

So we meet on a monthly basis with Dr. Carter, Mr. Hale, and boots-on-the-ground folks, the commanding folks on the ground, to talk about that particular issue and, for example, not having adequate contracting officer representatives trained in CONUS before they put their boots on the ground in Iraq and Afghanistan; ensuring that we have the subject matter experts who can inspect properly the goods and services that we are buying; how we are making sure that that does not happen—the early lessons that we learned in Iraq, we are now ensuring aren't happening in Afghanistan. That is the reason why, for example, there has been such a remarkable increase in the number of contracting officer representatives is because of the emphasis that the Secretary himself has put on this issue of lessons learned.

I will tell you that Congress has given us a significant number of tools. We have got the flexibilities that we need to get the job done, and we appreciate what Congress has done for us. We just need to execute.

Mr. VISCLOSKY. Yes, gentlemen, thank you.

Mr. DICKS. Let me ask you a question, Mr. Solis. What do these CORs do?

Mr. SOLIS. They are basically the eyes and ears on the ground for the contracting officer in terms of the performance of the contract. They also will help in terms of the billing and a number of different things. But, really, they are the contracting officer's representative right on the ground, the contracting officers.

They are going to tell him how the contract is being performed. They are going to make sure that all other aspects of the contract in terms of quality assurance and those other things are being properly executed; they interact with DCMA. There are a number of things, because the contracting officer, or the contract, may not be in theater. They may be in Rock Island or they may be somewhere else.

So the COR's are the people representing the Army in terms of the execution of that contract. They can't direct how the services are done. They can monitor it, but they cannot direct the services per se.

Mr. DICKS. All right. Mr. Hinchey.

#### INHERENTLY GOVERNMENTAL FUNCTIONS

Mr. HINCHEY. Thank you very much, Mr. Chairman. I am sorry that I got here so late, but nevertheless I am happy to be here.

Just one simple question: The fiscal year 2009 Omnibus Appropriations Act closes a loophole that allowed non-DOD agencies to contract out smaller functions without first conducting formal cost comparisons, and the same loopholes were closed for DOD in the fiscal year 2010, basically in the same way. These loopholes were closed because of concern that agencies are giving work last performed by Federal employees to contractors, without full consideration of cost and quality. It has now been more than a year since the provision was enacted for non-DOD agencies and almost 5 months since the provision was enacted for DOD.

I understand that OMB has yet to issue guidance to the agencies to ensure compliance with the law. Is DOD in compliance with this law? Do you know if they are? What, if any, guidance has DOD issued to ensure compliance?

Mr. ASSAD. Mr. Congressman, the Deputy Secretary put out some very specific guidance on all sources and the cost-benefit analysis that should, in fact, be performed. That guidance is significant with regard to what I think you are referring to.

I think what you are referring to is the guidance from OFPP to inherently governmental functions. I reported earlier to the committee that I know for a fact that that guidance is in draft, the OFPP Administrator has shared it with me, and it is presently being reviewed within the administration.

So I suspect that while I can't speak for the administration on this matter, I would imagine that this will be published pretty shortly because it was effectively done.

Mr. HINCHEY. Yes. So you think this problem is very solvable; it is going to be taken care of and cleaned up very quickly?

Mr. ASSAD. It is a challenge. I don't think it will be done quickly, but certainly the guidance is there for us to execute it properly, Mr. Congressman.

## ACQUISITION WORKFORCE

Mr. HINCHEY. Okay. Let me just try one other thing then, if I may.

Under the Obama administration, OMB has commendably taken a more hands-off approach to establishing full-time employee limitation on agencies' in-house workforce. Nevertheless, there are still concerns that agencies lack the necessary personal authorization to hire Federal employees when in-house performance is preferable for programmatic or financial reasons.

Particularly in the context of in-sourcing, I think we all agree that personal constraints should not prevent an agency from using Federal employees for a particular function when in-house performance best promotes that agency's mission or the interests of the taxpayer.

Does the DOD have the flexibility necessary to use Federal employees in such instances and on not laboring under any nonstatutory in-house personal constraints?

Mr. ASSAD. Mr. Congressman, I can speak for the acquisition workforce.

Mr. HINCHEY. Could you press that again?

Mr. ASSAD. Yes, sir. I can speak for the Acquisition Workforce. We are constrained in a sense that we have—we are going to try to hire 20,000 government folks, that is what we have set as our target, but there is no constraint in doing that. The Secretary has been very clear and very straightforward in terms of the guidance that he has given us.

We have the tools, the Congress has given us the tools that we need to execute that. We have a plan to execute that. And I am comfortable that, in fact, we will be successful in doing so.

I will take for the record, outside of the acquisition workforce, but I would expect that my judgment is within the Department of Defense. I can't speak for the whole administration. Within the Department of Defense, I will tell you that we are not constrained to meet the guidance that we have been provided by the Secretary.

Mr. HINCHEY. Okay. So the Federal employees are going to be focused on intentionally; there is going to be priority for them. Is that basically what you are engaged in?

Mr. ASSAD. Well, what we are trying to do is increase the capability of the acquisition workforce, and that will be 20,000 government employees, 10,000 outright new hires and 10,000 in-sourced from previously contracted positions.

Mr. HINCHEY. Okay, the in-sourced. So you know that these people are doing good jobs; you are going to maintain them?

Mr. ASSAD. No, no, maybe there is a misunderstanding, sir. What we are doing is we are assessing that work that we believe should be inherent to the Department. We are then putting those jobs out for public opportunity. There is no conversion of a particular contractor who might be working there and say, Okay, tomorrow you are going to be a government employee. You know, that job gets publicly listed and it is competed.

So, yes, we intend to do that properly and it will be government employees, and I am very confident that the folks we are hiring are capable and able to do the work.

Mr. HINCHEY. Yes. But if you have capable people who are employed there, there is not going to be any operation to exclude them in the interest of bringing in some other operation?

Mr. ASSAD. Oh, no, not that I am aware of. Not within the acquisition workforce.

Mr. HINCHEY. Okay. Thank you very much.

Mr. DICKS. Let me ask you, do you have an age imbalance in the Army contracting workforce? An aging workforce?

Mr. PARSONS. Sir, I wouldn't characterize it as an age imbalance. I would more say it is more an experience imbalance is what we have today.

As Mr. Assad said, and I will talk about my intern program, we have brought quite a few entry-level, brand-new people into Army Contracting Command that are not 20-something. They are in their thirties, they are in their forties; they are making, you know, a career change.

So it is not really an age imbalance in my mind. It is more of an experience imbalance, and there is. I have over 40 to 45 percent of my workforce has less than 5 years of experience. I have another 40 to 45 that have 20 years or more. And, in between, I don't have a lot of folks. And this is, you know, a symptom, quite frankly, of the downsizing that we went through in the 1990s where we just flat-out stopped hiring people.

We let attrition take its place and now we are in the mode of, hey, we have got to bring people on because there are no experienced people out there to hire. We are all competing for that contracting officer that has 8 years of contracting time.

So it is more of an experience imbalance, from my perspective, than of age. No doubt that quite a few of our most experienced contracting officers are starting to retire, and I do have quite a high rate of that taking place.

So it is a challenge. We have to find ways to not—when we bring these new people in, how do we get them trained and get them the experience that they need, in a rapid fashion, so that they can handle and execute the large dollars that we are faced with today.

#### STANDARDIZED TRAINING

Mr. DICKS. What is the role of Defense Acquisition University in preparing the Army's contracting workforce for the contracting mission of today and the future?

Mr. PARSONS. Well, DAU's mission is just not unique to the Army. They provide the training that is necessary for all of our acquisition career programs, contracting being one of them. And there are different certification levels within the Department of Defense. And all of our entry-level folks have about five or six courses that they have to take through DAU or DAU-approved accredited course. And so their primary role is to provide the training that they need to our contracting folks and our other acquisition folks.

Mr. ASSAD. The other thing that we have done, Mr. Chairman, again, over the last 5 or 6 years, is that we have standardized the training so our marines and our soldiers and our airmen are all receiving the same training, so that when they get in a joint environment, they can execute in a joint environment.

You know, what we learned in the early days in Iraq, we had some, very frankly, very sophisticated Air Force enlisted contracting folks, and not so sophisticated in terms of the Marine Corps that I was leading, and the Army folks. That has turned around.

You know, we are getting a lot more experience now in our Marines and our Army folks, while the Air Force has been able to maintain that incredibly capable enlisted contracting capability.

Mr. PARSONS. Sir, I would emphasize that the training isn't as much of a challenge as it is trying to get our folks experience, especially in our line of business. This is you learn by doing. And so we are making very concerted efforts and plans on how we move our people around to get the right type of experience in addition to the training that they get from DAU.

Mr. DICKS. I would think program officers are critical; the person who is the program manager, I should say.

Mr. ASSAD. One of the things—they are. And not just in government, as you know, Mr. Chairman; in industry, if you don't have effective program managers, you don't have a successful company. And the reality is that we are spending a lot of our resources, our acquisition development funds, in training program managers and program executive officers.

There is significant training at DAU. In fact, I was down at DAU last week for 2 hours to sit with a classroom full of program managers, sharing some experience on just acquisition and program management challenges in the environment that we are in.

Mr. DICKS. Ms. Kaptur—go ahead Mr. Solis.

Mr. SOLIS. Sir, I certainly agree that the acquisition workforce needs to be trained, but of the actual unit commanders who are dealing with contractors on a day-to-day basis also need to be trained on how to deal with contractors, because for example, if they direct the contractor to do something that is out of scope, you have got a problem.

So I think it is not only incumbent about the acquisition workforce and corps, but it is also the unit commanders, brigade commanders, battalion commanders on down, that really need to know how to deal with contractors in a contingency environment.

Mr. PARSONS. Sir, if I could add to that, I think this gets to Mr. Solis' point about institutionalizing. The Army has, in my opinion, really moved out in trying to institutionalize this by putting blocks of instruction having to do with contracting and contractor management in many, many courses in the Army, including professional military education, where we are getting our intermediate level at the captain and major level, and also at the senior level, exposed to contracting and contractor management and how operational contract support is important to the unit commanders as they execute their mission.

So we are not where we want to be yet, but we have put a lot of course work in place, and we are going to continue with that.

Mr. DICKS. Ms. Kaptur.

#### SECURITY OF OUR FORCES

Ms. KAPTUR. Thank you, Mr. Chairman. I just wanted to put on the record that when we have the kinds of numbers, tens of thou-

sands of people who are hired in some way to assist in these operations, though they may build links to people in the country, each one of them becomes a potential source of infiltration and breach. And I don't think that we are good enough in deciphering who those might be. And what do I offer as my proof?

We had one meeting dealing with what happened to the CIA. I figure the CIA is a lot smarter than you are, they got all those agents out there, and yet we had them all blown up at that base in Afghanistan. And where was the point of breach? Very interesting. And how that individual got in there, they weren't cleared by a contracting agency that said you didn't have a gun. They came in with a suicide vest and they pulled it just at the right time. This is an unbelievable form of guerilla warfare.

And so when I look at—just so it is understood where I am headed here, I am very concerned about security of our force.

Mr. DICKS. About what? I didn't hear you.

Ms. KAPTUR. I said I am very concerned about the security of our force and the fact that though hiring nationals in these countries might build bridges in some ways, each one is also a potential point of infiltration and breach of our security.

And I use that most recent example with the CIA base as an example of how a truck driver and a whole set of steps happened that ended up having major catastrophe for people in our country—people from our country. So one of my questions—you know, we look at these numbers in the aggregate, and I really thank you, Mr. Chairman, for providing these numbers about where we are hiring—just look at the base support, 61,000 people.

How many of them are foreign nationals? Transportation, 2,000. All it takes is one. And not only that, but the ones doing it can be informers that you won't even know. So they study patterns, they get into these places. Unlike us, they have all the time in the world.

We think in megabytes, they think in centuries, right? So they are not about to easily accommodate to our way of life. So I look at each one of these with great suspicion. And it could be some laundry person who is married to somebody who lives in this village, and the potentials for breach are enormous. So the more information you can provide us will be greatly appreciated.

We can check their backgrounds and all the rest, but it is pretty obvious, we had a meeting this week—this is off the subject, but it is related—with representatives from the country of Lebanon, where it is pretty obvious what happened there in the last war with Israel. And what was their request of us? Their request of us was that fundamentalism is growing in the north, and they wanted help in agriculture to try to combat what was happening inside that country with a whole new generation of people who don't remember 30 years ago and some of the friendships that existed back then. The networks that are developing at the local level, political, social, helping networks—

Mr. DICKS. I might remind the gentlewoman, we are in an open session here.

Ms. KAPTUR. All right. I am glad the gentleman reminded me of that.

So we were being asked for assistance to help to enlarge upon the social helping networks in some of these other countries.

It seems to me that because many of these individuals that we rely on live in desperate places, sure, they will take the money, but I don't really think that we can guarantee the integrity for our forces and the security of our forces.

So my question really is, just take the area of transportation, all right? Of these several hundreds and hundreds of people, what do we really know, just what they tell us? I mean, you don't know the villages they come from. You don't know what their contacts are. You don't know why they might take a job there.

So I just wanted to share that and express deep concern about what this could potentially mean down the road, because all it takes is a few to do great damage and they have all the time in the world to wait us out.

Mr. DICKS. Any comment on that?

Mr. ASSAD. It is a legitimate concern. It is a risk, and we are doing what we can do to try and screen local nationals, but it is a challenge.

Mr. DICKS. But, let me ask you this. And have we had in the Green Zone any incidents, any people that were hired that wound up being a bomber?

Mr. ASSAD. I am personally not aware of it but we will take that for the record, Mr. Chairman, and report back to you.

[The information follows:]

CENTCOM has been queried and can find no instance where hired individuals participated in an attack within the Green Zone.

#### MRAP

Mr. DICKS. Okay. Let me ask you this. We did MRAP and the Stryker very, very effectively. But then you go back and look at Crusader, Comanche, Armed Reconnaissance Helo, the Future Combat System. These are all major problems for Army acquisition. Why was Mine Resistant Ambush Protected (MRAP) and Stryker, why were they done so effectively and these others turned out to be major embarrassments for the United States Army? At least I think they are.

Mr. ASSAD. It all goes down, I think, Mr. Chairman, there are several problems in every one of those programs that are unique to those programs. But, fundamentally, why was MRAP such a success?

Mr. DICKS. Right. What did we do differently?

Mr. ASSAD. Well, what we did was unequivocal support from Congress in terms of the funding that was required to execute it. We had a world-class acquisition team on that procurement. It is unprecedented that we could take such a major procurement from requirement definition to execution in the short period of time that we did under competition. And what it was was an extraordinary ability to bring several very talented people together.

I often get asked by the Defense Science Board and a number of other organizations, you know, do you need more rapid acquisition authorities, is there something that Congress should be doing to make your job easier?

The fact of the matter is that the MRAP acquisition did not waive one law, we didn't waive one procurement regulation. We, in fact, did three internal reviews of our peer review on MRAP, and yet we were incredibly successful. And it was because of the talent of the folks that were involved and the support of Congress in providing us the funds that we needed to execute.

Mr. DICKS. And the contractors had to do a good job.

Mr. ASSAD. And the contractors did an outstanding job. Yes, they did, sir.

And so I would say to you that in—which is why I very much appreciate the support you and the rest of the committee have given our acquisition workforce growth activities, is that for a large degree, we have got the tools. We have the laws to execute it properly. We can be transparent. We just need to get an experienced, capable, competent workforce grown—not that we don't have one, because we do a lot of things right. We do do some things wrong. We can do a lot better.

And so this is more about getting experienced people, experienced program managers, talented contracting officers, and more of them to execute these jobs properly.

It is not—and I can't overstress the ability to have funds to execute—and Congress did. We can't thank Congress enough, nor can our sailors, soldiers and marines whose lives have been protected as a result of having MRAP on the ground.

Mr. PARSONS. Sir, I would just add, too, that I think, at least from my perspective, it also has to do with how proven is the technology that we are incorporating into those systems. And certainly on MRAP, a lot of that was already proven technology.

I would just add that, you know, Dr. Carter has issued a memo to implement that Weapons Systems Acquisition Reform Act, outlining a number of things that all the departments need to consider in weapons system acquisition. And I think as each of the services implement those that we will see improvements in the acquisition of the systems.

#### ACQUISITION REFORM

Mr. DICKS. You know, I have been here 34 years, and for 34 years I have heard year after year, acquisition reform, acquisition reform, that retired generals report for the Air Force acquisition reform.

You know, I have got to tell you, I am getting relatively cynical that somehow we just have a hard time procuring these large systems. And part of it is the contractors and part of it is the government. But those are four major—I mean, again, Crusader, Comanche, Armed Reconnaissance Helo and the Future Combat System. And the Future Combat System is very recent.

So we are here to talk about contingency contracting, but I have got to tell you, I still think you have a ways to go before you convince us up here that we have turned the corner on acquisition reform.

I wish the administration well, but it is—I think there has to be a lot more honesty in calculating what these things are going to cost, which I don't think exists and doesn't exist today. It is still—still everybody low-balls things to make it work in the budget. This

thing is still not where it needs to be, so I urge you to not only take care of these undefinitized contracts, but also to—we have got to have some success stories.

And the ones that are success stories, like the Crusader, I mean like Comanche is basically an off-the-shelf system, modified. And that is a good thing to do. If you can take things off the shelf, that makes a lot of sense and reduces the acquisition time, et cetera.

Mr. SOLIS. Sir, I was going to offer, too, I think Stryker was similar in that vein in that it was an off-the-shelf technology. But what also made it successful—and I don't know if we will ever be able to do this again—we basically took a brigade off-line during the design phase of the stand-up of that brigade.

We went out to the National Training Center and to the Joint Readiness Training Center and took the contractors who were going to support them before it was sent over to Iraq. So I think there was not only the technology piece, but also the fact that there was time and a brigade that was basically off line to test the design to see how it was going to work in the field.

Mr. DICKS. Well, I hope we can learn from our successes. That is what I am hoping.

Thank you. The committee stands adjourned until 10 a.m. tomorrow when the committee will reconvene for a hearing on Strategic Lift.

THURSDAY, MARCH 18, 2010.

## **AIR MOBILITY PROGRAMS**

### **WITNESSES**

**GENERAL DUNCAN J. McNABB, USAF, COMMANDER, UNITED STATES  
TRANSPORTATION COMMAND**  
**GENERAL RAYMOND E. JOHNS, JR., USAF, COMMANDER, AIR MOBIL-  
ITY COMMAND**  
**MAJOR GENERAL RANDAL D. FULLHART, DIRECTOR OF GLOBAL  
REACH PROGRAMS, OFFICE OF THE ASSISTANT SECRETARY OF THE  
AIR FORCE FOR ACQUISITION**

### **OPENING STATEMENT OF CHAIRMAN DICKS**

Mr. DICKS. This morning the Committee will hold a closed hearing concerning the Department of Air Force's mobility programs. We are pleased to welcome three distinguished witnesses: General Duncan McNabb, Commander of the United States Transportation Command; General Raymond Johns, Commander of Air Mobility Command; and Major General Randal D. Fullhart, Director, Global Reach Programs, Office of the Assistant Secretary of the Air Force for Acquisition.

These gentlemen are very well qualified to discuss all aspects of the Air Force's mobility programs and answer questions that the Committee has regarding global mobility. Generals, thank you for being here this morning. The Committee is very interested in hearing what you have to say about the Air Force mobility programs. As you are well aware, some of us on the Committee are eager to hear about the status of the KC-X program with the announcement that one of the expected contractors will not bid on the program. We look forward to hearing your thoughts on the way ahead for this vital program. The Department had planned on a summer award, so we are interested to hear how this development will affect the contract.

Additionally, the Committee is looking forward to a discussion on the newly released Mobility Capability Requirement Study. The study specifically reviewed the plan for structure in 2016 to see if any capability gaps existed. We understand that the study validated the current force structure of 223 C-17s and 111 C-5 aircraft. However, the study also found that other fleet mixes would meet the requirement. We look forward to discussing the various scenarios that were reviewed and how each stressed our forces in different ways.

Another topic of concern is the use of undefinitized contracts. I am glad Major General Fullhart is here because we are going to be talking to him about this. Within the mobility portfolio, it was the mobility portfolio, and specifically the C-17 program, that brought the issue to our attention last year and eventually led the

Committee to restrict the obligation of funding for the C-17 program until contracts were definitized. A program that is this far into its being, it is impossible for me to understand how we have undefinitized contracts. That is just unacceptable.

We understand that there is a time and place for those contracts, such as meeting urgent wartime requirements. They are not to be used for routine acquisition or as a result of poor planning. General Fullhart, we understand that you are personally involved and look forward to your comments on the way ahead for Air Force contracting.

In addition to these areas, the Committee remains concerned with the size and mix of our mobility fleet. The C-5M has just completed operational testing and the results will be submitted to Congress this summer. Once this report and others are submitted to Congress, the Air Force plans to retire 22 C-5 aircraft over the next 2 years, decreasing the inventory of C-5 aircraft to 89. Along with this decision, the Department is requesting funds to begin the shutdown of the C-17 production line. This line is the only production line capable of producing strategic airlift aircraft. We remain concerned with this decision and its potential impact on the future of our Nation's industrial base for strategic airlift aircraft.

All that said, TRANSCOM and Air Mobility Command aircraft continue to provide exceptional service in our ongoing efforts overseas, on providing airlift of troops to refueling aircraft. In fact, we were just in Ramstein and General Brady gave us a very good briefing. And it is extremely impressive to see all of that capability, logistically, both in Iraq and in Afghanistan. And I think it is one of our greatest strengths as a country, is being able to do these things with the private sector as well. And so it is indeed impressive.

General McNabb, General Johns, and Major General Fullhart, thank you for all being here this morning. The Committee is very interested in hearing what you have to say about the Department's mobility programs. We look forward to your testimony and to an informative question-and-answer session. Now, before we hear your testimony, I would like to call on our ranking member, Mr. Kingston, today for any comments you would like to make.

#### REMARKS OF MR. KINGSTON

Mr. KINGSTON. Thank you, Mr. Chairman, And welcome to our distinguished guests. You cannot fight the enemy if you cannot get your troops and equipment to the war. We all know that, and of course you guys have led in that and devoted a major part of your career to it. And because of that, I think it is paying off in the war theaters. Airlift is absolutely vital to the Department and its ability to accomplish any mission. And it is true whether we are talking a C-5, C-17, C-130 or even a commercial airliner to make the effort happen. The correct mix of these is what we are going to be talking about today for complete but strategic and technical airlift quickly, efficiently, and safely.

I am sure the recent mobility capability and requirements has much to say about this, and I look forward to further discussion on it. And, Mr. Chairman, I have a motion—

Mr. DICKS. Yes.

Mr. KINGSTON [continuing]. At the proper time.

Mr. DICKS. This is the proper time.

Mr. KINGSTON. I move that those portions of the hearing today which involve sensitive material may be held in executive session because of the sensitivity of the material to be discussed.

Mr. DICKS. All those in favor of Mr. Kingston's motion say aye. Those opposed?

The ayes have it. The motion is agreed to.

All right. Who wants to start? Who is going to start? General McNabb. Thank you.

#### SUMMARY STATEMENT OF GENERAL MCNABB

General MCNABB. Chairman Dicks, Congressman Kingston, and distinguished members of the committee, it is a distinct privilege to be with you today. Our thoughts are with Congressman Young for a speedy recovery. And I understand he is on his way back and will be back in full business here soon.

I want to first congratulate you, Mr. Chairman, on your appointment to lead this committee. I had the opportunity to see firsthand how you fought for our men and women in uniform when I was aide-de-camp to General Cassidy as he stood up United States Transportation Command and you helped him with the C-17, and then as Wing Commander at McChord Air Force Base in your great State of Washington, something that General Johns also had the chance of doing that and working with you as well.

Over the years you have been a staunch proponent for our Nation's defense and we are fortunate to have you continue to serve our Nation in this new leadership position.

I am also honored to appear before you with General Johns, Commander of the Air Mobility Command and my commander of the air component to U.S. Transportation Command, who I ask to perform miracles every day, and who delivers.

And it is a distinct pleasure to appear with Major General Fullhart from our U.S. Air Force acquisition team who I depend on to deliver the air mobility systems we need to win.

Throughout 2009, the United States Transportation Command faced tremendous operational, logistical and geopolitical challenges, and we asked for and received unparalleled performance from our global enterprise. We are charged with synchronizing and delivering an unmatched strategic global transportation and distribution capability and producing logistic superiority for our Nation where and when needed by the combatant commanders we support, and we have done that.

Our total force partnership of Active Duty, Reserve component, civilian, contractor and commercial industry colleagues answered every call and improved with every challenge. It is our people who get it done. It is 145,000 professionals working around the world day in and day out, producing one of this Nation's greatest asymmetric advantages and enabling the combatant commanders to succeed anywhere in the world by providing them unmatched strategic lift and end-to-end global distribution. Through the superb work of our people and working with USCENTCOM, we are meeting the President's direction to surge forces into the Operation Enduring

Freedom theater at the fastest possible pace on General Petraeus' plan, while meeting the needs of all of our other warfighters.

Working with our Ambassadors, the State Department, and Office of the Secretary of Defense, it was our logistic professionals working hand in glove with General Petraeus and his staff that created the Northern Distribution Network to complement the southern supply lines coming in from Pakistan.

In one year's time, through productive relationships with northern Europe, Russia, Central Asia, and the Caucasus, over 8,700 containers of cargo have moved by commercial air, ship, truck and railroads, and the amount continues to climb. It is our joint assessment teams, requested by General Petraeus and General McChrystal, that are finding ways to increase the flow of supplies through existing air and surface hubs and establishing new intermodal and interair sites like Shaikh Isa Air Base in Bahrain and Maser-e-Sharif in Afghanistan. It is our total force air crews dramatically increasing the amount of airdrops to our warfighters in Afghanistan, finding innovative ways to deliver over 29 million pounds of supplies in 2009 to forces in remote areas, getting our forces what they need, while also getting convoys off dangerous roads and also decongesting crowded airfields.

#### HAITI

Our pace was just as swift in Haiti. The earthquake created a chasm of isolation for the Haitian people. Our people spanned the divide to lift spirits and save lives. Supporting General Fraser in USSOUTHCOM, it was our air and seaport assessment team and joint port opening units on the ground at Port-au-Prince within 48 hours after the earthquake, surveying the damage and building the air and sea bridges of humanitarian supplies and personnel that helped save a country and its people. It was our air crews, maintainers and aerial porters who flew over 2,000 sorties, moved over 28,000 people, including 404 adoptees, and delivered almost 13,000 tons of critical supplies and materials.

It was our medical crews, critical care teams, and our global basic movement center which transported and helped save 341 critically injured Haitians by getting them to the care they needed to save life or limb.

It was our merchant mariners and our commercial and military partners that provided nearly 400,000 tons of life-saving cargo; over 2.7 million meals and over 5 million liters of water to Haitians in need, and we are not done yet.

It is this logistics team working from home and abroad that gives our combatant commanders and our Nation the unrivaled ability to move. Their actions serve as an example of our Nation's strength and an outward demonstration of our compassion and hope. I am extremely proud of and amazed by the men and women of the United States Transportation Command.

Chairman Dicks, we look forward to working with you for many years to come. The support of this committee has been instrumental in providing the resources our team needs to win, and I thank you.

Finally, I offer my condolences and the condolences of the United States Transportation Command to the family of Congressman

John Murtha and to this committee on the passing of a tremendous American. Chairman Murtha was one of our Nation's greatest leaders, a steadfast champion for the men and women in uniform and for this Nation. He will be sorely missed.

Chairman Dicks, I am grateful to you and the committee for inviting me to appear before you today. I ask that my written statement be submitted for the record and I look forward to your questions.

Mr. DICKS. Without objection, all the statements will be accepted for the record.

The statement of General McNabb follows:

**Statement of**  
**General Duncan J. McNabb, USAF**  
**Commander, United States Transportation Command**



**Before the House Appropriations Defense Subcommittee**

**March 18, 2010**

**INTRODUCTION**

Chairman Dicks, Representative Young, and members of the Committee, thank you for the invitation to testify today on global mobility issues. I appreciate the strong and unwavering support of this committee to our Nation's defense, to the United States Transportation Command (USTRANSCOM), and to our military men and women and DOD civilians that serve so faithfully. Equally important is your tremendous support to our families.

One of our greatest asymmetric advantages over any adversary is our nation's strategic ability to move—it is a crown jewel in our National Strategy and gives us our true global reach. It is my honor to represent USTRANSCOM and the over 145,000 men and women that maintain this advantage. USTRANSCOM is a unique partnership of active duty, Guard, Reserve, civilian, contractor and commercial partners. Together we are an unrivaled, global team operating an integrated, networked end-to-end defense distribution system, providing logistics superiority when and where needed. At home or abroad, USTRANSCOM fosters trust and confidence by delivering combat power through that logistics network. Our components, Air Mobility Command (AMC), Military Sealift Command (MSC) and Military Surface Deployment and Distribution Command (SDDC) provide tremendous capabilities that we merge into multi-modal solutions to deliver effective support to the combatant commands at the best value to the nation.

My statement will focus on USTRANSCOM's support to Operation ENDURING FREEDOM (OEF) and the increase of forces into Afghanistan, our participation in Operation UNIFIED RESPONSE in Haiti, the Mobility Capabilities and Requirements Study 2016 (MCRS-16) and other priority mobility issues.

**SUPPORT TO OPERATION ENDURING FREEDOM**

Given President Obama's decision to increase forces in Afghanistan, USTRANSCOM is working with U.S. Central Command (USCENTCOM) to meet theater force flow and

sustainment requirements while optimizing the logistics flow through major en route air, sea and surface hubs. In partnership with our Service components and commercial partners, we are meeting the President's intent to surge forces into theater at the fastest possible pace, moving more than 5,000 of the additional 30,000 troops into Afghanistan as of the end of February. We are on target to move the remaining 25,000 personnel through the summer. Additionally, we are actively engaged to responsibly drawdown the force in Iraq, flowing materiel to Afghanistan and the United States as required.

A top priority for USTRANSCOM in support of operations in Afghanistan is maturing the Northern Distribution Network (NDN). Established in 2008 in partnership with USCENTCOM, U.S. European Command (USEUCOM), U.S. Pacific Command (USPACOM), Department of State (DOS) and DOD; the NDN is a key strategic alternative to the congested Pakistan ground lines of communication (PAKGLOC). Since March 2009, over 8,100 containers of non-lethal cargo moved by commercial air, ship, truck and rail through routes across Northern Europe, Russia, Central Asia and the Caucasus. In 2010, the volume and velocity on the NDN will increase as we exercise local purchase options with NDN countries and further define our logistics processes across the network.

Given the dangers to the troops in Afghanistan, we are ensuring warfighters receive the latest advances in vehicle protection. To that end, we delivered over 2,600 Mine-Resistant Ambush Protected (MRAP) vehicles and more than 20,000 short tons of vehicle armor kits. Additionally, we have delivered 1,105 MRAP All-Terrain Vehicles (M-ATV) since production began in October 2009.

Mountainous terrain, high threat and poor infrastructure make airdrop a vital part of our support to USCENTCOM. Since 2006, we have more than tripled airdrop deliveries, using C-17s, C-130s and other contract aircraft to deliver over 29 million pounds in 2009. In addition to conventional drops, we employed the Joint Precision Airdrop System and the Improved

Container Delivery System to deliver over 3 million pounds of cargo to warfighters operating in extremely challenging terrain. These systems improved accuracy by 60 percent and allow drops from higher altitudes, mitigating threats our aircrews encounter at lower altitudes. Finally, we are testing Low Cost Low Altitude airdrop and other delivery systems to improve accuracy and lower costs—innovations to get critical supplies to forces in remote areas—on time, on target.

#### **SUPPORT TO OPERATION UNIFIED RESPONSE**

The recent events in Haiti highlight USTRANSCOM's ability to rapidly deliver humanitarian assistance to those in desperate need. Immediately after the earthquake, USTRANSCOM alerted our Joint Task Force Port Opening units and began developing relief plans. Within 48 hours, we deployed an assessment team to the air and sea ports at Port-au-Prince to survey the damage and began coordinating the air and sea bridge of humanitarian supplies and personnel. USTRANSCOM's personnel, including two Joint Task Force Port Opening units (airport and seaport), deployed to assist in moving the critical supplies needed to ease the suffering. The response of our commercial partners was equally impressive. Within days of the earthquake, our commercial partners were surveying the seaport to establish over-the-shore operations and moving container ships, vehicle carrying vessels and lighterage to Haiti.

Within the first fifteen days after the earthquake, USTRANSCOM and our commercial partners airlifted 9,529 tons of goods and 6,387 relief personnel into Haiti, and evacuated 11,588 individuals from Haiti. This included the urgent deployment of the 2<sup>d</sup> Brigade Combat Team of the 82<sup>d</sup> Airborne Division—one of their largest and fastest movements since the Vietnam Conflict. We also airdropped over 125 tons of food and water to remote locations. As of the end of February 2010, mobility air forces had flown 3,713 sorties, lifting 17,902 tons of cargo and 27,324 passengers.

Furthermore, despite near catastrophic damage to the port, USTRANSCOM commercial and military vessels delivered 387,857 tons of cargo into Haiti, including 1,590 containers of humanitarian assistance/disaster supplies, vehicles and additional break-bulk relief cargo.

All told, as of March 1, 2010, USTRANSCOM provided 405,759 tons of lifesaving cargo, more than 2.5 million meals and over 5 million liters of water to Haitians in need.

USTRANSCOM aeromedical teams also deployed to Port-au-Prince Airport immediately after the earthquake. Working closely with other federal and state agencies, USTRANSCOM moved 318 injured earthquake victims on 30 aeromedical evacuation flights. Additionally, we transported over 400 adoptees on military and commercial aircraft.

#### **MOBILITY CAPABILITIES AND REQUIREMENTS STUDY 2016 (MCRS-16)**

The ability to deliver and execute world class logistics solutions depends on having forces sized and postured correctly to support every combatant command. USTRANSCOM's Joint Distribution Process Analysis Center (JDPAC) provides the analytical talent needed to make the joint mobility, deployment and distribution determinations. Combining analysts from AMC, MSC and SDDC, the JDPAC is DOD's deployment and distribution analytical center of excellence. Its first major undertaking was partnering with the Office of the Secretary of Defense Cost Assessment and Program Evaluation (OSD/CAPE) team to co-lead the Mobility Capabilities and Requirements Study 2016 (MCRS-16). The study was completed in January 2010 and is the fifth mobility study conducted by the DOD since Operation Desert Storm, the second conducted since 9/11 and the first to glean lessons learned from eight years of conflict in Iraq and Afghanistan.

#### **Objectives**

The objectives of MCRS-16 were to determine the mobility capabilities and requirements needed to deploy, sustain and redeploy joint forces in support of the National Defense Strategy (NDS) in the 2016 timeframe; to determine capability gaps/overlaps associated with the

programmed mobility force structure; and to provide insights and recommendations to support the Quadrennial Defense Review (QDR) and decisions regarding future mobility programs.

#### **Scope**

The study assessed the major components of the mobility system required to move forces from point of origin to point of effect and to sustain those forces, using the programmed force in the 2009 President's Budget, updated to include pertinent decisions made for the 2010 budget. The study assessed airlift, aerial refueling, sealift, surface transportation, ashore and afloat prepositioning, forward stationing and infrastructure.

#### **Methodology**

MCRS-16 analyzed three different cases to evaluate a broad spectrum of conventional and irregular military operations over a seven year period including large-scale land campaigns, air and naval campaigns, and long-term irregular warfare campaigns. Each case included homeland defense/consequence management events as well as lesser contingency operations as part of the steady state strategic environment.

#### **Overall Assessment**

MCRS-16 determined that, with few exceptions, the Department's planned mobility capabilities are sufficient to support the most demanding projected requirements of the defense strategy. Inter- and intra-theater airlift capabilities, surge sealift, pre-positioning and Continental U.S. (CONUS) transportation assets are sufficient. While CONUS infrastructure is sufficient to meet the most demanding MCRS-16 case, the lack of foreign destination infrastructure required to support major force deployments remains the fundamental constraint when attempting to reduce deployment timelines in support of U.S. objectives. Procurement of additional airlift, sealift and prepositioned assets by itself will not overcome this reality. The Department should continue to explore strategies to mitigate the adverse impacts of infrastructure constraints by reducing reliance on destination infrastructure wherever possible.

Cargo and passenger capacity of the Civil Reserve Air Fleet (CRAF) is also sufficient. In addition, the programmed strategic airlift fleet of 223 C-17s and 111 C-5s, provides a capacity of 35.9 million ton-miles per day (MTM/D), 3.2 MTM/D above the highest airlift demand of 32.7 MTM/D. This excess capacity will allow us to retire some of our oldest and least reliable aircraft and free up aircrews, maintenance, other support personnel and critical infrastructure to make room for newer aircraft as they are delivered from the factory. We urge the committee to allow the Department to manage the airlift fleet mix to meet the National Strategy in the most cost effective manner.

The intra-theater airlift analysis included C-130s, C-17s and C-27s. The programmed fleet of 401 C-130s is sufficient to meet all three MCRS-16 cases. However, C-130 crews, based on current total force planning objectives, were not sufficient to sustain steady state operations in combination with a long duration irregular warfare campaign. C-27s were used to support the Army's requirement for time-sensitive, mission critical cargo. C-27s also provided some improvement in airfield access over the C-130.

The aerial refueling analysis included USAF KC-135s, KC-10s and USMC KC-130s with full Air National Guard and Air Force Reserve mobilization. The current tanker inventory consists of 474 USAF aircraft (415 KC-135s/59 KC-10s) and 79 USMC tankers (79 KC-130s). This inventory does not satisfy the peak demands of two of the three cases assessed. The demand ranged from a low of 383 KC-10s/KC-135R-equivalents and 66 KC-130s to a high of 567 KC-10s/KC-135R-equivalents and 79 KC-130s. However, a modernized fleet would require fewer aircraft to meet the same demand with improved reliability, better utilization rates and fewer aircraft in depot maintenance.

The available sealift fleet of organic, commercial, alliance and Effective U.S. Controlled (EUSC) roll-on/roll-off (RORO) ships and containerships was sufficient to meet the most demanding MCRS cases, but with no appreciable RORO reserve. Therefore, maintaining

Department RORO capacity is critical given there are only 276 ROROs worldwide, of which 92 are U.S.-flag or Effective United States Controlled (EUSC) ships. While demand slightly exceeded projected U.S. and allied Petroleum Oil and Lubricant (POL) tanker capacity, the study noted that this could be easily mitigated by gaining access to the 1,980 useful tankers available globally, 254 of which are owned by NATO countries.

Finally, Joint Logistics Over the Shore (JLOTS) assets and Joint High Speed Vessels (JHSV) are critical enablers for deployment and sustainment demanding cases, given the issues regarding theater infrastructure noted previously. Finally, the study noted that a single Offshore Petroleum Discharge System (OPDS) is insufficient to meet the demands of two overlapping land campaigns.

### **MAINTAINING AIR MOBILITY READINESS**

#### **KC-X**

Rapid global mobility is critical to USTRANSCOM's quick reaction capability to meet the needs of the joint force and we need to continue recapitalizing our air mobility force. The ability to extend the range and persistence of almost all other joint force aircraft through air refueling is a distinct asymmetric advantage for our nation—we need to maintain this advantage. Replacing the KC-135 with the KC-X remains my number one recapitalization priority. In addition, KC-135 sustainment and modernizing our aging KC-10 fleet is a necessity as well. To keep the KC-135 and KC-10 a viable asset through 2040 and allow the fleet to operate in the global airspace environment, we must continue to update these aircraft.

#### **The C-5 Fleet**

Modernizing the C-5 through the Avionics Modernization Program (AMP) and the Reliability Enhancement and Re-engining Program (RERP) is absolutely critical to improve the

mission capability of this airplane. Again, we agree with Air Force efforts to manage the airlift fleet mix through C-5 retirements as necessary to meet our national strategy.

#### **The Intratheater Fleet**

The DOD also requires safe and agile intra-theater airlift and the C-130 continues to be the workhorse of our mobility force operations in Iraq, Afghanistan and other regions around the world. Fielding the C-27J during the coming year, along with acquisition of the C-130J and modernization of legacy aircraft through the C-130 AMP will ensure the continued viability of our intra-theater fleet.

#### **Large Aircraft Infrared Countermeasures (LAIRCM)**

Protecting our forces is vital to accomplishing our global mission. USTRANSCOM supports AMC's efforts to field the Large Aircraft Infrared Countermeasures (LAIRCM) system on all our organic aircraft. LAIRCM will detect and defeat advanced, man-portable air defense systems which are the most significant threat to mobility aircraft worldwide.

#### **Senior Leader In-flight Communication**

Distinguished Visitor (DV) airlift is a key component of the global mobility force. Our senior leaders often require immediate and sometimes simultaneous airlift to carry out diplomatic and other missions in an ever-changing strategic environment. Unfortunately, the current aircraft communication systems are not meeting customer requirements for reliability of service and availability of bandwidth. To alleviate these deficiencies, we are partnering with the Services to modernize our DV fleet with the Senior Leadership Command, Control, and Communications System-Airborne (SLC3S-A). The SLC3S-A communication program will standardize network communication equipment and increase bandwidth. These modernizations will provide our senior government officials communications and information management capabilities comparable to those available in their permanent government office environments, while they travel globally aboard U.S. Government aircraft.

**MAINTAINING INFRASTRUCTURE READINESS**

A high priority for USTRANSCOM is to preserve and expand the number of en route locations that have airlift, sealift and surface capability all “inside the fence.” Intermodal “crown jewels” in our system like Rota, Spain, Diego Garcia and Souda Bay, Greece are key to global force projection. Camp Lemonier, Djibouti is another critical airlift en route location which holds promise as a future intermodal jewel with the recently completed seaport just to the North. The use of these locations increases supply chain velocity, allowing decreased delivery times and reduced costs. For example, we used a sealift/airlift multi-modal solution for the 5<sup>th</sup> Stryker Brigade Combat Team, 2<sup>nd</sup> Infantry Division deployment from Fort Lewis Washington to Afghanistan. Transiting by ship to Diego Garcia then transitioning to aircraft, we moved more than 3,800 troops and 900 pieces of unit equipment 38 days faster and \$100 million cheaper than if we had executed the entire deployment using only aircraft. In 2009, USTRANSCOM, in coordination with the other combatant commands, recommended funding be allotted for a control tower replacement at Rota and a modernized air freight terminal at Andersen AFB, Guam. Projects like these and others will directly enhance our ability to project combat power effectively and efficiently.

**LOOKING AHEAD**

Looking ahead, USTRANSCOM will continue to support irregular warfare against a global enemy with the challenges of widely dispersed operations, diminishing overseas access, and unsecured supply lines of communication. We will do so in partnership with our joint, inter-agency and coalition partners using a highly integrated network of commercial and military capability.

To support those future operations, we are continuously exploring ways to support the future force. Our Afghanistan operations emphasize the need to operate and sustain our troops in all environments, including those with limited access and significant infrastructure challenges.

Through our Deployment and Distribution Enterprise Technology Research, Development, Test and Evaluation (RDT&E) Program, we leverage emerging technologies to meet these and other challenges. For example, in partnership with the U.S. Joint Forces Command and the Marine Corps, we achieved promising results using the A160T Hummingbird unmanned aircraft to test delivery of cargo to sustain the warfighter in austere and urban environments.

We are also working on the next generation of guidance, navigation and control systems for the Joint Precision Airdrop System, a combat-proven tool which has given us outstanding results in the high terrain of Afghanistan. These upgrades will improve airdrop accuracy and expand ability to resupply our forces in remote and isolated areas.

Finally, USTRANSCOM and the Navy are in final stages of demonstrating a new crane system that allows the transfer of 20-foot containers between vessels in heavy seas. When fully developed, these cranes will provide a means to sustain the joint force from the sea in locations without fixed port infrastructure. These representative RDT&E investments may greatly improve the precision and velocity of the DOD supply chain. We appreciate the congressional support for our RDT&E program—it delivers cost-effective, life-saving distribution and logistics innovations to the warfighter.

#### **FINAL THOUGHTS**

USTRANSCOM's mission is to get our warfighters to the fight, to sustain them in the fight and to get them home when the mission is complete, while doing so effectively and efficiently. We are also mindful that our capability to help those in need brings them hope, serves as a message of our nation's strength and demonstrates directly the American people's compassion. I am extremely proud of the men and women of the United States Transportation Command. Together with our partners across the globe, we operate a unique enterprise that saves lives every day and allows our warfighters to win. This unrivaled team will continue to mature and transform the Joint Deployment and Distribution Enterprise to enhance its logistics

capabilities, focus its resources, and deliver superior support to our warfighter, our nation and all those in need. USTRANSCOM has earned the trust of those we support, and as each new challenge arises, we will always, always deliver. Mr. Chairman, thank you again for your committee's continued superb support for USTRANSCOM and for your steadfast commitment to the members of our Armed Forces.

Mr. DICKS. General Johns. Again, this is McChord graduation day here on the top. I think it is very impressive. Welcome.

#### SUMMARY STATEMENT OF GENERAL JOHNS

General JOHNS. Thank you, Mr. Chairman and distinguished committee members. I am honored to be flanked by these two wonderful officers beside me, and I would like to add my sentiments on the passing of Chairman Murtha. We also do hope that Congressman Young is feeling better. He has really been a great support and service to our Nation and to our service.

The opportunity and the invitation to testify on global mobility issues is most appreciated. As the new commander, I am proud and honored to represent the nearly 135,000 Guardsmen, Reservists and Active Duty who comprise Air Mobility Command. Appearing before you today presents an incredible privilege to share and discuss important issues to our Nation.

Forefront of that national security is our role in Operation Enduring Freedom. Through General McNabb, Air Mobility Command (AMC) is working diligently with United States Central Command (USCENTCOM) to deploy 30,000 additional troops throughout Afghanistan in accordance with the President's direction. But the bottom line is, while challenging, I am confident that the men and women of AMC will close this mission within the expected timeline.

While ramping up for the Afghanistan surge, a devastating earthquake struck Haiti, and Air Mobility Command mobilized in support of United States Southern Command and TRANSCOM. Mobility United States Transportation Command Airmen arrived at the international airport, establishing a key hub for humanitarian relief, transporting 28,000 passengers, 26 million pounds of life-saving cargo. And when we couldn't get to the people, we deployed the aerial delivery capability of C-17s and C-130s which delivered 257,000 pounds of food and water to displaced Haitians.

Moving to our modernization efforts, one simple sentence: The KC-X tanker aircraft is the Air Force's number one acquisition priority. It is imperative that we begin the recapitalization of the KC-135.

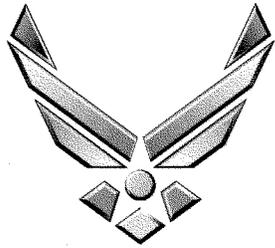
And lastly, a special part of our mission is the Aero Medical Evacuation, something we hold so dear. It is really a total force success. We can now transport our most critically wounded from the combat zone to the U.S. hospitals in 24 hours. Since October 2001, 81,000 patients, 14,000 with battle injuries, we have been able to respond with world-class medical care. We have achieved the highest survival rates in history, and that is a total team effort.

I am confident that Air Mobility Command will remain the cornerstone of the Department of Defense's ability to rapidly place cargo and personnel anywhere in the world any time. We greatly appreciate the Congress' support, this committee's specific support to help recapitalize and modernize the mobility fleet. Again, Mr. Chairman and distinguished committee, thank you for the opportunity to appear before you.

[The statement of General Johns follows:]

## United States Air Force

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Presentation

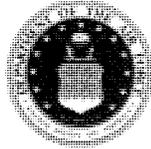
Before the House Appropriations,  
Subcommittee on Defense

### ***Mobility***

Witness Statement of  
General Raymond E. Johns, Jr.,  
Commander, Air Mobility Command

March 18, 2010

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## BIOGRAPHY



UNITED STATES AIR FORCE

### GENERAL RAYMOND E. JOHNS JR.

Gen. Raymond E. Johns Jr. is Commander, Air Mobility Command, Scott Air Force Base, Ill. Air Mobility Command's mission is to provide rapid, global mobility and sustainment for America's armed forces. The command also plays a crucial role in providing humanitarian support at home and around the world. The men and women of AMC - active duty, Air National Guard, Air Force Reserve and civilians - provide airlift, aerial refueling, special air mission and aeromedical evacuation.

General Johns graduated from the U.S. Air Force Academy in 1977. His aviation career includes T-38 and C-141 instructor pilot, as well as the chief test pilot and test program manager for the VC-25 Air Force One Replacement Program. He was chosen as a White House Fellow in 1991 where he was a senior staff member in the Office of National Service. The general has served at Headquarters U.S. European Command in security assistance and congressional affairs, and at Headquarters U.S. Pacific Command as Deputy Director of Strategic Plans and Policy. Within Headquarters U.S. Air Force, he served as Deputy Director and, later, Director of Air Force Programs. The general commanded a test squadron, operations group and airlift wing, and he was the Director of Mobility Forces for operations in Bosnia.



Prior to assuming his current position, General Johns served as Deputy Chief of Staff for Strategic Plans and Programs, Headquarters U.S. Air Force, Washington, D.C., where he developed, integrated, evaluated and analyzed the U.S. Air Force Future Years Defense Program that exceeded \$822 billion, and the Air Force Long-Range Plan to support national security objectives and military strategy. The general was responsible to the Secretary of the Air Force and the Chief of Staff. General Johns is a command pilot and experimental test pilot with 4,500 flying hours in a variety of aircraft.

#### EDUCATION

1977 Bachelor of Science degree in aeronautical engineering, U.S. Air Force Academy, Colorado Springs, Colo.

1982 Squadron Officer School, Maxwell AFB, Ala.

1984 Air Command and Staff College, by correspondence

1986 U.S. Air Force Test Pilot School, Edwards AFB, Calif.

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1988 Master of Science degree in administration, Central Michigan University  
 1989 Program Management Course, Defense Systems Management College  
 1993 Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.  
 1999 National Security Management Course, Syracuse University, N.Y.  
 2000 Program for Senior Executives in National and International Security Management, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.

### ASSIGNMENTS

1. June 1977 - February 1979, student, undergraduate pilot training, Williams AFB, Ariz.
2. February 1979 - June 1982, T-38 instructor pilot, academic instructor, class commander and assistant wing executive officer, Williams AFB, Ariz.
3. June 1982 - August 1984, squadron executive officer, McGuire AFB, N.J.
4. August 1984 - June 1985, Air Staff Training Program officer, Air Force Issues Team, Office of the Vice Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.
5. June 1985 - June 1986, student, U.S. Air Force Test Pilot School, Edwards AFB, Calif.
6. June 1985 - May 1990, N/K/C-135A/E experimental test pilot/Air Force One, Wright-Patterson AFB, Ohio
7. May 1990 - August 1991, Commander, 4953rd Test Squadron, C-141, T-39, T-37 and Commercial Aircraft Derivative Testing, Wright-Patterson AFB, Ohio
8. August 1991 - August 1992, White House Fellow, Office of National Service and National Security Council, Washington, D.C.
9. August 1992 - June 1993, student, Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.
10. July 1993 - June 1994, Chief of Security Assistance, Plans, Policy and Training Branch, Logistics and Security Assistance Directorate, Headquarters U.S. European Command, Stuttgart, Germany
11. June 1994 - July 1995, Chief of Strategy, Congressional and Resources, Plans and Policy Directorate, Headquarters U.S. European Command, Stuttgart, Germany (November 1994 - January 1995, U.S. Lead, United Nations Peacekeeping Mission in Liberia)
12. July 1995 - June 1996, Senior Director, Tanker Airlift Control Center, Scott AFB, Ill.
13. June 1996 - August 1998, Commander, 60th Operations Group, Travis AFB, Calif. (October 1996 - January 1997, Director of Mobility Forces, Operation Joint Endeavor, Bosnia)
14. August 1998 - July 2000, Commander, 62nd Airlift Wing, McChord AFB, Wash.
15. July 2000 - August 2002, Deputy Director, Strategic Plans and Policy, Headquarters U.S. Pacific Command, Camp H.M. Smith, Hawaii
16. August 2002 - July 2004, Deputy Director of Programs, Office of the Deputy Chief of Staff for Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
17. August 2004 - October 2006, Director of Programs, Office of the Deputy Chief of Staff for Strategic Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
18. October 2006 - November 2009, Deputy Chief of Staff for Strategic Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
19. November 2009 - present, Commander, Air Mobility Command, Scott AFB, Ill.

### SUMMARY OF JOINT ASSIGNMENTS

1. July 1993 - June 1994, Chief of Security Assistance, Plans, Policy and Training Branch, Logistics and Security Assistance Directorate, Headquarters U.S. European Command, Stuttgart, Germany, as a colonel
2. June 1994 - July 1995, Chief of Strategy, Congressional and Resources, Plans and Policy Directorate, Headquarters U.S. European Command, Stuttgart, Germany (November 1994 - January 1995, U.S. Lead, United Nations Peacekeeping Mission in Liberia), as a colonel
3. October 1996 - January 1997, Director of Mobility Forces, Operation Joint Endeavor, Bosnia, as a colonel
4. July 2000 - August 2002, Deputy Director, Strategic Plans and Policy, Headquarters U.S. Pacific Command, Camp H.M. Smith, Hawaii, as a brigadier general
5. May 2004 - February 2005, Office of the Secretary of Defense Quadrennial Defense Review Issue

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Team Lead, Washington, D.C., as a major general

**FLIGHT INFORMATION**

Rating: Command pilot and experimental test pilot

Flight hours: 4,500

Aircraft flown: C-17, C-141, T-38, VC-25, N/K/C-135, KC-10 and C-5

**MAJOR AWARDS AND DECORATIONS**

Distinguished Service Medal

Defense Superior Service Medal with oak leaf cluster

Legion of Merit

Meritorious Service Medal with four oak leaf clusters

Air Medal

Aerial Achievement Medal

Joint Service Commendation Medal

Air Force Achievement Medal

Combat Readiness Medal

National Defense Service Medal with bronze star

Armed Forces Expeditionary Medal

Armed Forces Service Medal

**EFFECTIVE DATES OF PROMOTION**

Second Lieutenant June 1, 1977

First Lieutenant June 1, 1979

Captain June 1, 1981

Major May 1, 1986

Lieutenant Colonel April 1, 1990

Colonel Feb. 1, 1994

Brigadier General March 21, 2001

Major General Aug. 1, 2004

Lieutenant General Oct. 10, 2006

General Nov. 20, 2009

(Current as of November 2009)

**Introduction**

Mr. Chairman and distinguished committee members, thank you for the invitation to testify today on global mobility issues. It is my honor to represent the nearly 135,000 active duty, Air National Guard and Air Force Reserve mobility Airmen who make up Air Mobility Command (AMC). Appearing before you today presents an incredible opportunity to discuss a myriad of important issues critical to our national security. My testimony will focus on topics of importance to AMC. I will discuss AMC's support to Operation Enduring Freedom and Operation Unified Response, the Mobility Capabilities and Requirements Study 2016, the Air Force's requirement for a new air refueling tanker, and several other issues on the forefront of interest to this Subcommittee.

**Support to Operation Enduring Freedom**

Air Mobility Command is working diligently with U.S. Central Command to deploy 30,000 additional troops to Afghanistan in accordance with the President's direction, announced December 1, 2009. The increase is currently a major focus of our operations, and while logistically challenging, I am extremely confident in the ability of the men and women of AMC who performed a similar movement of 17,000 troops one year ago to close this mission within the expected timeline.

AMC missions have already deployed the 1st and 3rd Battalions of the 6th Marine Regiment. Most recently, AMC began flying missions to deploy the 1st Brigade Combat Team of the Army's 10th Mountain Division. So far, forces have been delivered on time. Concurrent with the plus-up in Afghanistan, additional life-saving Mine-Resistant-Ambush-Protected All-Terrain Vehicles are being expedited to the theater.

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AMC is able to meet the requirements of this force increase due to the dedication and professionalism of our active duty, Air National Guard and Air Force Reserve forces, along with the support of our commercial partners. As requirements emerge, we continue to meet them head-on, supporting the intent of our senior leaders and our forces deployed in harm's way.

**Support to Operation Unified Response**

In support of U.S. Southern Command and Operation Unified Response, AMC quickly mobilized in the aftermath of the devastating earthquake in Haiti. Within two days, Airmen from the 621st Contingency Response Wing arrived at the Toussaint L 'Ouvverture International Airport in Port-au-Prince, Haiti establishing the key hub for U.S. and international humanitarian relief. Additionally, AMC transported the Global Response Force (2nd Brigade Combat Team, 82nd Airborne Division) and the XVIII Airborne Corps command post in only 100 hours. Throughout the Operation, 407 AMC aircraft have transited Port-au-Prince bringing in more than 5,800 passengers and offloading nearly 9,500 short tons of cargo. AMC aircraft delivered more than 246,000 pounds of critical supplies such as water and Meals-Ready-to-Eat. Equally uplifting, C-130s and C-17s provided aerial delivery of over 257,000 pounds of food and water to displaced Haitian civilians on the outskirts of Port-au-Prince who were cut-off from normal surface supply means.

**Mobility Capabilities and Requirements Study 2016 (MCRS-16)**

The Mobility Capabilities and Requirements Study 2016 (MCRS-16) is complete. With notable exceptions, MCRS-16 found the Defense Department's mobility capabilities are sufficient to support the most demanding projected requirements. The capacity of the

Department's strategic airlift fleet (C-5s and C-17s) exceeds the peak demand of all three MCRS-16 cases. The programmed intra-theater force (C-130s and C-27s) exceeds the peak demand of all three MCRS-16 cases. However, MCRS did not model the Direct Support mission in support of the U.S. Army, an additional intra-theater requirement that must be taken into account. In addition, MCRS demonstrated that the C-130 force, based on current total force (active, ANG, and AFRC), cannot sustain steady state operations in combination with long duration Irregular Warfare. The current Air Force air refueling aircraft inventory (KC-10s and KC-135s) is insufficient to meet the peak demand assessed in the MCRS-16. There is a clear and compelling need to recapitalize our aerial refueling force structure based on the number of assets we currently possess and risks associated with the aging KC-135 platform.

### **The KC-X**

The KC-X tanker aircraft is the Air Force's number one acquisition priority. It is imperative we begin recapitalization of the KC-135, coupled with a measured, timely retirement of our oldest, most costly (to maintain) tankers.

The KC-X's primary role is to provide in-flight air refueling. All KC-X aircraft will have improved capabilities needed for tomorrow's missions and take advantage of modern technology. The KC-X will be capable of refueling both receptacle and probe equipped receivers on every mission, thus better supporting Joint and coalition refueling requirements. KC-X will be capable of refueling multiple aircraft simultaneously, using multi-point refueling systems, and will be able to receive fuel in flight to extend its range and duration. The KC-X will augment its primary air refueling mission with secondary missions to include: airlift of passengers, palletized cargo, an integral aeromedical

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evacuation capability, and the ability to support offloading fuel on the ground at forward operating locations. Other capabilities include: secure voice/data communication links to improve global connectivity for battle space clarity, night vision acuity to improve warfighter effectiveness, and on-board defensive systems to allow the KC-X to operate closer to the fight, dramatically increasing employment options. The KC-X is late to need; we require a 21<sup>st</sup> century tanker for 21<sup>st</sup> century operations.

**Maintaining Mobility Readiness**C-5 Reliability and Re-engining Program (RERP) / C-17 Procurement

The C-5 provides a combination of outsize capability, high capacity, and long-range airlift that is unequalled in any other airlift platform. However, the C-5 aircraft is a complex legacy platform requiring modernization to abate rising operational and sustainment costs and to achieve acceptable reliability. Therefore, the C-5 Reliability Enhancement and Re-engining Program (RERP) will improve reliability, reduce operating costs, and extend the range of the modified aircraft. The 52 C-5s currently programmed for the RERP modification will provide reliable strategic airlift at reduced cost. We are confident the modernized C-5M will achieve our operational and sustainment goals with a required wartime mission capable rate of 75%.

As I stated before, the capability contained within the strategic airlift program of record (223 C-17s, 52 C-5M, and 37 C-5As) exceeds the MCRS-16 requirement of 32.7 million-ton-miles per day. This excess capability provides maneuvering room to retire additional C-5As beyond the 17 in FY11 and 5 in FY12 (for a total of 22 C-5A retirements) requested within the Fiscal Year 2011 President's Budget request. These retirements are important in reducing our overall Mobility Air Fleet costs, specifically the costs of

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manning, supporting and modernizing these aged and unreliable aircraft. We ask for your continued assistance in allowing us to efficiently manage our fleet by allowing C-5A retirements.

As we contemplate the future of the C-5 fleet, the discussion naturally turns to the procurement of additional C-17s. The C-17 continues to be the backbone of the Nation's strategic air mobility fleet and is exceeding expectations every day, under an incredibly difficult operations tempo as we support the plus-up in Afghanistan. As the Nation's core military airlifter, it is truly an airplane for the times – designed and built for both expeditionary and major contingency operations. The C-17 provides great depth and breadth to the mobility “playbook” every day. The planned fleet of C-17s, combined with the modernized C-5 fleet provides the nation with sufficient inter-theater airlift to meet needs. Acquiring inter-theater aircraft in excess of the 316 required by Air Force leadership creates support and basing dilemmas that should be avoided.

**Intra-Theater Airlift**

The C-27J was previously an Army-led, joint Army and Air Force program (Joint Cargo Aircraft) to procure a small cargo aircraft supporting the delivery of Time Sensitive/Mission Critical cargo to Army forces. Resource Management Decision 802 (RMD 802) directed the 38 programmed aircraft and resources, as well as the direct support mission, transfer to the Air Force.

All C-27Js will be assigned to the Air National Guard; the Guard has announced the first six bases to receive the aircraft will be Mansfield, OH; Baltimore, MD; Meridian, MS; Battle Creek, MI; Fargo, ND; and Bradley, CT. Decisions on additional bases and the location of a potential Flying Training Unit will be addressed through the Air Force's

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Strategic Basing process. The level of cooperation between the Army and Air Force subsequent to RMD-802 has been remarkable, keeping the program on-track to support an initial deployment of Air Force aircraft and aircrews directly supporting Army units in the Spring of 2011.

In 2009, the Air Force and the Army developed and successfully tested a direct support mission concept with an Air National Guard Expeditionary Airlift Squadron (EAS) and two C-130s from Mansfield, OH. The EAS deployed to Operation Iraqi Freedom and was collocated with an Army Combat Aviation Brigade (CAB). The EAS reported to the CAB commander while directly supporting the Division commander and was linked to the common-user system. The successful test substantiated the capability of responsive intra-theater airlift to the Army. Just as important, Air Force performance with Army teamwork will build Service to Service trust while delivering Time Sensitive/Mission Critical cargo and personnel anytime, anywhere to meet joint warfighter needs.

**KC-10 CNS/ATM Program**

The KC-10 Extender, the younger of the two legacy air refueling aircraft in our current tanker fleet, is over 25 years old. The KC-10 is critical for theater/strategic missions to include fighter movements and air bridge activities. It is essential to sustain the capability of this unique asset. Today, the KC-10 is facing a significant rise in operating costs due to obsolescence issues and increased maintenance activity as a result of its present operations tempo.

The KC-10 Aircraft Modernization Program (AMP) Capabilities Development Document was Joint Requirements Oversight Council approved in June 2006. AMP addresses numerous issues: Communication, Navigation, Surveillance/Air Traffic

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Management (CNS/ATM), net centric ops, survivability, force protection, reliability, maintenance, and obsolescence issues. At an estimated cost of \$2.2 billion, AMP was felt to be too costly and AMC developed a de-scoped effort, limited to the Boom Control Unit (BCU) and Inertial Navigation System (INS)/Flight Management System (FMS) and airspace access requirements (CNS/ATM requirement for airspace access) in order to meet the KC-10's strategic mission. The CNS/ATM program is currently in source selection with a planned completion to meet programmed CNS/ATM mandates in 2015.

The Boom Control Unit (BCU) is the KC-10's number one obsolescence issue. The seven computers that are the heart of the BCU, required to conduct boom air refueling operations, are no longer in production. Once available spares are depleted, this system will be unsupportable. According to the latest engineering analysis, BCU obsolescence could occur as early as 2010, but is not expected to impact operations prior to 2012. Because of its urgency, AMC and Air Force Materiel Command are working to replace the BCU as soon as possible to avoid any loss in air refueling capability.

KC-135 CNS/ATM (Block 45) Program

The KC-135 Stratotanker is Air Mobility Command's primary air refueling platform, providing 88% of the Command's air refueling capability, in support of U.S., allied, and coalition military aircraft. In the face of critical obsolescence and airspace access issues, it is imperative to keep this near 50 year old asset viable into the foreseeable future. The KC-135 Communications, Navigation, and Surveillance/Air Traffic Management (CNS/ATM) program vastly increases the aircrafts' reliability, sustainability, and capability by replacing four major systems facing obsolescence issues: radio altimeter, flight director, autopilot, and analog engine instrument displays. The planned timeline for

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417 CNS/ATM aircraft has the first aircraft modified in Fiscal Year 2012 with program completion in Fiscal Year 2021. Failing to address these issues results in maintenance cost increases throughout the lifecycle of the KC-135 and will eventually lead to reduced mission capability and potential aircraft groundings. Until the KC-X is procured and established in the Air Forces inventory, the KC-135 will remain the venerable asset in support of world-wide deployment, employment and sustainment of Joint forces across the full range of military operations.

The C-130 Fleet

AMC is currently in the process of recapitalizing our aging C-130Es and poorest performing C-130H1s with C-130Js. The 28 C-130Js currently funded in the Future Years Defense Plan (FYDP) are needed to meet the minimum warfighter requirement of 335 combat delivery C-130s and 78 aircraft to perform the direct support mission assigned to the Air Force by RMD-802. Budgetary pressure forced the Air Force to reduce the planned FYDP buy of C-130Js by 16 aircraft, but we hope to recoup that loss in the out-years to avoid modernization costs in the 40 plus year-old C-130H1s.

Within the Afghanistan area of operations, the increased reliance on aerial delivery as a means of resupply has further highlighted the C-130J as the weapon system of choice for its ability to operate in high and hot conditions while delivering more cargo in less time. We hope ongoing negotiations for a second multi-year procurement agreement are successful in meeting congressional requirements. Such an approach will provide cost effective recapitalization of our aging C-130H1s while ensuring the uninterrupted delivery of a significant increase in capability to support the warfighter.

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We are modernizing 221 of our various C-130H 2/2.5/3 model aircraft into a common configuration with the C-130 Avionics Modernization Program (AMP). C-130 AMP will ensure global access beyond 2017 by incorporating upgrades necessary to satisfy new navigation and air traffic management requirements. C-130 AMP will reduce the life cycle cost of our legacy fleet. Additionally, the C-130 AMP program is scheduled for Milestone C approval in March 2010, authorizing low rate initial production of 20 aircraft. The AMP program addresses long-standing obsolescence issues and eliminates the need for the navigator.

In addition to AMP, we also need to continue the center wing box replacement program on our remaining C-130H fleet. We have a robust inspection program in place to ensure safe operation of the fielded fleet and prioritize installation of new center wing boxes based on flying hours and mission need.

**Looking Ahead**Irregular Warfare and Building Partnership Capacity

Air mobility personnel and assets are positioned across the globe, from Iraq to Afghanistan as well as Haiti. To support the Geographic Commander, Air Mobility Command contributes impressive Core Missions of Airlift, Air Refueling, and Aeromedical Evacuation at all levels of the conflict spectrum. Irregular Warfare (IW) is not a “new” type of warfare, but each IW threat is unique, further defined by the varied asymmetric threats directed against our forces. In meeting IW challenges, Air Mobility Command, in conjunction with Joint and coalition forces, must tailor its capabilities in assessment, planning, preparation, and execution of an operation. Initially, we will apply the expertise

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of our Air Mobility Contingency Response Forces to strengthen existing partnerships and forge new ones.

Currently, we are engaged in the acquisition process to procure a Light Mobility Aircraft (LiMA). LiMA will be an inexpensive means to conduct unobtrusive, light cargo airlift in austere locations, and will serve as an example of a capability that partner nations can use in building their own air mobility system. To aid in Building Partnership Capacity, LiMA must be affordable, modular, and interoperable. Historically, our "measure of merit" has been defined in terms of volume, speed, and range. In a Building Partnership Capacity role, air mobility operations will emphasize hope, aid, and relief, paying huge dividends through mutually beneficial partnerships around the globe.

#### Joint Future Theater Lift

A robust theater lift platform will be required to augment C-130s in the mid-2020s. The Joint Future Theater Lift (JFTL) is the next generation aircraft planned to meet warfighter needs in both combat mobility and sustainment. This platform must be capable of operating from austere, short, unimproved landing areas. It will support joint requirements by delivering larger payloads, to include the Army's medium weight armored vehicles to the required destination, bypassing traditional staging areas. Both Short Take-off and Landing and Vertical Take-off and Landing concepts will be evaluated in an Analysis of Alternatives to balance cost and performance.

With the ability to deliver to the required destination, permanent forward operating locations can be scaled back reducing construction, support, and security costs. JFTL will be responsive to the ever changing combat environment by improving mobility capabilities to fully support and sustain an agile land force on the distributed battle field.

Alternative Fuel

As the Department of Defense's largest consumer of hydrocarbons, we continue to pursue alternative fuels. AMC made significant progress in 2009 – the C-17 and C-5 are now fully certified for unrestricted use of coal-based or natural gas-based synthetic fuel blends. Additionally, the C-130J and KC-135 completed testing and await their certification. Efforts are underway between AMC and the Federal Aviation Administration to certify the remaining AMC aircraft types. We see certification in biofuels as one more step toward a long term effort to significantly reduce reliance on petroleum products and will continue to work with the Director of Operational Energy Plans and Programs, U.S. Department of Defense to optimize our energy resources.

**Conclusion**

Of utmost importance, the mobility capability of our Nation must remain vibrant, flexible, and responsive to allow our leadership to protect our national interests and meet the imperatives of the warfighter. The air mobility fleet faces challenges in the days and years ahead. We continue to provide support to our Joint and coalition partners, while balancing the requirement of being responsible stewards of our taxpayer's hard earned dollars. I'm confident Air Mobility Command will remain the keystone of the Department of Defense's ability to rapidly place cargo and personnel anywhere in the world. We greatly appreciate Congress' support to help us recapitalize and modernize America's mobility fleet.

Mr. DICKS. Well, I do think it is—besides the logistics side, the handling of the wounded has been one of the most impressive things I have seen. And many lives have been saved because of Air Mobility's Command's capability to deal with that. And we were in Landstuhl and saw some of the wounded there. And the fact that we get them back to the United States after they get to Germany is really remarkable too. So, well done.

General Fullhart. And we also have to say that General Fullhart was at Fairchild Air Force Base. So this is an all Washington panel here today.

General FULLHART. Sir, if you had not brought it up, I was going to, just to make sure the record was straight on that.

Well, Mr. Chairman, I would like to begin by adding my sentiments regarding the passing of Chairman Murtha, a champion of our Soldiers, Sailors, Airmen, his beloved Marines and, of course, our families. I note as the new Chairman, sir, you bring that same passion, and I add my congratulations to you as well.

Mr. DICKS. Thank you.

#### SUMMARY STATEMENT OF GENERAL FULLHART

General FULLHART. Chairman Dicks, Representative Kingston, and distinguished members of the subcommittee, I am honored to be here this morning to update you on the status of Air Force mobility programs. I look forward to discussing how the Air Force is committed to replacing our aging aircraft, supporting our warfighters, while being respectful of the taxpayers' dollars. I will keep my remarks brief in order to provide additional time to focus on issues of interest to the committee. And with your permission, sir, I would like to submit my written testimony for the record.

Mr. DICKS. All statements will be accepted for the record, without objection.

General FULLHART. I am honored to be here with General McNabb, Commander of the United States Transportation Command and General Johns, Commander of the Air Mobility Command. They are Air Force acquisition's primary customers for mobility aircraft. They determine the requirements and capabilities that are needed by the warfighter. And it is my role, working with our program offices, the Department of Defense, industry, and Congress to meet those needs.

As the Director of the Global Reach Program, I oversee the acquisition of nearly 30 airlift, refueling, training, personnel recovery, and Special Operations Forces programs. I am extremely proud of the acquisition professionals serving the Global Reach Directorate that work with those same partners—industry, the Department of Defense, sister services, and Congress—to provide much needed capabilities to the warfighter.

It is imperative that the Air Force effectively execute the acquisition process to equip our Airmen to support the combatant commanders. As you know, Mr. Chairman, with the release of the KC-X request for proposal, we are now officially in the formal source selection phase of this procurement and we look forward to a contract award later this year. The acquisition of additional C-130J aircraft is on cost and on schedule. Modernization programs for our C-5 and legacy C-130 fleets are also performing well. We plan to

acquire 15 commercial off-the-shelf light mobility aircraft to support building partnership capacity programs. The C-27J is transitioning from a joint program to the Air Force and three aircraft have been delivered, currently located at Robins Air Force Base supporting initial air crew training.

Now, while not part of the mobility portion of my portfolio, I also wanted to take this opportunity to thank the committee for its continued support of our efforts to both modernize and ultimately recapitalize our fleet of helicopters such as those supporting the warfighter in Iraq and Afghanistan and combat search and rescue and personnel recovery operations.

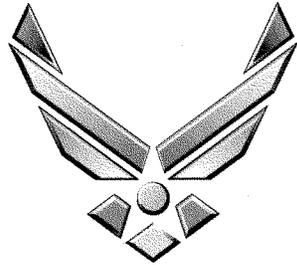
And finally, Mr. Chairman, I acknowledge Congress' strong interest and match that with the Department's strong commitment to reduce the number of undefinitized contract actions, or undefinitized contract actions (UCAs), in acquisition programs. The Department is actively taking steps to work with industry, OSD, the Defense Contract Audit Agency and our program offices to definitize contracts as soon as possible and to reduce the use of UCAs.

To sum up, the timely acquisition of critical mobility programs remains a top priority for the Air Force. We will continue to focus efforts on modernizing and recapitalizing our aging weapons systems and we very much appreciate Congress' support for Air Force mobility programs. We thank you again for the opportunity to be here and I look forward to answering your questions.

[The statement of General Fullhart follows:]

## United States Air Force

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Presentation

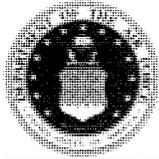
Before the House Appropriations  
Subcommittee on Defense

### ***Mobility***

Witness Statement of  
Major General Randal D. Fullhart  
Director, Global Reach Programs,  
Office of the Assistant Secretary of  
the Air Force (Acquisition)

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## BIOGRAPHY



UNITED STATES AIR FORCE

### MAJOR GENERAL RANDAL D. "RANDY" FULLHART

Maj. Gen. Randal D. "Randy" Fullhart is Director, Global Reach Programs, Office of the Assistant Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C. As the capability director, General Fullhart is responsible to the Air Force acquisition executive for airlift, air refueling, training and special operations programs.

General Fullhart received his commission in 1979 as a graduate of the U.S. Air Force Academy. He has commanded at the squadron, group and wing levels, and has also commanded two expeditionary flying squadrons, an expeditionary operations group in Operation Allied Force, an expeditionary wing in Operation Iraqi Freedom. In addition, he has served as the Commandant of the Air Command and Staff College. General Fullhart has held staff assignments that include experience in operations, safety, acquisition, and government affairs at the major command and Headquarters U.S.

Air Force levels. He served at Headquarters U.S. Air Forces in Europe, and has joint experience at U.S. Transportation Command as well as joint, inter-agency experience as Deputy Chief, Central Security Service, National Security Agency. Prior to his current assignment, the general was Vice Commander, Air Force Cyber Command (Provisional), Barksdale Air Force Base, La.

General Fullhart is a command pilot with more than 3,500 flying hours in the C-141, KC-135, T-38 and T-37.

#### EDUCATION

1979 Bachelor of Science degree in international affairs, U.S. Air Force Academy, Colorado Springs, Colo.

1983 Squadron Officer School, Maxwell AFB, Ala.

1984 Marine Command and Staff College, by correspondence

1986 Air Command and Staff College, by correspondence

1988 Master of Arts degree in management, Webster University, St. Louis, Mo.

1995 Master of Arts degree in national security affairs, National War College, Fort Lesley J.



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McNair, Washington, D.C.  
 2001 National Security Management Course, Maxwell School of Citizenship and Public Affairs,  
 Syracuse University, N.Y.  
 2007 Intelligence Community Senior Leadership Program, National Security Agency, Washington,  
 D.C.  
 2009 Air Force Enterprise Leadership Seminar, Darden School of Business, University of Virginia

### ASSIGNMENTS

1. June 1979 - June 1980, student, undergraduate pilot training, Williams AFB, Ariz.
2. July 1980 - September 1980, student, C-141 training, Altus AFB, Okla.
3. September 1980 - September 1985, C-141 copilot, aircraft commander and instructor pilot, Prime Nuclear Airlift Force, and Chief, Operations Resource Management Division, Current Operations Special Missions Planner, McGuire AFB, N.J.
4. September 1985 - November 1986, Air Staff Training Program officer, Logistics and Maintenance Budget Integration Office, Headquarters U.S. Air Force, Washington, D.C.
5. November 1986 - August 1989, C-141 formal school instructor, Chief of Squadron Training, and Chief of Wing Flying Safety, Altus AFB, Okla.
6. August 1989 - July 1991, Special Assignment Airlift Mission Director, Airlift Director, and special assistant to Deputy Chief of Staff of Operations for Quality, Headquarters Military Airlift Command, Scott AFB, Ill.
7. July 1991 - July 1994, government affairs officer and member, Commander-in-Chief U.S. Transportation Command Initiatives Team, U.S. Transportation Command, Scott AFB, Ill.
8. August 1994 - June 1995, student, National War College, Fort Lesley J. McNair, Washington, D.C.
9. June 1995 - October 1995, student, KC-135R training, Altus AFB, Okla.
10. October 1995 - October 1996, Commander, 912th Air Refueling Squadron, Grand Forks AFB, N.D. (March 1996 - June 1996, Commander, 92nd Expeditionary Air Refueling Squadron, Istres Air Base, France; July 1996 - September 1996, Commander, 4404th Air Refueling Squadron (provisional), Riyadh and Prince Sultan AB, Saudi Arabia)
11. October 1996 - May 1997, Deputy Commander, 319th Operations Group, Grand Forks AFB, N.D.
12. May 1997 - May 1998, Chief, Mobility Forces Division, Directorate of Global Reach Programs, Assistant Secretary of the Air Force for Acquisition, the Pentagon, Washington, D.C.
13. May 1998 - January 2000, Commander, 100th Operations Group, Royal Air Force Mildenhall, England (March 1999 - June 1999, Commander, 100th Expeditionary Operations Group, RAF Mildenhall, England)
14. January 2000 - October 2001, Assistant Director of Aerospace Operations, Headquarters U.S. Air Forces in Europe, Ramstein AB, Germany
15. October 2001 - August 2003, Commander, 92nd Air Refueling Wing, Fairchild AFB, Wash. (March 2003 - May 2003, Commander, 487th Expeditionary Wing, Cairo West AB, Egypt)
16. August 2003 - June 2004, Vice Director and Military Commander, Air Force Studies and Analyses Agency, the Pentagon, Washington, D.C.
17. June 2004 - October 2004, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
18. October 2004 - June 2006, Commandant, Air Command and Staff College, Maxwell AFB, Ala.
19. July 2006 - August 2008, Deputy Chief, Central Security Service, National Security Agency, Fort George G. Meade, Md.
20. August 2008 - October 2008, Vice Commander, Air Force Cyber Command (Provisional), Barksdale AFB, La.
21. October 2008 - present, Director, Global Reach Programs, Office of the Assistant Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.

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**SUMMARY OF JOINT ASSIGNMENTS**

1. July 1991 - July 1994, government affairs officer and member, Commander-in-Chief U.S. Transportation Command Initiatives Team, U.S. Transportation Command, Scott AFB, Ill., as a major and lieutenant colonel
2. July 2006 - August 2008, Deputy Chief, Central Security Service, National Security Agency, Fort George G. Meade, Md., as a brigadier general and major general

**FLIGHT INFORMATION**

Rating: Command pilot  
Flight hours: More than 3,500  
Aircraft flown: T-37, T-38, C-141A, C-141B and KC-135R

**MAJOR AWARDS AND DECORATIONS**

Defense Superior Service Medal  
Legion of Merit with two oak leaf clusters  
Bronze Star with oak leaf cluster  
Defense Meritorious Service Medal  
Meritorious Service Medal with four oak leaf clusters  
Aerial Achievement Medal  
Joint Meritorious Unit Award  
Air Force Outstanding Unit Award with "V" device and three oak leaf clusters  
Combat Readiness Medal  
Armed Forces Expeditionary Medal  
Global War on Terrorism Expeditionary Medal  
Global War on Terrorism Service Medal  
Humanitarian Service Medal  
Air and Space Campaign Medal

**EFFECTIVE DATES OF PROMOTION**

Second Lieutenant May 30, 1979  
First Lieutenant May 30, 1981  
Captain May 30, 1983  
Major Dec. 1, 1989  
Lieutenant Colonel March 1, 1994  
Colonel Sept. 1, 1998  
Brigadier General Jan. 1, 2005  
Major General June 19, 2008

(Current as of November 2009)

## **Global Reach Programs**

### **Introduction**

As the Director of Global Reach Programs, I oversee the acquisition of nearly 30 airlift, refueling, training, personnel recovery, and special operations forces programs. Approximately 50 acquisition professionals serve in the Global Reach Directorate, working with industry, the Department of Defense, our sister services, and the Congress to provide much needed capabilities to the warfighter. On behalf of all of our team, I'd like to express our appreciation for the continuing support of the Subcommittee.

A continuing focus of our efforts has been striving to provide a stable platform for our acquisition programs...whether it be in the area of requirements, contractor and government performance, or funding. It is in achieving these that we can effectively equip our Airmen to support the Combatant Commanders.

The Global Reach portfolio is an active one. We look forward to a contract award this year, following the recent KC-X request for proposal (RFP) release. Procurement of C-17s and C-130Js are proceeding. Modernization programs for our C-5 and legacy C-130 fleets are performing well. The C-27J is transitioning from a joint program to the Air Force, and we are addressing combat loss replacement of our critical Combat Search and Rescue helicopters. Of particular interest to the committee, the department is focusing on addressing the use of undefinitized contract actions (UCAs) in acquisition programs and we appreciate the support of the committee and staff in this effort. For purposes of today's hearing, I will provide more details about our global mobility programs.

### **Aerial Refueling**

#### **KC-135 Tanker Replacement Program**

The KC-X remains the Air Force's highest procurement and recapitalization priority as the current fleet of Eisenhower-era KC-135s averages 49 years old. Air refueling is critical to the entire joint and coalition military team's ability to project combat power around the world.

KC-X tankers will provide increased aircraft availability, more flexible employment options, and greater overall capability than the KC-135R tanker. The KC-X will be able to refuel receptacle and probe-equipped aircraft on every mission and to

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receive fuel in-flight as well. The KC-X will also be equipped with defensive systems to enhance its utility to the warfighter.

The KC-X program is based on a planned purchase of 179 aircraft and is the first of three recapitalization programs to replace the entire legacy fleet. The Air Force has budgeted approximately \$3.3 billion per year for an annual production rate of 12-18 aircraft. Even with this level of investment, however, it will take several decades to replace the 400 plus KC-135s and 59 KC-10s. Given the age of the fleet and the time required to recapitalize, it is critical for the Air Force to move forward on this program.

With the recent release of the RFP for a KC-X replacement tanker, the Air Force and the Office of the Secretary of Defense are moving forward in the procurement of a new tanker. Based on the latest RFP, the Air Force plans to award a contract in the fourth quarter of Fiscal Year 2010, and we remain committed to ensuring that the process be a fair, open, and transparent.

To give the Subcommittee a sense of timing, the Engineering and Manufacturing Development (EMD) portion of the KC-X contract will buy four tankers that will be modified into full production configuration. We estimate that the first flight test will occur no earlier than 18 months from contract award. Based on the planned award of fourth quarter of Fiscal Year 2010, flight testing and delivery of the first EMD tanker is projected to occur in Fiscal Year 2012. The planned production schedule will then start in Fiscal Year 2013 with a planned buy of seven aircraft as part of lot one production. Given the projected build time per aircraft is approximately two years, we project the first production aircraft deliveries will be in Fiscal Year 2015, and ramping up to an annual production of approximately 15 per year through completion of the 179 aircraft.

### **Strategic Airlift**

#### C-5 Modernization Programs

The C-17 and C-5 fleets remain Air Force priorities to meet warfighter requirements for strategic airlift. The C-5 modernization effort is a two-phased program. The Avionics Modernization Program (AMP) provides modern, sustainable aircraft avionics, allowing the aircraft to efficiently access international airspace. This will ensure that the Air Force can effectively conduct peacetime operations and meet closure

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times for our Nation's war plans. The C-5 AMP effort continues at two modification centers at Dover and Travis Air Force Bases.

The Reliability Enhancement and Re-engining Program (RERP) builds upon the C-5 AMP modification. C-5 RERP replaces the propulsion system and improves the reliability of over 70 systems and components.

Following a critical Nunn-McCurdy breach, the Undersecretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) certified a restructured C-5 RERP modernization of the entire C-5B/C fleet. Since the certification in 2008, the program has successfully completed a Milestone C Defense Acquisition Board as well as two Interim Program Reviews in January and December 2009, earning USD (AT&L) approval for full Low Rate Initial Production. Teamed with industry, we are on-cost and on-schedule through the first three developmental and two production aircraft, and anticipate ramping up to full-rate production of 11 aircraft per year by Fiscal Year 2013.

As a prelude to the Department's full-rate production decision, the three developmental C-5Ms recently completed a rigorous qualification operational test and evaluation period. This test period included 30 days of surge operations simulating wartime conditions and the Air Force was pleased with the aircraft's performance. Notably, the C-5M demonstrated its ability to change the way we fundamentally execute long-range airlift. During the surge, C-5Ms routinely flew sorties non-stop from Dover Air Force Base, DE to Incirlik Air Base, Turkey with a full cargo load—and without refueling. Legacy C-5B Galaxy sorties would have required a fuel stop at Rota Naval Air Station, Spain, which the C-5M bypassed, significantly reducing overall flight time and crew requirements while saving over 6,000 gallons of fuel per mission.

#### C-17 Production

The C-17 continues as a proven airlift workhorse for American defense. The Air Force has accepted 193 aircraft, on-cost and on-schedule. In Fiscal Year 2010, the Congress provided \$2.5 billion to the Air Force for 10 additional C-17s, bringing the current program of record to 223 with the last aircraft delivery in 2012.

The Air Force continues to execute to the program of record while simultaneously developing the post production and transition plan. Our planning activities will ensure a

viable supply chain for long-term fleet sustainment.

### **Tactical Airlift**

The legacy C-130, C-130J, Light Mobility Aircraft (LiMA) and C-27J aircraft provide a range of tactical airlift capabilities to the warfighter. Whereas our strategic airlift fleet provides mostly long-distance cargo transportation, the tactical airlift fleet serves our shorter distance, intra-theater missions.

#### C-130 Avionics Modernization Program (AMP)

C-130 AMP will modernize our C-130 legacy aircraft by increasing reliability, maintainability, sustainability and will ensure these aircraft effectively operate worldwide. Three research, development and evaluation test kits have been delivered to date, and two aircraft are currently undergoing retrofit in preparation for initial operational test and evaluation. Milestone C approval is expected in spring 2010, followed by full rate production in Fiscal Year 2013. As of December 22, 2009, three test aircraft have flown 424 sorties (1273 hours). The first two AMP-equipped low rate initial production aircraft will be delivered in the fourth quarter of Fiscal Year 2011.

Additionally, Congress provided \$31 million to the Air Force in Fiscal Year 2010 to install updated 8.33MHz radios and an enhanced Identification Friend or Foe system on 37 special mission aircraft (20 MC-130s and 17 AC-130Us) that are not part of the AMP Phase I program to meet Air Force Special Operations Command, near-term Communication, Navigation, Surveillance/Air Traffic Management system navigation requirements. These modifications will ensure the aircraft continued ability to operate in European airspace beyond January 2014.

#### Continued C-130J Production

The C-130J is a key component of the intra-theater airlift modernization effort that provides increased operational capability and allows for reduced aircrew and maintenance personnel. As of February 2010, the Air Force has fielded 80 C-130Js (63 C-130J, 10 WC-130J, and 7 EC-130J). The Fiscal Year 2010 Defense Appropriations Act added 43 additional aircraft. The Congress also approved one combat loss replacement C-130J in Title IX (Overseas Contingency Operations). The Fiscal Year 2011 President's Budget request includes 24 aircraft to continue C-130 modernization.

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The HC/MC-130J program will recapitalize the 40 plus year-old combat rescue (HC-130) and special operations (MC-130) tanker fleets with this new aircraft. In addition, beginning in Fiscal Year 2012 we are scheduled to procure 16 MC-130Js that will become AC-130Js to recap the aging AC-130H fleet.

Light Mobility Aircraft (LiMA)

In order to provide for a light mobility option, the Air Force plans to acquire 15 commercial-off-the-shelf light mobility aircraft. These aircraft will also be used to help build partnership capacity of lesser-developed partner nations in which the Air Force's fleet of larger mobility platforms are not properly suited for the missions at hand. Approval of the initial capability document and material development decision is expected in Spring 2010, with a Milestone C decision expected in August 2010. We have established an aggressive schedule to meet the requirement to field 15 aircraft in Fiscal Year 2012.

C-27J

In 2009, the C-27J program began transitioning from an Army-led joint program, to an Air Force-only program with a total procurement of 38 aircraft expected. To guide this transition, the Army and Air Force mutually developed, and are executing a coordinated program transition plan designed to maintain program schedule and the path toward initial operational capability previously established by the joint program office. The transition process has gone smoothly, and should conclude by the end of Fiscal Year 2010. As of February 1, 2010, two aircraft have been delivered and are supporting on-going flight test activities as well as initial aircrew qualification training classes. Eleven aircraft are currently in production, and we expect to begin delivery to the first Air National Guard C-27J squadron in Fall 2010. In Fiscal Year 2011, we will procure eight additional C-27Js, and provide training and logistics support for fielded aircraft. We will also be working with Air Mobility Command and the National Guard Bureau to support an inaugural C-27J deployment to U.S. Central Command in Spring 2011.

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### **Personnel Recovery**

#### HH-60 Recapitalization

With the cancellation of the CSAR-X acquisition program, the requirement for the recapitalization of the Air Force's HH-60G Pave Hawk fleet remains at the forefront of the search and rescue community's priorities. Since 2001, Air Force Combat Search and Rescue (CSAR) forces have saved over 4,000 lives in Operations Iraqi and Enduring Freedom, including U.S. service members, our coalition and host nation partners, and both U.S. and host nation civilians. In the near term, the Air Force will initially procure UH-60M production aircraft under an agreement with the U.S. Army and modify them with CSAR mission equipment. This will replace aircraft lost in combat and operational missions and return the fleet to the original program of record. In the long term, the Air Force will require full-fleet recapitalization, and has requested funding for 36 aircraft in the Future Years Defense Program to sustain the Air Force's CSAR mission.

### **Undefinitized Contract Actions**

With the report language included with the Fiscal Year 2010 Defense Appropriations Act, I acknowledge Congress' interest, and the Air Force's, in reducing the number of UCAs in acquisition programs. I assure you that the Global Reach Directorate carefully reviewed this guidance and is committed to reducing the use of UCAs. Recently Mr. David M. Van Buren, the acting Assistant Secretary of the Air Force for Acquisition, directed Air Force Acquisition not to base the use of UCAs on contract lead times, and to only use UCAs for exceptional cases, further emphasizing the need to curtail their use. We are actively engaging with program offices, industry, and other government agencies to address factors that have led to a rise in the use of undefinitized contracts and reduce the overall number of UCAs currently used for Air Force acquisition programs.

### **Conclusion**

The timely acquisition of critical refueling, mobility, and Personnel Recovery, programs will be an ongoing priority for the Air Force. The warfighter depends on the Air Force's acquisition workforce to procure these aircraft platforms so they can execute the assigned missions. The Air Force will continue to focus its efforts on modernizing

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and recapitalizing our aging weapons systems. Additionally, while pursuing these initiatives, the Air Force's reforms will remain consistent with the Department of Defense's high priority performance goals outlined in the President's Fiscal Year 2011 Budget requests Analytical Perspectives volume (pages 77-78). We appreciate Congress' ongoing support for Air Force mobility programs.

## UNDEFINITIZED CONTRACT ACTIONS

Mr. DICKS. General Fullhart, just since we are on that point, do you think the Air Force has overused undefinitized contract actions?

General FULLHART. Sir—

Mr. DICKS. Can you explain why this is done instead of definitizing it; and why, after 180 days goes by, we still don't have the ability to definitize these contracts?

General FULLHART. Yes, sir. And I appreciate the time. And without making this a dissertation, I would like to provide you and the other members some background, but, more importantly, what we are doing to resolve this.

Mr. DICKS. This is an important issue. So you take the time you need to explain it.

General FULLHART. For members, when the appropriations bills are passed and signed into law, the very next action that we take is to put a formal request for proposal on the street. And industry is then responsible for putting together with auditable pricing and contract data from their subprime contractors as well as themselves that must meet audit criteria by the Defense Contract Audit Agency. Their responsibility is to provide that in a timely manner so that audit can take place, and it provides a basis for final negotiation of that contract.

As the Chairman has alluded to, the undefinitized contract action is a tool in a contracting officer's tool bag and is normally used for things like short-notice, rapid-response type things for a warfighter, sometimes for advanced procurement, sometimes to ensure that we don't have a break in production. But that is not to be used as a normal means of doing business.

What we have found, Mr. Chairman, in the instances that you cited with Boeing and C-17—and I would also say that in my portfolio we also have the same issue with Lockheed Martin and the C-130—is that we were not receiving those auditable proposals in a timely manner.

I tell you that I personally went to Marietta, Georgia as well as Long Beach, California to meet with company officials to try to understand from their perspective what was causing these problems. And so the things that I am going to talk to you about, I would not put in—nor characterize as excuses. They are the facts. But they need to be remedied, and leadership is what is needed.

In many cases, over the last decade or so, if you look at most of the major contracts that we have, the prime contractor has increased the number of subprimes who contribute to the construction or the acquisition of a particular item. What that requires, because of the current policies in place, is that the same depth of information documentation is required from relatively small companies, in addition to those that you would expect from large companies like a Boeing or a Lockheed Martin. In many cases, they have been slow in providing that kind of depth of data. And in some instances they will provide a price, but they will say that price is only good for four months. So you can see that if we are having a prime who is taking as much as nine months or more to put together a proposal to turn in for audit, that in many cases when the

Defense Contract Audit Agency opens the folder and starts to look at it, they say, I can't audit this, these have expired.

Now, in that instance, we are faced with a couple of options. We can send the homework back and say you need to update the numbers, or, in some cases, because the subprimes are providing something that is a commercial item for them, they are not willing to give their cost and pricing data to the prime, but they are willing to give it to the government. And in those instances, then, it is the program office's responsibility to go and fill in the blanks because they are willing to give us that data. They are not necessarily willing to share.

I would also add that over the last years or so, that the Defense Contract Audit Agency has been taking, on average, between six and nine months to conduct an audit. So you can begin to add up the months and you can quickly see how we begin to get past 180 days in relatively short order. And in many instances these are ongoing production lines that, for any number of good reasons, we prefer not to have a break. We don't want to slow a production line, we don't want to lay people off, we want to keep things going.

Let me turn now to what I think are the solutions, because I think that is what you are more interested in than hearing how we got here.

First and foremost, working with Mr. Shay Assad from OSD Acquisition Technology and Logistics, who I know you are familiar with, we are in fact reviewing, not just for the Air Force but for all services, the thresholds which the Truth in Negotiation Act (TINA) compliant data must be provided. In many cases now we are getting so much volume and so much detail that it slows down the process unnecessarily. So there are some commonsense things that I think will improve the process of actually developing the proposals and turning them in.

Likewise for the Air Force, we are engaging with the Defense Contract Audit agency to ensure they understand the resources that are needed in terms of the physical number of auditors and also the dialogue that needs to take place both before proposals are begun, as well as during the proposal building process. There was a period of time where the Defense Contract Audit Agency would actually sort of—I won't say give intermediate feedback. In other words, they had gathered so much information and they were able to look at it and say, Does this meet standards or do you need to get additional information? Currently their policy is, we do not want to see it until it is all done and then you turn it over to us.

So there were instances in the past where we may have caught things sooner by that intermediate process that are now being caught much later and therefore adds to the time. So we are in dialogue with the Defense Contract Audit Agency to, number one, make sure industry understands, clearly and unambiguously, what is required for an auditable proposal to be completed. Second, how we go about ensuring that the audit process is also efficient as well as effective, and that we as an Air Force are also postured with enough contracting officers, cost officials, for those instances where we are going to have to go out and get the cost data because for various reasons the prime is not able to.

So what I would commit to you, Mr. Chairman, is that we are serious as a heart attack about this. We are working very closely with the staff. In fact, I think in two weeks we will be back with staff with the monthly update as to where we are and what we are doing in terms of improving the process.

By way of statistic, I would just offer to you that since March of 2008, the Air Force has reduced its inventory of undefinitized contract actions by 55 percent. And we have reduced, since 1 October of 2009, by 16 percent. But we are not going to be satisfied until we have eliminated all unnecessary UCAs, and we are committed to doing that. We very much appreciate your leadership and your support in our efforts to do that. Thank you for the time.

Mr. DICKS. Obviously, this is a very complicated process. If we have to talk to the Defense Contract Audit Agency, we could help in that respect to see if we can—I understand they are under the control of the acquisition people. Mr. Assad works in Mr. Carter's shop.

General FULLHART. He does, sir. The actual Defense Contract Audit Agency falls under the Under Secretary of Defense Comptroller structure. But we are working with them and they have been very forthcoming and understanding of our issues.

Mr. DICKS. These companies too ought to be—they are the ones that are benefiting from the contract. I mean the fact that they are unwilling to be more—do you think you have gotten their attention?

General FULLHART. Sir, I will tell you that at least in my visits to both Boeing and Long Beach, that leadership from corporate came as a result of my going out there to hear firsthand what our concerns are. It is, in fact, in industry's best interest not to have UCAs. It is in all of our best interests not to have them. But they have to resource their offices in such a way that they can gather the information in a timely manner. Their subprime contractors have got to be postured. If you are going to play in the big game, then you have got to have the staff to do it.

Mr. DICKS. Well, I think the subcontractor issue is one of the most important problems we have to face. The fact that there are a multitude of subcontractors and the inability of the companies to manage them and the inability of the Department of Defense to manage them is why we are having, I think, all of these problems on these programs. There are just too many subcontractors. And Boeing has had problems on the 787 because of this.

We had a classified program, very important classified program, that was a big problem because they couldn't manage the subcontractors. This has become a real major problem with the Department, I think. Mr. Kingston.

#### AUDITS

Mr. KINGSTON. Thank you, Mr. Chairman. And, General Fullhart, I wanted to ask about that because an audit is a luxury, it is a necessity, it is good business practice. But it is still a luxury in that the purpose of an audit is to sort of ferret out irregularities, cost overruns, excess inventory, any sort of inefficiencies. So if you don't do an audit but you are dealing with good people who do a good job, you should be okay theoretically, correct?

General FULLHART. Sir, if I might just expand briefly. What the purpose of the audit is in large part is cost reasonableness. What the Defense Contract Audit Agency's efforts do is inform our negotiators as to whether the proposed price is in fact reasonable or where they think there may be inflation. And that then boosts the government's position in negotiation. So that is really the benefit I think in terms of the audit.

Mr. KINGSTON. So it is not just a good business practice, it is more really setting the market price for some of these things which are kind of unique to aircraft purchasing and inventory. But it still would appear to me if you are dealing with good businesses all up and down the prime and subprime level, that when you find folks who are out of line, that maybe we shouldn't be doing business with them anymore. And the only reason why we are doing business with them is because there aren't any other choices.

Broad-brushing it, and I am asking, and I am wondering if you find that often; and that being the case, is one of our problems that we need more suppliers, more subprimes, more competition in the marketplace? Because in the private sector when you have lots and lots of choices, the market sets what the fair price is. But here you do not have lots and lots of choices because you are buying unique products.

General FULLHART. I think that is the key point, Congressman. You are correct. Obviously you would like to have lots of competition, but there may in fact not be a market that drives you to have more than one or two viable alternatives. So the real benefit I think of the audit and being in good government practice is don't sign up the taxpayer for something that is unreasonable. That is sort of what brings the business community back in line. Because if you don't get the contract, you go out of business. So you need to, number one, make sure you are efficient, cost-effective, your quality is good, and the marketplace then will balance things out in the end.

Mr. KINGSTON. Well, I am wondering, one of the interests of Congress in general and this committee is to have more competition, more contractors. And there are a lot of programs to help, for example, minority contractors doing business with the Air Force or any other Department of Defense. Are those programs developing? And one of them you may be familiar with, and the only reason I am familiar with it, Sam Nunn was involved with it. But it was a minority development contractor type program and it may have been more for supplies rather than actual service. Do you remember that one?

General FULLHART. I don't have a specific recollection of that one. What I can offer as an example, in our HH-60 modernization programs, one run out of Robins Air Force Base, they put a special emphasis on working with small business, minority business, whenever possible to help develop additional sources and to offer that community an opportunity to participate in government programs.

Mr. KINGSTON. And are those showing promise? Are we getting some folks really up and running?

General FULLHART. Sir, I would say on balance the answer is yes. And as you can appreciate in the economic climate that we are

in, some of those small businesses are not only doing business with us, but we are doing commercial business. In one case, we had one of our modification programs affected by the fact that one of our small businesses ended up going out of business. But by and large, we are benefiting from the expertise, especially in those niche areas, special capabilities. We are definitely benefiting from small business.

Mr. KINGSTON. It would appear to me there would be an opportunity to merge maybe a social desire and a business desire, but developing these small businesses along the way to keep everybody honest and out there.

#### COMBAT SEARCH AND RESCUE HELICOPTER

But you brought up the helicopter issue, so I wanted to ask you a question about that. As I understand it, you are planning to purchase 36 UH-60M helicopters across the FYDP to reconfigure the HH-60 Pave Hawk configuration for the CSAR role. And I was wondering how many rescue helicopters is the Air Force planning to buy? And will it be sufficient? Do we have the crews? Will we be able to take care of everything? You mentioned in your testimony that the CSAR rescued 4,000 people. Just talk to me a little bit about that if you can.

General FULLHART. Yes, sir. I know that Congressman Hinchey has some interest in this as well. So maybe what I will do is give you a bigger answer than the question that you asked, to lay this out. First and foremost, we have a program of record that exists today for our combat search and rescue forces of 112 HH-60 aircraft. Right now today, we stand at about 96 of those that are operationally available, flyable, et cetera. Some of those are lost due to operational losses, et cetera.

And so with the support of this committee, we are in the process now of doing operational loss replacement of those helicopters. In point of fact, what we have in the fiscal year 2011 budget, we are going to be doing four helicopters that we have already bought off an existing Army contract. We are going to have three to be purchased in fiscal year 2011, and three more that were in the fiscal year 2011, Overseas Contingency Operations (OCO) as well. And our intent in that effort then is to replace, if you will, the HH-60s-like aircraft.

Now, the larger piece in terms of Combat Search and Rescue (CSAR) and the recapitalization of the CSAR fleet, we are awaiting and we expect within the next month or so the reports to come out from OSD that will inform our requirements process for the long-term total recapitalization of that fleet. It is our intent at this stage of the game—or our expectation is that that will be an open competition. However, what we will be focusing on there is probably along the lines of an existing military helicopter and them modifying it for the combat search and rescue mission.

The third piece of this is commonly referred to as Common Vertical Lift Support program. That is right now 62 UH-1Ns that are in the Air Force inventory. They are spread amongst a lot of different programs. But the two that are probably most prominent are those that support our Intercontinental Ballistic Missile (ICBM) security, the overflight, the overwatch of convoy move-

ments of those missiles in our missile fields. In addition to that, some aircraft that are here in the Washington, D.C. area that are a part of the continuity of operation of government activities.

We are in the stages now of, again, a full and open competition in that regard. We are focusing first and foremost on the replacement of the aircraft that we have in the missile fields, because we have some performance gaps there as well as some numbers gaps as well as range gaps in the continuity of government program that we have near the local area.

So those three, if I could sort of lay that out for all of you is sort of where we are at with our HH-60 operational loss replacement, awaiting report from OSD and the Joint Staff for the recapitalization of the entire fleet, and then shortly beginning our endeavor on Common Vertical Lift Support program. All of these and our continued modernization of our existing fleet, again I want to stress my thanks to this committee for your continued strong support.

Mr. KINGSTON. Thank you.

Mr. DICKS. All right. Mr. Visclosky.

#### CONTRACT AWARD

Mr. VISCLOSKY. Thank you, Mr. Chairman. Gentlemen, TRANSCOM announced an \$80 million contract for passenger and air cargo transportation services. Are the services sought not inherently government functions?

General MCNABB. Congressman, I didn't understand the question.

Mr. VISCLOSKY. On March 9, TRANSCOM announced an \$80 million contract for rotary wing aircraft, personnel, equipment, tools, material, maintenance and supervision to perform passenger and cargo air transportation services. The announcement notes that work will be performed in Afghanistan starting March 5, 2010 through November 30, 2010. And the question would be: Why has the military sought contractors for something that appears to be an inherently government function?

General MCNABB. Yes, Congressman. The big part there is like the rest of our lift. We depend not only on our military capability, but also our U.S. flag fleet, whether that is air or sea. In this case, the specific contracts we have gone out to are the types of helicopters that are very effective in Afghanistan, that are on the civilian market, and they fit the niches that allow us to better use our CH-47s and tailor them appropriately, and it basically gets us more lift into Afghanistan. And, obviously, you know the issue with rotary wing anyway in Afghanistan. It is a very tough environment. So what we want to do is make sure we are taking full advantage of every way we can get some additional helicopter lift.

At the same time, we are doing some other things like airdrop to try to free up blade time so that as we service the forces in there, we can take full advantage of all of our assets.

Mr. VISCLOSKY. You don't have the capacity, or, because of the surge, you simply need the additional capacity until November and then it goes away?

General MCNABB. We are doing this on behalf of the Army. And basically what we did is, they came to us and said, Could you do this? What we bring is the additional safety that we have with our

Commercial Airlift Review Board, our oversight that we have on commercial contracts. Originally a lot of this was being done by the Army directly, and they asked us to go ahead and do that for them. I think in the end, what we are doing is figuring out every way we can do to help the warfighters on the ground.

I have been over to see General McChrystal, General Rodriguez and General Scaparrotti. These are niche-type missions in which they say this is very valuable to them. Again, it frees up CH-47s to do some of the larger troop movements where that is more appropriate to the war fight they are in.

So, again, this is a niche portion that I think is good money. It is actually in many cases cheaper per flying hour than the CH-47. And I think it works out very well. We have just got to make sure that the safety standards are met, and I think we are doing that.

Mr. VISCLOSKY. And in some instances, it might be more expensive. On average, would it be your assessment that we are saving money here?

General MCNABB. And my assessment is we are saving money on this. These are almost, across the board, cheaper than a CH-47 flying hour.

#### U.S. FLAGGED COMPANIES

Mr. VISCLOSKY. You mentioned they are U.S.-flagged? Are the companies that are under contract U.S. companies?

General MCNABB. What we will do is first try to use U.S. flag if there are folks that are out there. And then in many cases they have a relationship with our U.S. flag fleet—

Mr. VISCLOSKY. And I don't mean to quibble here, but there are flag vessels on the ocean that they have nothing to do with the particular country for which the flag is flown. When you say U.S.-flagged company, is that a U.S. corporation or not?

General MCNABB. Let me take that for the record. I will get you a more specific answer on that. But in general, what we do is we will go out and we will do a request for proposal. We will say, here is the kind of services that we need, and we will have folks come in and we will evaluate their bids.

[The information follows:]

Yes. When we speak of a U.S. Flagged Company, we are referring to a "U.S. Corporation." The Federal Acquisition Regulation (FAR) defines a U.S.-flag air carrier as an air carrier holding a certificate under the Federal Aviation Act of 1958. 49 United States Code (U.S.C.) details the requirements for acquiring a certificate of public convenience that authorizes a carrier to provide air transportation. 49 U.S.C. states that in order to get a certificate of convenience you must be a U.S. Citizen. 49 U.S.C. defines citizen as "a corporation or association organized under the laws of the United States . . . of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States . . . and in which at least 75 percent of the voting interest is owned and controlled by persons that are citizens of the United States."

The U.S. flag carriers were afforded a statutory preference pursuant to the Fly America Act.

Mr. VISCLOSKY. What kind of folks would come in? Like French airlines, Israeli airlines, U.S. airlines, Chinese airlines?

General MCNABB. It usually is some of the smaller—if you think about U.S. companies that fly helicopters in the United States, they may come in and say we would like to bid for that. We have specific companies that will do that; and that is what we expect,

primarily it will be U.S. companies that come in and say, we meet your requirements and we also meet your safety standards.

Mr. VISCLOSKY. If you could, for the record, then, General, specify which companies received those contracts and which of those companies—if they could be identified as to which country they are incorporated in?

General MCNABB. Yes, sir.

[The information follows:]

The reference to an \$80M contract was actually the issuance of three separate task orders under existing contracts to Presidential, Evergreen and Canadian Helicopters for the rotary wing airlift services required. All air carriers were approved by the DOD Commercial Airlift Review Board (CARB) prior to contract award to ensure safe transportation of U.S. troops and cargo. Preference was given in the source selection process to U.S. Flag carriers. A contract was awarded to Canadian Helicopters, a foreign flag, because there was insufficient capability offered by the U.S. Flag carriers to meet the requirements. Task orders were issued on March 5, 2010 for a total of nine rotary wing aircraft.

Evergreen Helicopters Inc., a U.S. Flag carrier, received an award to provide airlift services with two Super Puma aircrafts. The aircraft was manufactured in France and the total award value was \$20,094,000.00. Presidential Airways, Inc., a U.S. Flag carrier, received an award to provide airlift services with five aircraft (three Bell 214STs and two S-61s). The aircraft were manufactured in the United States and the total award value was \$39,084,531.50. Canadian Commercial Corporation subcontracted with Canadian Helicopters Inc., a foreign flag, and received an award to provide airlift services with two S-61 aircraft. Aircraft were manufactured in the United States and the total award value was \$20,472,000.00.

Total award value for all three contractors for an eight month base period was \$79,650,531.50.

#### U.S. BUILT AIRCRAFT

Mr. VISCLOSKY. The next question I would have is, for those companies, are they flying aircraft that were built in the United States of America?

General MCNABB. No. In some cases, these are—there are Hind helicopters that are part of that, that are doing very well in Afghanistan. And again, there are a number of folks that we will first—as I said, U.S. companies will come in. If we can't meet the needs of what, say, in this case the Army, we will say, okay, who else could meet this need? And then we can actually go back and talk to CENTCOM and say, is it in your interest that we go ahead and go outside of American companies to do this? But again, safety is the paramount issue here.

#### INDUSTRIAL BASE

Mr. VISCLOSKY. I am very concerned about the industrial base. And this is a huge chicken and egg that, after 26 years in Congress, has not been resolved to my satisfaction. While there are not enough U.S. companies doing this or there are not enough U.S. aircraft, therefore we have to go out—as opposed to being very methodical and determined that somehow we are going to make sure we have some persistent need so that there is enough U.S. aircraft to do this in the defense of the United States of America. I mean, do people ever sit down and say, we are tired of contracting out foreign vessels if we are the Navy, or we are looking for U.S. Flag aircraft that maybe we don't have enough in the inventory and maybe somebody ought to suggest we make those here?

## CIVIL RESERVE AIR FLEET

General MCNABB. Congressman, I share your—the industrial base is a huge issue and we depend—I will tell you TRANSCOM absolutely depends on its U.S. Flag carriers and its U.S. Flag fleet. We could not get done what we get done without our civil reserve air fleet and our U.S. Flag fleet that does that as well. It will always go first to them if they can handle that. But I will say that overall, we will look to them. They are a big part of what we do and in many cases they are much cheaper than if we use our own military aircraft to do this. You can't use them—

Mr. DICKS. Will the gentleman yield? How long—we have had CRAF in place, the Civil Reserve Air Fleet, for how many years, 30 years?

General MCNABB. Fifty-nine years.

Mr. DICKS. Fifty-nine years. So this has been the way we decided to do it. Most of the airlift comes from U.S. airlines, right?

General MCNABB. Absolutely. For the air side—

Mr. DICKS. So we are buying U.S. aircraft in most instances. Now, in the sealift actually, which is—80 or 90 percent of what we send goes by sealift. Now, in the case of Afghanistan, it is Maersk and the American President Line. They are the two major companies that are providing—

General MCNABB. And Hapag Lloyd is probably the third—it is a very large company as well. But Maersk and APL are the largest.

Mr. DICKS. And this is in essence a necessity. I am with the gentleman on industrial base, and there is a provision in the law that on every major acquisition, they are supposed to do an analysis of industrial base. I had to point this out to Mr. Assad several times. And sometimes they forget this over at the Department of Defense. But we are with you on this. We think we ought to be looking at our industrial base more closely when we make these decisions, and I think sometimes that happens and sometimes it doesn't.

Mr. VISCLOSKEY. I am very concerned because it may be a minority today, but in each of these instances, it is not just a particular point I raise today, people insinuate themselves into the system and suddenly we have four banks in the United States that have 38 percent of the deposits. Well, that didn't happen overnight. And there are a lot fewer community banks. The percentage of foreign vessels leased by the Navy, well, the number has gone down but their percentage has gone up. And I am fairly—

Mr. DICKS. Aren't all our combatants, naval ships, all—

Mr. VISCLOSKEY. Yeah, right, right. But I will move on.

## FOREIGN SHIPS

Mr. DICKS. I would like to know this because General McNabb has responsibility for the mobility, the sealift and everything else. Are we using a lot of foreign ships?

General MCNABB. Not a lot. The number has declined. They have declined quite dramatically. Again, we will always use U.S. ships first if we can. U.S.-built and/or U.S.-flagged, and only when we don't have that option will we go outside. And in some cases, there are some specific types of ships—we didn't have a lot of Roll-On/Roll-Off ships that were in the U.S. flag fleet. We have done much

better lately. But some of the leased ships and our afloat prepositioned ships are foreign-built. So one of the things we have been really working hard—they are U.S.-flagged but they are foreign-built. And what we try very hard is, wherever we can, we try to make sure they are U.S.-built.

Mr. VISCLOSKY. And I don't mean to belabor the point, Mr. Chairman, but we have a situation today between the nuclear industry and the steel industry. We haven't built a nuclear plant in this country—and I know I am transgressing. But I just want to drive home the point that when these contracts—please think about—and the industrial base is—well, we don't have a nuclear industry today. Well, all the sudden now, the steel industry and the suppliers don't make those parts here. Well, okay, we are going to, for those first plants, buy them from someplace else. Well, okay. And now, well, when are the people who are making potentially those parts here going to get their first shot at the apple?

General MCNABB. You bet. And, Congressman—

Mr. VISCLOSKY. Which has nothing to do with you, but it is just day after day.

General MCNABB. You are exactly right. And what I would say is it is all based—their first shot will be a U.S. company always. So as we go down that, only when they don't have the capability—on the military side, we can't provide it—only then do we go outside of that. So I will get you a list of that.

The helicopter issue is a tough one because of the nature of Afghanistan. And when you look at the kinds of—what could perform at that very high altitude, who has the very powerful engines. Because obviously, that is a very different kind of terrain. We do have companies that do that. Because as you know, way up in the mountains, logging, the kinds of things—so we do have companies that say, we really want to be part of that. Some of the companies in Alaska, for instance, have that. So I will get you a list of those companies.

[The information follows:]

Evergreen Helicopters, a Department of Defense approved carrier, is currently the only company providing heavy-lift capability under a TRANSCOM awarded contract. An award was made to Evergreen in March 2010 to provide two Super Puma aircraft in Afghanistan.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. DICKS. Mr. Hinchey.

#### STEWART AIR NATIONAL GUARD BASE

Mr. HINCHEY. Thank you, Mr. Chairman. I just wanted to ask you, first of all, a very simple question about the Stewart International base and what do you think is going on there? What do you think—

Mr. DICKS. Mr. Hinchey, would you pull the mic just a little—

Mr. HINCHEY. What do you think the future is going to be like for that particular operation there? One of the things that we have done recently is provide additional outside energy, solar energy operations there, and we are hoping to be able to double that sometime over the course of next year, which will meet all of the local energy requirements for that base.

But maybe you can just give us some idea about what you think will be happening there over the course of the next few years.

General MCNABB. I will tell you, I will go first and then I will let General Johns. One, Stewart continues to be just a superb base. And I would just say that I have depended on it, both as I sat in General Johns' chair but also when I was the Tanker Airlift Control Center commander. We were depending on C-5s, and those folks provided tremendous capability. We actually had all of our hard-broke airplanes go in there and they fixed them. The spirit of that Guard unit is tremendous. And every time we have ever asked them to step up, they are always ready not only to take care of whatever we ask them to do, but they also volunteer for more. And I think that is the nature of that and the kinds of things that you were talking about of leaning forward has been their legacy. They are known to do that, and certainly from my standpoint I appreciate that. General Johns.

General JOHNS. Sir, thank you for the question because it brings me back to when I was a kid. I was raised in North Jersey, though I love the State of Washington.

Mr. DICKS. Mr. Frelinghuysen should be here.

General JOHNS. I used to watch the airplanes. And then I was just up there recently as the commander of AMC, one, just to thank the members of Stewart Air National Guard Base, to go visit them and show our appreciation. And I was up there as the President was coming up to the New York City visit, and I saw the chaos that went with a Presidential movement and how well they handled that and how robust they were.

I was also taken back—and I took away and back to our core command that the core of expertise in our C-5s really rests in some of those Guard and Reserve units, Stewart Air National Guard Base specifically. I mean, they had some flight engineers who developed self-test equipment that we could actually determine the health of the C-5 landing gear, very complicated, by this test equipment he developed instead of sitting there swinging the gear and going through all of those maintenance man-hours.

Since they have so much seasoned experience, they can provide solutions that my Active Duty folks—who are so young and I am constantly training them—don't have the wherewithal to do, to the point that we are having a get-together of all the commanders from all over AMC, all the wing commanders. And the person that is going to be talking about the future of the C-5 is the Stewart Air National Guard Base captain who says, I have a way of doing this better. So to much of the chagrin of his wing commander, we said, I accept your offer and we are bringing him down.

Stewart Air National Guard Base personnel are phenomenal. And we are very appreciative of what they do and how generous they are with getting us the lift to move forward.

Mr. HINCHEY. Well, thank you. I appreciate it very much. Thanks.

More time?

Mr. DICKS. Yeah, if you want to ask another question, certainly.

Mr. HINCHEY. If I understand it, on March 9th, TRANSCOM announced \$80 million of contracts for a rotary wing aircraft and for a number of other things, like personnel and equipment, tools, ma-

terial, maintenance, supervision—all of that necessary to perform passenger and cargo air transportation services.

The announcements notes that the work will be performed in Afghanistan starting about 2 weeks ago or so and run through the end of November of 2010.

I am just wondering why the military sought contractors for something that appears to be——

Mr. DICKS. I think we just had this question——

Mr. HINCHEY. Yeah?

Mr. DICKS [continuing]. From Mr. Visclosky.

Mr. HINCHEY. Oh, really?

Mr. DICKS. We just did. If you missed it, we will give him a quick synopsis.

#### CONTRACTS

Mr. HINCHEY. Sure. Why the military is putting out these contracts when it is something that could be done internally.

And I know that this is something that has been going on for some time now, particularly in that general area, particularly in Iraq.

General MCNABB. And, really, the difference is the Army was doing that before and they asked us to pick that up. So that would be the first thing I would say.

But, in general, we depend on both our military aircraft like C-17s and 130s; at the same time, we depend on the civil reserve air flight, which is the commercial airlines, to be able to move. For instance, of our passengers, 90 percent move on our civil reserve air fleet. And so it is U.S.-flag carriers, and it is a great relationship and we depend on them.

Same thing happens at sea. And here is, on the helicopter—the helicopters that they are going after are typically much smaller than the CH-47, and they have high-altitude capability. Additionally, there are some short takeoff and landing aircraft that they are also looking for that, again, fills a niche. It is cheaper than our military aircraft. And, again, because of the threat and because of the situations that they are in, these airplanes will fit in that.

One of the things that I always think about is that it is situation-dependent. There are places where we will only take military airplanes into. There are missions that we would only use military aircraft to do. But there are other types of missions that the civil side can do.

And it does bring money to the economy. The U.S. carriers have first dibs on that; if they can cover it, then we are good to go. And only when a U.S. carrier can't handle that will we go outside of that. And we really talk a lot with the theater commander whether or not they want to proceed that way.

But right now it looks like, you know—this is one of the things we depend on to get the best value and still meet the mission.

Mr. HINCHEY. Okay. Thank you.

Mr. DICKS. All right. Ms. Kilpatrick.

Ms. KILPATRICK. Thank you, Mr. Chairman.

Good morning, Generals. And, to General Johns, November, a new assignment. Congratulations. Thank you. Appreciate you all.

I served on the Air Force Academy Board for 5 or 6 years. It was one of the highlights of my career. Outstanding, intelligent, dedicated young men and women who have given their lives. And I appreciate the service that you all give.

AFGHANISTAN LOGISTICS

Kind of continuing on with the discussion that we are having now, inasmuch as Afghanistan is landlocked, heavy terrain, mountainous—our military carry up to 100 pounds up those mountains, getting set and all of that—the logistical challenges that we all face, and that you all are TRANSCOM, are we meeting them? Kind of going on with the last discussion, are we meeting them? Do you need more? Is there a plan that we would outsource more?

We have to have what we have to have when we need it, no doubt about it. Are we behind? Do we need more? I want to use the MRAP, for example—“MRAP Light,” which is going into—MRAP ATV, we call it “light.” I don’t know if you—do we have what we need? Are we able to—

General MCNABB. No, in fact, I would say that—and I talked to the chairman a little bit earlier about this.

One of the reasons that we are being able to do, not only taking additional forces into Afghanistan at the President’s direction, sustaining a surge from last year about this time, which was about 30,000 as well—so we have gone from about, you know, 40,000 folks to 70,000, now we are going to go to 100,000, in Afghanistan.

And our ability to sustain the fight and make sure that the folks have what they need on the ground and the ability to then move these additional forces, along with bringing forces out of Iraq—which is, with the success of the election, we plan to go down to 50,000 troops in Iraq—take care of the other parts of the world like Haiti, like Chile, like—

Ms. KILPATRICK. Congratulations on your response in Haiti. That was awesome. Thank you.

C-130

General MCNABB. Thank you.

But our ability really has been because this committee has been so supportive in all of our parts, whether it is sea, whether it is air, always saying, “What else do you need?” It was defensive systems, you think about—you all got to fly the C-130J model. The J model is so much more effective in Afghanistan than either the E or the H. And just to give you an example, the E model could only carry about 6,000 pounds because of that pressure altitude. Again, it gets to that very high altitude in Afghanistan.

The Dash-15 model engines can carry about 24,000; the 130J can carry 40,000. So each time you all have helped us and put in defensive systems that allow our crews to go in there—you know, today we are working on avionics upgrades, for instance the C-130 Avionics Modernization Program that allows our folks to fly safely in there. And that has really—

Ms. KILPATRICK. How are we coming on the avionics? How are we meeting those challenges? Are we ready? Are they there? I know we have money there, and I have been reading that you are working on it. Is it ready?

General MCNABB. Absolutely. And the C-17 and the 130J, for instance, have great avionics, a heads-up display. You can fly night-vision goggles with them. And it is all set up. And it has the kinds of safety and awareness that allows our folks to be able to work in that type of an environment.

And I think the safety, you know, speaks for itself, how well we have done this. And all of you have flown in on our crews, whether it is Iraq or Afghanistan, doing those random approaches and coming in, and you just go, "Wow, how do they make it look so easy?"

Ms. KILPATRICK. "Wow, how did you do that?" Right, right.

General MCNABB. I get to actually fly the C-17 in my current position. And I have, you know, 5,600, 5,700 hours, mostly airdrop, a lot of special operations.

Mr. DICKS. Wow.

General MCNABB. And I will just say that, when I go down to Altus and fly with these young captains, they come up to me and they put their arm around me and say, "Come on over here, son. Let me tell you how we fight in this war," because they know how to fly these assets.

Ms. KILPATRICK. That is important, yeah.

General MCNABB. And so the modernization portion is the same thing that you are doing, what do we have in our fleet that has the good engines, that, you know, has good service life, and can we upgrade it rather than buy new? So you all have helped us a lot on buying new where we must have it, modernizing what we can modernize, and then, at the same time, always looking to the future.

My biggest hole right now that I worry the most about is the tankers.

#### KC-X

Ms. KILPATRICK. It is the what?

General MCNABB. The tankers.

Ms. KILPATRICK. Uh-huh. I am going there next.

General MCNABB. That would be the one that I sit there and I worry about. We are already taking risk in that area. And I know you all have worked very hard on the tankers. It remains my number-one acquisition priority. I see that that new tanker will do for the whole mobility system what the C-17 did for the airlift system—

Ms. KILPATRICK. Okay. So what about the KC-X? I mean, talk about it, in terms of—I know the chairman didn't want to bring it up; he didn't even ask me. But I have been to his district, and I know it is a main piece, and one of the bidders has dropped off.

Is it still open? Is it closed? I mean, just because of what you just said, we need them and we need them quickly. Where are we in timing to close it, put it in production and all of that? I mean, you needed them yesterday, right?

General MCNABB. I will let them get to the specifics of where we are on the contract.

Ms. KILPATRICK. Oh, okay.

General MCNABB. I would just say that the good news is that I think that everybody—what we are hearing is being offered on all accounts meets all of the things that I need.

So the Request for Proposal captured that. And, in fact, it does all the things that I need it to do.

Obviously, I, as the combatant commander, and working with the other combatant commanders, say, "Here are the things that I need that new tanker to do." I turn that over to the Air Mobility Command, General Johns, and he takes that and says, "Okay, to do those things, here is specifically what has to happen." And then he turns that over to the Air Force acquisition world to make that all make sense. I am very excited about that.

And, again, I have more on Afghanistan, if you would like to talk about how it all comes together, but if you want to talk—

Ms. KILPATRICK. Okay. One thing before, General, just for a moment. I appreciate all of that. But you said you were good except the tankers.

General MCNABB. You bet.

Ms. KILPATRICK. And we need the tankers. We, the young men and women who are in theater, the best that they need we want them to have. And this is the best committee in the Congress, I do believe. And you all do a good job in complimenting each other—and the system, I mean.

I don't want to put anybody at risk. I want U.S.-bought, trained—all of that—aircraft when we have to have it.

General MCNABB. You bet.

Ms. KILPATRICK. I don't want the men and women to be short if they need it, if we have to go somewhere else. But I would much rather speed up the process to build it here, to grow it here, to train them here with U.S. everything. Is that the commitment of the Air Force?

General MCNABB. I will let them—again, I would like to tell you a little bit more about Afghanistan, about how we are doing that. But we are on timeline for the surge. I will say, General Petraeus sets that timeline. You have to train those forces to have them get ready to go. You have to then move them, and then you have to be able to receive them at the other end. And all I try to do is make sure that transportation isn't the issue. I always try to make sure that we have everything that we—

Ms. KILPATRICK. That is your job, yeah.

General MCNABB [continuing]. You know, that General Petraeus and General McCrystal never have to worry that I am going to get them the stuff that they need.

The same thing within the theater; we use a lot of airdrop now. We went from 2 million pounds of airdrop in 2005 to 29 million in 2009. And the job is that, in these dispersed areas, we can get that stuff out there to those forces.

PAKGLOC/NON

Ms. KILPATRICK. And most of that up-spike was Afghanistan because of its terrain.

General MCNABB. Absolutely. That terrain is—you know, it is like nowhere else I have ever seen. As you said, landlocked; not just high mountains, but the highest mountains in the world around it; and very interesting neighbors, is how I would put that.

We do bring a lot of stuff up from the Pakistan Lines of Communication on the ground. We bring about 50 percent of the supplies

up the PAKGLOC that is from the surface by ship into Karachi, and then bring it up, about 30 percent, from the Northern Distribution Network that we have opened up coming in from the north, mostly through Kazakhstan and Uzbekistan. And then we do 20 percent by air, which is historically a little higher than normal, but it is because it is landlocked. And we take everything sensitive, everything high-value, we take that in by air.

It is the ultimate ace in the hole. If anything slows down on the surface, I tell them, don't worry that you lose this, I can just replace it with another container. That needs to be on the surface. If it is something that you care a lot about, we will take it in by air, or if you need it fast. MATVs and MRAPs is a great example of we have taken all of that stuff in by air.

Ms. KILPATRICK. Thank you.

Mr. Chairman, can I do a little bit on acquisition of KC-X?

Mr. DICKS. Yeah, well, we are going to talk about that since you brought it up.

Ms. KILPATRICK. Oh, okay. I yield.

Mr. DICKS. You know, the thing that I worry about a little bit here is that, you know, we have one bidder in this situation. The other company is now asking for additional time, and the Department is suggesting that they might grant it. But they don't have a partner. I mean, the people that are out there—Raytheon, Lockheed, and L-3—I think have all said that they are not going to do it.

So, at some point, it seems to me that the Department has to say—and I think there is a process for doing it—is there intent for anybody to bid? And if they haven't got a partner—or unless they want to bid on their own.

You know, at some point, I just don't see giving them additional time to think about it. I mean, either they have to be serious about it or not. They have known for months that Northrop Grumman wasn't going to bid. And if they were going to get another partner, they should have been doing that.

So I know the Department's position. We are going to go through the process here. Boeing hasn't submitted its bid yet. They have to do that; they will.

So do you have anything to enlighten us, General Fullhart?

General FULLHART. Well, Mr. Chairman, as you can appreciate, as I said in my opening statement, we are in the formal source selection process stage at this point. So, not being part of that formal process, I am limited in what I can say, but let me put a few facts on the table.

The first is our Chief and our Secretary, as well as Deputy Secretary Lynn and Secretary Gates have all indicated, we have a process in place that we think is fair and open. And we are now in the midst of that, with a proposal due date of 10 May, which has been publicly announced and is available for folks out there.

We have a source selection evaluation team, advisory council, an entire team that is poised and ready, trained to receive the proposals on that date and to begin the evaluation process.

We have mechanisms in place that are prescribed within the Defense Federal Acquisition Regulations that will allow us to ensure that the American taxpayer, regardless of who might put forward

a proposal, is going to get a fair price. And we look forward to that opportunity. As Congresswoman Kilpatrick indicated and as also General McNabb has indicated, this is an extremely important program for our Air Force.

You alluded, sir, to my previous command assignment at Fairchild Air Force Base. I have flown those tankers. I may get this wrong, but I think it is the mother of the aircraft commander of the last KC-135 has not been born yet. So we are going to be working with these KC-135s for some time.

We are eager to get on with this process, and we look forward to proposals on May 10th. And I think that would suffice for what I would say.

#### MOBILITY CAPABILITIES AND REQUIREMENTS STUDY (MCRS)

Mr. DICKS. Yeah. Well, again, I just hope we are not going to grant additional time if there isn't some credible possibility of having—they have said they want a U.S. partner to go forward with this. If there is no chance that they are going to submit a bid, I don't see why we should extend the time—and I think it was Vice President Cheney who said, “so they can dither.” That is what it looks like to me, anyway.

So, anyway, let's talk about the metrics on the Mobility Capabilities and Requirements Study. How did you do this study? Tell us about this study. It is a very important one. You evaluate the per-ton miles. Tell us about this study.

General McNABB. You bet, Chairman.

First and foremost, it was a very collaborative effort, working with the services, working with the combatant commands, looking at the strategy, anything that has a new emphasis under Quadrennial Defense Review irregular warfare; you know, long-duration campaigns like OIF or OEF—and really taking advantage of lessons learned. It included the fact that we have new equipment like MRAPs and MATVs that have become a priority.

And I think that, from my standpoint, that part—in this case, TRANSCOM was co-lead with Office of the Secretary of Defense cost assessment and Program Evaluation, and I think it paid big dividends for us because we were able to make sure that that warfighting perspective was in there. And I really think they did a good job on that.

I know they came and they briefed last week; we sent a team up to brief the staffs on that. And I would say that, with a few exceptions, it validated the Department's planned mobility capabilities sufficiently. From my standpoint, that was great news. It validated a lot of the things we are doing—for instance, the new tanker. And I think that, in that case, it not only showed that we had a bit of a shortfall but we could even do better in that department.

Airlift fleet, both strategic and theater, was sufficient. In fact, we have a little room, given all the upgrades and all the changes of how we have done the aircraft, the addition of the C-17s, the addition of the C-130Js, bringing them to the fight, the fact that they bring so much more capability.

We, actually, on the inter-theater side, we need about 304 aircraft for the most stressing scenario. We are headed to have a program of record of about 334. So we will have some room to tailor

the strategic fleet. That is not a surprise; 300 was about what we needed before. And what I will be asking is that—

Mr. DICKS. Now, 300, that is the C-130 class aircraft, right?

General McNABB. No, I am sorry. 300 total C-17, C-5-type aircraft.

Mr. DICKS. Okay. Total. Okay.

General McNABB. And we are headed to have about 334. And that is because of the restriction on retiring C-5s—

Mr. DICKS. How many C-130s are in that?

General McNABB. No C-130s in that.

Mr. DICKS. Oh, this is just—

General McNABB. This is C-17 and C-5s. This is the strategic lift portion.

Mr. DICKS. Okay.

General McNABB. And right now, you know, we are on track—

Mr. DICKS. Oh, I see. You are right. You are right. Thank you.

General McNABB [continuing]. With your add of 223. And then 111 C-5s, that is the 334.

Of course, we haven't received all those C-17s yet, but at some point, as we get additional C-17s, we now have the opportunity to retire the oldest, poorest-performing airplanes. So the big thing that—

Mr. DICKS. Are there still legal restrictions against you retiring the C-5s?

General McNABB. The restriction on that right now is 316 aircraft. Nunn-McCurdy came out with that. Now MCRS 2016 allows you to say, "Okay, now we have looked at everything, and here is where we stand."

There are some things that the Air Force has to provide. I will let General Johns talk about that. But it is the bed-down plan. It is Operational Test and Evaluation complete on the C-5 Reliability Enhancement and Re-engining Program, to make sure that that all goes well. And so, that is kind of where we are.

But as we deliver more C-17s, as you know, the most important part of our weapons system is our people. It is our crews and maintainers; it is the facilities that are out there. And so, you know, we want to make sure that we free up maintainers and crews to man those new C-17s that are coming online.

I think, on the intra-theater side, the 130 side, Mr. Congressman, we have in the neighborhood of 400 aircraft. And I would say that MCRS said we need about 335 C-130s to meet the highest stressed case.

Mr. DICKS. A lot of them are very old, though, right? Very, very old.

General McNABB. Right. Right.

And so our current plan of having the 130J buy and the 130 avionics modernization program—that is upgrading our C-130H2s and above, which is our best C-130s—between those two, we can meet that.

I also worry a little bit about all the direct support that we are now doing—and this is as a TRANSCOM commander—that we are doing in support of the Army and the Special Forces and the Marines on the ground, is that they also have a time-sensitive, time-critical requirement. You heard C-27, you know that we talked

about 78 aircraft to be able to meet that need. That program was reduced to 38, and part of that was that we have additional 130s. So, to me, there might be 40-some-odd 130s that we will need to be able to supplement the C-27s to do that mission.

So I am in the neighborhood of about 375 aircraft until—you know, at some point, General Johns and the whole gang will take another look at that. But, in my mind, we do have some room to retire some airplanes on that front, especially the old E models, as you have mentioned.

#### MCRS SEALIFT

Mr. DICKS. Right.

General McNABB. The roll-on/roll-off: What we found on the sealift side was our roll-on/roll-off vessels, we have 92 of them, and they were max utilized on two of the scenarios, which makes me think that we—I would like to have a little more reserve in that. So we will be working on the sealift side to see wherever we can get our hands on some additional roll-on/roll-off. We have been doing that already, and it is already paying big dividends. But it is both on our organic fleet, but it is also on our U.S.-flag fleet to try to incentivize them to pick those up if they can do that.

Joint High-Speed Vessel played very well. So, again, something that is in the program. We have 18 of those coming. But that Joint High-Speed Vessel, I think, will allow us some options where you can use one of these intermodal ports that you could take a large, medium-speed RO/RO ship into, one of our large ships, and then you could take it by air, if that is required, or you can take it by one of these Joint High-Speed Vessels. If you think about Haiti, that is where these kinds of things could really pay some big dividends.

The last part was, they talked about the infrastructure, that it isn't our structure at home, it isn't the en route structure; it is the infrastructure we are going into. One of the scenarios was a long, sustained—you know, in a place, not unlike Afghanistan and not unlike Haiti, where you don't have a lot of structure, we want to make sure that we have options to be able to use a number of different ways to get the stuff in.

I think that validated that. That is what we found in Afghanistan. And that is things like using that Joint High-Speed Vessel. To me, some of the work we are doing on airships, Unmanned Aerial Vehicles carrying cargo, and airdrop joint. Whether it is precision airdrop or low-altitude, low-cost, it is how do we make sure that our folks on the ground never have to worry that we will get them the stuff that they need and that we can get them in there.

And I think that that kind of validated where we are going. Again, you all have been absolutely superb in supporting this. And, today, I think our ability to go into Afghanistan, come out of Iraq, still take care of events like Haiti, speaks volumes to what you have done and the great support you have been.

#### AIRDROP

Mr. DICKS. What about—you mentioned airdrop, C-17. We don't do that off of the C-5, do we? Just the C-17?

General McNABB. No. C-17s and C-130s primarily in Afghanistan. And I would just say that that has paid big dividends.

And we go all the way from—we have some 130s doing some low-altitude, low-cost, which means they are coming in at about 150 feet at 150 knots, and it is very precise. They use disposable chutes. And the folks on the ground, you could do about 500 pounds. And it has worked really slick.

They were using some of those smaller CASA airplanes, Congressman, for that kind of thing, because it is tailored to that size of a load. But we now have some 130s, something General Johns jumped all over, of having some 130s test that, and it is working out great.

Our promise, again, is to the folks on the ground. If we can do it by airdrop so you don't have to put a convoy—you know, it is money. And so, a lot of success in there.

The joint precision airdrop is where you put a GPS receiver on there. But, again, more expensive. If we don't need it because of the threat, it is better to do the low-altitude, low-cost or our normal Contain Delivery System.

So, with that, I will see if General Johns wants to add anything on that.

General JOHNS. Sir, our mission is to get it to those who need it, when and how they need it.

Regarding the airdrop, we put these Soldiers and Marines out into these, forward operating bases the perimeter of the country. Sometimes for them to traverse, to get to a main operating base is hazardous—the weather, the threat. So if we can put these bundles right where they need them, when they need them, we have met their needs. And, to me, that is time-critical, sensitive movement.

For example, one night we had troops in contact, and their issue was the water had been contaminated. So the commander said, you have to get rid of your water. But, without water, they can't sustain the fight. So they called down and said, "We need an emergency airdrop." Within four hours, we had a C-17 crew, who was ready to go, takeoff with water to drop it within meters of the folks. And they said, "Well, let's hold off now because, to go out there at night—let's wait until sunrise." And we are able to do that.

And, if you think about it, another thing is that we are out in these villages and we have to be precise with this air delivery. If I miss and put a bundle through somebody's house, they are probably going to hate America and we are going to undermine what the Marines and the Army have done while they are there. So, not only do I want to protect our Soldiers and have it close so they don't have to be out and be exposed, I want to also make sure we support their mission, because they are trying to build trust and transparency to help those villages be successful and combat the enemy.

So it is a whole part of building partnerships; it is us delivering so that they never want; and us delivering in a way that we don't put them in threat. So that is kind of the focus—and so, the different means of doing it: with joint precision airdrop, with low-cost, low-altitude airdrop. We will do whatever it takes to make sure we deliver those capabilities to those Soldiers and Marines who count on us.

Mr. DICKS. Okay. That is good.  
Mr. Kingston.

C-5 RELIABILITY ENHANCEMENT RE-ENGINEERING PROGRAM

Mr. KINGSTON. Thank you, Mr. Chairman.

I wanted to ask about this Reliability Enhancement Re-engineering Program on the C-5s. And the question is, has that been ruled out for the C-5? Because I understand that there has been an increase in cost and scaling back the number of airplanes that are going to have it. And so, I was wondering how we are going to apply that. And does part of this review compare the cost of a C-5 versus a C-17? And where is that?

General McNABB. And I will let General Johns jump in here, and General Fullhart.

In general, when we did the Nunn-McCurdy and took a very hard look at the re-engining program of the C-5, what we came back to Congress with, the Department's position was we would re-engine the B models. Those are the airplanes that were pretty much built in the 1980s. But the A models would not pay for themselves, so the decision was made to forego re-engining the C-5As.

In the end, we are on track to have 52 C-5Ms, which is the re-engine. We have three that have been out there doing their initial test. And I would say that, from my standpoint, those airplanes are going to—you know, I just met with the company president, and I said I am still expecting to have the same kind of reliability we have on the C-17. So I can use it without ever worrying that I am going to close down a ramp.

Everything—cost, schedule, and meeting performance parameters—seem to be on track, at least that is what I understand. Again, I will defer that to General Johns and General Fullhart. But, again, right now the plan is to only do the B's, do not do the A's. But we would do the avionics modernization program on the A's.

But when we talk about being able to retire some airplanes, it will be the oldest ones of those that are the poorest performers. And we do have an ability now to—given the MCRS, I think we have an opportunity to smartly tailor that fleet.

Mr. KINGSTON. General Johns.

General JOHNS. Sir, the C-5M is the work. What we have done is taken the C-5B and we have redone the cockpit, the avionics, to make it compatible and get rid of the old analog system and put a digital system in.

In doing that, it also allows us access to the new airspace, because the new airspace is much more precise. And I can't wallow through it; I have to be precisely knowing where I am, because that gives me access to the higher altitudes and more fuel efficiency and I can traverse the globe in a more responsive way for the combatant commander.

We then take that Avionics Modernization Program (AMP) that avionics, and then we actually go and do about 70 other system upgrades. The major ones that we see are the engines, thrust reversers, and the environmental system. And we put those new engines on.

And what it does is it gets me the performance to get up to altitude. Because with the C-5 now, with the old engines, if I max gross weight, I am leveling off in the low 20s and I am driving that airplane very inefficiently. And if you think about all of our airliners, we are going up to the 30s and the 40s. So now, with these new engines, I can get up to the 30s and the 40s. I can climb at 58 percent faster than I can with the C-5B or A. I also have a fuel savings of about 8 to—I will say 12 but sometimes it is 20 percent. But, more importantly, I can go basically from Dover Air Force Base to Incirlik Air Base, Turkey with about a 120,000-pound load, where, before, I had to put down and basically refuel somewhere along the way.

So the range, the payload, the capability that the C-5M brings really gives me a lot of ability to deliver to the warfighter.

Now, I came back from Ramstein Air Base on the airplane, and yesterday I flew the C-5M for the first time, myself, and went up and did a pretty good profile. And I will tell you what, I was very impressed with the performance. Equally important, I am impressed with the aircrew, because they have taken these airplanes—some built in the 1960s, some some built in the 1980s—and with this C-5M, they have this new pride and passion that, “Sir, we are going to have better reliability, we are going to have better performance. Put us in the fight.” So all that I heard yesterday was, “Sir, we want to be part of the surge.” I only have three airplanes right now—

Mr. DICKS. How many of these are we going to do?

General JOHNS. Sir, we are going to do 52 of them. We are going to do the B models. And we have one A and then the two C's. And that is all I need to meet the warfighters' requirements.

And then with the other remaining C-5As, we have come to you and asked for support to retire 17 in fiscal year 2011, to start that process in a mature way so that I can always meet General McNabb's requirements and I make sure I am not having too much risk to do that. So I am very comfortable that we can start retiring the older A's at this point.

Mr. KINGSTON. Okay. I also wanted to ask, on the C-17, the Globemaster Sustainment Partnership expires this year, and you are looking at a new partnership program or a new maintenance-type program, which would include putting in an office at Warner Robins, as I understand it. It may already be open, I am not sure.

But how much money will that save? And will that do the trick over the life of the contract and the life of the plane?

General JOHNS. I am going to let General Fullhart go into some of the numbers. But, from my perspective right now, we have Boeing, who has total responsibility for the airplane. And through a business case analysis, we said, well, how do we go forward, induce competition? And we found out that our depot is capable of performing the work for the C-17. It brings it into the depot, so we have the organic capability as a nation. And what the business case showed is we can save \$9 billion to \$12 billion—and General Fullhart will correct me on the numbers—we can begin saving that money by bringing it into the depot.

Now, that is good. My position is, I can't affect the performance of the airplane. I need to deliver on the aircraft to meet the

warfighters' needs. So what have you done to ensure a safe transition? Well, Boeing is on contract to kind of shepherd this process for five years as we transition over to the depot, and then there are five one-year renewable contracts to continue if we need to do this as a teaming.

But at the end of the day—in fact, we just met yesterday with General Hoffman in the Air Force Materiel Command. And I said, what are the leading indicators that we need to be watching month by month so, the minute I see something not going right, we can put corrective action in? Because I can't come and disable that fleet during the transition.

I am comfortable and confident we have a good plan, but I want to make sure we are managing it very tightly so, if we go off course a little bit, we can correct rapidly.

#### ASSET SHARING

Mr. KINGSTON. Okay. And wanted to ask—it comes up every year—about managing your own inventory. You know, one of the things we all find out is that the National Guard is politically more active and more vocal than active duty. And we are glad that they are, and they should be. But, as you know, when you want to retire aircraft, because of that, they can work Congress very effectively.

How big of a problem is that? Is it the problem that it was 5 years ago? And do you feel like you can retire the aircraft you need to retire in order to have the money saved that we want you to save?

General MCNABB. And, again, I will let General Johns jump in.

My take is, on the mobility side, our ability to use the total force and share airplanes is really tremendous. In many cases, we find that we have to put a whole plan together so everybody knows all the moving parts. But those Guard and Reserve crews and maintainers is what is so important in all that.

The sharing of the iron is the one that we tend to spend a lot of time on to make sure that we get that right. And, quite rightly, they worry that, "Well, we have some great folks here, and we are a little worried that if this mission went away, we wouldn't get one back." Our job is to make sure that we show how we are taking full advantage of all of them. And I think we have done that.

And we have reduced—I was always thinking about the 267 C-141s and 180 C-130s that were replaced with the first 180 C-17s. And we did that in full coordination with the Guard and Reserve to say, "Here is how we are going to do this."

And this asset can do so much; we are going to share more of these assets. And something that General Johns and the Air Force has done is to look at better ways to share assets so that you get your crew ratio and maintainers, but you are sharing these very high-priced assets. And it has really paid some big dividends.

So we still have some homework to do, but I think that is how we have done it in the past.

So, General Johns.

General JOHNS. Sir, our Nation was founded on the militia. Our Nation was founded on the National Guard. That is what it is today. And we wouldn't be where we are without them. So it is a key part of who we are.

I couldn't do my mission without the Guard and Reserve with the active duty. I would like to say that the active duty should be sized so I can meet any steady state and that I use the Guard and Reserve for that surge capability. But, you know, right now, I am living in surge, and so I am constantly going to my Guard and Reserve brethren.

We try and maintain the active duty about a 1:2 dwell. And if they are gone 120 days, they are home for 240; then they are gone for 120 again. That crew that General McNabb talked about, that C-130 crew, I hugged a guy on his eleventh deployment, going back over to Afghanistan to do that low-altitude drop.

So, by the same token, for my Reserve and Guardsmen, we try to get a dwell of 1:5 for them, because they have jobs, they have families. And the first thing they give up when they come work for me is their family vacation, where they go to their employer and say, "Sir, I need to go support my Air Force and my Nation again." So I couldn't be more appreciative.

So one of the things I am worried about is, how do we balance? I want to make sure those active-duty airmen stay in and they don't have to vote with their families and say, I can't take anymore. So a 1:2 dwell is there. I have to worry about those Guardsmen and Reservists, a 1:5 dwell, because their employers are going, "Hey, Iraq is coming down; why are you guys still busy?" "Well, sir, we are doing Afghanistan." "But it is just 30,000 people." "No, sir, we are moving a lot of equipment in there, and they need me through August for sure for the surge." And then what is the new steady state?

So I am constantly doing this. So, as you look at the airplanes and where we retire from, our Guardsmen live with those airplanes. My active-duty folks every four years rotate. But at Stewart Air National Guard Base, for example, they know them well. And so, if we look at adjusting things, it is very personal to them, as it should be. So we are very open and transparent. When we ask to mobilize, I sat before General McNabb with my Guard and Reserve brethren with me, saying, "This is how we are doing it, "Total Force." We are very transparent.

I have to respect their concerns. But, at the end of the day, I have to come forward with the best plan to meet the warfighters' needs and make sure the Guardsmen, the Reservists are sustainable in their support and their commitment and that my active-duty folks are able to stay in our Air Force.

Mr. KINGSTON. So you don't have the frustration that maybe the Air Force had 3 to 4 years ago, in terms of controlling your own inventory?

General JOHNS. Sir, I wouldn't call it frustration; I call it the need to communicate and to share and be open.

And, at the end of the day, there are different perspectives.

And, yes, our Guardsmen have more access to the Congress.

And I respect that process, and I will continue to be open.

And, you know, I only want the best possible solution, and that is the most informed input.

Mr. KINGSTON. Thank you.

## MISSION CAPABLE RATE

Mr. DICKS. All right. Give me the mission-capable rate for the C-17 and the C-5.

General JOHNS. Yes, sir. My Mission Capable (MC) for the C-17 is 84 percent.

Mr. DICKS. And what about the C-5?

General JOHNS. The C-5, I am running between 45 and 50 for the C-5A. I am running about 60 percent for the C-5B.

Mr. DICKS. And we don't know enough about the M yet. What do you suspect?

General JOHNS. Yes, sir. They expect—well, the two statement says that two years after the initial operating capability, which is fiscal year 2015, they will have a 75 percent MC rate.

Operational Test Evaluation testing is complete. There are good indications. Having just flown it, I am very confident and comfortable that I will deliver on that capability. And we are going to run the aircraft really hard during the surge, the older ones, and just continue to work it.

## C-17 SUSTAINMENT COSTS

Mr. DICKS. How much per year is obligated for C-17 sustainment in operation and maintenance and in the Transportation Working Capital Fund? Do you know, or can you get it for the record?

General JOHNS. Sir, let us provide that for the record, if we may, precisely.

[The information follows:]

The Air Force Operations and Maintenance appropriation obligated the following amounts for C-17 contractor logistics support (CLS):

Fiscal Year 2007: \$235.6 million

Fiscal Year 2008: \$283.2 million

Fiscal Year 2009: \$330.3 million

The Transportation Working Capital Fund obligated the following amounts for C-17 CLS:

Fiscal Year 2007: \$757.4 million

Fiscal Year 2008: \$803.0 million

Fiscal Year 2009: \$831.2 million

Mr. DICKS. Okay.

Mr. Visclosky.

## MATERIAL HANDLING EQUIPMENT

Mr. VISCLOSKY. Thank you, Mr. Chairman.

General McNabb, on the issue of material-handling equipment, the Air Force apparently a year ago had funding concerns about the acquisition of material-handling equipment. There were two different loaders that were involved. What is the status of that program? And is there still a funding issue?

General McNABB. Let me give you, kind of, the overview.

We use the Tunner and the Halvorsen loaders. And, again, Congress has been very good about—the Tunner is our 60K, the Halvorsen is the 25K loader. They are able to do the high reach that allows them to offload a 747, for instance. And then we have the all-terrain loaders, the 10Ks.

And, at this time, I think we have all the Tunners and Halvorsens that we need, and now we are getting into the depot

maintenance kinds of things to make sure their service life can be extended.

We had a number of other types of loaders—these were the 40,000-pound loaders—that now are, kind of, excess. Now that we have our full complement of Tunner and Halvorsen, we are going to be able to excess some of those older loaders that weren't able to reach up and offload every type of airplane.

So I think that, right now, Congressman, we are in pretty good shape. Again, I will see if General Johns would like to provide a comment on that.

General JOHNS. I feel I can meet General McNabb's mission across the globe with them—318 Tunners, 443 Halvorsens, the smaller one. And right now, sir, we are in the process of a refurbishment. We have begun it on the Tunner. So how do we sustain them? So I will say we put them in the depot, go through them, refurbish them, and they come back out the other end, ready to go again.

So I have enough, and we have a sustainment process that allows me to continue them in good service.

Mr. VISCLOSKY. Is there anything else we can do as far as improving ground handling facilities and other infrastructure at your forward bases to make it more efficient?

General JOHNS. We have the mechanized material-handling systems. As you have been out to some of the Air Force bases—McChord, for example, Dover, McGuire, and Travis—where we have a lot of throughput, we have that big machine that will pull the pallets actually off the wall and get them ready to go out to the airplane. That is doing very well. It has really given us a lot of efficiency. And now we are actually putting some of those in our en-route.

Sir, with all the support you have given us, I think we are on track to do that and to continue to be very expeditious in getting those aircraft loaded. So I am very comfortable right now.

General MCNABB. Congressman, if I could mention, you have hit on exactly the thing that, as a TRANSCOM commander, I am always looking for, is: What are the kind of connectors, whether it is inter-air between a commercial to a military aircraft? We are doing that right now, taking 747-400s directly into airfields like Bagram and downloading those MATVs onto C-17s to take them into Bastion, you know, making sure we are taking full advantage of the small throughput at Bastion and using C-17s to do that.

In some cases, it is the 747-400s—we would have to pull the turret off it to load on a 747-400. It is much cheaper to use those to fly it all the way to Afghanistan. But it is those kinds of things that allow us to turn airplanes faster and do these inter-air or intermodal solutions faster. We win the race in the pits, we know that, and that is all about velocity. So you have it exactly right.

The Halvorsen and the Tunner loader—I will say that, when we first got our Tunner loader, I got those about the same times as the C-17s when I was the Tanker Airlift Control Center commander. I tail-number-managed both of them. Because, wherever they were, they were such a multiplier because they were so much faster. You can offload a C-17 using a Tunner loader in about 10 minutes, 18 pallets, because it is perfectly suited to do that.

So we now have enough of those, and we continue to look for ways that we can—it is like NASCAR; you win the race in the pits. And you just sit back and say, if we can speed that up, we win. And it is velocity.

So there are going to be some of these other ones that I think we are going to be able to come and—the problem is, they are kind of niche markets right now. And I kind of go, boy, if I had something that made that really easy to drive an MATV off a 747. Right now I use those K loaders to do it, and you can see what a difference it makes.

Mr. VISCLOSKY. One other generic question: The Department of Defense has proposed a joint future theater lift that would be used by the Army and Air Force to meet both service's missions, which I would compliment both services on. It was proposed this past year, the projected milestone A decision is in this year, milestone B is in 2014, and the first fielding would be 2024, which, by my math, is about 15 years.

Why is it—we fought and won World War II in 4 years. Seriously. Why does it take 15 years from the time you get an idea until you field? I mean, that is a half a generation.

General MCNABB. Right. Let me go first on that.

Mr. VISCLOSKY. I am thinking of just mission change, I think of cost, and I think of the—

General MCNABB. Here is how I think about this. And then, again, I will let General Johns and General Fullhart jump in, as well. I look at this as—right now it costs about 10 times as much to move a pound of cargo by air than it does by surface, about 10 times. And no surprise that about 10 percent of our stuff goes by air and about 90 percent goes by surface.

If we could get to something that allowed that to be 3:1 or 2:1, that difference, and some of the air shipped kinds of things that you think about, that would enable sea-basing. And right now we use vertical lift because we have to use that in Afghanistan, but vertical lift is pretty expensive still. So what is that next key enabler that will allow us to change that cost dynamic so that we make this whole thing more efficient?

There are a number of ideas that are out there: you know, tilt rotor, quad rotor, air ship, those kinds of things. And I think our big part is to get all of those in and then figure out which one is really kind of a game-changer and changes that equation. So that is how I see it.

A lot of the other things we will be doing kind of on a constant improvement basis, like we were talking about the loaders, but this is one that I think could have us jump a whole generation.

Mr. VISCLOSKY. How long would it take, with all of the trained people you have and the experience of fighting wars for 200 years and all of your experience in logistics and movement, to make the decision? And then it will still take 15 years—and not just this aircraft, but—

General JOHNS. Sir, on this particular one, we are looking, as the Army migrates to the new equipment, how quickly do they migrate to the new equipment? We are talking 20 to 30 tons. And then the question is, okay, we want to get it right into a small location. Do

we have to do that vertically? Extremely expensive. Is there a 1,500-foot runway, is there a 3,000-foot runway very close by?

So I think what we are doing right now with this analysis of alternatives, which is going through the process—and General Port is overseeing that—I am looking at meeting their needs on their timeline. I don't believe, at this point, that the Army is going to be fielding this new equipment so quickly that I am behind the time to meet their needs. I want them never to have to worry about getting their equipment where they want it, when they want it. So I want to make sure that our timeline to deliver is there for them. I think we are matched right now, by virtue of their development of this new equipment and their fielding of it.

And then this analysis of alternatives has to look at, what is the cost of putting it in vertically versus going to the nearest 1,500-foot runway and maybe putting it with something that has a wing? Or do we use the airship?

So, again, we are looking at all that right now, I think, to deliver the best solution. And I hope, at this point, I am on the Army's timeline to deliver it so I can meet their needs.

And then General Fullhart is working some of the details here in Washington, D.C. on that.

General FULLHART. Sir, the only thing I would add to that is in the relay race that is acquisitions right now, the baton is in the hands of the requirements generators. Because you have to understand what the concept operations are that will be used, again, as has already been mentioned; what equipment are we talking about; what environment threat, et cetera, should this be able to operate in.

Once those parameters are set, then the acquisition community can pick up the baton and say, what is the state of the art of the technology? Is this something that has to be newly developed, or is this something that exists that, with modification, can meet the need?

And so we are in the very early stages of this, but, as the analysis of alternatives takes more definition, I think we will be in a better position to know how long we are really talking about.

Mr. VISCLOSKY. Thank you.

Thank you, Mr. Chairman.

Mr. DICKS. Let me ask one here. Tell us about the presidential aircraft replacement, where that is.

General McNABB. We will let General Fullhart answer that.

General FULLHART. Sir, we have no formal requirement at this stage from the Administration. But what we are doing as a Department is, I think, good stewardship of looking at the existing fleet, how long we have had it, what are the modifications that are going to be necessary to sustain it, and then at what point is it appropriate to begin the kinds of activities for a recapitalization of that fleet.

In the near term, what we are doing are some, what I will call, risk-reduction studies. This is a generic way of saying, you know, where is the technology of large commercial air fleets today? What are the kinds of evolutionary changes that we would anticipate in the onboard equipment that are necessary to support the President in all his roles?

But we are nowhere near kicking off a formal acquisition program, at this stage.

Mr. DICKS. So this is just a study, at this point?

General FULLHART. At this point, we are gathering information to inform future judgments.

Mr. DICKS. Mr. Hinchey.

Mr. HINCHEY. Well, thank you, Mr. Chairman.

And thank you very much. This has been, of course, very interesting.

I just want to return briefly to the C-5As. My understanding is that the study that has been conducted recently shows that there is no real need for additional C-5s and that there is not going to be many, if any, re-engining of the C-5s.

General JOHNS. C-5A.

Mr. HINCHEY. C-5As, yes, right. So I am just wondering how many of these C-5s are going to be retired. What do you think is going to be happening with them in that regard?

General JOHNS. Sir, right now we have come and asked to retire 17 in fiscal year 2011 and 5 more in fiscal year 2012, so a total of 22. And that will allow me to meet General McNabb's warfighting needs.

And then what we are also doing is we are looking at the bed-down of the C-17s. We recently announced that the C-17 is going to Ohio, to Wright-Patterson Air Force Base, to the Reserve. And we are in the process of looking to bed down a C-17 unit in the Air National Guard, and we are going through the strategic basing process to do that. So that is how I am able to say, okay, we can retire some of those C-5s, because I am able to put C-17s in place.

And with the Air National Guard, the manpower is never—because the manpower remains organic to the unit, so it allows the free-up. So we are in that process. And I think you have been in dialogue with the Chief and the Secretary on that.

#### AIRLIFT MIX

Mr. HINCHEY. Yes. So it is basically a ratio of one retired and then a C-17 coming in, basically one for one, something like that?

General JOHNS. Sir, I don't want to tie it to that. At the end of the day, it is what is the right mix that I can go forward to General McNabb and say that I have enough strategic airlift. Because, again, the range on the Mobility Capabilities and Requirements Study-16 (MCRS) was 299 to 304 tails to achieve 32.7 million ton miles per day. And I want to look at that in a way that we allow sufficient capability, that I am never wondering about where my next aircraft is coming from to meet the mission. And I think we have that about right now.

General MCNABB. And I think it is really to take advantage of those great crews and maintainers and facilities. And, again, that has been built for about 300 large airplanes. When you think about Guard and Reserve active duty, all the work that has done been, you know, that is about what we can handle without having additional airplanes that are sitting around the ramp.

Mr. HINCHEY. So, as that occurs, do we know what the impact is going to be on the personnel that is going to be involved in this, the resource allocations, how they are going to be organized?

General MCNABB. That is strategic basing you know, they are going through all of those things to make sure that they have that all right. And that is why they take a long time on it, to make sure that they work with the Guard and Reserve and the bases affected and say, okay, are we mixing and matching right, and, at the end of this, are we fully utilizing the newer resources that we are giving you in the right way?

There is a much higher crew ratio on the C-17, for instance, than on a C-5. So even though the manpower for a C-5 per aircraft is higher, I will just say the C-17, when you put the whole crew ratio on, the number of crews you actually need is more on a C-17 than a C-5 because you use them more.

Mr. HINCHEY. Yeah. Well, thanks very much.

Mr. DICKS. Let's go to the—you mentioned this in your statement—the C-27J. Tell us about where we are in this. Why was this cut back to 38? Do you agree with Mr. Gates's position that we can take care of the rest with C-130s? Tell us about this.

General MCNABB. Again, Mr. Chairman, I will start and then see if General Johns wants to jump in.

I got to be in part of that discussion. And it was, as we were looking at a number of different options as part of the last budget, here are some things that we think we could tailor a little better given what we have learned in Iraq and Afghanistan, but also given that we do have some excess capacity in the 130 fleet.

It is that direct support mission which I think has just proved how important that is, is that is that marriage with the folks on the ground. You have seen that, you know, between McChord and Fort Lewis in the way that, if we start doing airdrop together, it just ends up being the trust grows. And we are finding that is really successful in Afghanistan and Iraq. Lots of work being done on that.

From my standpoint, I think that the C-27 fills a very good niche. In other words, there are places where you have small types of packages to immediately resupply units, and it allows us to, if we have the C-27, be more efficient with the 130s. If we are more efficient with the 130s, we can be more efficient with the C-17s. It allows us to have a mix of options that come together. My part is—

Mr. DICKS. What kind of capacity—I mean, how much can this handle, cargo-wise?

General MCNABB. It basically is about half the capacity of a C-130. And so, that is where it comes into. It is a two-engine. The front end looks very similar, in other words, the flight deck, if you went up on there, you would say, "Boy, this looks a lot like a 130." But it is two engines. So it is a smaller platform, so it is a little—you know, as you talk about operations & maintenance over a lifecycle, you actually save a little money.

But, again, I think it allows us to have a mix of options. In many cases, it is those CASAs that we were talking about, Congressman, that carry those small 500-pound loads; that you don't need to have a whole 130 go out there. We could do it with a smaller airplane.

Tails sometimes are important, but sometimes your overall capability is—the 130 and the C-27s are very complementary. So that would be my take on it.

And, General Johns, if there is anything you might add?

General JOHNS. Sir, we are getting it for the direct support mission. We didn't have it available when we did the experiment, the test. October through December, we had two C-130s go from Mansfield, and they went over to Speicher Contingency Operating Base in Iraq. And we basically put those aircraft under the command of the Combat Aviation Brigade (CAB), the aviation commander.

I went up and visited them, both at Mansfield and at Speicher Contingency Operating Base, and the test was magnificent. The commander was able to deliver, very rapidly, parts across his 250-mile swath of where he was worried about helicopters. And here is how it went.

General JOHNS. He had these two C-130s there he could fly on demand. And it worked very well for command and control. And that was excellent. And then in turn, he was flying his helicopters to make sure my C-130 stayed repaired. The C-130s would then take the helicopter parts all across in getting his helicopters flying again. And it worked very, very well. We have three C-27s right now. We are going to be growing to the 38. I think we can do the mission.

I flew the C-27 about a month ago and I think it is really going to deliver the capabilities that we need. And 38 is a good number at this point.

Mr. DICKS. Thirty-eight is enough. You know these need—what was it, 76 or—

General JOHNS. Seventy-eight. We will augment the rest with the—

#### LAIRCM

Mr. DICKS. Tell us about the large aircraft infrared countermeasures, LAIRCM, tell us a little bit about that.

General MCNABB. It is part of the defensive system suites. Again, not only have we programmed a number of assets to do that, but actually you have helped us in the Overseas Contingency Operations. This is what has allowed us to operate our 130s and C-17s and now some of our VIP Special Air Mission airplanes by putting that on there. If you couple it with the tactics, techniques and procedures that you have seen our crews do, what you have is we can get people in, in what I think is a much more safe way.

So right now, for instance, we will take our passengers into Manas, load them on C-17s and 130s and then bring them down. And you have been part of that with the random approaches, night-vision goggles, whatever it is.

But it is those defensive systems that allow us in to operate and make sure that we can always, always get in. That constant work on that has really paid some dividends for us. And the number of assets that we have with LAIRCM, again coupled with the tactics, techniques and procedures, has really allowed us to operate in Afghanistan and Iraq the way we have and really allowed us to make sure we are not putting our great troops in harm's way unnecessarily. General Johns.

General JOHNS. Sir, new guy. It is my body armor for the aircraft that carry our Airmen. And with that I can sleep a little bit better

at night because I know I am giving everything we can to protect them.

Mr. DICKS. Okay.

General FULLHART. If I might just add to that briefly, we have had tremendous support from this committee for this program. The Fiscal Year 2011 funds that we are requesting support the C-17, C-5, C-130s, C-40s, C-37 and C-20s. So this continues to be a very important program and we appreciate your support.

#### CIVIL RESERVE AIR FLEET

Mr. DICKS. Back to CRAF again. What is the current and expected capacity of the Civil Reserve Air Fleet?

General MCNABB. Sir, right now we have—we require 120 aircraft total in our Stage III when we do our full call-up on the cargo side and 136 on the passenger side. We have done very well on both cargo and passengers. In the international long-range CRAF segment, we have 235 cargo airplanes committed by our U.S. carriers and 312 on the PAX side. That oversubscription, we kind of look at it as that is kind of our ace in the hole, if you will, that allows us to deal with the kinds of things like the surge, and they can handle it very easily because they kind of share it all. The good part about the Civil Reserve Air Fleet is that we do the procedures, we make sure the standards are the same and they can flow into our system.

So when you hear 900 sorties a day coming out of Air Mobility Command, about 200 to 300 of those are commercial. And it is these folks that are flying these missions. What they do is they do it on a normal contracting, and this becomes our activated CRAF, which makes up a huge part of my wartime capability.

Ninety percent of the folks during war will move by passenger airplanes, commercial passenger airplanes, and about 30% of our cargo. And that is what we have in the war plans.

Mr. DICKS. All right. Well, I think this has been a very good hearing and thank you.

The committee will adjourn until 4:30 p.m., March 23rd, at which time the committee will hold a hearing on the posture of the U.S. Army. Thank you very much.

TUESDAY, MARCH 23, 2010.

## **ARMY POSTURE**

### **WITNESSES**

**HON. JOHN M. McHUGH, SECRETARY OF THE ARMY**

**GENERAL GEORGE W. CASEY, CHIEF OF STAFF, UNITED STATES ARMY**

### **OPENING REMARKS OF CHAIRMAN DICKS**

Mr. DICKS [presiding]. The Committee will be in order. This afternoon the Committee will hold a hearing on the posture of the United States Army. We will discuss personnel matters, current operations and readiness, research and development, and procurement. We are pleased to welcome our distinguished witnesses, the Honorable John M. McHugh, Secretary of the Army, and General George W. Casey, Jr., Chief of Staff of the Army.

Mr. Secretary, I believe this is your first appearance before the Defense Subcommittee as Secretary of the Army. However, you are no stranger to the House of Representatives having represented the people of New York's 23rd and 24th districts from 1993 until assuming your present position. You served also on the Oversight and Government Reform Committees and the House Permanent Select Committee on Intelligence. You are highly respected in the area of military affairs and we are pleased you were able to be with us today to discuss the Army budget request for fiscal year 2011.

General Casey, welcome back. You are a veteran of these budget hearings. We appreciate the expertise and perspective you bring to these proceedings, based on your many years of military service, including top level command and staff assignments in the Pentagon and Iraq. Mr. Secretary and General Casey, we salute you and the men and women, the soldiers who are the United States Army. The Army has carried a heavy burden and has done so with great skill, courage and dedication to duty. Combat tours have been extended, time at home has been short. Many said the Army would be broken, but the Army, I think, stands strong. The Army has answered every call to duty in Iraq, in Afghanistan, in Haiti and in many other places. But the frequent deployments there have been tough on soldiers and their families.

### **SUICIDE**

General Casey, as you noted during your recent visit to Schofield Barracks in January of this year, more soldiers, 27 appeared to have committed suicide, than were killed in combat in Iraq and Afghanistan combined. The number of suicides is high. Despite the best efforts of the chain of command to use every available tool to prevent suicide, the pace of events and the level of commitment to

the Army is high and it is expected to remain high in the near term.

#### BUDGET REQUEST SUMMARY

The Army continues operations in Iraq and Afghanistan and concurrently resets soldiers, families and equipment to be ready for the next challenge. The President's budget request includes \$3.2 billion for brigade combat team modernization, beginning with the Early Brigade Combat Team modernization effort. We will want to discuss these upgrades, including FCS spinouts, such as the Small Unmanned Aerial Vehicle and the Non Line of Sight Launch System. Based on recent combat experience, the Army has funded in the budget request an additional combat aviation brigade. The new brigade makes 12 Army combat aviation brigades and it will enter the force structure in fiscal year 2011.

The Committee understands that the Army plans to add the 13th combat aviation brigade in 2015. The Committee will want to discuss the requirements and the personnel and equipment resources requested in the budget. To better balance its capabilities, the Army proposes to convert a heavy brigade combat team to a Stryker Brigade combat team by fiscal year 2013. The Committee will want to understand the personnel and equipment needed for this initiative, as well as the proposed funding.

Additionally, the Committee will want an update on the Army's plan for use of \$150 million added by Congress in the fiscal year 2010 Defense Appropriations Act for procurement of additional Strykers. Unmanned aerial vehicles are employed far more frequently in the intelligence surveillance and reconnaissance mission, as well as the attack mission. The Committee will want to discuss current requirements for UAVs and expanding the UAV mission set, as well as the resources requested for UAV acquisition and operation.

#### PACIFIC THEATER

The readiness of U.S. Army forces in South Korea to assist in the defense of the country will be discussed. Training, equipment readiness and equipment modernization are topics of interest. The Committee is aware that U.S. forces on the Korean Peninsula are relocating to the south. This is a complex operation. Adding to the complexity is the tour normalization policy which implements in Korea 3-year accompanied tour policy to replace the 1-year unaccompanied tour.

The Army has had a patriot air defense battalion based on the island of Okinawa since 2006. The Committee is interested in the equipping, training and readiness of that battalion to assist in the reinforcement and defense of South Korea while maintaining awareness of events in and around Taiwan. Contracts for procurement and support are more frequently negotiated on a fixed price basis through full and open competition with the acquisition effort accompanied by an expanding cadre of qualified Federal acquisition corps professionals. The Army's progress in hiring, training and certifying an expanded acquisition corps is also an area of interest. Other topics that are likely to be raised in the question-and-answer session include armed reconnaissance, helicopter, import car buy-

ing, paladin, integrated management, self-propelled Howitzer and tactical wheeled vehicles.

Mr. Secretary and General Casey, we have a full plate. But before we proceed with your statement, I would like to ask the distinguished ranking member, Mr. Young, for any comments. Mr. Young, formally chairman and who has been under the weather a little bit and we are glad to see him back and looking healthy.

#### REMARKS OF MR. YOUNG

Mr. YOUNG. Mr. Chairman, thank you very much. And believe me, it is good to be back. And I do want to extend a very warm welcome to Secretary McHugh and General Casey, two outstanding leaders leading a tremendous Army. We have asked a lot of our Army and they deserve our consideration for whatever their needs might be. It is up to us to make sure that the necessary—what is necessary for adequate training is made available, for the weapons to do the job and the transportation to get there and whatever it takes to protect our forces while they are there during the fight.

And I know the leadership of both of these fine gentlemen, agree with that and we have talked many times about what it is we have to do to make sure that happens. So, Mr. Secretary, General, thank you very much for being here today and thank you for the good job you do leading our Army. We look forward to your testimony.

Mr. DICKS [presiding]. You may proceed as you wish and we will put your entire statement in the record without objection.

#### SUMMARY STATEMENT OF SECRETARY MCHUGH

Mr. MCHUGH. Thank you, Mr. Chairman. First of all, I appreciate, Mr. Chairman, yours and the distinguished ranking member's kind comments. Given the considerations on time, I want to make a few brief opening comments. But with your forbearance, I would especially like to add my words of condolences and sadness over the loss of former chairman Jack Murtha. For all of us in this room, I had the honor and the opportunity of serving with him for all of my 17 years. He was a great friend of men and women in uniform, certainly the Army, but a great friend on a personal level. And I had an opportunity go with many of you and, of course, the chief to his services both in Pennsylvania and here. And he will be sorely missed.

Having said that, Mr. Chairman, again, if I may be so bold, I think the decision to nominate you to his Chair was absolutely a magnificent one. In your case too, you and I worked together on any number of issues. And I know that you will pick up this mantle ably and fill some pretty considerable footsteps. So my congratulations.

Mr. DICKS. We appreciate your comments about Chairman Murtha and we feel exactly the way you do. And we appreciate your leadership and the ability to work with you on these issues.

Mr. MCHUGH. Thank you, Mr. Chairman. Let me just briefly say with respect to the reason we are here today. This will not be a shock to any, but I think it is important to know. After nearly 9 years of warfare, your Army is tired. It is stressed, it is feeling the effects of multiple deployments. Too many times in the theater and

too little time back at home to recoup and to recover. We are making progress and trying to do the best in the way ahead to address some of those challenges. But they do continue. Having said that, I think you should be aware that in spite of those challenges, this Army remains resilient, it remains determined, and it is extraordinarily effective.

As I know, Mr. Chairman, you and others have recently returned from theater. And largely to the resources that this subcommittee and ultimately Committee in the House has helped provide, this Army has more experience, more education, more training and more lethal capabilities than ever before. But it is an unbalanced force. And in order to take steps to correct that, we have to continue the progress that has been made and we think this budget takes us and keeps us in the right direction to restore balance, to take care of soldiers and their families. Of course our equally important citizen cadre to make sure we are providing for our wounded warriors to affect the policies of reset and modernization that are so critical in helping us to face successfully the enemies today and the enemies yet unknown of tomorrow.

If you look at all of the vital programs associated with those initiative soldier health and family programs are fully funded: \$42 million for the comprehensive soldier fitness, a program that my predecessor and General Casey were instrumental in putting into place; \$9.6 billion in MILCON to create across 114 individual projects; better access and better quality to health care; \$28 million for the SHARP program; and \$55 million for suicide prevention, for more clinics to more behavior health specialists, and more of those things that this Army and its family needs, I think this budget takes us, as I said, in the right direction.

Similarly in wounded warrior programs, here too, \$900 million to continue to operate the 29 WTUs and—based in our facilities, camps, posts and stations and nine community-based facilities; \$1.2 billion in MILCON to create nine community-based complexes providing a triad of care, making sure that every wounded warrior has someone that he or she can talk to about the way ahead in their medical care. And including, of course, as I mentioned, modernization, that I know we will get a chance to talk about more.

This budget is a good budget in increasingly challenging times. And while no budget I would argue is ever perfect, we think from the Army perspective it reaches the appropriate balance and we look forward to working with this Committee, the subcommittee and its challenges ahead to ensure that as all of us wish so very much to see happen our great Army, soldiers, civilians and their families are provided for in these very challenging times.

So with that, Mr. Chairman, I yield back and look forward to your questions.

Mr. DICKS. Well, thank you very much. We just—a number of us on the Committee just got back from a trip to Afghanistan and Pakistan. And I guess I would ask General Casey if you would give us kind of an update on how you think things are going in Afghanistan, the so-called surge in Afghanistan.

General CASEY. Sure. I will do that. I would like to just—

Mr. DICKS. If you want to make a statement too.

General CASEY. I do.

Mr. DICKS. Go head. I am sorry.

General CASEY. That is okay. I will just add that to the end of it.

Mr. DICKS. Add that to the end. Thank you.

[The statement of Secretary McHugh follows:]



**Statement for the Record  
by  
Secretary of the Army  
John M. McHugh  
House Appropriations Subcommittee on Defense  
March 23, 2010**

Thank you, Chairman Dicks, Ranking Member Bill Young and distinguished members of the House Appropriations Subcommittee on Defense. It is a privilege to appear before you today on behalf of America's Army. But this afternoon, I do so with a heavy heart as I share the Committee's sadness at the passing of a great friend and former colleague, John Murtha.

Although most will remember Congressman Murtha for his public service – first in the Marine Corps and then in Congress – I will remember him as someone who cared deeply for our men and women in uniform.

When I was a newly elected member of Congress, Jack set aside partisan politics and asked me to join him in a visit to Fort Drum and the men and women of the 10th Mountain Division.

That was the kind of leader – the kind of patriot – he was. His unwavering devotion to our men and women in uniform strengthened our nation and will be his legacy.

I am grateful for the example he set, always putting the interests of the military ahead of his own and never losing sight of the individual service member for whom he felt a deep sense of gratitude. I know all of us here this afternoon feel his loss.

Almost eight months ago, I appeared before the Senate Armed Services Committee as President Obama's nominee for our country's 21<sup>st</sup> Secretary of the Army. At that time, I assured the committee of my dedication and commitment to support our men and women in uniform, Army Civilians and the great Families who stand with them. And I pledged to work personally with Senators and House Members from both sides of the aisle on behalf of America's greatest.

Now six months into the job, I appear before you, the Members of this distinguished subcommittee, reaffirming that vital commitment – but doing so with an even greater appreciation of the men and women within the Army ranks and for the vital role they play in support of our Nation's defense. We have 1.1 million Soldiers, 279,500 Civilians and their Families proudly serving in nearly 80 countries around the world. They continue to be at the forefront in ongoing counterinsurgency operations against our enemies, assisting other nations to build their own security capacity, supporting homeland defense, deterring and defeating hybrid threats and hostile state actors and, as we have witnessed so proudly in Haiti, providing lifesaving humanitarian assistance in response to natural disasters.

To state the obvious, each of you is key to the success of these vital missions in your capacity as our Congressional overseers. I know full well from my own nearly 17 years in the House of Representatives that a strategic partnership with Congress is essential to the Army's success. Without exception, you have partnered with us to ensure that our Soldiers, Civilians and Family Members receive the very best in training, equipment, health care and vital family programs. On behalf of a grateful Army, thank you for your leadership and unwavering support.

This morning, I want to share my priorities and perspectives on where the Army is today... and where it is heading in FY11. Admittedly, over the last several months, I have been on a "crash course" – studying our programs, visiting installations in the United States and overseas, examining units in all stages of ARFORGEN and talking with our Soldiers, Civilians and Family Members all across the force.

Through this process, I have been both impressed and challenged by what I have observed and discovered.

First, I've found an Army that – while clearly fatigued by nearly nine years of combat – remains resilient, determined and extraordinarily effective. Our Soldiers have more expertise, more education and training and more lethal capabilities than ever before. And, due to advancements in equipment, training and doctrine, are more likely than ever before to return safely to their loved ones and a grateful nation.

In spite of these significant gains, the stress on our personnel and their Families is all too real. For all our efforts, we remain out of balance. As I know all of you clearly understand, the All-Volunteer Force is a national treasure. If we wish to sustain it, supporting critical family and quality of life programs for our Soldiers and Families must be a top priority. Let me assure you, for us in the Army, it is.

The proposed 2011 budget rightly focuses on those initiatives that support our Soldiers, Families and Civilians. The submission requests \$1.7 billion in FY 2011 to standardize and fund those vital family programs and services. We are attempting to aggressively address the cause of stress on individuals resulting from the effects of multiple deployments – including the essential effort to increase dwell time. As you know, with continuing deployments in multiple theaters, this has been no easy task, but it is an objective we must – we will – continue to pursue with all our ability.

I also want to assure you in the strongest terms, the Army is committed to our amazing Wounded Warriors and those critical programs that support them. We fully believe it is our solemn obligation to provide world-class care and transition services to those heroes – our wounded, ill and injured – through properly led and resourced Warrior Transition Units. Your Army is committed to ensuring that the quality of life for those who serve or who have served, is commensurate with the quality of their service.

On the subject of family programs, I have heard from many in the Congress about reductions in the Base Operation Support (BOS) budgets at installations around the country. Earlier last month, General Casey and I announced the Army's plan to increase BOS funding by \$500 million in FY 2010. The Army's Installation Management Command continues to work with each post, camp and station to guarantee essential base operating support needs are met. The Army will also conduct a comprehensive mid-year review of all BOS accounts to ensure adequate funding is maintained to meet Army priorities through the remainder of the fiscal year. I want to make it clear that as our installations look for ways to operate more efficiently, family programs will be sacrosanct – they will not be touched.

That is not to say we won't ask – Is this program working? Is this money well spent? Are there better ways to provide the necessary care?

Where change is required – we'll change things. Where money is better redirected, we'll so direct it. But through all of that, Army Families must not... Army Families WILL not... be left behind.

Second, I found an Army with equipment, systems, and networks in need of reset while simultaneously requiring significant modernization to ensure our Soldiers maintain a decisive advantage on the battlefield today, as well as superiority over the threats we may well face tomorrow. Nowhere is this challenge more evident than in the continuous efforts over the last eight years to repair, replace and recapitalize equipment affected by the harsh environment of war. As the responsible drawdown in Iraq continues and the flow of forces and equipment to Afghanistan grows, we will confront this reality anew.

In addition, we must strive to modernize efficiently in an era of growing fiscal challenges. As such, with this year's budget, the Army is embracing what I believe is an affordable, yet effective modernization strategy designed to revamp our vehicle, network, aviation and logistical systems. We have requested \$31.7 billion for research, development and acquisition, which includes \$3.2 billion for Brigade Combat Team modernization, \$1.29 billion to fund tactical wheeled vehicle modernization, \$2.74 billion to fund Army network systems and \$6.41

billion to fund aviation modernization. Fully funding these programs is vital to our Soldiers' welfare this year and beyond.

Third, I found an Army acquisition system that, while improving, still lacks the workforce and flexibility needed to efficiently and affordably purchase the right weapons, services and equipment for our Soldiers. Here too, the proposed budget will help us better meet our continued commitment to growing the Army's acquisition workforce by thousands of positions over the next few years – thereby ensuring that we have the best available equipment for our Soldiers while being responsible stewards of taxpayer dollars.

But, I would tell you, workforce improvements are not enough to fix our procurement system. The entire process must be retooled... and in that way, we must more fully adopt an *agile* system that rapidly develops, purchases and fields innovative solutions. This approach will require more streamlined procedures and flexible rules...and for that, we need your help.

In 2009, Congress significantly reformed how the Department of Defense purchases major weapons systems. And, for that, let me highlight our appreciation of Congressional leadership in this area. Now, it's time to address how we purchase services. On that front, we look forward to partnering with you to better develop a system that achieves that critical objective.

In the end I would tell you, we have an Army that is strong in spirit, strong in ability and strong in results. We need to recognize too, that this is an Army

that, after 8 years of uninterrupted war, is tired, stressed and too often burdened by inefficient bureaucracy. This must change. And with your help, we will make those changes.

Let me close by highlighting again my deep appreciation for our men and women in uniform, the Civilians and the Families who support them, and by so doing, support this nation. Every day, I am humbled by their dedication and service to our Army and Nation. I am so blessed to have the chance every morning to walk in a building where the word "hero" truly means something.

All of you on this great subcommittee are part of that grand formula for freedom. Your efforts and support ensure that our Soldiers, Civilians and Army Families receive the critical resources they need. We cannot do it without you. Thank you – I deeply appreciate this opportunity to appear before you today and look forward to your questions.

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## SUMMARY STATEMENT OF GENERAL CASEY

General CASEY. Like the Secretary, I will give you my full statement for the record. I would just like to highlight a few things. I would like to give you an update on where we are in getting back in balance. And then I would like to talk to you about three priorities for us in this budget that I hope are also priorities for the Committee and those three are sustaining our soldiers and our families, reset and modernization. And one of the most significant things about this budget is, as you will see in there now, the transition of our brigade combat team modernization away from future combat systems program into a new program and I will talk about that briefly.

First of all, the update. I have been saying since 2007, to the Committee, that the Army was out of balance, that we were so weighed down by our current commitments that we couldn't do the things that we knew we needed to do to sustain our soldiers and families for the long haul and to prepare to do other things. And we, with the help of the Committee, put ourselves on a plan back in 2007 to get back in balance by 2011. It is hard to believe that was 3 years ago. And I want to report to you on the progress that we made there.

## GROWING THE ARMY

And I want to tell you that this 2011 budget provides the resources that with the Iraq drawdown that provides us the time to put us back in balance here as we suggested we could do in 2011. And let me just talk to you about six key areas and give you an update about what that means. First of all, growth, you recall in 2010, President Bush directed us to increase the size of the Army by 74,000. Originally, that growth was to be completed by 2012. With the help of the Committee and the Secretary of Defense, we moved that to 2010. And we actually finished that growth last summer. That was a huge assistance here that enabled us to meet the increased demand in Afghanistan without having to increase time on the ground to 15 months and without having to reinstitute stop loss.

So the growth has been a very big help to us. Now, you will know that even as we finished that growth, it was clear to us that we were still having difficulty manning units because we had about 10,000 soldiers already deployed on transition teams or manning headquarters. We had another 10,000 soldiers in warrior transition units or manning warrior transition units and we had another 10,000 that were temporarily non-deployable.

So Secretary Gates authorized us to increase the size of the Army by another 22,000. And we are in the process of it growing to 15,000 of that 22,000 this year. And we will make a decision in the coming months whether or not we actually need the full 22,000. So our growth has been a big success story and a big help.

## TIME AT HOME

Second, dwell, the time that the soldiers spend at home. I am increasingly convinced that the most important thing we can do to get ourselves back in balance is to increase the time the soldiers

spend at home. And it is not just so they can spend more time with their families. That is important. But it is so they can recover themselves. We just completed a study that told us what we intuitively have known, that it takes 2 to 3 years to recover from a 1-year combat deployment. That is the reality of it. And we have been for 5 years, we have been about 1 year out, 1 year back. So what that says is the soldiers aren't fully recovering and the effects are cumulative.

With the growth that I talked about, we are able to meet—almost meet our dwell goals that we set in 2007: 1 year out, 2 years back for the active force; 1 year out, 4 years back for the Guard and Reserve. Even with the Afghan plus-up, our portion of that plus-up is about 22,000. We get 70 percent of the active force there and we get 80 percent of the Guard and Reserve there in 2011.

#### MODULARITY

Third, modularity. Some of you will remember in 2004, we began the conversion of our division based Army to modular brigades that were much more tailorable to meet differing circumstances. That involved the conversion of all 300 brigades, 300-plus brigades in the Army. We are 90 percent done with that. And that—and the brigades are making—are demonstrating their effectiveness in Iraq and Afghanistan every day. The other element of our organizational transformation is rebalancing. We have moved about 150,000 soldiers away from Cold War skills into skills more relevant for today.

#### TRANSFORMATION

For example we stood down about 200 tank companies, artillery batteries, air defense batteries and we stood up a corresponding number of civil affairs, psychological operations, special forces, military police. Taken together, modularity and rebalancing, it is the largest organizational transformation of the Army since World War II, and we have done it while we have been sending 150,000 soldiers over and back. We couldn't have done that without the help and support of the Committee. The fifth element of this is we are putting the whole Army on a rotational model, much like the Navy and the Marine Corps have been on for years. We have to do that so we can continue to meet these demands and do it at a tempo that is sustainable for the All-Volunteer Force. We will be well on our way to doing that by 2011.

And lastly, restationing. 2011—and this budget contains about \$1 billion to finish up the 2005 BRAC. And that affects and has affected about 380,000 soldiers, families and civilians all across the Army. And that was a lot of additional activity, but the plus side for us was that the facilities on our installations have—and the quality of those facilities have gone up substantially.

So bottom-line, after 3 years working with you to get back in balance, we made great progress. We are not out of the woods yet, but I can see us where we need to get in 2011 and this budget provides the resources to do it. I would like to conclude then just with the few words on those three priorities that I mentioned. First of all, sustaining our people. Our soldiers and families are the heart and soul of the organization. And we set out 3 years ago to double the

amount of resources we are putting towards soldiers and family programs. We have sustained that in this budget. This budget contains money for housing, barracks, child care, youth facilities, war transition units and survivor outreach services. We are very, very keen to continue the efforts that we made early on.

#### RESET

Second, reset. There is almost \$11 billion in this budget to reset equipment coming out of Iraq and Afghanistan. People may miss the fact that we are maintaining high operational ready rates in Iraq and Afghanistan and have over the last 8½ years is in large part due to the investment in the reset. And reset is critical, not only to sustaining ourselves in Iraq and Afghanistan but to the long-term health of the force. And finally, modernization. As I mentioned, this budget marks the transition from the future combat systems program to a brigade combat team modernization strategy for the entire Army. We believe that we have crafted an achievable and affordable modernization strategy to modernize our brigade combat teams it has got 4 key elements and I can talk about it in more depth as we go along.

#### MODERNIZATION

First, we intend to incrementally modernize the network so that we can take advantage of advancements in information technology and upgrade the systems as we go forward. Second, we intend to incrementally modernize the brigades by fielding capability packages. And some of you will remember what we called spinouts, the intelligence and surveillance devices that we were developing to go with the vehicles of the future combat system. We intend to field those in different packages again so we can take advantages of technology. Third, we are incorporating MRAPs into the force, both for our infantry brigade combat teams and to the explosive ordnance disposal units that require these vehicles on a regular basis.

And lastly, we are building a new ground combat vehicle. And this will be an infantry fighting vehicle it will be the first vehicle designed from the ground up to operate in an IED environment. And this budget contains the money to begin that process. So those are the three priorities that I wanted to share with you. And I will close, Mr. Chairman, with my expression of the pride that the Secretary and I feel in the Army and I know that you share. And I will tell you that we do stand strong. Thank you very much.

[The joint statement of Secretary McHugh and General Casey follows:]

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RECORD VERSION

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH  
SECRETARY OF THE ARMY

AND

GENERAL GEORGE W. CASEY JR.  
CHIEF OF STAFF  
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS  
SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 111<sup>TH</sup> CONGRESS  
ON THE POSTURE OF THE UNITED STATES ARMY

MARCH 23, 2010

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES

**STATEMENT BY  
THE HONORABLE JOHN M. MCHUGH  
SECRETARY OF THE ARMY  
AND  
GENERAL GEORGE W. CASEY JR.  
CHIEF OF STAFF  
UNITED STATES ARMY**

**Introduction**

America's Army continues to answer the Nation's call, as it has since it was established nearly 235 years ago. Today our Army is fighting two wars, assisting other nations as they build their own security capacity, supporting civil authorities at home, helping the people of Haiti rebuild after a devastating earthquake, and preparing to deter and defeat new threats. The Army's Soldiers, Civilians, and Families faithfully shoulder the load that our Nation asks of them. With the support of the Congress, we are on track with our four-year plan to put the Army back in balance.

Though their sacrifices can never be fully repaid, the Nation continues to recognize and honor our Soldiers and their Families by supporting them before, during, and following deployments. Our Soldiers rely upon the best training and equipment that our Nation can provide to accomplish their mission. Yet even with this continued support, the demands of eight years of war weigh heavily on our Army. The strain of multiple deployments is evident on Soldiers and their Families. Equipment is used at a pace that seriously challenges our maintenance and replacement capabilities and resources. The stress is present in our institutions as we change 20th-century systems and processes to meet the demands of the 21st century.

Our Nation faces the difficult challenge of balancing when, where, and how to engage in a dynamic and uncertain world while meeting important priorities at home. However, when the security of our citizens or allies is threatened, the Nation can depend on **America's Army – the Strength of the Nation.**

### **Strategic Context**

The United States faces a complex strategic landscape with an array of diverse security challenges. We are fighting wars in Iraq and Afghanistan while preparing for future challenges to our national security. For the foreseeable future, violent extremist movements such as Al Qaeda and other terrorist organizations comprise the most immediate threats. Current global economic conditions, changes in demographics, cultural pressures associated with globalization, and competition for scarce resources exacerbate the uncertainty and volatility of the strategic environment. Within this setting, the American Soldier stands as our Nation's most visible and enduring symbol of commitment in an era of persistent conflict.

### **Persistent Conflict**

For the near future, persistent conflict – protracted confrontation among state, non-state, and individual actors that are increasingly willing to use violence to achieve their political and ideological ends – will characterize the global security environment. Security crises will arise unpredictably, vary in intensity and scope, and last for uncertain durations. These challenges will take place in all domains: land, sea, air, space, and cyberspace. Natural disasters and humanitarian emergencies will continue to be frequent and unpredictable missions, requiring the commitment of

Soldiers and resources. In this dynamic environment, the Army will conduct operations that span the spectrum of conflict from humanitarian and civil support to counterinsurgency to general war, often simultaneously.

### **Global Trends**

Several global trends will continue to shape the international security environment and the conflicts confronting our Nation. Globalization may increase prosperity, but it can also spread destabilizing influences. The unequal distribution of benefits creates societies with divisions between “haves” and “have nots” – divisions that can be exploited by extremist ideologies and lead to conflict. Fault lines reflecting protracted competition and friction can erupt unpredictably as societies struggle to adjust to the move toward modernity and greater interdependence. Meanwhile, increasingly available and affordable technology provides our adversaries sophisticated tools to enable a networked approach to recruiting the disenfranchised and exporting terror.

Shifting demographics and rapid population growth that is increasingly urbanized can continue to break down traditional, localized norms of governance, behavior, and identity, and further strain already stressed governments. This is especially true where a lack of economic opportunity increases the potential for instability and extremism. Those who are disaffected may rebel against perceived Western interference, challenges to traditional values, and ineffective governments. Increased resource demand, in particular energy, water, and food, is a consequence of growing prosperity and populations. The growing global competition for resources will continue to produce friction and increase opportunities for conflict. In this environment, climate change and natural disasters will compound already difficult conditions in developing countries by igniting

humanitarian crises, causing destabilizing population migrations, and raising the potential for epidemic diseases.

The two trends of greatest concern are the proliferation of weapons of mass destruction (WMD) and failed or failing states. A catastrophic attack utilizing WMD has the potential to be globally destabilizing. Failed or failing states, lacking the will or capacity to maintain effective territorial control, contribute to regional instability and provide ideal environments for terrorist groups to plan and export operations. The merging of these two trends constitutes a significant and compelling threat. Together, these trends make conflict in the decades ahead more likely.

#### **Character of Conflict in the 21st Century**

Global trends and recent conflicts – such as those in Lebanon and Georgia – and our own recent combat experience indicate the evolving character of conflict in the 21st century.

Conflicts will be waged among diverse actors – state and non-state – with the latter employing capabilities that, during the last century, remained largely the purview of nation-states. Motives, objectives, and often the identities of these actors will be difficult to discern, and are likely to shift as some act covertly and others use proxies. The battle to gain influence over, and support from, populations will be central to our success. Therefore, conflict will be unavoidably waged among the people.

The initiation, location, duration, and intensity of conflicts are increasingly unpredictable. In an interdependent world, conflicts are more susceptible to the potential for spillover, creating regionally, and potentially globally, destabilizing effects. All of this will occur under the unblinking scrutiny of the 24-hour global media cycle and the internet. Details of

conflict as well as misinformation will flow equally across social, communications, and cyber networks. Our adversaries will exploit these media and communication sources locally and globally.

We are more likely to face hybrid threats – diverse and dynamic combinations of conventional, irregular, terrorist, and criminal capabilities employed asymmetrically to counter our advantages. Hybrid threats require hybrid solutions – adaptive military forces that can function in a variety of situations with a diverse set of national, allied, and indigenous partners. Given the strategic environment, enduring global trends, and the character of 21st-century conflict, the Army will operate as part of a Joint, interagency, inter-governmental, and multi-national team to fulfill its global commitments.

#### **Roles of Land Forces**

More than one million of our men and women have served in the ongoing campaigns in Iraq and Afghanistan. Over 3,900 American Soldiers have given their lives, and more than 25,000 others have been wounded during this longest period of sustained conflict ever fought by an all-volunteer force. Today, America's Army has over 255,000 Soldiers and more than 18,500 Army Civilians serving in nearly 80 countries around the world – with the remainder stationed within the United States supporting domestic missions, resetting from recent deployments, or preparing for an upcoming deployment.

Our Soldiers are performing magnificently around the world every day, and the roles for land forces in this environment are becoming increasingly clear.

First, the Army must **prevail in protracted counter-insurgency**

**(COIN) operations.** Not only must we prevail in our current missions in Iraq, Afghanistan, and the Philippines, we must be prepared to prevail in any future COIN operation.

Second, the Army must **engage to help other nations** build capacity and to assure our friends and allies. Through security force assistance, we can increase the capacity of other nations' military and police to uphold the rule of law, ensure domestic order, and deny sanctuary to terrorists – thereby helping avoid future conflicts that might otherwise develop. American Soldiers are currently deployed to Central America and the Balkans, building the capacity of indigenous security forces. Additionally, the Army has established an Army Service Component Command for U.S. Africa Command to assist partner nations and humanitarian organizations in Africa.

A third role that the Army fulfills is to **provide support to civil authorities** at home and abroad. In the past year alone, American Soldiers have fought fires in the west, conducted search and rescue operations in the Rockies and Alaska, and assisted with tsunami relief in American Samoa, in support of civil authorities. The Army has also provided a sizeable force to support the relief efforts in Haiti following the catastrophic earthquake that destroyed its capital. Army units from both the active and reserve components remain prepared to react to a variety of crises as consequence management and response forces. The U.S. Army Corps of Engineers is a lead organization in providing DoD support to civil authorities for disaster relief at home and engineering support to USAID overseas. Abroad, the Army has also supported civil authorities in many ways, such as sending Agribusiness Development Teams from the Army National Guard to Afghanistan.

Finally, the Army must deter and **defeat hybrid threats and hostile state actors**. As an Army, we recognize that we must remain prepared to meet and defeat hostile state actors that threaten our national security. But we recognize that the probability of facing a nation that will challenge America's military head-on is lower than it was during the Cold War and other periods in our history. Our readiness and capability to confront near-peer competitors also deters war by raising the stakes for nation-state and hybrid actors who would threaten our security interests.

To meet these threats, Army units continue to participate in Joint and international training exercises around the world, ensuring that military skills and cooperative partnerships remain strong. The Army continues to position forces in Korea and at various missile defense sites in order to discourage actors who seek to disrupt regional stability and security.

### **Two Critical Challenges**

The Army has operated at a demanding pace for the last eight years, and while it has met each challenge, the strain has placed the Army out of balance. Demand for Army forces continues to exceed the sustainable supply. Against that backdrop, the Army continues to meet the wartime requirements of our Nation while it addresses the two major challenges facing our force – **restoring balance** and **setting conditions for the future**. In 2007, we established a four-year plan to restore balance to an Army that had experienced the cumulative effects of years of conflict. The FY 11 budget supports the final year in that plan. As we continue to restore balance to the force, we are also setting the conditions for the Army of the 21st century - an Army that fulfills our strategic role as an integral part of our Joint Force.

**Restoring Balance: The Army's Four Imperatives**

With the help of Congress, we have made significant progress over the past three years in our plan to restore balance – a plan founded on four imperatives. Yet today the Army remains out of balance. We've improved our ability to **sustain** the Army's Soldiers, Families, and Civilians; **prepare** forces for success in the current conflict; **reset** returning units to rebuild the readiness consumed in operations and to prepare for future deployments and contingencies; and **transform** to meet the demands of the 21st century. As a result of this progress we now are in a better position to achieve balance than we were two years ago. Critical to this was the growth in the size of the Army.

The security agreement with Iraq that transferred security in urban areas to Iraqis was a momentous and welcomed accomplishment. The hard work and sacrifice of our Soldiers with the support of Congress helped make this achievement possible and set the conditions for our responsible drawdown of combat forces in Iraq this year. Coupled with our growth, the drawdown in Iraq allowed for our increased commitment of forces to Afghanistan to stem the rising violence, and disrupt, dismantle, and defeat al-Qaeda while reversing the momentum of the Taliban insurgency. However, the campaigns in Iraq and Afghanistan continue to create demands that have our Army operating beyond sustainable capacity. In fact, in 2009 more Soldiers were deployed in Iraq and Afghanistan combined than during the height of the Iraq surge.

Presently, and for the short term, we lack sufficient strategic flexibility, and we continue to accumulate risk. We continue to stress our Soldiers, Families, Civilians, equipment, and institutional systems, so our efforts to restore balance must not waiver.

***Sustain***

Sustaining our all-volunteer force is our first imperative. Nowhere is the stress on our force more profound than in the toll it takes on our people, as is tragically evident in the rising number of suicides and increasing need for counseling among our Soldiers and Families. We are aggressively addressing the causes of stress on individuals resulting from the cumulative effects of multiple deployments, and seeking to build resilience in Soldiers, Families and Civilians. The Army is committed to ensuring that the quality of life of those who serve the Nation is commensurate with the quality of their service.

**Goals**

To sustain the force, the Army continues to pursue four major goals. Our first goal is to Recruit and Retain quality Soldiers and Civilians dedicated to service to the Nation. Next, we are committed to furnishing the best Care, Support, and Services for Soldiers, Families, and Civilians by improving quality of life through meaningful initiatives such as the Army Family Action Plan, the Army Family Covenant, Army Community Covenants, and the Comprehensive Soldier Fitness Program. It is our solemn obligation to provide world-class Warrior Care and Transition to our wounded, ill, and injured Warriors through properly led and resourced Warrior Transition Units. Finally, by Supporting the Families of our Fallen Comrades we honor their service and sacrifice.

**Progress and Accomplishments**

- The Army met 104% of its recruiting goals for 2009, and achieved both numeric goals and quality benchmarks for new recruits.
- All components exceeded 105% of their reenlistment goals.

- We reduced off-duty fatalities by 20%, to include a 15% reduction in overall privately-owned-vehicle fatalities and 37% reduction in motorcycle fatalities.
- In collaboration with the National Institute of Mental Health, the Army began a seminal study into suicide prevention that will inform the Army Suicide Prevention Program and society's approach to suicide.
- We began instituting Comprehensive Soldier Fitness – an all-inclusive approach to emotional, social, spiritual, family, and physical fitness – as the foundation to building resiliency within the Army.
- We initiated an unprecedented series of construction projects at five major hospitals as part of our commitment to modernize our healthcare system.
- The Army established the Warrior Transition Command and reorganized Warrior Transition Brigades to provide centralized support, rehabilitation, and individualized transition planning to our recovering Warriors.
- We expanded Survivor Outreach Services to over 26,000 Family members, providing unified support and advocacy, and enhancing survivor benefits for the Families of our Soldiers who have made the ultimate sacrifice.
- We implemented the Post 9/11 GI Bill, significantly increasing educational benefits for active duty Soldiers, Veterans, and Family members.
- The Army Reserve established Army Strong Community Centers to support geographically-dispersed Soldiers and Families. Together

with Army National Guard Family Assistance Centers and Soldier and Family Assistance Centers on active duty installations, these centers provide help to Soldiers' Families near their hometowns.

**FY 11 Budget Highlights**

- Provides \$1.7 billion to standardize and fund vital Family programs and services to include welfare and recreation; youth services and child care; Survivor Outreach Services; and expanded education and employment opportunities for Family members.
- Provides a 1.4% military basic pay raise and Civilian pay raise, a 3.9% basic allowance for housing increase, and a 3.4% basic allowance for subsistence increase.
- Warrior Transition Units for our wounded Soldiers will continue to receive strong support in FY 11 with \$18 million in Military Construction funds allocated to resource construction of barracks spaces.
- Supports Residential Communities Initiatives program, which provides quality, sustainable residential communities for Soldiers and their Families living on-post, and continues to offset out-of-pocket housing expenses for those residing off-post.

***Prepare***

Our Soldiers face determined enemies – so preparing the force for our current conflict is complex and time-consuming, but essential for success. Our units must have the people, training, and equipment they need to prevail. Meanwhile, our institutions and systems must adapt to provide those critical capabilities in a timely manner and in sufficient

quantities.

### **Goals**

To prepare the force, we have four key goals. First, we accelerated the pace at which we needed to Grow the Army to our end strength and to grow our modular brigades to 73 Brigade Combat Teams (BCTs) and nearly 230 Support Brigades. Second, the Army is committed to improving individual and collective Training to better prepare Soldiers and leaders for a complex and challenging operational environment. Next, we continuously work to provide our formations with effective Equipment in a timely manner that maintains our technological edge and protects our most critical resource – the Soldier. Finally, we must transform the Army to a rotational model – Army Force Generation (ARFORGEN) – the core process for generating trained, ready, and cohesive units on a sustained and rotational basis – to meet current and future strategic demands.

### **Progress and Accomplishments**

- We began the phase-out of stop-loss, starting with the Reserve Component in August 2009 and the Army National Guard in September 2009, and followed by the Active Army in January 2010. Today, no mobilizing or deploying units have stop-loss Soldiers in their ranks.
- The force achieved its “Grow the Army” end strength goal of 1.1 million in 2009. The active component continues to grow toward its additional authorized Temporary End Strength in order to improve unit manning within the already existing Army structure as we eliminate stop-loss.

- Fifteen-month tours effectively ended in November 2009, when the last Soldiers on those extended deployments returned.
- We completed fielding nearly 12,000 Mine Resistant Ambush Protected (MRAP) vehicles in Iraq and Afghanistan and delivered the first MRAP All-Terrain Vehicles (M-ATVs) to Afghanistan – just 15 months after identifying the need for that capability. As of the beginning of February, we have provided nearly 800 M-ATVs to Afghanistan.
- This year, we successfully manned, trained, equipped, and deployed 67 brigade equivalents.
- The Army exceeded fleet readiness of 90% for ground equipment, to include MRAPs, and 75% for aviation.
- We established Army Training Network (ATN) - a 21st Century Approach to Army Training. This revolution in training knowledge access is now providing a one-stop portal to share training best practices, solutions, and products across the Army.
- The Army increased its employment of biometric technologies enabling the Army to better identify the enemy among the populace.

**EY 11 Budget Highlights**

- Funds permanent, active component end strength at 547,400; Army Reserve at 205,000; and National Guard at 358,200 in the base budget and supports a 22,000 temporary increase in the active component through the Overseas Contingency Operations (OCO) request.

- Procures and upgrades the Army's UH-60 Black Hawk, CH-47 Chinook, and AH-64 Apache helicopters, which are vital to operations in Afghanistan and Iraq.
- Provides over \$1 billion for flight crew training in all components to fund flying hours, maintenance, fuel, airfield operations, and specialized skill training.

### **Reset**

With the pace of continuous combat operations in two wars for the past eight years, we are consuming our readiness as fast as we can build it. Reset restores returning units – their Soldiers, Families, and equipment - to a level of readiness necessary for future missions.

### **Goals**

Our Reset plans include four goals. Our efforts to Revitalize Soldiers and Families seek to reestablish and strengthen relationships following deployments. The Army's comprehensive efforts to Repair, Replace, and Recapitalize Equipment affected by the harsh environments of the war are essential to resetting units. In particular, achieving responsible drawdown in Iraq while increasing our commitment of forces and equipment to Afghanistan will require an unprecedented reset effort. The Army must Retrain Soldiers, Leaders, and Units to build critical skills necessary to operate across the spectrum of conflict in the current security environment. Lastly, we are identifying and applying the lessons learned from the Reset Pilot Program that was designed to improve the efficiency and effectiveness of the Reset process. Army Reset is a necessary process that must continue not only as long as we have forces deployed, but an additional two to three years after major deployments end.

**Progress and Accomplishments**

- The Army completed the reset of 29 brigades' worth of equipment in FY 09 and continued the reset of 13 more. In total, we have reset more than 98,000 pieces of equipment as depot production has doubled since September 11, 2001.
- We began executing a responsible drawdown in Iraq which will redistribute, transfer, or dispose of 3.4 million pieces of equipment; redeploy 143,000 military and Civilian personnel, and 147,000 contractors; close 22 supply support activities; and consume or dispose of over 21,000 short tons of supplies.
- In 2009, more than 160,000 Soldiers and Family members participated in over 2,600 Strong Bonds events designed to strengthen Army Families.
- The Army continues to revise its approach to training by emphasizing doing fewer tasks better, making judicious use of field time, and maximizing the use of mobile training teams and distributed learning.
- We completed our Reset Pilot Program and will begin instituting the full Reset model across the Army in 2010.
- The Army fostered partnerships by executing more than \$24 billion in new foreign military sales.

**FY 11 Budget Highlights**

- Provides \$10.8 billion to reset Army equipment through the Overseas Contingency Operations (OCO) request.

- Supports training and sustainment of Army forces to include individual skills and leader training; combined arms training toward full spectrum operations; and adaptable, phased training based on the ARFORGEN process.

### ***Transform***

Since 2004, the Army has been transforming our force to provide the combatant commanders tailored, strategically responsive forces that can dominate across the spectrum of conflict. Transformation is a continuous process that sets the conditions for success against both near-term and future enemies.

### **Goals**

Our goals for transformation include continued Modular Reorganization to standardize our formations to create a more deployable, adaptable, and versatile force. We will accelerate fielding of Advanced Technologies to ensure our Soldiers retain their technological edge. The Army will Operationalize the Reserve Components by systematically building and sustaining readiness while increasing predictability for these Soldiers, Families, employers, and communities.

Completing the requirements of the Base Realignment and Closure (BRAC) statutes is central to Restationing Forces. Soldier and Leader Development will ensure that we produce the next generation of agile and adaptive military and Civilian leaders who are supremely competent in their core proficiencies and sufficiently broad enough to operate effectively in the Joint, interagency, intergovernmental, and multi-national environments.

### **Progress and Accomplishments**

- The Army is 88% complete on the modular conversion of its brigades. The FY11 budget will support the near completion of this process.
- The Army consolidated existing aviation force structure to create a 12th active component combat aviation brigade (CAB) forming an additional deployable CAB without adding force structure.
- The Army activated the 162nd Infantry Brigade at Ft. Polk, Louisiana, providing a dedicated and enduring capability to prepare combat advisors to train and build capacity in foreign security forces. Trainers from the brigade are now deployed to Afghanistan to assist with the training and development of the Afghan Security Forces.
- The Army developed a new incremental capability package approach to modernization which will allow technologically mature, Soldier-tested, proven technologies to be prioritized, bundled in time, and fielded to the force more quickly than ever before.
- We provided combatant commanders with dedicated, regionally based network operations support, and integrated cyber security capability in the form of Theater Network Operations and Security Centers, unique within the Department of Defense.
- This past year, the Army closed three active installations and five U.S. Army Reserve Centers and is on course to complete BRAC in FY 11. To date, we have awarded 265 major military construction projects, of which 59 are complete.
- The Army built a Leader Development Strategy that balances experience, greater opportunities for professional education, and

training in full spectrum operations.

**FY 11 Budget Highlights**

- Invests nearly \$3.2 billion in BCT modernization programs that include procurement of the first incremental changes packages for Infantry BCTs and additional research, development, testing, and evaluation funding for subsequent change packages as well as initial development of the Ground Combat Vehicle (GCV).
- Provides funds to begin equipping a 13th Combat Aviation Brigade.
- Supports the increase in ISR platforms to include the Extended Range/Multi-Purpose, Raven, Shadow unmanned aerial vehicles (UAVs) and the Extended Medium Altitude Reconnaissance and Surveillance System.

**Setting Conditions for the Future**

***21st Century Army***

The second critical challenge facing the Army is setting the conditions for the future through a continuous process of transformation. We must ensure that our Nation has the capability and range of military options to meet the evolving challenges we face in the 21st century. **We need an Army that is a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to provide a sustained flow of trained and ready forces for full spectrum operations and to hedge against unexpected contingencies – at a tempo that is **predictable and sustainable for our all-volunteer force.****

Versatility is the central organizing principle of a balanced Army. It enables our forces and institutions to effectively execute operations across

the spectrum of conflict. Our modular heavy, Stryker, and light brigades provide a **versatile mix** of forces that can be combined to provide multi-purpose capabilities, and sufficient capacity to accomplish a broad range of tasks from peacetime engagement to major combat operations.

Our modular units are designed to be **tailorable**. Brigades now have capabilities previously found at division level and higher. These brigades can be tailored for specific missions and combined with support units and key enablers such as ISR, communications, civil affairs, psychological operations, public affairs capabilities, and expanded logistics support, to accomplish a wide variety of missions and increase the land options available to combatant commanders.

The network is essential to a 21st-century Army. **Networked organizations** improve the situational awareness and understanding leaders need to act decisively at all points along the spectrum of conflict, while providing connectivity down to the individual Soldier. The network allows dispersed Army organizations to plan and operate together, and provides connectivity to Joint, combined, and interagency assets. To support this objective, the Army will use the Global Network Enterprise Construct (GNEC) as our strategy to transform LandWarNet to a centralized, more secure, operationalized, and sustainable network capable of supporting an expeditionary Army.

To provide a sustained flow of trained and ready forces at a tempo sustainable for our all-volunteer force, we will put the whole Army under a rotational model – ARFORGEN.

The ARFORGEN process includes three force pools—Reset, Train-Ready, and Available. Each of the three force pools contains a versatile

force package, available at varying time intervals based on its readiness level. Each force pool consists of an operational headquarters (a corps), five division headquarters (of which one or two are National Guard), twenty brigade combat teams (three or four are National Guard), and 90,000 enablers (about half of those are Guard and Reserve). Each will be capable of full spectrum operations once we reach a steady-state, ratio of time deployed (known as "boots on the ground" or BOG) to time at home (dwell) of 1:2 (BOG:dwell) for active component forces and 1:4 for reserve component forces. This versatile mix of land forces could sustain operations in Iraq and Afghanistan. At lower demand levels, a sustainable BOG:dwell ratio of 1:3 for active component forces and 1:5 for reserve component forces provides ready, global reaction forces and regionally-oriented forces for engagement in support of Theater Security Cooperation Programs. This process also allows strategic flexibility to surge in response to unexpected contingencies across the spectrum of conflict, and provides operational depth with more forces available for longer commitment times.

The increased demands of our combatant commanders, coupled with the size of our active component (AC) force, require that we continue to integrate reserve component (RC) forces as part of our operational force. Continued and routine access to our RC forces is essential to sustaining current operations, and is improving the overall operational experience and quality of our RC forces. Additionally, sufficient Army National Guard (ARNG) forces must be ready and immediately available to their state and territorial authorities to respond to domestic crises. We are building an integrated Army in which our RC forces are included in the rotational cycle, but at a deployment rate of about half that of their AC counterparts.

The ARFORGEN process increases predictability for Soldiers,

Families, employers, and communities, and enables our RC to remain an integral element of the operational force while providing the Nation with the strategic depth (i.e. those non-deployed units which are two to three years from commitment) and operational flexibility to meet unexpected contingencies.

The Army has undergone significant changes in recent years, and we must continue to change in order to keep pace with an environment of uncertainty and complexity in this era of persistent conflict. The same requirements that drive the imperative to change also drive our modernization efforts and need for institutional adaptation.

### ***Realizing Change***

To become the Army the Nation needs in the second decade of the 21st century, we are transforming the Army and prioritizing programs and efforts that show the most promise for today and tomorrow. Similarly, we are transforming business processes across the Army, including how we identify requirements, acquire, and provide materiel capabilities to our Soldiers, and how we adapt our institutions to align with the ARFORGEN process.

On April 6, 2009, Secretary Gates announced his adjustments to the defense program as part of the President's budget proposal for Fiscal Year 2010. The Secretary's decisions had an immediate and major impact on our FCS-centric Army modernization effort. He terminated the MGV portion of FCS, directing that we "reevaluate the requirements, technology, and approach – and then re-launch the Army's vehicle modernization program..." He further directed the Army to "accelerate the initial increment of the program to spin out technology enhancements to all

combat brigades," and retain and deliver software and network development program in increments, and incorporate MRAP into our force structure. Secretary Gates' intent for these bold adjustments was clear – to better reflect the lessons that we were learning from ongoing operations and better posture Army forces for a broader range of future challenges.

To fully implement the Secretary of Defense's direction, the Army has developed a comprehensive plan. We refer to this new program as the Army's "Brigade Combat Team Modernization Plan," which is a subset of our overall Army Modernization Strategy

#### **BCT Modernization Plan**

We will leverage the lessons learned from the last eight years to provide effective and affordable equipment now, while reducing the time it takes to develop and field new and updated materiel solutions. BCT Modernization includes four elements: modernizing the network over time to take advantage of technology upgrades, while simultaneously expanding it to cover ever increasing portions of the force; incorporating MRAPs into our force; rapidly developing and fielding a new Ground Combat Vehicle that meets the requirements of the 21st-century Army; and incrementally fielding Capability Packages that best meet the needs of Soldiers and units as they train and then deploy.

#### **Army Network**

Central to the Army's modernization efforts is an enhanced and interoperable communication network that gives the Army a decisive advantage across the spectrum of conflict. The network supports leaders in making timely, informed decisions, and supports organizational agility, lethality, and sustainability. It allows our Soldiers to know where the enemy

is, where other friendly forces and civilian populations are, and what weapon systems are available for them at any given time. The network links Soldiers on the battlefield with space-based and aerial sensors, robots, and command posts – providing unprecedented situational awareness and control and enabling the application of precise lethal fires on the modern battlefield.

Maintaining our technological advantage is a constant challenge. The Army's battle command network must be continuously upgraded to ensure security and provide improved capability, capacity, connectivity and operational effectiveness. The Warfighter Information Network (Tactical) (WIN-T) is designed to extend the network ultimately to the company level for BCTs and provide real-time information, such as high definition imagery, from surveillance sources. The Joint Tactical Radio System (JTRS) was born Joint with the specific requirement to resolve radio interoperability among the services. It will provide Soldiers at the tactical level with connectivity at extended ranges, including voice, data, and video, enabling them to move information from platoon to higher-level command posts in complex terrain (including urban and mountainous areas).

### **MRAP Strategy**

In response to deadly IEDs in Iraq and Afghanistan, the Nation made a tremendous investment in fielding MRAPs that have saved lives by providing significantly improved protection for our Soldiers. The Army is incorporating these vehicles throughout its unit formations. Additionally, we used the basic design of the MRAP as the foundation for the M-ATV, modifying it for the mountainous terrain in Afghanistan and in other regions around the world. The MRAP family of vehicles provides the versatility our forces need to rapidly move around the battlefield, particularly in an IED

environment, with the best protection we can provide.

### **Ground Combat Vehicle**

Combining the lessons learned from the survivability of the MRAP, the tactical mobility of the Bradley Fighting Vehicle, and the operational mobility of the Stryker, the Army is developing a Ground Combat Vehicle (GCV) that possesses all of these qualities. Providing Soldiers protected mobility is our top design criteria. The first combat vehicle designed from the ground up to operate in an IED environment, the GCV will have enhanced mobility that will allow it to operate effectively in both urban and off-road environments. It will be designed to host the Army's network. And perhaps most importantly, it will have the capacity available to accept future upgrades incrementally as technologies mature and threats change.

The GCV will be versatile enough to support our expeditionary requirements and be capable of carrying an infantry squad. It will combine sustainability features that match the availability rates of the Stryker while consuming less fuel than current vehicles of similar weight and power. The pace of change and the operational environment demand an expedited acquisition timeline, so the Army is pursuing a GCV program timeline that provides the first production vehicles in seven years.

### **Capability Packages**

Capability packages provide the Army a regular, timely process to enable our deployable units with the latest materiel and non-materiel solutions based on the evolving challenges of the operating environment. The best available capabilities will go to the Soldiers who need them most, based on the threats they are likely to face. These bundles of capabilities will include materiel, doctrine, organization, and training to fill the highest

priority requirements and mitigate risk for Soldiers. This incremental packaging approach will enable leaders to make timely, resource-informed decisions, and will help ensure that we provide the best available technologies to fulfill urgent needs to Soldiers in the fight – all driven by the cyclic readiness produced by ARFORGEN. These capability packages will upgrade our units as they prepare to deploy by providing them improved capabilities such as precision fires and advanced Intelligence, Surveillance and Reconnaissance (ISR).

**The Army Modernization Strategy**

The Army's Brigade Combat Team Modernization Plan is a key element of our overall **Army Modernization Strategy**. The Army Modernization Strategy reflects our overarching vision of how we will achieve our ends, which is to:

*Develop and field an affordable and interoperable mix of the best equipment available to allow Soldiers and units to succeed in both today's and tomorrow's full spectrum military operations.*

The **Army Modernization Strategy** relies on three interrelated lines of effort:

**1) Develop and field new capabilities to meet identified capability "gaps" through traditional or rapid acquisition processes.** In support of this Line of Effort in FY11 we have requested \$934 million dollars to develop the Army's new Ground Combat Vehicle (GCV), which will overcome critical capability gaps in both current and future operations. It is envisioned to have the tactical mobility of a Bradley, the operational mobility of a Stryker, and the protection of an MRAP. We are also requesting \$459 million dollars to procure the Extended Range Multi-Purpose Unmanned

Aerial Vehicle. This extraordinarily capable platform, which is already making a difference in Operation Enduring Freedom, gives commanders longer dwell ISR capabilities across a joint area of operations.

**2) Continuously modernize equipment to meet current and future capability needs through upgrade, replacement, recapitalization, refurbishment, and technology insertions.** Army efforts in this Line of Effort include our request for \$887 million dollars for the procurement of 16 Block III AH-64 Apache Helicopters, as well as the upgrade of 13 AH-64 Helicopters to Block II. Block III Apache is part of a long-term effort to improve situational awareness, performance, reliability, and sustainment of the Apache. Block II upgrades continue our commitment to modernize the Army National Guard Aviation Fleet. Additionally, in this line of effort, we have requested \$505 million dollars to upgrade Shadow RQ-7 UAVs. This key upgrade will increase the payload capacity and enhance the performance of this key ISR asset for our BCT Commanders.

**3) Meet continuously evolving force requirements in the current operational environment by fielding and distributing capabilities in accordance with the Army Resource Priorities List (ARPL) and Army Force Generation (ARFORGEN) Model.** Meeting the constantly evolving needs of theater commanders and the demands of persistent conflict will require unprecedented agility in our equipping and modernization programs. One example of this agility can be found in our Kiowa Warrior fleet. We are currently maneuvering our fleet of OH-58D Kiowa Warrior Light Helicopters to meet Army and COCOM requirements based on the ARFORGEN model. As Air Cavalry Squadrons return from conflict, their OH-58D helicopters are placed into Reset. Units in Reset have very few aircraft, if any. Because the Kiowa Warrior fleet is short 35 aircraft overall,

when the squadrons transition into the Train/Ready Phase of ARFORGEN, they are provided a number of helicopters sufficient to conduct training (25), but less than what they are fully authorized (30). When the units move into the Available phase, they are provided their full complement of aircraft. It is this agility that has allowed Army forces to meet the needs of theater commanders for over eight years of sustained combat.

**What do we need?** Congress has been very supportive of Army Modernization needs in the past. Their tremendous support has ensured that the Army Soldier is the best equipped and most respected combatant in the world. In order to execute Army Modernization and ensure the continued success of Soldiers and units, we depend on a variety of resources, not the least of which is predictable funding. **For FY11, we have requested \$31.7 billion** for procurement and Research, Development, Test, and Evaluation (RDT&E) efforts.

**Adapting the Institution and Transforming Business Practices**

In addition to modernizing our operating force, we are transforming our institutional Army. As required by Section 904 of the 2008 National Defense Authorization Act (NDAA), the appointment of the Under Secretary of the Army as the Army's Chief Management Officer (CMO) has allowed the Army to develop a series of initiatives to adapt the institutional Army and transform our business practices. In accordance with Section 908 of the 2009 NDAA, these efforts will result in the development and implementation of a comprehensive program that establishes a series of measurable performance goals and objectives. Specifically, the comprehensive program will address the following:

- Developing and implementing a business transformation plan focused on running the Army as effectively and efficiently as possible.
- Continuing the Army's business process reengineering activities, led by OSD's Business Transformation Agency.
- Developing an integrated business systems architecture that emphasizes transparency and seamless access to data, and provides timely and accurate information to decision makers.
- Preparing Army leaders to take a greater role in inculcating the Army with a cost-conscious culture.

While the Army transformed its operating force – building versatile, agile units capable of adapting to changing environments – the institutional Army continued to use processes and procedures that were designed to support a pre-9/11 Army based on tiered levels of readiness. To support this new operating force, the Army must have an updated institutional Army – our generating force.

Once the mission is defined, our institutions must seamlessly and continuously adapt, – tailoring force packages and quickly adjusting training, manning, and equipping – to ensure units have all of the physical and mental tools necessary to succeed.

Institutional agility allows us to adapt to the realities that present themselves. To that end, the CMO and Office of Business Transformation will build upon progress that has already been made toward the Army's institutional adaptation, specifically:

- Improvement of the ARFORGEN process – aligning the generating force and its processes to better support Soldiers, Families, and units within the operating force.
- Adoption of an Enterprise Approach – developing civilian and military leaders who take a collaborative, holistic view of Army objectives and resources to make better decisions for the Army.
- Reformation of the requirements and resource processes – delivering timely and necessary capabilities at best value.

This transformational approach will overlay everything that the institutional Army does, with the unwavering goal of effectively and efficiently providing trained and ready forces to meet combatant commander requirements.

### **Stewardship and Innovation**

The Army remains devoted to the best possible stewardship of the resources it is provided by the American people through Congress. The establishment of the CMO and initiatives related to the transformation of Army business practices represent the Army's effort to act as a responsible steward. Several other initiatives serve to conserve resources and to reduce waste and inefficiencies wherever possible.

The Army achieved full operating capability of the new Army Contracting Command, Expeditionary Contracting Command, and Mission and Installation Contracting Command in 2009. These organizations are dedicated to ensuring professional, ethical, efficient, and responsive contracting.

Civilians are assuming increased responsibilities within the Army.

The Army is recouping intellectual capital by in-sourcing former contracted positions that were associated with inherently governmental functions. In FY 09, the Army saved significant resources by in-sourcing more than 900 core governmental functions to Army Civilians. We plan to in-source 7,162 positions in FY 10, and are programmed to in-source 11,084 positions during FY 2011-2015, of which 3,988 are acquisition positions. These positions were identified in the Army's on-going contractor inventory review process.

In the Employer Partnership program, the Army Reserve works with public agencies and private employers to leverage their shared interests in recruiting, training, and credentialing highly skilled Citizen-Soldiers. The Army Reserve has signed more than 800 partnership agreements with corporations, state agencies, and local police departments.

Energy security is a key component of Army installations, weapons systems, and operations. The Army has developed a comprehensive energy security strategy, and is acting now to implement initiatives to make us less dependent on foreign sources of fuel and better stewards of our nation's energy resources. In support of these goals, we fielded the largest hybrid vehicle fleet within the Department of Defense. Energy will continue to be a key consideration in all Army activities in order to reduce demand, increase efficiency, seek alternative sources, and create a culture of energy accountability, while sustaining or enhancing operational capabilities.

The Army is committed to environmental stewardship. Through cooperative partner agreements and the Army Compatible Use Buffer Program, the Army protected more than 28,000 acres of land at 14 locations in FY 09. Through creative solutions, the Army continues to conduct realistic training on its installations while protecting threatened and endangered species on Army lands.

**America's Army - The Strength of the Nation**

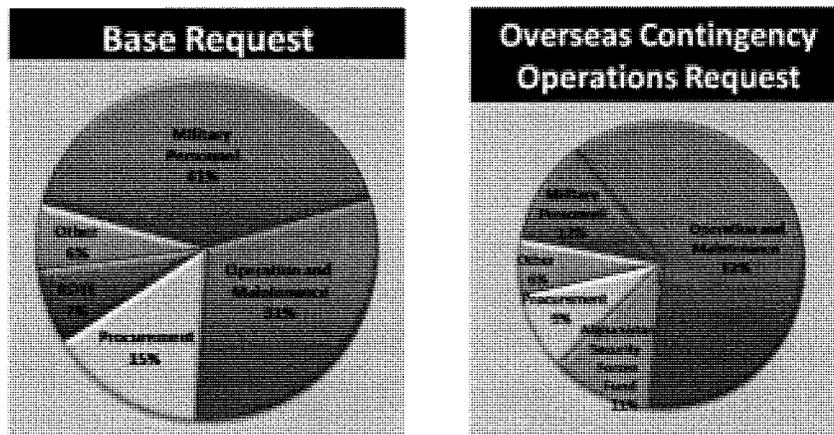
The professionalism, dedicated service, and sacrifice of our all-volunteer force are hallmarks of the Army -- the Strength of our Nation.

Our Soldiers and their Families quietly bear the burdens of a Nation at war. Our Civilians stand with them, dedicated to the Nation and the Army that serves it. Despite the toll that eight years of combat has taken, these great Americans continue to step forward to answer our Nation's call. In an environment in which we must make hard choices, they deserve the very best we can offer, commensurate with their dedication and sacrifice.

To continue to fulfill our vital role for the Nation, the Army must sustain its efforts to restore balance and set conditions for the future. We have made significant progress this year, but challenges remain. The continued support of Congress will ensure that the Army remains manned, trained, and equipped to protect our national security interests at home and abroad, now and in the future. **America's Army – the Strength of the Nation.**

**Addendum A – The Fiscal Year 2011 President’s Budget**

The FY 11 President’s Budget asks for \$245.6 billion for the Army. This budget, which includes \$143.4B for the Base and \$102.2B for the Overseas Contingency Operations (OCO) request, is necessary to: support current operations, increase forces in Afghanistan, responsibly drawdown in Iraq, sustain the all-volunteer force, and prepare for future threats.



Amounts requested by major appropriation category in the FY 11 President’s Budget include:

**Military Personnel**

The FY 11 budget requests \$71.0 billion, a \$300 million increase over FY 10. Military Personnel funds support Army end-strength requirements for a Nation at war. This includes \$1.2 billion for the temporary wartime increase in personnel, an increase of \$684 million over FY 10.

This amount funds pay, benefits, and associated personnel costs for 1,110,600 Soldiers: 547,400 Active, 358,200 Army National Guard, 205,000 Army Reserve and funds an active component temporary end strength increase of 22,000.

The OCO request will fund special pays, incentives, and the mobilization of reserve component Soldiers.

**Compelling Needs:**

- Support the Army's base endstrength and the temporary end strength increase in FY 11 to reduce strain on the force
- Sustain authorities and funding of programs in support of wounded, ill, and injured Warriors and their Families as they transition back to duty or to civilian life
- Provide recruiting and retention incentives and benefits to sustain the quality of our all-volunteer force, allow the Army to meet end-strength objectives, and achieve Army standards for recruit quality
- Enable the transition of the reserve component to an operational force by systematically building and sustaining readiness across the force and fund mobilization of RC units to support growing demand

**Operation and Maintenance**

The FY 11 budget requests \$107.3 billion – a \$7 billion increase from FY 10. Operation and maintenance funds Soldier and unit training; ground and air vehicle operating costs; depot maintenance; base operations, sustainment, restoration, and modernization; and a 1.4% Civilian pay raise.

The OCO portion of the request includes \$628 million for the training and sustainment of the temporary wartime increase in personnel – an increase of \$242 million from FY 10.

The budget request works to restore balance to the force by recognizing \$587M of enduring requirements for training and depot maintenance in the base rather than in OCO. The base funds home station training for 59 brigade combat teams, 24 rotations through the Army's combined arms training centers, and an increased investment of \$154M in scholarships, language and individual training. It improves network security; operationalizes the LandWarNet; supports continued development and fielding of administrative systems; and provides funding for improvements in financial audit readiness (as required in NDAA 2009) by requesting an additional \$578M above the FY 2010 levels for these activities. The base budget also increases funding for facilities sustainment restoration and modernization by \$320M and includes one-time requests to support BRAC and the transition out of NSPS.

The OCO request will fund the day-to-day cost of the wars, training to prepare units for deployment, force protection, in-theater maintenance and repair, drawdown of equipment from Iraq, and reset of Army Prepositioned Stocks and equipment returning from deployment.

**Compelling Needs:**

- Sustain readiness through Soldier and unit training, including realistic, full spectrum training at the Army's three combat training centers
- Fund the reset of 30 brigades, other enabling units, and equipment

- Resource installation services worldwide and support the Army Family Covenant to provide Soldiers and their Families the quality of life they deserve and to enhance the health of the force

### **Procurement**

The FY 11 budget requests \$30.3 billion – a \$200 million decrease from FY 10. Procurement funds the Army's future force equipment requirements; sustains modernization and recapitalization; and fills equipment shortages. The OCO request will fund procurement of weapon systems to replace battle losses, replacement of equipment taken for current operations from the reserve components, and to fill urgent operational needs for deployed forces.

#### **Compelling Needs:**

- Fund the fielding of the first Capability Packages to two more Army brigades
- Enhance Army command and control by providing an initial on-the-move networking capability resident in the Warfighter Information Network-Tactical (WIN-T), Increment 2
- Increase the Army's tactical agility through an aviation modernization strategy that highlights the increasing importance of unmanned aerial systems (ERMP, Shadow and Raven) and rotary wing aviation (AH-64D Block III Apache, UH-60M Black Hawk and CH-47F Chinook)
- Improve lethality and precision fires by modernizing the Patriot PAC-3 missile, the Guided Multiple Launch Rocket System, the High Mobility Artillery Rocket System, and the Paladin howitzer

- Sustain access to training and war reserve ammunition by restoring stocks and the selective repair, upgrade and replacement of key ammunition production base equipment and facilities

### **Research, Development, Test, and Evaluation**

The FY 11 budget requests \$10.5 billion, approximately the same amount requested last year.

#### **Compelling Needs:**

- Fund Brigade Combat Team modernization including initial Ground Combat Vehicle development and further development of the second set of Capability Packages.
- Support Network modernization including continued development of WIN-T increment 2 and increment 3.
- Continues the international partnership to develop the Patriot Medium Extended Air Defense systems (MEADS)

### **Construction, Base Realignment and Closure (BRAC), and Army Housing**

FY 11 is a critical year for BRAC since this will be the final budget executed to meet the statutory deadline for many of the BRAC actions. FY 11 will be a particularly challenging year for BRAC as four of our major command headquarters and many of our military schools will be moving to new locations. The FY 11 budget requests \$7.9 billion – a \$2.5 billion decrease from FY 10. This funding supports the construction of facilities to support the growth and re-stationing of Army forces. The OCO request will fund construction in Afghanistan.

**Compelling Needs:**

- Fund BRAC requirements to meet FY 11 statutory timelines
- Support construction of new family housing and improvements to existing housing
- Support construction of permanent party and training barracks

**Other Accounts**

The Army is the executive agent for a variety of critical functions within the Department of Defense, to include the Chemical Agents and Munitions Destruction Program. Funding for this account is \$1.6 billion in FY 11 – a decrease of \$100 million from FY10. The Army also has responsibility for the Iraq Security Forces Fund (ISFF), Afghanistan Security Forces Fund (ASFF), and Joint Improvised Explosive Device Defeat Organization (JIEDDO) appropriations. The Army budgets for recurring sustainment costs of JIEDDO with FY 11 funds at \$200 million – an increase of \$100 million from FY 10. The OCO Request will fund JIEDDO initiatives. The ISFF and ASFF are funded entirely through the OCO request.

**Compelling Needs:**

- Fund the Afghan Security Forces Fund and the Iraq Security Forces Fund to enable building essential security capacity
- Support JIEDDO appropriations and initiatives to combat the most dangerous threat to U.S. forces
- Continue the safe destruction of chemical agents and munitions and the closure activities at selected chemical demilitarization sites

***Restoring Fiscal Balance***

Timely and full funding of the Army's FY 11 request of \$245.6 billion will help ensure the Army is ready to meet the needs of the Nation and continue the process of restoring balance while setting the conditions for the future. Over the last eight years, the Army has received significant portions of its funding for combat readiness through OCO appropriations. This recurring reliance on OCO funds and an overlap between base and OCO sustainment programs means that the Army's base budget does not fully cover the cost of both current and future readiness requirements. Because of this reliance, a precipitous drop or delay in OCO funding does not fully fund the readiness of our Army for the current conflict. Army continues the orderly restoration of the balance between base and OCO requirements in its FY 2011 base budget request. This request fully funds Army authorized end strength and brings \$965M in O&M expenses back into the base rather than finance those requirements in OCO.

***Addendum B – Reserve Component Readiness***

Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum be reported. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102-484, referred to in this addendum as ANGCRRRA). Section 521 reporting was later amended by Section 704 of NDAA 1996. U.S. Army Reserve information is also presented using Section 521 report criteria.

**Section 517 (b) (2) (A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.**

In the Zone	AC in RC (%) *	Army Average (%) **
<b>FY 2008</b>		
Major	(0 of 1) 0%	92.8 %
Lieutenant Colonel	(1 of 1) 100%	89.1 %
<b>FY 2009</b>		
Major	(56 of 63) 88.9%	94.1%
Lieutenant Colonel	(16 of 20) 80.0%	87.9%

\*Active component officers serving in reserve component assignments at time of consideration.

\*\*Active component officers not serving in reserve component assignments at the time of consideration.

**Section 517 (b) (2) (B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).**

Below the Zone	AC in RC (%) *	Army Average (%) **
<b>FY 2008</b>		
Major	(0 of 4) 0%	4.9%
Lieutenant Colonel	(0 of 0) 0%	13.5%
<b>FY 2009</b>		
Major	(2 of 4) 50.0%	6.0%
Lieutenant Colonel	(0 of 1) 0.0%	7.2%

\*Below the zone active component officers serving in reserve component assignments at time of consideration.

\*\*Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

**Section 521(b).**

**1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.**

ARNG officers: 14,760 or 36.3 percent

Army Reserve officers: 19,573 or 59 percent

**2. The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.**

ARNG enlisted: 85,255 or 26.8 percent

Army Reserve enlisted: 63,311 or 41.6 percent

**3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:**

**a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRRA:**

In FY09, 10 graduates from Service Academies were serving in the Army National Guard to complete their service obligation.

In FY09, 0 graduates from Service Academies were serving in the Army Reserve to complete their service obligation.

**b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:**

In FY09, no waivers were granted by the Secretary of the Army.

**4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:**

**a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:**

In FY09, no distinguished Reserve Officers' Training Corps (ROTC) graduate was released before completing their active-duty service obligation.

**b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:**

In FY09, no waivers were granted by the Secretary of the Army.

**5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:**

In FY09, one ROTC graduate was released early from their active-duty obligation. The officer is serving the remainder of his/her obligation in the ARNG

**6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRRA (with Army Reserve data also reported).**

There are no longer active and reserve component associations due to operational mission requirements and deployment tempo. Active component officers no longer concur or non-concur with unit vacancy promotion recommendations for officers in associated units according

to section 1113(a). However, unit vacancy promotion boards have active component representation.

In FY09, 2,223 ARNG officers from units were recommended for position-vacancy promotion and promoted. This number consists of 319 U.S. Army Medical Department, 1,864 Army Promotion List and 40 Chaplains.

In FY09 the estimated percentage of Unit Vacancy Promotions CPT through COL in which an active component representation was on the state unit vacancy promotion board is as follows:

AMEDD	12 %
APL	10 %
Chaplain	13 %

In FY09, 59 Army Reserve officers from units were recommended for position-vacancy promotion and promoted. This number consists of 9 U.S. Army Medical Department, 47 Army Promotion List, and 3 Chaplains.

**7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.**

In FY09, the ARNG had a total of 201 Noncommissioned Officers receive a military education waiver. As of September 30, 2009 all those waiver recipients were eligible for promotion to the next rank, but none have obtained the military education requirement that was previously waived.

In FY09, the Army Reserve had a total of 331 Soldiers receive a military education waiver. Of these, 124 were SGTs in need of a waiver for Warrior Leader Course (WLC) as a result of being deployed or assigned to Warrior Transition Units (WTU) (Medical Hold or Medical Hold-Over Units) whose medical condition was incurred in direct support of Overseas Contingency Operations and who were otherwise eligible for promotion, if recommended. Furthermore, eligible Soldiers lacking the prerequisite level of military education due to operational deployment conflicts or the inability of the Army to schedule the course, were granted waivers. This included 173 Soldiers who were granted waivers for the Basic NCO Course (Now Advanced Leader Course) and 34 Soldiers who were granted waivers for the Advanced NCO Course (now Senior Leader Course).

The Secretary of the Army has delegated the authority for the waivers referred to in section 1114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. A majority of these waivers were approved due to the Soldiers being deployed and/or performing operational missions. Each reserve component maintains details for each waiver.

**8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the Army Reserve is also provided.)**

In FY09, the ARNG had 61,812 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., pending administrative/legal discharge or separation, medical non-availability, incomplete initial entry training, officer transition, unsatisfactory participation, or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment).

In FY09, the Army Reserve had 49,330 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., pending administrative/legal discharge or separation, medical non-availability, incomplete initial entry training, officer transition, unsatisfactory participation, or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment).

**9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)**

The number of ARNG Soldiers discharged during FY09 pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the Army National Guard is 141 officers and 15,105 enlisted Soldiers from all U.S. states and territories. The breakdown by each state is maintained by the NGB.

The number of Army Reserve Soldiers discharged during FY09 for not completing the minimum training required for deployment within 24 months after entering the Army Reserve is 63 officers and 2,910 enlisted Soldiers. Soldiers who have not completed the required initial entry training within the first 24 months are discharged from the Army Reserve under AR 135-178, Separation of Enlisted Personnel. Officers who have not completed a basic branch course within 36 months after commissioning are separated under AR 135-175, Separation of Officers.

**10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRRA of the requirement in section 1115(c)(1) of ANGCRRRA described in paragraph (9), together with the reason for each waiver.**

In FY09, no waivers were granted by the Secretary of the Army for the Army National Guard or the U.S. Army Reserve.

**11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).**

**a. The number and percentage who did not meet minimum physical profile standards required for deployment:**

In FY09, 242,777 ARNG Soldiers underwent a Periodic Health Assessment (PHA) physical. Of these personnel 18,830 or 7.7 percent were identified for review due to a possible deployment limiting condition or failure to meet retention standards.

In FY09, 115,133 Army Reserve Soldiers underwent a PHA physical. Of these personnel 21,505, or 18.68 percent were identified for review due to a possible deployment limiting condition or failure to meet retention standards. The FY 2008-2009 increase is most attributable to PHA physicals now being required annually.

**b. The number and percentage that were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).**

In FY09, 18,830 ARNG Soldiers were transferred from deployable to nondeployable status for failing to meet medical deployability standards. This number includes Soldiers returning from a mobilization with a new medical condition and reflects an increase in the accuracy of electronic databases.

In FY09, 21,505 Army Reserve Soldiers were considered non-available for deployment for failing to meet medical deployability standards. The new PHA physicals being required annually may account for the increase in those being found to be non-deployable.

**2. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.**

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

**3. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.**

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

**14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.**

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

**15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.**

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1118 of ANGCRRA.

**16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and AR units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.**

Per January 2007 direction from the Secretary of Defense (SECDEF) reserve component unit mobilizations are limited to 400-day periods, including a 30-day post-mobilization leave and all post-mobilization training.

The most significant impact of this policy change is that many training tasks previously conducted during the first three to six months of mobilization have been identified for premobilization training, and units are training to standard on as many of these tasks as resources permit. Information on the type of training required by units during postmobilization is maintained by First Army. The data are not captured by state.

ARNG units strive to train in accordance with the Army Force Generation (ARFORGEN) process in order to prepare for operational missions and reduce post-mobilization training time. The ARFORGEN process requires increased resources for company-level training proficiency prior to mobilization. This training generally consists of individual warrior training tasks, weapons qualification and gunnery, battle staff training, and maneuver training. This is followed by theater-specific tasks and higher level collective training to complete the predeployment requirements for the unit's specific mission. The goal for post-mobilization training time for a brigade-size organization is approximately 60 days.

Post-mobilization training time is contingent upon the amount of certified pre-mobilization training conducted, the type of unit, and its assigned mission. In order to reduce post-mobilization training time, the ARNG has developed programs and products such as the ARNG Battle Command Training Capability, the eXportable Combat Training Capability (XCTC), training devices, and range complexes for our units.

The combination of programs and products, provide units with the capability to accomplish more during pre-mobilization training and therefore reduce post-mobilization training time.

The Army Reserve developed the Regional Training Center (RTC) concept in response to the SECDEF decision to restrict RC mobilizations to one year. These centers provide the capability for Army Reserve units to conduct training on Theater Specific Required Training (TSRT) to theater standards and conditions. The majority of training is on individual tasks but some collective training is also conducted. Because of certification by unit commanders, most of the training is not repeated in post-mobilization status. Exceptions are for tasks incorporated into other required training events and for convoy operations training.

The TSRT training is for units that will deploy to theater, including non-rotational forces (MTOE and TDA). Units mobilizing for CONUS based missions do not require this training.

Each RTC conducts standard rotations throughout the year although each has the capability to adjust training for selected large unit participation. Initially the Army Reserve provided a staff projection to DA that the training would require 17 days, but in actual implementation the training has required 21 days.

Army goals for post-mobilization training for Army Reserve headquarters and combat support/combat service support units range from 30 to 60 days. Post-mobilization training conducted by First Army

typically consists of counterinsurgency operations, counter-improvised-explosive-device training, convoy live-fire exercises, theater orientation, rules of engagement/ escalation-of-force training, and completion of any theater-specified training not completed during the pre-mobilization period.

**17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).**

During FY 09, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs with the training requirements of the ARFORGEN training model. By synchronizing the use of TADSS with ARFORGEN, the ARNG continues to improve unit training proficiency prior to mobilization.

To support the training requirements of M1A1 Abrams and M2A2 Bradley-equipped Brigade Combat Teams (BCT's), the ARNG continued the fielding of the Advanced Bradley Full-Crew Interactive Simulation Trainer, which provides full crew-simulations training for M2A2 units, Tabletop Full-fidelity Trainers for the M2A2, and the Conduct of Fire Trainer XXI for M1A1 and M2A2. When fully fielded, these devices, in addition to the Abrams Full-Crew Interactive Simulation Trainer XXI, will be the primary simulations trainers to meet the virtual gunnery requirements of M1A1 and M2A2 crews.

In order to meet the virtual-maneuver training requirements in the ARFORGEN process, M1A1 and M2A2 units use the Close-Combat Tactical Trainer (CCTT) and the Rehosted Simulations Network (SIMNET) XXI, in addition to the Rehosted SIMNET CCTT Core. The CCTT, SIMNET XXI, and SIMNET CCTT provide a mobile training capability to our dispersed units.

In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations, the ARNG is fielding the Virtual Convoy Operations Trainer (VCOT). The VCOT, through the use of geo-specific databases, provides commanders with a unique and critical mission rehearsal tool. Currently, 32 VCOT systems are positioned in the ARNG force to train units on the fundamentals of convoy operations.

In order to meet basic and advanced rifle marksmanship requirements, the ARNG is fielding the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship-training device. The ARNG is also continuing use of its previously procured Fire Arms Training System (FATS) until EST 2000 fielding is complete. The EST 2000 and FATS are also used to provide unit collective tactical training for dismounted Infantry, Special Operations Forces, Scouts, Engineer, and Military Police squads, as well as combat support and combat service support elements. These systems also support units conducting vital homeland defense missions.

The ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The ARNG currently has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition. It is utilized for developing and sustaining marksmanship skills, diagnosing and correcting marksmanship problems, and assessing basic and advanced skills.

The ARNG has further developed its battle command training capability through the three designated Battle Command Training Centers (BCTCs) at Fort Leavenworth, Camp Dodge, and Fort Indiantown Gap, and the Distributed Battle Simulation Program (DBSP). BCTCs provide the backbone of the program as collective hubs in the battle command training strategy. The DBSP provides Commanders assistance from Commander's Operational Training Assistants, TADSS facilitators, and Technical Support Teams. BCTCs and the DBSP collectively help units in the planning, preparation, and execution of simulations-based battle staff training that augments the Department of the Army-directed Warfighter Exercises and greatly enhances battle staff and unit proficiency.

In order to provide the critical culminating training event of ARFORGEN, the ARNG has implemented the XCTC. The XCTC program provides the method to certify that ARNG combat units have achieved company-level maneuver proficiency prior to mobilization. The XCTC incorporates the use of advanced live, virtual, and constructive training technologies to replicate the training experience until now only found at one of the Army's Combat Training Centers.

The centerpiece of the XCTC is the Deployable Force-on-Force Instrumented Range System (DFIRST). DFIRST utilizes training technologies that allow for full instrumentation of the training area from major combat systems down to the individual Soldier, role player, and Civilian on the battlefield.

The most important part of every training exercise is the After-Action Review (AAR). By full instrumentation of the units, Soldiers, and training areas, units receive an AAR complete with two-dimensional, three-dimensional, and video playback of the actual training exercise. This allows Commanders and Soldiers to see what occurred during the training exercise from a different perspective, further enhancing the training experience.

The Army Reserve continues to leverage—to the extent resources permit—TADSS into its training program. Implementation of Army Campaign Plan Decision Point 72 continues with establishment of the 75th Battle Command Training Division (BCTD) (Provisional). This division, with five battle command training brigades, employs legacy constructive simulations to provide battle command and staff training to Army Reserve and Army National Guard battalion and brigade commanders and staffs during pre-mobilization and post-mobilization. The concept plan as well as requirements for supporting Army battle command systems and simulations drivers for the 75th BCTD is pending Headquarters Department of the Army (HQDA) approval.

The Army Reserve continues to partner with the Program Executive Office, Simulations, Training and Instrumentation; Training and

Doctrine Command agencies; and HQDA to define TADSS requirements for combat support and combat service support units. The 75th BCTD is on the Entity-level Resolution Federation (ERF) fielding plan. The ERF provides a high-resolution (e.g., individual Soldier-level fidelity aggregated to unit resolutions) joint constructive battle staff training simulation.

The LMTS and EST 2000 remain essential elements of Army Reserve marksmanship training. LMTS procurement continues, and distribution throughout the Army Reserve force continues to increase. The LMTS has also been adapted to support convoy operations training. In either individual pre-marksmanship training or convoy modes, the system allows the Soldier to use an assigned weapon, as well as crew-served weapons, in a simulation/training mode. EST 2000 systems have been fielded to many Army Reserve Engineer and Military Police organizations to enable full use of its training capabilities by units with high densities of crew-served weapons their at home stations.

The Army Reserve also has a number of low-density simulators it employs to reduce expensive "live" time for unique combat service support equipment. For example, Army Reserve watercraft units train on the Maritime Integrated Training System (MITS), a bridge simulator that not only trains vessel captains but the entire crew of Army watercraft. In 2007 the Army Reserve invested in communications infrastructure so that the MITS at Mare Island, California can communicate and interact with another Army MITS at Fort Eustis, Virginia. This provides the capability to conduct distributed multi-boat collective training among all the simulators. Of note, the MITS is also

used by U.S. Navy, U.S. Coast Guard, and harbor management agencies. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for floating watercraft maintenance units. Other simulator requirements are being identified in requirements documents.

**18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:**

**a. Explanations of the information:**

Readiness tables are classified. This information is maintained by the Department of the Army, G-3.

**b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:**

Summary tables and overall assessments are classified. This information is maintained by the Department of the Army, G-3.

**19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:**

**a. The number of such inspections;**

**b. Identification of the entity conducting each inspection;**

**c. The number of units inspected; and**

**d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.**

During FY09, Inspectors General and other commissioned officers of the Regular Army conducted 947 inspections of the ARNG, inspecting 1,403 ARNG units. The bulk of these inspections, 711, were executed by Regular Army officers assigned to the respective States and Territories as Inspectors General. First Army and the Department of the Army Inspectors General conducted 96 of the inspections, and the remaining 140 by the U.S. Army Forces Command (FORSCOM); Training and Doctrine Command (TRADOC); Communications-Electronics Command (CECOM); and the U.S. Army Audit Agency.

Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass / fail rating. Results of such inspections may be requested for release through The Inspector General of the Army.

Operational Readiness Evaluation data for the Force Support Package and expanded separate brigades are unavailable, as inspections thereof were eliminated as requirements in 1997. Data available under the Training Assessment Model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data are maintained at the state level and are available upon request from state level-training readiness officials.

In accordance with AR 1-201, *Army Inspection Policy*, the U.S. Army Reserve Command (USARC) conducts inspections of regional readiness commands and direct support units within requirements of the USARC Organizational Inspection Program (OIP). Per the Army Regulation, OIPs at division levels and above mainly comprise staff inspections, staff assistance visits, and Inspectors General. Staff inspections are only one aspect by which Commanding Generals can evaluate the readiness of their commands. The Inspector General conducts inspections and special assessments based on systemic issues and trends analysis with emphasis on issues that could impede the readiness of the Army Reserve.

The Chief, Army Reserve, directed the Inspector General to conduct special assessments in FY09 prompted by concerns over systemic issues. One was the Special Assessment of Training Management. Its objective was to determine if units in the Army Reserve were in compliance with Command Training Guidance for Training Years 2008-2010, with emphasis on the execution of weapons training, remedial training, qualification, and ammunition availability. This assessment also encompassed an annual regulatory review of compliance with and effectiveness of the Army Voting Assistance Program, a program of special interest to the Department of the Army. Another was the Special Assessment of the Impact of Army Reserve Equipment Shortages (Funding/Availability/Modernization) and Training with the US Army Reserve Command (USARC), which evaluated training issues due to equipment shortages and the affect it had on our Soldiers' morale.

The Army Reserve is meeting regulatory requirements through a combination of Battle-Focused Readiness Reviews (BFRRs) and staff assistance visits, with the assistance visits conforming to regulatory requirements of AR 1-201. The BFRR is the tool used by major subordinate Commanders to provide the Army Reserve Commanding General a status on resources and readiness of their commands, and resolve systemic issues/trends in order to achieve continuous improvements in readiness. The Army Reserve conducted 19 BFRRs in FY09, while inspecting 65 units. The staff assistance visits were more oriented to a particular topic in the staff proponent's area.

**20. A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.**

There are no longer ground combat active or reserve component associations due to operational mission requirements and deployment tempo.

As FORSCOM's executive agent, First Army and U.S. Army Pacific (USARPAC) for Pacific based Reserve Component units, execute active duty associate unit responsibilities through both their pre-mobilization and post-mobilization efforts with reserve component units. When reserve component units are mobilized, they are thoroughly assessed in terms of manpower, equipment, and training by the appropriate chain of command, and that assessment is approved by First Army or USARPAC as part of the validation for unit deployment.

Validation of the compatibility of the Reserve Component units with the active duty forces occurs primarily during training and readiness activities at mobilization stations, with direct oversight by First Army, USARPAC, and FORSCOM.

**21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (a) by State for the Army National Guard (and for the US Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.**

Title XI (FY 09) Authorizations				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	97	110	8	215
TRADOC	50	3	0	53
FORSCOM	979	2,165	101	3,245
USARPAC	30	49	1	80
TOTAL	1,156	2,327	102	3,593

Title XI (FY 09) Assigned				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	28	77	7	112
TRADOC	5	5	0	10
FORSCOM	659	2,119	85	2,863
USARPAC	28	53	1	82
TOTAL	720	2,254	93	3,067

As of September 30, 2009, the Army had 3,067 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act 2005 (NDAA 2005, Public Laws 108-767, Section 515). Army G-1 and U.S. Army Human Resources Command (HRC) carefully manage the authorizations and fill of Title XI positions. The data is captured at the command level. The actual duty location for each position is not captured down to the state level of detail.

## ROTATION CYCLE

Mr. DICKS. Well, thank you very much. And both of those were excellent statements and I am glad that you feel that we are moving in the right direction in terms of the numbers of people. Give us a little explanation of this rotational system in terms of how this would—how this would impact the Army. I know you mentioned that the Navy and the Marine Corps do it. But explain how that whole thing works.

General CASEY. I will. And then I forgot to give you the update on Afghanistan and I will tack that on to the end. Remind me if I forget.

Mr. DICKS. Okay. Good.

General CASEY. If you think about—I said 1 year out, 2 years back. That means you need three-fourths pool, one to be deployed, one to be training to deploy and one to be recovering. If you take the Army and you divide it up into three-fourths pools and then you add the Guard and Reserve who will flow through those force pools at differing years because they are at 1 year out, 4 years back, we can organize ourselves so that every—and each one of those 3 pools, you have a core headquarter, a 3-star headquarter, 5 division headquarter, 20 brigade combat teams, 3 or 4 of those are Guard, and about 90,000 enabling forces, helicopters, engineers, military police, intelligence, half of those are Guard and Reserve.

And so that would be the output. And we would prepare ourselves to deliver that output annually. And they could be used for Iraq and Afghanistan. They could be used by combat commanders for security assistance or whatever they need. That doesn't quite meet the current demand in theater. We are over—that total force package is about 160,000. And we have got about 24 brigade combat teams deployed right today. But the idea of this, it is a rotational readiness model. So as you come out of the reset, you gradually build readiness as you move towards the available pool where you deploy.

But the purpose of that is so that we can deliver that capability, trained and ready to go to war at a tempo that is sustainable for the all volunteer force. And what we have been doing in the past is you come back, you take your leave and you get your training and you go back again. And we have been doing it in 12 to 15 months. And that is just not sustainable. So that is the purpose. We are going to be at this for a while. We believe that organizational model will allow us to do that. Did you want to add anything to that?

Mr. MCHUGH. I did, but you have to talk about Afghanistan.

## AFGHANISTAN UPDATE

General CASEY. Afghanistan. The flow of the forces in is proceeding apace. I just had an update today from the Army commander who is responsible for bringing those forces in. The equipment for the first force package is there and the troops are flowing in, and I expect that they will get there at or at least maybe even in advance of their date. What we are seeing, what I am seeing is a gradual—the gradual impact that these forces are having over

time and a gradual shift in the momentum of the operations there, which is exactly what General McChrystal hoped to see.

You mentioned earlier the battle of Marja. I think that is important from two perspectives: One, because it was an area that was important to the enemy and they couldn't hold it. And that is significant. And I asked General McChrystal on a video teleconference what that told him about the enemy and he said it told me that they weren't quite as strong as I thought they were. And I think that—so that is significant.

We still have a long way to go there. We still have some shortages and trainers that I know General Caldwell and General McChrystal are working on. And we have to grow the security forces as much as we did in Iraq so they can ultimately take over. But I think they are going in the right direction.

#### ROTATION CYCLE

Mr. MCHUGH. Mr. Chairman, if I may, with respect to the cyclical training, the ARFOR GEN as we call it, and the Chief very, very accurately described the advantages of how it generates force structure. The other thing does, is that at the same time, a challenge and ultimate benefit, it provides us the opportunity bring all the other things that the Army does into that rotation. Right now you have troops coming home at various times, they need to go to their schooling. They have got joint service requirements that may or may not be available.

We can tune this new enterprise model that the Chief and others have been working on so that it too works on that same cyclical program so that when folks come back their dwell time is really dwell time and they can attend the schools that are necessary for them to advance in their career line.

So we see it as a larger business model. And also as a way to make the career in the Army more attractive to soldiers who are interested in furthering their education of course, and gaining rank and staying in for the long haul.

Mr. DICKS. Mr. Young.

#### AFGHANISTAN—TRANSPORTATION

Mr. YOUNG. Mr. Chairman, thank you very much. With the terrain in Afghanistan being really rough, very few roads and highways that we would consider movable and with some of the units actually using mules to carry supplies and equipment, et cetera, where are we on the issue of ground transportation for our troops? MRAPs, Strykers, Humvees?

Mr. MCHUGH. I will take MRAPs. Obviously the Chief has a great vignette. He can tell you about his son, but I will leave that to him if he cares to. But this is an incredibly important addition to the force structure as you said, Congressman Young, particularly in Afghanistan where the training challenges are far different in most ways, far more difficult than they were in Iraq.

#### MINE RESISTANT AMBUSH PROTECTED—ALL TERRAIN VEHICLE

Right now we have just over 1,500 of the new MRAPs in Afghanistan. We have got about 160 that are on route to Afghanistan.

Most of them by ship, about 30 or so are being conveyed by air. We have some who have actually arrived at the port of Karachi that are being outfitted, tested and will be fielded soon. We have approximately another 130 or so that are at the port in Charleston ready to be shipped. So we are at about the saturation rate, about to the extent as to what they can take into theater, what they can set up and deploy reasonably.

But this is going to be key both to—in terms of carrying the fight to the Taliban and to the anti-Afghan forces. But also as you noted, it does provide us an opportunity for greater options on ground transportation which in a country of very few roads has been an enormous problem. Both logistically and also in terms of IEDs and predictability on ground routes.

#### MRAPS

Mr. YOUNG. Let me follow up on the MRAP issue. Are all of the MRAPs in country now, are they all the same model or are we into some of the smaller MRAPs that we developed later?

Mr. MCHUGH. We have several variants, but all M-ATVs that are coming off the line are going to Afghanistan for the moment. But it is absolutely true. And not all the requirements are the same. A lot of missions and some don't require the flexibility, don't require the all terrain capabilities of the M-ATV. So I think that mix will continue for a while, but clearly the M-ATV is the platform for the moment.

#### STRYKER

Mr. YOUNG. What about Stryker? How important is Stryker in the overall ground transportation area?

General CASEY. It is important for us as an Army to have a versatile mix of capabilities, transportation capabilities. So it is beyond just Afghanistan. And as we were organizing ourselves, we want to have heavy brigades that are ready. So you have tanks and Bradleys, light brigades augmented with MRAPs and then Stryker brigades so you can mix those forces together to give you what you need.

I think it is probably common knowledge to the Committee here that the Strykers that we put into Afghanistan had some challenges. They got put into a tough area and they saw some IEDs that had a huge explosive weight and frankly some of those would have blown over a tank. And so we have studied that and one of the proposals that has come out is a V shaped hull for the Strykers.

And frankly that appears promising. We have lots of testing that we need to do on that. But right now the Stryker from a survivability perspective is closer to the Humvee than it is to the MRAP. So if this hull kit works out, or this hull works out and it moves it closer to the MRAP, that is going to significantly enhance what the Stryker can do for us. Folks love the mobility of the Stryker and they like the organization of the brigade. So it is an important asset to us not just in Afghanistan but Army-wide.

Mr. YOUNG. General, I have seen that model of that new V shaped hull and it does appear that it would be a major improvement as far as the protecting of the vehicle and the personnel in-

side. Keep us advised on how you are proceeding with that. One more question on ground transportation, on HMMWVs. Does HMMWV play as important a role in Afghanistan as it did in Iraq?

HMMWV

General CASEY. No. And especially as the MRAPs had become available. And so up-armored HMMWVs, Strykers, MRAPs and M-ATVs are probably—that is how the preference would be in a descending order. No, it is not. And I was talking earlier to the chairman. We are working through an overall vehicle strategy. What we need in terms of HMMWV, what we need in terms of MRAPs, all terrain vehicles, Strykers and trucks frankly. And we have been working on that for about 10 months and I expect to see that here in the coming months.

Mr. YOUNG. Aren't we scheduled to have—go ahead.

Mr. MCHUGH. I was just going to say, in fact, the Army just did a prohibitive review, an assessment of where we were on HMMWV acquisition. We had met our requirement. In fact we have exceeded it. We just executed termination to that contract, not an immediate termination, but a drawn down that will exercise the option of the contract. We will procure several thousand more, 2,662, in fact, in the coming months and then some other-than-Army sales of about 8,895.

And after that, we expect the Humvee to still be a part of our vehicle fleet. But it will be much adjusted in its activity based on what we have experienced in Afghanistan.

Mr. YOUNG. Mr. Secretary, I understood that to be the case. But I also understand that there are quite a number of foreign sales scheduled for the Humvee. But the charts that I have looked at seem to show me that the line will shut down, because of the Army's decision, and will be shut down before the construction of the new vehicles for foreign sales could be produced. Where do we stand there?

Mr. MCHUGH. The Army has—we have taken an approach to try to stretch out the activity on the line as far as practicable. As I said, we have not only met our requirement, we have exceeded it. We have about 8,000 HMMWVs that are currently on the lot waiting for the Army to accept. We exercise the option, as I mentioned earlier, in the existing contract procuring another 2,262. Afterwards as you noted correctly, Mr. Young, we have other-than-Army sales, FMS, Marine Corps, other branches of the services that will purchase nearly 9,000. Depending on what the production rate is, whether it is 50 or 30, wherever they are able to make that out, we expect the line can stay open until the end of at least 2013.

Thereafter, we have a major recap program that we are submitting I hope soon or reprogramming request from the available monies that the current manufacturer, AM General in the State of Indiana, would certainly be welcome to compete in which would keep that line running even further. We try to be as sensitive as we can to the manufacturing base which we are concerned about, but there are only so far we can go and limits we have to respect.

Mr. YOUNG. I certainly understand that and that was my question for General Casey, was the HMMWV still going to be an im-

portant part of our inventory. Okay. Mr. Chairman, thank you very much. I appreciate your remarks.

Mr. DICKS. Mr. Visclosky.

Mr. VISCLOSKY. Thank you, Mr. Chairman. Secretary, congratulations. I appreciate the responsibilities you have and wish you well. General, thank you very much for being here. If I could follow on with Mr. Young's line of questioning, Congress did provide \$1.3 billion for the HMMWV program for the 2010 budget. Do you or could you tell us today what the Army's obligation plan for those funds are?

Mr. MCHUGH. As I briefly mentioned to Congressman Young, we are developing a reprogramming requests for the unexpended monies available in the HMMWV procurement program. That is working its way towards the DOD comptroller, Bob Hale. I don't want to prejudge how he will dispose of that one way or another. But it is certainly the Army's view that we can use those funds particularly in the recap program. But again as I mentioned, Mr. Young, is a critical opportunity for AM General, the current manufacturer or certain of the depots which I know some members on this subcommittee have some interest to participate in those. So we have purposes for the money, much of it, most of it is redirected back in a HMMWV recap.

Mr. VISCLOSKY. Do you have a time frame as to when we will get the reprogramming request?

Mr. MCHUGH. I don't, Congressman. As I said, it is really predicated upon Mr. Hale's shop processing.

Mr. VISCLOSKY. And when you talk about the recapitalization program, what do you mean specifically? What am I looking at program-wise?

Mr. MCHUGH. You have HMMWV sets come back from theater, HMMWV sets that are being utilized in CONUS that reach their operational life. And it costs about \$184,000 to purchase a new HMMWV. In recap, it essentially creates a new vehicle by taking the old platform in most cases, stripping it right down to the frame and rebuilding. And that costs between 90 and \$100,000. So it is a cost saving measure, but it also maintains the operational fleet at the requirement numbers so we are not buying platforms that, as I said, under current requirements we don't need.

Mr. VISCLOSKY. General, it is my understanding the Army, and I think you had alluded to it, is looking to a mix of light tactical vehicles. And you had mentioned that—I think said 10 months the Army had been working on that and you are some months away. Would that include HUMMWVs, armored HUMMWVs, joint light tactical vehicles, MRAPs? Is that—you are looking at the whole universe?

General CASEY. I am sure you are asking yourselves the same thing I asked myself 10 months ago, what are we doing with all these vehicles. And as I think about it, the HUMMWV is basically a utility vehicle that can do a range of different things. So that is kind of the first tier of systems. And the basic HUMMWVs can be used for training at home. And they can be used for a range of missions outside of Iraq and Afghanistan. Up-armored HUMMWVs is the next tier. They can be used in an IED environment. And then

beyond that, you have the MRAPs. And I mentioned that we have worked to incorporate the MRAPs into our organizations.

This is something we didn't have before. But the MRAP wouldn't be a replacement for the HMMWV. It just wouldn't. It is a specialty type of vehicle for a special environment. So we have got to figure that out. The next year beyond that is a Stryker. That serves a slightly different function than the MRAP.

So we are working our way through how we are going to use, frankly, the investment we have made in the MRAPs and how that is going to fit in with the other vehicles we already have.

Mr. VISCLOSKY. When do you think a final decision will be made?

General CASEY. I have been quite impatient about this myself and I do expect to see it in the next couple of months.

#### GUARD AND RESERVE

Mr. VISCLOSKY. If I could, one more question, Mr. Chairman. You had mentioned before as far as the operation tempo kind of 2 to 1 for active, 4 to 1 for Reserve and Guard. A more philosophical question, my sense with the guard 20 years ago is if I signed up for a guard unit, I was in a reserve, I would not anticipate barring any emergency, that I would, if you would, go active. 20 years later, my sense in some of the people I have talked to in the Guard or Reserve is they know, if you would, what they are signing up for now and feel as though they are part of the regular or uniform services. Is that a distinction that is closing that gap or is it still recognized with the 1 to 4 and the 1 to 2?

General CASEY. The Guardsmen and Reservists I talk to and the leadership of the Guard and Reserve would take the latter position, that they know what they are signing up for. I mean, half of the Guard and Reserve are combat veterans today. That is fundamentally different than it was when I came in the Army. And what I hear from them is give us some predictability, get us to 1 to 4 or 1 to 5 even. And we can sustain this. Now, I think it is a conversation that we all need to have as we go down the road and as demands come down in Iraq. Because we have 70 to 80,000 Guardsmen and Reservists mobilized on a given day and have had for sometime. And I am not sure how long folks are willing to—can accept that. But that is a few years from now, but I think it is a conversation that we probably need to have.

Mr. VISCLOSKY. General, thank you. Thank you, Mr. Chairman.

#### FUTURE COMBAT SYSTEMS

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. Mr. Secretary, congratulations. A great choice. General Casey, over the years, whenever I saw—your subordinates saw me, they were always pushing for the Future Combat Systems and you have done such a good job, I really can't get it out of my mind. I know it has been cancelled and now, it is morphed into—and I want you to talk a little bit more about what it is morphing into here. We did spend billions of dollars, and I think those dollars were well spent. I would like to know from you what we are retrieving from what we have already invested. And I am sure you can do that and then when you talk about the versatile mix that is on the battlefield today, of course most of that is legacy. I am concerned about the

future. One of the things that you drilled into me was that what we have now in some ways is 30 or 40 years old and we need to prepare for the future. Now, I understand we are spending \$2.6 billion on a ground combat vehicle. We are slated to spend in this budget \$3.2 billion on brigade combat team modernization program. What are we going to get with that money? And are we going to run into some of the same problems on the Future Combat Systems even with this new focus here? I am all for you. I was the last guy as far as I am concerned, the last guy standing that would have gone from the Future Combat Systems.

General CASEY. I appreciated the company. Thank you.

Mr. FRELINGHUYSEN. It worries me sick here what has happened here.

#### NETWORK

General CASEY. Thank you very much. And that is a great question. And I probably wasn't clear enough in my opening statement. If you think about what we are doing with the Future Combat Systems, the major components were the network, the vehicles, because it was a family of vehicles that we are building, and the spinouts, the intelligence surveillance and reconnaissance systems that were linked by the network. What has gone forward is everything but the family of vehicles. The network, which to me is the most important element because as we look to try to build—

Mr. FRELINGHUYSEN. This is a connectivity of all of these elements.

General CASEY. Absolutely. As I was going to say, as—the network is what gives us the ability to operate in any environment. And not to be overly simplistic, in any environment a soldier goes into, they need to know where they are, they need to know where their buddies are, they need to know where the enemy is and when they shoot at them they need to hit them. That is what the network enables. So that survived. And it frankly has pulled the rest of the Army network operations forward.

#### SPINOUTS

So we are in a much better position from a network perspective because of the Future Combat Systems. The second thing that is out there are the spinout, those intelligence surveillance, reconnaissance systems that are there. And we are getting them to a position to take them forward. Now, we just did a limited user test and found some warts on them and we are working to fix those warts. And I can tell the Committee we won't take anything forward that isn't ready. But those also survived. The vehicles, family of vehicles did not and the Secretary of Defense, as you will recall, told us to go back to the drawing board, take a blank sheet of paper and start over. So we did. And we have better incorporated the lessons of the current fight in that.

#### GROUND COMBAT VEHICLES

But we also are aware that the state of the art is on vehicle technology because we pushed it there with the future combat systems. So the \$15 billion is so that we invested in that program over time

was basically a great test bid to give us the insights that we need to move this program forward and to give us a modernization capability for the Army we need for the second decade and the 21st century.

Mr. FRELINGHUYSEN. So what we are doing on the new generation of ground combat vehicles is being accelerated here? How is that moving along?

General CASEY. I wouldn't say accelerated.

Mr. FRELINGHUYSEN. I know the answer. And that is why I—this struggle here, it is unbelievable here.

General CASEY. I tell you, both the Secretary of Defense and I pushed very hard to get this vehicle done in 5 years.

Mr. FRELINGHUYSEN. All I can hear is the voice of the late chairman saying by the time we lower our troop strength in Iraq, which we are doing, and let us say the public will somewhat is not as strong as it used to be, we are going to find our Army underfunded because we are going to come up with our other national priorities and it worries me that what we are morphing into here is absolutely essential for the future safety of our soldiers and their ability to be effective on the battlefield.

General CASEY. I couldn't agree more with you, Congressman.

Mr. DICKS. Would you yield?

Mr. FRELINGHUYSEN. Yes, Mr. Chairman.

Mr. DICKS. Tell me what this new ground combat vehicle is going to—the Army's record in procurement isn't exactly stellar, General.

General CASEY. It is not.

Mr. DICKS. And if I were you, why wouldn't you just go out and tell industry you have got 6 months, like you did with the MRAP and the M-ATV and come back and give us something? Why not do it that way or take these existing programs that we already have and use them? What are you going to get in going through a big development program for a new ground combat vehicle?

General CASEY. Chairman, we ask ourselves the same question. That was the first place we looked. And we said is there something out there that we could take and would meet our needs. And the answer was no. We are talking about an infantry fighting vehicle to replace the Bradley fighting vehicle, a vehicle that was designed in the early 1970s.

Mr. FRELINGHUYSEN. If I can reclaim my time, inherent in the vehicle is the design that we have been using on MRAP. Is that one of the reasons that this thing is progressing like a snail?

General CASEY. No. The reason the thing is progressing like a snail is the acquisition process. And that is something, the weapons system acquisition reform act is out there. We are trying to do this—we are very conscience of our track record here, chairman. And we are trying to make this a model of development. But the process is slow. As I started to say, the SECDEF and I—

Mr. DICKS. It wasn't when we did the MRAP and the M-ATV.

General CASEY. It was an off-the-shelf vehicle. An MRAP is not an infantry fighting vehicle. It is a troop carrier. You wouldn't go into battle against tanks and infantry fighting vehicles in an MRAP. You would lose your rear end.

Mr. MCHUGH. If I could just add, we are trying to take lessons learned and evolve that into the acquisition process and the devel-

opment of the next generation troop vehicle, as the General said. What we are ideally striving for is something that gives you the survivability of the MRAP, gives you the lethality and the fighting power of the Bradley and gives you the maneuverability that we all enjoy in the Stryker.

That sounds easy to say. But you also integrate the new network capabilities that the Chief has been talking about. And a 5-year program is a reasonable one, but I think we are all very mindful. I got the call from then-Secretary—he still is—Secretary of Defense with respect to the termination of FCS when I was still on the Armed Services Committee and it was not the happiest phone call I ever had.

So there is history there. But I think in support of the Weapons System Reform Act and with the backing of the full power and research capabilities of OSD that we have a reasonable way forward. But there is risk. And we are mindful of that and we are trying to go forward this a deliberative way that produces a good product but understand as well we don't want to continue to develop until we outpace ourselves and requirements are no longer relevant to the fight of the moment.

General CASEY. The last thing is the vehicles designed to replace the Bradley, it has limits on size, weight and power. Just won't carry more. Can't carry the network. That is kind of where we are. So we need to take it to the next level.

Mr. DICKS. I was on the Committee when we did the M-1, the Bradley and the Apache. General "Shy" Myers was sitting in your place. That was the historic moment for the Army acquisition. Everything has been downhill since. Mr. Moran.

Mr. MORAN. Well, we are certainly on pace to be able to win the last war, that being Iraq and Afghanistan. First let me preface by saying I am glad that you are both in the positions that you are in and we have great confidence in you. But even the Stryker double V-hulled vehicles that Mr. Young was talking about, I mean, we are going to be out of that—at least we are going to start the withdrawal from Afghanistan next year. We have already started a substantial withdrawal from Iraq.

#### HELICOPTER LOSSES

And so maybe they will be on line by the time the war is over. And that is the frustration—I am sure you share it. But there are a number of questions I wanted to ask. But I was struck by one particular question. Actually, I am continually struck by the excellence of the staff. I have got to tell you that. But one question. They asked about—in the last—in a 7-year period, 327 helicopters were lost, 469 fatalities, but only 20 percent of them were attributable to hostile action. Have we addressed that? I mean, that is pretty stunning. But we are now getting reports from Iraq and Afghanistan. We have, I won't go over the numbers, but they add up to—go ahead. I don't want to interrupt you because there are other questions I want to ask.

General CASEY. If I could, back to your first comment about winning the last war. The vehicle we are designing is designed for the next war, not for this war. It has to be able to operate in all environments and that is the versatility. So it is not—

Mr. MORAN. The problem is we don't know where that next war is going to be.

General CASEY. Pardon me?

Mr. MORAN. The problem is we don't know where it is going to be or what shape it is going to take. So invariably, we prepare ourselves to win the last war because that is the best criteria that we have to go on. But I don't want to get into an argumentative situation.

General CASEY. I would never argue with you, Congressman. Back to the—we have had a concerted effort on aviation safety over the last decade and since really 2000, the trends have been in a positive direction, but we have been at war. And in the last year, we have had 26 class A accidents, which are major accidents. The vast majority of those, better than 70 percent are human error. The other normal causes of failure are materiel failure and environmental failure and then those are 10 to 15 percent each.

Mr. MORAN. It is troubling. 80 percent are nonhostile action. In the first Iraq war, a majority of American soldiers' deaths were by friendly fire, which I was surprised at. In Iraq, I am told that it is now in the high 30. So it has gotten better. In Afghanistan it is much less. But has a study been done? Are we dealing with that? Because I really was struck by the numbers in the first Iraq war. I guess it is understandable that the Iraqi troops were retreating. So we killed an awful lot of our own people. It still seems to be a problem, is it not?

#### FRIENDLY FIRE

General CASEY. You are talking about friendly fire.

Mr. MORAN. Friendly fire, yes.

General CASEY. Friendly fire deaths in Iraq and Afghanistan have been relatively infrequent. Most of them have come from indirect fire, from helicopters or close air support, but relatively infrequent.

The ground indirect fire that we saw in Desert Storm, we don't see too many of those incidents. I mean, I can't give you the exact numbers, but I can tell you, looking at this now, from 2004 when I was in Iraq to today, given the scope of the operations going on, relatively few, I would say.

Mr. MORAN. I just finished reading this book called *Where Men Win Glory*, and it was disturbing, and that is one of the reasons why it was so disturbing, but it was well written.

#### IMPROVISED EXPLOSIVE DEVICES (IEDS)

Let me ask a little bit about the IEDs and the evolution of IEDs. I understand that, increasingly, they are carried by humans, even women, suicide bombers. There is a product that was developed called the CounterBomber, and I am told the Marine Corps and the Air Force use it effectively. It identifies suicide bombers from a standoff distance with low-power radar and video. But the Army apparently bought 12 systems this year, and 11 of them are still in the warehouse. Is there any reason for that case? Only one has been deployed, whereas the Marine Corps and the Air Force are using them extensively.

General CASEY. I don't know that that is correct. I know JIEDDO purchased 12 for us. The last time I looked at this, we were in the process of figuring out the fielding plan for the theater. So I know we will get them into the fight as quickly as we can.

We have had systems to screen people since I was in Iraq. This is a new version of a system that we have had for a while.

Mr. MORAN. Well, okay. We might check up on that. It is curious that only one has been deployed—

Mr. MCHUGH. I do know we had discussed that before, and you correctly cite the utilization in our two sister services. We have not field tested those. The 12 sets that you speak about is intended to allow us to field test with—assuming it goes well—with more acquisitions in the future. I was not aware only there were 11 in the warehouse. We will certainly check on that and try to get a status report on that for you.

#### UNMANNED AERIAL VEHICLES

Mr. MORAN. I will yield back my time after I asked this, but we are using UAVs, of course, more and more frequently, but the Air Force has chosen to use different personnel than the Army. The Air Force, for example, uses rated officer aviators. The Army trains enlisted personnel to find UAVs. Have you found any difference in their performance, the effectiveness of the UAVs?

General CASEY. No. We are, frankly, satisfied with our enlisted soldiers in the way that they manipulate and fly the UAVs. One of the benefits they have is that is what they do. They stay in that career field their whole career. They don't come in and out of the flight jobs like what happens with the Air Force. So we have been very satisfied with that. And they are FAA certified, so we are very pleased with it.

#### LIMITED USER TESTS (LUTs)

Mr. MORAN. Well, in that area the Army intends to use these Class I UAVs, which I am sure you are familiar with, John, but the Committee is aware that in the user test last fall of the Class I UAV, it was rated as not reliable with the mean time between systems aborts at 1½ hours, when they were hoping for 23 hours. That is quite a disparity. And they can be seen and heard from about 2 kilometers. The data links are not secure.

So it really raises the question how much procurement funding is in the budget for those if they have failed tests so badly. I mean, should we go back to the drawing board on those?

Mr. MCHUGH. If I could start, Congressman, and then I will turn it over to the Chief. Those were limited user tests, as you said; and the objective of those tests are to determine exactly what your comments focused upon, that is, the shortcomings and the need where we have to go further into research and development to outfit it to the stated requirements. After those tests, the Army got together with Dr. Ash Carter, who is the acquisition executive for OSD, and determined a reasonable way forward to continue testing.

The Chief mentioned—I believe it was in his opening statement—we understand the challenges in these LUTs, these limited user tests, and we intend to use those findings to take us into the next step. But if that fails to come along, then we will not field any

of the systems. But it is really the way in which you work on a program, develop it, and hopefully successfully field, but we, as the test results showed, have a ways to go.

Mr. MORAN. Thank you Secretary, General. Thank you.

Mr. DICKS. Mr. Kingston.

Mr. KINGSTON. Thank you Mr. Chairman.

Mr. Secretary and General Casey, I reiterate what Mr. Moran said and some of the other members of the Committee. We are glad that both of you are in your positions, and we are very proud of the great jobs you are doing.

FORT STEWART

Mr. Secretary, as you know, I have to be a broken record with you a little bit on behalf of Mr. Barrow and Mr. Isakson and Mr. Chambliss in terms of Fort Stewart. One of the things that this Committee actually did last year was require the Secretary of Defense to come up with a report about what to do to mitigate the impact of the combat brigades not coming to Fort Stewart, and I was wondering who in the Army is handling your section of that report and when it might be ready. That is question one.

And then the other question, in the ongoing discussion you and I have been having, is the BCTs in Europe, bringing them home, when is that going to happen? Would that be cost-efficient to do that, and what is going on there?

Mr. MCHUGH. Well, I would not say you are a broken record. I would say you are appropriately consistent and insistent in the interest of your constituents and that great base. So no apologies are necessary.

Starting at the end of your questions first, as you and I have talked as well, we had expected the rebasing decision to be made, but through the Quadrennial Defense Review (QDR) there was a decision to supplant that, to replace it with—waiting until the completion of the European strategic study that is going on and also our own analysis. We would expect both of those looks to be completed sometime in the summer, and we are still programmed, subject to whatever the findings of those studies are, to bring those two BCTs home, but we will certainly know the way forward by the end of the summer of the fall program.

The other question with respect to the DOD study, I can't tell you when we expect that. I can tell you the Army staffed that at the levels you might assume both from the personnel side as well as the community assistance side. But because of the nature of the request, it really is an OSD and a DOD challenge and they are staffing that in the main.

Mr. DICKS. Can you yield to me for a second?

Mr. KINGSTON. Yes.

Mr. DICKS. I saw the local people—I don't know if it was on 60 Minutes or what it was on—but it sounded as if the Army went down there and said, we really need you people to lean forward, to get out there and do things and build houses and do stuff. And then this happens, and a lot of these people are going to be completely ruined financially because of this. They took the Army at their word.

This is very unusual. I have been around here a long time. I don't remember the Army going out there and asking people to do things like this before, but I will tell you it made an impression on me that this wasn't fair.

Mr. KINGSTON. Thank you, Mr. Chairman, and——

Mr. DICKS. I will give you a chance. I am sorry, Mr. Secretary.

Mr. MCHUGH. Well, I am not going to sit here and disagree, Mr. Chairman. And the Army did do that when I represented Fort Drum——

Mr. DICKS. Who was the General that went down there and told these people——

Mr. MCHUGH. I am sorry. I don't know. But it is not really a matter of one individual——

Mr. MORAN. General Casey.

Mr. KINGSTON. It was General Cody.

Mr. MCHUGH. It is really not a matter of one individual. It is a matter of reality versus need, and that, for example—and Congressman Kingston and I and Senators Chambliss and Isakson have talked about this—when Fort Drum, in Watertown, New York, where I had honor of representing, was scheduled to receive troops, the Army did the same thing, came forward and——

Mr. DICKS. General Cucolo. That is who we think it is.

Mr. MCHUGH. Tony Cucolo. He is in Iraq fighting for his country, God love him.

But, again, it is not a matter of a single person. You have troops coming, and there are certain infrastructure needs.

The challenge, as you noted and as Congressman Kingston knows so well, when a decision comes from another source not to do those troop movements, you have a lot of people who are placed in jeopardy. I had a chance to meet with many of those community leaders through a meeting that Congressman Kingston and Senators Isakson and Chambliss set up, and I understand their jeopardy.

I can't make a promise as to what we will do, because there are too many things in flux, but I can promise you I am fully cognizant of the challenges there. The Office of Economic Adjustment has put about \$40 million into the community, but, as I know Congressman Kingston will be quick to note correctly as well, that supports only the public side of the equation. A lot of private investors came forward for housing and such, and we are mindful of that, and certainly every decision we make with respect to future basing we will keep that in mind.

Mr. KINGSTON. Thank you, Mr. Chairman, for your personal attention on that.

The first announcement was December 19, 2007, by General Cody and then General Cucolo and Colonel Book.

And, of course, all of us in elected office reflect on what the BRAC committee has said, but just to show you in 2008, when real estate was dead flat all around the world and including in Georgia, this one city issued 634 building permits for new houses in anticipation of the troops. So it has been very tough. And the Secretary has been very sympathetic and very open, and we really appreciate it. And I just want to urge you, as these troops might be coming

back from Europe or wherever new missions are, and so let me thank you for that.

POPPY CROP—AFGHANISTAN

Mr. KINGSTON. And, General Casey, I wanted to ask you a question.

When we were in Afghanistan, it was a very productive trip. We were very impressed with what General McChrystal and Caldwell and Minister Atmar and all these folks are doing. But the one gap in the shape, clear, hold, build, and transfer is poppies. There did not seem to be a really good answer about what to do with the poppy crop. If you destroy it, you lose the goodwill of the people. If you buy them out, you are going to have the problem next year. And I am bothered that after 8 years we still don't know what to do with the poppies.

General CASEY. If I could just say one word on the Generals, I mean, the names General Cody and General Cucolo have been kicked around here, but we had every intention of putting in those brigades in there. So no one should leave here thinking that those guys were down there doing something untoward.

Mr. KINGSTON. Yes, sir. I am glad you brought that up. These guys have been absolutely great with the community, and they were reflecting—they were only giving a message from BRAC.

General CASEY. Thank you for that.

Anyway, poppies, I agree. It is a huge policy issue. It is something that has been wrestled with at the highest levels of this government and NATO governments for a while. The chairman and I were talking about this before the session.

I personally believe the drug issue is something that has to be addressed; and I use an example of visiting Colombia in 2008, talking to my counterpart. He took me out to where the FARC used to control, and he said it wasn't until we decided to eliminate the drug problem that we ultimately became successful. And I said, oh, is that because of the money that it puts into the insurgency and the terrorists? And he said, part of it, but it is the corrupting influence that it has on the whole society. And then that is what we ultimately are going to have to get after.

Mr. KINGSTON. But there is no three-point plan at this point, from what I am gathering.

General CASEY. I don't know what the specifics of the plan is.

COUNTERBOMBERS

Mr. KINGSTON. I know I am way over time, but I wanted to, before Mr. Moran leaves, mention on those CounterBombers that you have a program that is the entry control point in a box, and those are not included in that yet. So if it is a good device, it seems like it would be consistent to have those in there. And I just wanted to mention that while Mr. Moran was here.

Thank you, Mr. Chairman.

Mr. DICKS. Ms. Kaptur.

DEFENSE CONTRACTORS

Ms. KAPTUR. Thank you, Mr. Chairman.

Secretary McHugh, welcome, and General Casey, thank you so much for your service to our country and all those under your command.

In your testimony, General Casey, you state that the campaigns in Iraq and Afghanistan continue to create demands that have our Army operating beyond sustainable capacity. I am wondering, I ask myself the question many times, how these conflicts are different than those we faced in the past; and the number of contractors in theater both in Iraq and Afghanistan simply astound me. Do you have the ability, as the Army General, to provide me with a road-map of how we can insource many of the services now being provided by contractors and how much it would save us in terms of dollars and better support to our troops in theater?

General CASEY. Probably not holistically. I can look at it from an Army perspective.

But if you think about how we got here and you go back to the mid '90s when we were talking about reducing the size of the Army from 780,000 down to 480,000 and at that time the decision was made to rely on contractors for what was perceived to be short-term deployments, I don't think anybody involved ever thought that we would be doing this for 8½ years. And so there is a force structure dimension to this and especially for the contractors in theater. As you know, there are over 200,000 contractors right now in Iraq and Afghanistan.

Ms. KAPTUR. It is unbelievable.

And, of course, some of those who support that type of effort say, well, it is a jobs program for the people over there, so they support us. It is a way of building support. Well, I don't know. That is certainly unusual in American history, the way I look at it; and I am very interested in, you know, putting those dollars to use for our own soldiers.

It is very hard. The chairman has done a great job of trying to help us negotiate through this slush, but you try to get information and figure out what is going on. Maybe if there is a way you could give us a sense of the broad architecture of that and what aspects might be able to be insourced back into the Army and then look at certain categories and tell us how much more it is costing us to do this than if the Army did it. So you wouldn't have to do it all, but you could hone in on some certain areas where we could begin to bring it back under the umbrella of the U.S. Army.

I have to tell you I am very concerned, based on some things we have learned from other witnesses, about the integrity and security of our own military because of background checks on some of these individuals being hired by the very unusual form of warfare in which we are involved and some of the great damage that has been exacted toward our troops and other U.S. Personnel in theater. So I am very concerned about this contractor issue and how we can insource. Any enlightenment you could provide us would be greatly appreciated.

General CASEY. When you say "insource", Congresswoman, do you mean how we could have the military take over these tasks?

Ms. KAPTUR. Yes. And the amount of money—

Mr. DICKS. I think she also means it could be some civilians as well, civilian employees of the Department of Defense.

General CASEY. And I think you know that some of that is going on back here.

Ms. KAPTUR. Yes.

Mr. DICKS. Will the gentlewoman yield for a second?

Ms. KAPTUR. I would be happy to yield.

Mr. DICKS. We tried early on and even when Mr. Murtha was the chairman—we had a hard time initially in Iraq about getting information. Almost every witness would come in here and say we just don't know. So it looked like it was a cover-up, that they didn't want us to know.

Now, I am not saying—and then that has changed because now we get a quarterly report that lays out the number of contractors and what is happening. So we have a better understanding how many of them are host nation, how many are other foreigners but not host nation, and how many of them are U.S. citizens. So we have a better picture.

But I think what we all would like—at least I would like to know is just a little bit more of a description of why—and I understand going from 780,000 to 450,000; and, as I remember, that was done in the late '80s, early '90s. I think Colin Powell, Chairman of the Joint Chiefs, and Dick Cheney, Secretary of Defense, were the ones that recommended this build-down; and it was pretty much agreed to in Congress. After the end of the Cold War, we thought we would go to a smaller level.

But I guess what I would like to hear you talk about a little bit is why did we decide to use contractors rather than government workers, et cetera? Why did we pick contractors to do this?

Maybe it is because they could do the things that you needed to have done. I think food places and the tents and everything and the equipment early on in Desert Storm—actually, at the start of the Iraq War, both of them, you had a lot of contractors. But can you give us a little better feeling about why contractors?

Mr. MCHUGH. I think the Chief has said the overall imperative was end strength. And I was one of those who wasn't particularly happy with the end strength draw-down, but that is water under the bridge.

What the Army had was the decision, do you send Army personnel into the war or do you send them into the kitchen, into the mess hall? There are a lot of what I think most people would agree are less than warfighter-level activities, from laundry services to food services, et cetera, that contractors could well provide.

I don't want to suggest for a moment that there isn't reform needed. As the Chief said, we have currently in Iraq right now some 205,000 contractors of all stripes.

Ms. KAPTUR. Iraq or Afghanistan, Mr. Secretary?

Mr. MCHUGH. Iraq.

Ms. KAPTUR. We still have over 200,000 in Iraq?

General CASEY. Iraq and Afghanistan.

Mr. DICKS. I think it is both, isn't it?

Mr. MCHUGH. I don't think so.

I am now corrected and told it is 205 in both. But in Iraq we are coming down about 5 percent a month, but that has to be flexible because of the uncertainty surrounding the election.

So I do think there are things we can do; and, as the Chief mentioned, we are in fact here in the States acting pretty aggressively to reduce our reliance on contractors to insource core activities. Just this past year, we have insourced about 900 core activities. We think that saved the Army about \$41 million, and by the end of 2015 we have an objective of insourcing over 3,000 new positions.

But your main concern is in the theaters of war; and, as I said, the overriding imperative was then and I would suggest respectfully remains now that of end strength and how many troops we have available to do the warfighting versus other activities.

Ms. KAPTUR. Well, I just think, General Casey, if you could provide us with any insights on that; and I am particularly interested on costs, if you pick out different functions, if you look across at who those contractors are and how much they are being paid.

I had an experience when the chairman took us over into—we were flying over into Iraq, and we had a young fellow who was flying us over there, and he happened to be from Ohio. I said, how are you doing?

And he said, I will be real happy when I don't have to haul those fat old guys back there in and out of theater. And he said, do you know how much they are being paid versus how much we are being paid?

I said, that is a very important comment to me, sir.

You know, it is down into the ranks. So I am interested in what we are paying people and the impact that that has across Army.

So, anyway, point made; and we will ask some additional questions for the record.

#### IRAN-NUCLEAR THREAT

I wanted to ask you, General, in your career as a military man—you may not be able to answer this question for me—but when you think about the Middle East and Iran and containing the nuclear threat of Iran, what kinds of perspectives instruct your thinking as to how that quest of trying to contain her is different than what we faced with the Soviet Union when we and NATO for years worked together to contain any kind of nuclear adventurism on the part of the Soviets? Have you given any thought to that?

General CASEY. Not necessarily to Iran and the Soviets, but as I look at Iran, I look at the world's largest state sponsor of terror, and the thought of them having a nuclear weapon makes me very uncomfortable. But this, as you all know, is a huge policy issue that the administration is wrestling with very hard.

Ms. KAPTUR. Thank you. Thank you, Mr. Chairman.

Mr. DICKS. Thank you for that answer.

Mr. Rogers.

#### PAIN PILL ABUSE

Mr. ROGERS. Thank you Mr. Chairman.

Welcome to both of you. Mr. Secretary, we are especially proud of you. Local boy makes good. And, General, it is always good to see you and your staff.

Last week, USA Today ran an article entitled Abuse of Pain Pills by Troops Concerns Pentagon. And it went on to say that you are

trying to curb the volume of narcotics given to troops as the number of prescriptions for painkillers and instances of drug abuse continue to soar. The Pentagon data indicates that military doctors wrote almost 3.8 million prescriptions for pain relief for service members last year, which is four times the amount in 2001. The Pentagon survey in the last year, in '08, showed that one in four soldiers admitted abusing prescribed drugs, mostly pain relievers, in the 12 months prior to the survey; 15 percent had abused drugs in the 30 days before the survey.

I bring this up because my district has had a similar problem with prescription pain abuse. The State of Kentucky led the way and formed a prescription drug monitoring agency that pharmacists and doctors and hospitals feed information into that one computer so that other doctors can check to see if there has been a double filling of that prescription somewhere.

One, tell us about the problem as you see it, if there is a problem. And, two, what do you think we do about it? And, three, would there be a way for the Army to establish a prescription drug monitoring program so that you could track spikes in abuse of drugs by an individual or by a group?

Mr. MCHUGH. It is a problem, and I think the article pretty fairly describes the challenges that the Army faces. But at least on the first level it really is not much different than what you can find in many instances in the civilian community, that is, a particular patient going to multiple doctors receiving multiple prescriptions, sometimes deliberately, other times because the tracking models are not there and they just find themselves over time taking five or six different pills, many of which are directed toward pain, and all of a sudden you have an abuser and then an addict.

The Army has tried to do a better job, and we are really facing two particular sets of challenges. First is in theater, where, on the one hand, that forum shopping for a physician, if you will, is a little bit less likely to occur, given the concentration of troops and the medical professionals that are available. But, on the other hand, obviously, the tracking systems are not as reliable as they are here in CONUS.

The major concern we have focused upon is within the Warrior Transition Units. That is, as you know, Mr. Rogers, where the most profoundly wounded arrive and where the need for pain management is most keenly felt; and we have established a program whereby all prescriptions within the WTUs go to a single point source so that we have that opportunity to make sure that multiple prescriptions designed to do the same thing are not finding themselves into a particular patient.

I am not prepared to say it is up and working 100 percent, but I think we definitely are in the right direction. And, of course, we need to couple that with behavioral health and with our substance abuse programs to make follow-up care and assistance available when those cases do arise beyond our control.

I mentioned in the budget we have funds to increase those folks out under the substance abuse program to make sure we are taking care of those who have found themselves in trouble but doing a better job of keeping them from getting in trouble in the first place.

Mr. ROGERS. That article said Assistant Army Secretary Thomas Lamont said a multi-service task force is examining how the Army gives pain relief pills to its soldiers. Eventually, it will outline how to limit prescription medication use and ensure that Army hospitals all use the same procedure for dispensing medicine.

He said, and I quote, "We found every Army medical center was dealing with pain in altogether different ways, all individual, but not an Army-wide program at all. There was no consistency."

Is that a valid observation?

Mr. MCHUGH. I would never disagree with the Army's Assistant Secretary for M&RA. Tom Lamont is a very capable guy. So just intuitively I would say yes, but based on knowledge, yes.

General CASEY. I believe that is the finding of the Pain Management Task Force that the Surgeon General set up last year. It has been going on about 10 months, and we are about to get a report. But I am sure that is exactly the kind of thing that the Pain Management Task Force found.

Mr. ROGERS. Well, it is a sad subject to bring up, but I think it is important that we talk about it.

General CASEY. I think you are exactly right, and it is part of the cumulative effects of 8½ years of war. It is not a pretty thing, but it is something we just have to get on the table and deal with.

Mr. ROGERS. I was going to ask you that. Is this a product of the lack of dwell time and the long service that military—

General CASEY. We have had over 25,000 wounded just in the Army, and those wounds require some pain medication so that the soldiers can deal with them and then surgeries. You talk to some of these soldiers, they have had two and three surgeries to fix their wounds, and there are pain pills. So that is part of it.

Mr. ROGERS. I mean, has the 8 years of continuous service brought pressure on members of the military to the point that they are seeking some relief through prescription drug abuse?

General CASEY. I think that all our indications are that the request for treatment for drug and alcohol abuse are going up. So the short answer is yes.

Mr. MCHUGH. We have a substance abuse problem. That is why we have such a robust program that we are attempting to grow to put those treatment specialists out, the closest possible locations to the troops. Because pain management and mismanagement is a huge component of this.

But, Mr. Rogers, I think you are absolutely correct. We have to assume that substance abuse by multiple causes but certainly the pressures of rapid and frequent deployments has to be amongst them.

Mr. ROGERS. Well, you are not exempt from the general population. The general population has the same problem, and you are reflecting everyone else, I guess.

Thank you, Mr. Chairman.

Mr. DICKS. Thank you.

Mr. Hinchey.

#### ENERGY SECURITY

Mr. HINCHEY. Thank you, Mr. Chairman.

Secretary McHugh, thank you; and, General Casey, thank you very much. It is great to see the things you have written and the statements you have made and the questions that you have answered.

I just wanted to ask an opening question about energy, because in the context of your statement you make some significant—

Mr. DICKS. Will the gentleman pull your mike just a little closer?

Mr. HINCHEY [continuing]. Significant statements about the energy situation. You say that energy security is a key component of Army installations, weapons systems, and operations. The Army has developed a comprehensive energy security strategy.

Can you tell us more about that? What is being done? How much money are you seeking to budget in the upcoming fiscal year to meet the goals? What additional funds have been allocated for by the Army for the installations to meet energy savings and energy security requirements? And, also, the work that has been done at headquarters with the creation of a Senior Energy Executive and Senior Energy Council and who the Army has designated at the installation level to have overall responsibility for the energy and meeting the requirements in the Energy Independence and Security Act of 2007 and then the executive order of 13514?

Mr. MCHUGH. I will do my best; and I am sure you will help me along the way, Mr. Hinchey. It is good to see you, sir.

We view this challenge as important on a number of different levels. First of all, obviously, it is something that is environmentally responsible to do. The Army feels a great obligation, given our dispersed nature and reliance on a good neighbor policy, to try to be responsible stewards of the environment; and given the fact that we are spending tens upon tens of billions of dollars here in the United States and elsewhere on products that could potentially have severe consequences on the environment, we are trying to do a much better job.

But the other aspect of it is, frankly, we view it as a question of national security. Independence and energy independence particularly within our bases is important. If there is an energy disruption in the general community based on some natural or other caused disaster, we want to make sure to the extent we can that military facilities are able to continue to operate and provide national security services.

You asked about the program and its various components, and you listed some things; and my quick answer would be, all of the above.

The Army is going to be the largest fielder of alternative fuel vehicles in the Federal Government. We have a very aggressive acquisition program for hybrid vehicles. I think the Postal Service would probably say they are number one, but we might dispute that. We are going forward very aggressively.

I just returned a few weeks ago from a tour to Fort Bliss, Fort Irwin, the National Training Center. Fort Drum has aggressive programs. Virtually every base has both an environmental conservation program, trying to preserve the energy they use from the grid, but also pretty aggressive alternative environmental programs.

A solar project at Fort Drum. Some might say that they would think it would be a snow program, but it is solar development at Fort Drum.

We have very aggressive alternative energy programs at Fort Irwin out in the California desert.

So we are relying upon the leadership of each base to identify where the options and opportunities are for them; and we are supporting those where they can bring it in, put it before the Senior Executive Council that you spoke about that is staffed through ASAALT, through acquisition logistics technology, virtually all the components of the Army, to make sure we are directing resources where the greatest benefit lies. So we are excited about it. I have no doubt we can do better, but we are leaning forward pretty aggressively.

General CASEY. I couldn't top that.

#### SUICIDES

Mr. HINCHEY. So it is an issue that has to be serious and something that has to really be done to improve the circumstances. I am sure that you are engaging it in a way that will hopefully bring that about; and it sounds so, based upon what you said in the context of your statements and your response now.

There are a number of issues that we are dealing with here with regard to the circumstances of suicides. The number has gone up dramatically over the course of the last several years. In fact, if you look back on the history of it, each year it goes up higher and higher.

Pardon me.

General CASEY. It has gone up about 18 to 20 a year since 2004.

Mr. HINCHEY. Yes. And over the course of the last several years it has continued to go up significantly higher. And I am just wondering if there is anything that is being done to attempt to deal with this situation, if there is any understanding of what the motivations are, what is causing it, and if there is anything we can do to be helpful that could deal with this situation more effectively.

General CASEY. Thank you very much for that offer.

I will tell you we have been working on this for a while. Last year, we really launched a full court press on it. In fact, it was 2008 that we started this. And it is, frankly, frustrating that with the level of effort that we put out there that we haven't stemmed the tide. As I mentioned, it is about 18 to 20 a year increasing; and that is just not acceptable. We have a broad wholistic campaign effort to work this, and we put about \$55 million toward the effort.

You ask about insights. The insights you get from this are the same things that you hear all the time. It is relationships, usually failed relationships with a little drug and alcohol abuse mixed in, and there are sometimes job problems or financial problems attached to them. And those are the things that seem to lead people to take their lives.

#### COMPREHENSIVE SOLDIER FITNESS

One of the things we are finding, though, is that the young men and women we are getting from our society don't have the coping skills to deal with the challenges that we are asking them to deal

with. One of the ways that we have tried to get at this—and it is a long-term fix, not a short-term fix—it is a program called Comprehensive Soldier Fitness, and it is a program that is designed to build resilience and enhance performance. We want to bring mental fitness up to the same level that we give to physical fitness.

We started this program in October. We already have over 380,000 soldiers and family members who have taken an online survey to tell them where their strengths and weaknesses are on the five key areas of fitness. We have trained over 800 master resilience trainers. These are sergeants and a couple family members who are trained to go back to their units and teach soldiers some of the skills they need to build the resilience.

So this has a lot of promise, and it is something—as I said, 380,000 soldiers have already benefited from it, but it is a culture change for us, and I believe it is essential to sustain us over the long haul, because we are going to be at this for a while.

Mr. MCHUGH. I was just going to add, we had 160 suicides last year in the Army; and, as you noted, that is the highest ever. I share the Chief's frustration. I give him credit for assigning the Vice Chief of Staff of the Army to focus very carefully on this issue, and he has done a great job.

One of the most exciting things we have done is enter into a 5-year longitudinal study with the Institute of Mental Health, bringing some of the most preeminent experts in mental health, behavioral health specialists, and suicide prevention specialists into this team that is beginning to analyze and trying to find themes and causes.

We just had our first quarterly report. I got the brief on that a few weeks ago; and it is beginning to form the data in ways that they feel over time can help not just the military, the Army, but in fact can help unlock many of the mysteries of suicide that exist in the general population as well.

I think the good news about that is—5 years is a long time, and none of us want to wait that long to have results and to take programs on. They will report every quarter, and each time they find a major or significant development that they feel there is a prescribed response to, either a different program or some other kinds of intervention, they will recommend those; and, of course, we will act on those as quickly as we possibly can.

#### SUICIDES

The other thing we are trying to do is take care as close as possible to the individual soldier particularly in theater. We have got a need for about 4,300 behavioral health providers in theater; and we are at about 86 percent of that, about 3,700. This is a hard cadre to grow, because it is also a shortage classification of providers in the civilian sector as well. But we are growing that to make sure that in the units in Afghanistan particularly, but, also, of course, in Iraq, we can keep an eye on the soldiers and hopefully encouraging the buddy system, your battle buddy, to watch out for each other. We can intervene and try to short circuit a few of these tragic acts. We are deeply troubled and concerned by it.

Mr. VISCLOSKEY. Will the gentleman yield for a moment?

Mr. DICKS. Yes. Go ahead.

Mr. VISCLOSKY. Is there any distinction as a ratio between men and women in uniform services taking their lives?

Mr. MCHUGH. The percentage?

Mr. VISCLOSKY. No. I am just wondering in the universe. Because you have about 200 in '08. As a ratio, is there a disproportionate number of men in uniform taking their lives versus women or vice versa? Is there something going on there?

Mr. MCHUGH. The rates among men are higher. Some of those reasons are obvious. We obviously have more men deployed. That would not affect the rate but the likelihood. Because you would expect that males that are somewhat more exposed to the stressors. But I can't speak to the relationship, that ratio in the military versus the civilian community. I am sure they have looked at that data, but I don't have it before me. I am not even sure—

Mr. DICKS. If you would yield to me, I would like to ask a question. How many of these suicides occurred while in theater, the 26 this year, and how many occurred in home installations? Is there any—

Mr. MCHUGH. We have 160 total confirmed. I believe you just gave the figure in theater, 26.

Mr. HINCHEY. One of the numbers here says that 78 reported suicides among Reserve component soldiers not on active duty, and that was on top of the 160 last year.

Mr. MCHUGH. That is correct.

One of the reasons this is so mystifying, about a third of the confirmed suicides—and I think it is important we distinguish between the two—but a third of the confirmed suicides are committed by troops that had never deployed. So we don't want to be so single-minded that we ignore other possibilities.

Obviously, intuitively it would seem to me the stressors of combat, of multiple rotations, et cetera, et cetera, is someplace we want to focus; and we will. But when you have got a third of the force that by definition have been not been exposed to those stressors, we want to make sure we are looking at the picture holistically. And that again I think is one of the real exciting parts of what we call the 5-year longitudinal study.

Mr. DICKS. So we don't know of the 26 how many were deployed and how many were at home station?

Mr. MCHUGH. I am sure we know.

Mr. DICKS. I have been very impressed with General Chiarelli's and everybody's concern about this.

I guess the question we would ask again and reiterate, is there something else we could do—does the Army have all of the resources that it needs to deal with this issue or is there some area where, if we added some money, it might make a difference?

Mr. MCHUGH. Well, I am very hesitant to say we don't want any more money for anything, but I think we have for the moment plotted an appropriate way to address this and to assess it. That may change in the near future, and I think I still have the phone numbers—

#### POSTTRAUMATIC STRESS DISORDER AND TRAUMATIC BRAIN INJURY

Mr. DICKS. I know Mr. Murtha and Mr. Young added money before for posttraumatic stress disorder and traumatic brain injury.

One thing I noticed that Chairman Mullen did was to ask that if somebody had been involved in an IED explosion that they be taken out of their combat assignment for a period of time in order to make sure that they have fully recovered. General Casey, what do you—I am sure you knew all about that, but—

General CASEY. Right. And we are actively working protocols that say, if you are exposed to an IED and it blasts within a certain distance, then you break for 24, 48, 72 hours, depending on the severity of the blast.

We are testing that protocol now with some units. I was just down at the Joint Readiness Training Center, and they were actually exercising those protocols in training so that when they got to theater they would do them.

As you know, when the brain is injured, it just needs some rest. So sitting a soldier out for a period time after exposure starts that rest process, and it pays dividends for us in the long haul. So it is something you will see implemented across the theater here over the next 6 to 12 months.

Mr. MCHUGH. The interesting thing we are dealing with is that more than 70 percent of all TBI incidences are rated as mild. Probably in your football days and my hockey days it would be getting your bell rung. But, as the Chief indicated, we understand now, regardless of severity, the earlier you can get to that individual, pull him or her from the stress of the battlefield, provide rest and recuperation, be the injury severe or mild, the better the chances for full recovery from that incident itself.

#### SUICIDES

Mr. DICKS. Do you have any information about is there a greater number of suicides on any particular bases? Have you looked at that?

Mr. MCHUGH. We have had clusters that we have looked at very carefully. Not just suicides but acts of violence, spousal abuse, et cetera. So far, the studies we have seen have indicated a confluence of unrelated events, so it is hard to draw conclusions from that. But, clearly, there have been clusters of both suicides and acts of violence that continue to capture our attention.

Mr. DICKS. Well, obviously, that would be something that you would want to focus on if you have certain bases, and it could be based on how many times people from those bases have deployed, which is also—but, as I said earlier, I think that the Army is taking this very seriously and trying to do everything it can.

There is still one idea out there—I think they are trying this in Hawaii—where people could go online—this is a very online generation—and be able to get—and I think this could be done either in country or when one of these units come back, especially the Guard and Reserve units when they dismantle and go back to their homes, about going online to see if they can get some help. I think that is a concept still worth evaluating.

Mr. FRELINGHUYSEN. Will the gentleman yield?

Mr. DICKS. I yield.

Mr. FRELINGHUYSEN. The VA has in a number of parts of the country a very successful online communication where a veteran

who has come back can literally get online with a live body on the other end of the phone. It is a pretty damn good model.

I know we talked about seamlessness here and all that, but, in reality, it might be something worth looking into.

General CASEY. We have actually done it with a battalion, and we are doing it with a brigade now, and the results have been, as you suggest, very positive.

Mr. DICKS. Was that in Hawaii?

General CASEY. It was in Hawaii. It was out on the west coast. It was Hawaii. I think it was Lewis and Alaska.

Mr. FRELINGHUYSEN. The family readiness groups that I work with, I am shocked by some of the situations that some of our National Guard people leave back home. Little wonder. There is so much problem and despair and foreclosures and all sorts of stuff. It is a good group to be in communication with. I am sure you are.

Thank you, Mr. Chairman.

#### ADJOURNMENT

Mr. DICKS. All right. We are going to end this. Thank you very much for an excellent hearing.

The next hearing is 9:30 tomorrow morning with Secretary Gates, and it is in 2359.

[CLERK'S NOTE.—Questions submitted by Mr. Tiahrt and the answers thereto follow:]

#### MEADS' COST OVERRUNS

*Question.* As I'm sure you are aware, the Army's Medium Extended Air Defense System (MEADS) is years behind schedule and substantially over-budget. In fact, according to recent reports, an internal Army memo has estimated that over "\$2.5 billion additional funding is required in FY2012–2017 to comply with the expected MEADS cost growth" of the program and to ensure that it meets U.S. operational requirements. What are your thoughts on looking at alternatives that would combine the best parts of MEADS with the existing and enhanced Patriot missile system?

*Answer.* The Army is continuing to program and plan for Medium Extended Air Defense System (MEADS) as a replacement for Patriot. The Department has opened discussions on how best to achieve a truly integrated coalition air and missile defense capability, using the Army Integrated Air and Missile Defense Battle Command System as the centerpiece. Components from Patriot, as well as the more capable and more mobile radars and launchers being developed in MEADS, when ready, could be integrated in the Air and Missile Defense System-of-Systems.

*Question.* How do you plan to deal with the MEADS cost increases without jeopardizing other key existing and developing Army programs, including efforts to sustain and modernize the existing Patriot system?

*Answer.* The Army is reviewing Patriot and Medium Extended Air Defense System cost requirements and priorities as part of the resourcing process for FY12–17.

#### MEADS PROGRAM AND TRANSATLANTIC COOPERATION

*Question.* As you know, the United States has partnered with Germany and Italy to develop MEADS. The program's cost overruns and schedule slip have resulted in concern from both our allies; however, "transatlantic cooperation" is frequently cited as a justification for continuing with MEADS. Meanwhile, 12 other nations use the Patriot missile system (including six NATO countries which either currently has or plan to acquire Patriot). Given the significant investment in Patriot by the United States and our allies around the world, should we consider a Patriot-based alternative to MEADS?

*Answer.* The Army's Medium Extended Air Defense System (MEADS) provides some capabilities not available within even an upgraded Patriot system, including 360-degree surveillance and fire control radar capability. MEADS will be interoperable with Patriot systems already fielded to the U.S. and allies.

## UPCOMING CDR TEST FOR MEADS

*Question.* Despite the fact that MEADS is years behind schedule and more than a billion dollars over budget, the program entered the system-level CDR phase in August 2009, and a critical milestone is forthcoming in August 2010. Given the MEADS program's troubled history, does it make sense to await the results of this upcoming milestone before committing another \$440 million in FY2011?

*Answer.* The U.S. is committed to its obligations under the Medium Extended Air Defense System Design and Development Memorandum of Understanding. The commitment of these funds is an OSD decision.

*Question.* Please describe the criteria that will be used to determine whether MEADS satisfies the requirements of the upcoming milestone.

*Answer.* The MEADS Critical Design Review will assess the maturity of the contractor's design, software development, integration and testing status. Objective criteria include the percentage of drawings completed, interface definition status, subsystem testing results and the level of integration accomplished.

*Question.* Do these criteria include affordability, risk, and performance?

*Answer:* Yes, affordability, risk and performance of the MEADS will be principal elements of the Department's System Program Review of the MEADS program.

[CLERK'S NOTE.—End of questions submitted by Mr. Tiaht. Questions submitted by Mr. Moran and the answers thereto follow:]

## COUNTER BOMBER SYSTEMS

*Question.* Both the Marine Corps and Air Force are using the "Counter Bomber" system in Afghanistan. With 12 Counter-Bomber systems already produced for the Army through JIEDDO, how does the Army plan to deploy these systems in Afghanistan?

*Answer.* United States Central Command identified eleven locations for installation, with one Counter Bomber system already delivered. A Brigade Combat Team has been identified to train on the twelfth Counter Bomber system prior to deployment, and this system will remain a pre-deployment "operational spare" training device. The Counter Bomber is intended to be part of the Entry Control Point system-of-systems that relies on methods from human observation and assessment to highly technical sensing devices. It combines video tracking and radar interrogation to screen individuals for person-borne improvised explosive devices. The Army continues to coordinate with JIEDDO to speed the delivery and installation of the remaining Counter Bomber systems, and is planning to ship one system every three weeks.

*Question.* In view of the testing the Army has already conducted on Counter-Bomber at White Sands, will the Army fund and field additional Counter-Bomber units to Afghanistan, and, if so, when will it be completed?

*Answer.* Army Test and Evaluation Command (ATEC) tested the upgraded Counter Bomber at White Sands, NM, in November 2009 (ATEC Capabilities and Limitations Report, dated Jan 2010). The results of the test provided the Army with significant operational data to justify a Forward Operational Assessment (FOA) for the 3rd Generation Counter Bomber system, in the United States Central Command (USCENTCOM) area of operation (i.e. Afghanistan). The FOA will determine the capabilities of the new 3rd Generation Counter Bomber, as a subset of Entry Control Point security, against Person-Borne Improvised Explosive Devices (PBIED). An operational assessment in Afghanistan will enable the Army to: 1) prove the capability is applicable in Afghanistan; 2) measure the effectiveness of the system; and 3) enable a quantitative comparison with current Counter-Improvised Explosive Device systems also being employed for PBIED detection. The FOA is scheduled for completion by July 2010; and it will enable the Army to determine if there is a justification for funding and fielding additional systems to Afghanistan.

*Question.* With regards to the "Entry Control Point in a Box" program, does the Army have any plans to include Counter-Bomber detection equipment in the program?

*Answer.* The Joint Improvised Explosive Device Defeat Organization (JIEDDO) has funded 12 Counter Bomber Detection systems for the Army to use in Operation Enduring Freedom. Currently, the Air Force is the lead agency for testing and evaluating this capability. If the Counter Bomber detection capability is successfully validated to meet a capability gap for deployed forces, it could transition to the Army for consideration as a program of record or as part of the "Entry Control Point in a Box" program. JIEDDO will continue to fund until a transfer is coordinated.

*Question.* What actions will the Army now take to ensure that all inspection checkpoints in Afghanistan provide our forces with effective standoff protection from human carried IEDs?

*Answer.* The Army and the Joint Improvised Explosive Device Defeat Organization (JIEDDO) continue to field capabilities and explore emerging technologies that enable detection of human-borne improvised explosive devices (IEDs). Personnel scanners and non-intrusive inspection systems provide forces in Afghanistan the capability to detect explosives, IED precursors, and other hazardous materials at checkpoints. In addition, recent advances in intelligence, surveillance and reconnaissance capabilities give deployed forces unprecedented situational awareness and the ability to detect, screen or defeat potential threats with more speed and less risk to the force. Moreover, the Army continues to integrate lessons learned from over eight years of combat in pre-deployment training and other counter-IED training events. The Army is also assessing standoff protection initiatives such as the Counter Bomber (personnel security against Person-Borne Improvised Explosive Devices). Once evolving Counter-IED technologies are proven, and the theater commander requests them, the Army will procure and field them as quickly as possible. Additionally, JIEDDO has partnered with the Department of Homeland Security to continue to develop solutions for the personnel-borne improvised explosive devices threat while also cooperating in technology demonstrations and evaluations.

[CLERK'S NOTE.—End of questions submitted by Mr. Moran. Questions submitted by Mr. Dicks and the answers thereto follow.]

#### TACTICAL WHEELED VEHICLES

*Question.* The Army depends on its fleet of light, medium, and heavy trucks to move soldiers, supplies, and equipment. Prior to the conflicts in Iraq and Afghanistan, trucks were rarely armored. The few wheeled vehicles that were armored were engineer route clearance vehicles and a small number of military police vehicles. As various insurgent forces began using improvised explosive devices to attack unarmored trucks, the Army began to add armor packages on light, medium, and heavy trucks. The Army's inventory of light tactical wheeled vehicles has numbered approximately 150,000, including uparmored HMMWVs in the combat theaters, unarmored HMMWVs at home stations, and a small number of uparmored HMMWVs positioned for pre-deployment training. The Committee is informed that the Army may evolve to a mix of unarmored HMMWVs, armored HMMWVs, Joint Light Tactical Vehicles, small Mine Resistant Ambush Protected (MRAP) vehicles, and MRAP—All Terrain Vehicles. General Casey, please describe the Army's plan and time line for migrating to a mix of light tactical wheeled vehicles in units across the components of the Army.

*Answer.* The Army currently has a mix of light tactical vehicles (LTV) within each component. Today, the Active Component's LTV fleet consists of 21 percent armored, the National Guard's LTV fleet consists of 34 percent armored and the Reserve's LTV fleet consists of 14 percent armored. With current programmed funding through FY15 and redistribution of retrograde assets, these statistics will be 46 percent, 40 percent and 18 percent respectively. Within the next twenty four months, the Army intends to rebalance its fleet among the components to better reflect the appropriate balance of armor capable vehicles based on missions. Additionally, the Joint Light Tactical Vehicle (JLTV) currently in development phase, is the planned replacement for the High Mobility Multipurpose Wheeled Vehicle (HMMWV). The Army will begin fielding the JLTV in 2015 with approximately 2,000 vehicles produced per year. Therefore, the Army must maintain the HMMWV fleet through approximately FY30. Finally, the Army has established plans to place over 15,000 Mine Resistant Ambush Protected Vehicles (MRAPs) and MRAP-All Terrain Vehicles in the force.

*Question.* Please explain the Army's decision to include no funding for the purchase of HMMWVs in the fiscal year 2011 request.

*Answer.* As a result of analysis conducted over the course of the last few months, the Army has decided to accelerate its already established plans to stop High Mobility Multipurpose Wheeled Vehicle (HMMWV) procurement. This decision is based on the fact that the Army has reached its acquisition objective for HMMWVs. The Army's current FY10 HMMWV requirement is 152,727 with 156,375 on hand. Although the average fleet age is approximately 15 years, our cost benefit analysis tells us we should recapitalize older models rather than buy new ones.

*Question.* General Casey, please describe the Army's plan for a competitive, "Open Market" effort to recap HMMWVs.

(a) What is the estimated cost of a recapped HMMWV versus the cost of a new vehicle?

Answer. At this time, the Army has not made any decisions on a competitive Up-armored High Mobility Multi-purpose Wheeled Vehicle (HMMWV) recapitalization (RECAP) program. A Request for Proposal (RFP) and a supporting Business/Technical case analysis are being developed based on responses to a Request for Information/Market Survey. The Army's goal is to use competition to provide the best value for the government. Competition provides the Army access to a full range of industry (depot, private, or public private teaming) capabilities, processes and potential technical advances.

(a) Planning is still ongoing for a competitive RECAP program and validated cost estimates are not available to compare the exact cost between competitive recapitalization and that of a new HMMWV. However, the unarmored and estimated Up Armored HMMWV recapitalization costs are approximately 31% and 66% of the cost of new production, respectively.

*Question.* What would be the logic of recapitalizing a 15 to 20 year old HMMWV if the cost is about 90% of the cost of a new HMMWV?

Answer. The Army would not recapitalize a High Mobility Multipurpose Wheeled Vehicle (HMMWV) at a cost of 90 percent of the replacement vehicle. The recapitalization cost for an unarmored HMMWV is \$55,000 and the estimated cost for an up armored HMMWV (UAH) is \$105,000 to \$130,000, which is variant dependent. The unarmored and estimated UAH recapitalization costs are approximately 31% and 66% of the cost of new production, respectively.

*Question.* Congress provided a total of \$1.3 billion for Army procurement of HMMWVs in the fiscal year 2010 Defense Appropriations Act. What is the Army's obligation plan for those funds?

Answer. The Army has obligated \$431 million of the \$1.3 billion FY10 funding to procure 2,122 High Mobility Multi-purpose Wheeled Vehicles (HMMWV). Of the remaining funds, the Army is planning to reprogram approximately \$560 million for the existing HMMWV Recap and the remaining funds to support other Army priorities.

*Question.* Does the Army intend to reprogram fiscal year 2010 funds that were appropriated for the purchase of HMMWVs?

Answer. The Army is planning to put approximately 2,100 HMMWVs on contract using FY10 Base and OCO funding. The FY10 base budget will buy 1,400 HMMWVs to support systems that use the HMMWV as their prime mover. The FY10 OCO funding buys 700 HMMWVs for U.S. Army Special Operations Command. The Army plans to seek approval from the Office of the Secretary of Defense and the Congress to reprogram the remaining FY10 OCO procurement funding to recapitalize HMMWVs returning from theater and for other Army priorities.

*Question.* The Committee understands that the only units fully equipped with light, medium, and heavy armored trucks are in Iraq and Afghanistan. Should units in other potential hot spots, such as Korea, be equipped with armored trucks?

Answer. Yes. We do intend to put armored and armor-capable vehicles in other theaters through the investment and modernization process. In fact, there are armor capable vehicles in Korea in the Army Prepositioned Stocks. In the Army's approved Tactical Wheeled Vehicle Investment Strategy, the modernization path is to acquire all armor capable (or armor installed) vehicles, and as the fleet is modernized, all theaters will have increasing numbers of armor capable vehicles.

#### TWO NEW COMBAT AVIATION BRIGADES

*Question.* Budget briefing materials for the fiscal year 2011 budget request include the formation of two additional Army combat aviation brigades, the 12th and 13th such brigades. The 12th Combat Aviation Brigade (CAB) will form in fiscal year 2011. The 13th CAB will form in 2014. What are the operational requirements that call for additional Combat Aviation Brigades?

Answer. Army Aviation is in great demand for overseas contingency operations and is among the most frequently deployed Army asset. The addition of active component CABs to the force structure allows the Army to meet demands for combat while relieving stress on Army Aviation Soldiers and Families. Army Aviation units have dwell times of 1.1 to 1.3 years for each year deployed, while the Army goal for active units is 2 years of dwell time for each year deployed. Aviation Study II is an on-going study directed by the CSA, which analyzes the Army's current aviation force structure and ARFORGEN sourcing requirements. One of the initial study determinations was a need for an additional CAB to get closer to the Army's BOG/Dwell goals.

*Question.* What criteria will you use to determine where the Army will station the new brigades?

*Answer.* The Army will determine where to station our two new Combat Aviation Brigades (CABs) based on the requirement to train the CAB for combat operations, opportunities for the CAB to conduct air-ground integration training with brigade combat teams (BCTs), and the suitability of potential locations for aviation unit stationing, to include all Soldier and Family requirements. The Army developed a stationing analysis model called the Military Value Analysis, to assist with analyzing potential locations for unit stationing. The Army used this model to determine the best location to station the twelfth active component CAB. This recommendation will be considered by Army senior leadership before a final stationing decision is announced. The Army will use the same model and criteria for determining the best location for stationing the thirteenth active component CAB. Any decision will be analyzed for compliance with the National Environmental Protection Act through an Environmental Impact Statement.

*Question.* How do the two additional Combat Aviation Brigades fit into the Army's plan to rebalance the force?

*Answer.* Because the Army is consolidating one CAB from existing aviation force structure (twelfth active component CAB), the Army will only add one CAB headquarters and one additional full CAB. The activation of these CABs will have negligible adverse effects on operational readiness, modernization and reset efforts for the Army. The rebalancing effort for the twelfth CAB will consolidate existing assets under a CAB headquarters, which will better enable the Army to source this unit and greatly improve ARFORGEN requirements. The Army will also be able to leverage existing personnel force structure from the active component, as well as already programmed increases to the training base to sufficiently field the thirteenth CAB. This rebalancing of the force by the activation of an entire CAB will add approximately 4 months of dwell time to Army Aviation and will allow some units to reach the required BOG/Dwell goal of 1:2. All units will reach, at a minimum, a BOG/Dwell of 1:1.5.

*Question.* What additional aircraft must be procured in order to field each of the new Combat Aviation Brigades?

*Answer.* One of the two combat aviation brigades (CAB) is being reorganized from within the Army's existing aviation force structure and will not require additional procurements. The second CAB is being built incrementally as manning and equipment become available. The FY11 procurement includes 4 CH-47F helicopters, 16 UH-60M and 2 HH-60M Medical Evacuation helicopters. Beyond FY11, the Army will need to procure 48 AH-64D helicopters, an additional 8 CH-47F helicopters, 27 UH-60M and 13 HH-60M Medical Evacuation helicopters.

*Question.* What is the dwell time between combat tours for the current 11 Combat Aviation Brigades?

*Answer.* Active component Army Aviation units have dwell times of 1.1 to 1.3 years for each year deployed (with eleven CABs), while the Army goal for active units is 2 years of dwell time for each year deployed (a BOG/Dwell of 1:2). As an example, the 10th CAB from Fort Drum, New York will deploy with 365 days dwell since their last deployment.

*Question.* What is the target dwell time?

*Answer.* Army Aviation active component units have dwell times of 1.1 to 1.3 years for each year deployed (with eleven CABs), while the Army goal for active units is 2 years of dwell time for each year deployed (a BOG/Dwell of 1:2).

#### FUTURE COMBAT SYSTEMS (FCS) AND BRIGADE MODERNIZATION PROGRAM

*Question.* In June 2009, the Defense Acquisition Executive cancelled the manned Ground Vehicle parts of Future Combat Systems (FCS). In the wake of that cancellation, the Army initiated a new Brigade Modernization Program which will field the components of FCS that are ready for duty in units. These items are the Non-Line of Sight Launch System, tactical and urban unattended sensors, a small unmanned air vehicle, a small unmanned ground vehicle, an unmanned utility vehicle, and a communications network integration kit. How will the new Ground Combat Vehicle improve on the Bradley Fighting Vehicle?

*Answer.* While the Bradley Fighting Vehicle (BFV) has limited capacity for enhancing its mobility, survivability and power generation, we expect the Ground Combat Vehicle to have a range of capabilities that the BFV does not provide. These include: protected mobility (maneuvering off-road to avoid improvised explosive devices (IEDs) and greater on-road protection against IEDs); tailored for full spectrum operations with modular, scalable armor kits; ability to carry a full infantry squad; under-belly protection that equals or surpasses the MRAP; off-road mobility of the

BFV; better side protection than the BFV; precision lethality overmatch against adversary systems while limiting collateral damage; integration into the network to maintain situational awareness; and adequate growth potential to ensure the ability to integrate upgrades and new technologies.

*Question.* When will the Ground Combat Vehicle program begin to field new vehicles to units?

*Answer.* The Army anticipates that the Ground Combat Vehicle (GCV) will begin fielding its Infantry Fighting Vehicle variant in FY17, with the first brigade equipped in FY19.

*Question.* Is a Bradley upgrade program a viable option?

*Answer.* The upgraded Bradley Fighting Vehicle is one of the alternatives being analyzed in the Ground Combat Vehicle Analysis of Alternatives (AoA), which is assessing the effectiveness of potential alternatives against current and future threats. The Army will complete its Ground Combat Vehicle AoA in July 2010.

#### M4 CARBINE

*Question.* The M4 Carbine is a shortened version of the Vietnam era M-16 Rifle. The compact M4 is preferred by soldiers for fighting in urban areas. The Army has fielded nearly 400,000 M4s, and has made 62 product improvements since the initial M4 fielding. The fiscal year 2011 request proposes \$20.2 million for 11,494 M4 Carbines. General Casey, the Army is currently conducting a competition for a new individual soldier's weapon. What are the shortcomings that the Army is seeking to address in the new weapon?

*Answer.* The Individual Carbine Capabilities Development Document is pending approval by the Army Requirements Oversight Council and will then be forwarded to the Joint Requirements Oversight Council. If the requirement is ultimately approved, industry will be allowed to compete and increase performance in the following areas: accuracy, reliability, operational availability, probability of incapacitation, probability of hit and hit quality, barrel life, signature management, rate of fire, trigger pull, ambidextrous operation, ammunition, magazines, and adjustability.

*Question.* From time to time anecdotes pop up that suggest the M4 Carbine was not as reliable as it should have been during combat. After the July 13, 2008 battle of Wanat in Afghanistan, reports in the media cited internal military documents in which soldiers reported their M4s jamming. General Casey do you believe there is merit to these reports?

*Answer.* We take all of these reports seriously. All incidents that reflect potential systemic problems are investigated. The Army determined that the M4s involved in the Battle of Wanat operated within Army specifications. The M4 has consistently been rated very high by the Soldiers, non-commissioned officers and officers who have used the weapon in combat. The Army has made over 62 material changes to the M4 since it was introduced into the force in the early 1990's. The latest change resulted in an improved magazine that reduces the number of jams created by the failure of the round to properly feed from the magazine into the chamber. Last Fall we began issuing these magazines to units in Afghanistan and will eventually replace all of the magazines across the force.

*Question.* A frequent response to criticism of the M4 Carbine is that if the weapon is properly cleaned and lubricated, it will meet all reliability and durability standards. However, during an extended fight in the dust and dirt of Afghanistan, the weapon will not be clean and any lubricants will likely become fouled with dirt. Would a better standard be a weapon that continues to function when not clean and lubricated?

*Answer.* Such a standard would be ideal, but is not available in the current industrial base. Moreover, we do not foresee it as a future possibility based on market research.

The Army has tested many versions of lubrication, both wet and dry, against the Department of Defense's Cleaning, Lubricant and Preservative (CLP) standard. The products that met all the CLP specifications are available to our units today. All conventional weapons have metal on metal contact when the weapon goes through its functioning cycle. The ignition of the powder to send the round down range is essentially an explosion that creates heat and residue. The Army has verified through testing and review by our combat Soldiers that a heavy coating of lubrication is the best means to ensure that weapons continue to operate in the harshest of conditions. The reliability and durability standards continue to be raised as technology produces better lubricants. The Army is also improving reliability by issuing an improved magazine for the M16 and M4 that significantly reduces feeding jams,

and by ensuring the Individual Carbine Requirement contains reliability objectives that are higher in all conditions.

*Question.* Do Army Special Forces and Rangers carry the M4 or some other rifle or carbine?

*Answer.* Yes. Both the U.S. Army Special Forces and Rangers are issued the M4A1, which is a variant of the M4 Carbine.

#### STRYKER VEHICLES

*Question.* The Quadrennial Defense Review notes that the Army will convert one Heavy Brigade Combat Team to a Stryker Brigade Combat Team by 2013. Several more may be converted as resources are available. Funding for Stryker vehicles in fiscal year 2010 is \$513 million, including a congressional increase of \$150 million to procure 93 vehicles plus survivability enhancements. The fiscal year 2011 request proposes \$300 million to procure 83 vehicles. The budget request adds a new line for Stryker modification with proposed funding of \$146 million for survivability enhancements. The Overseas Contingency Operations request includes \$445 million for Stryker survivability kits. General Casey, please discuss the number of Strykers and the variant mix that will be purchased with the fiscal year 2010 and 2011 procurement funding. What are the key survivability enhancements?

*Answer.* The Army plans to procure 17 Stryker Reconnaissance Vehicles (RV) and 76 Stryker Infantry Carrier Vehicles (ICV) in FY10. We also plan to purchase 29 RVs and 54 ICVs in FY11. However, pending a successful test of the Double-V Hull concept, the Army may decide to reprioritize FY10 and FY11 funding to procure Double-V Hull Strykers for use in Afghanistan. Key survivability enhancements include: slat armor, Stryker Reactive Armor Tiles, Common Ballistic Shield, Drivers Enhancement Kit, Tire Fire Suppression Kit, Hull Protection Kit, Mine Roller Adapter Kit and Blast Mitigation Kit.

*Question.* What is the plan to add a "V" or "Double V" hull to the Stryker?

(a) What is the projected increase in survivability based on the improved hull design?

(b) Will Stryker blast protection be as good as an MRAP?

*Answer.* The Army has requested and received approval from OSD to build and test a limited number of prototype Stryker vehicles with an integrated Double-V Hull design. As these test vehicles become available, which is expected in early 1st Quarter FY11, the Director, Operational Test and Evaluation will conduct robust, independent testing concentrating on Soldier survivability. At the conclusion of this testing, which is expected to take approximately 60 to 90 days, the Army Acquisition Executive will chair a Configuration Steering Board (CSB). The CSB will review the test data and determine whether to recommend additional procurement of Strykers with Double V Hulls. The Defense Acquisition Executive has informed the Army that if further procurement is requested, he would consider authorizing, with Congressional approval, production and limited fielding of up to 450 modified Stryker vehicles to support urgent operational needs in Afghanistan.

(a) The projected increase in protection against Improvised Explosive Devices (TED) is expected to double the protection level available on Stryker vehicles currently operating in Afghanistan. This increased protection is expected to greatly increase survivability.

(b) Although initial testing of the Double-V Hull design has been promising, only independent testing of the design integrated onto the Stryker vehicle hull will determine how well its blast protection compares to the MRAP.

*Question.* General Casey, what is your concept of the proper number of Brigade Combat Teams, and what is the proper mix of Infantry, medium weight or Stryker, and Heavy Brigade combat teams?

*Answer.* Our goal is to build a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to provide a sustained flow of trained and ready forces for full spectrum operations. Additionally our goal is to hedge against unexpected contingencies at a sustainable tempo for our All-Volunteer Force.

Army analysis balances the array of ongoing force requirements in support of OEF and OIF, extant war plans, contingency plans and future contingency requirements as reflected in Office of the Secretary of Defense's planning scenarios. The 45 Active Component (AC) and 28 Reserve Component (RC) Brigade Combat Teams (BCTs) meet the needs for sustained operations and potential surges. The 7 STRYKER BCTs (6 AC/1 RC), 26 Heavy BCTs (19 AC/7 RC) and 40 Infantry BCTs (20 AC/20 RC) all possess great versatility which enables full spectrum operations. The ongoing force mix analysis has indicated the need to increase the number of Stryker BCTs available to Combatant Commanders. Accordingly, we are converting one AC Heavy BCT to an AC STRYKER BCT beginning in FY11.

*Question.* Have units in the field gradually changed the role of the Stryker vehicle from a troop carrier to a mounted fighter vehicle, a role for which the Stryker was not designed?

*Answer.* No. By design, variants within the Stryker Family of Vehicles are considered carriers (except MGS and ATGM), which enable rapid transport of the Stryker Brigade Combat Team (SBCT) formation on the battlefield. Several of the variants have direct fire weapons, however their primary purpose remains to provide direct support to the 108 infantry squads and the 12 reconnaissance platoons in the execution of combat tasks. While the Anti-Tank Guided Missile (ATGM) and the Mobile Gun System (MGS) have long range direct fire weapons capable of destroying enemy armored vehicles, both variants are designed to support infantry combat operations, and are not used as fighting vehicles for standalone long range engagements. In fact, the Soldiers and Leaders within the SBCT refer to the Stryker as "trucks", acknowledging that they are not considered fighting vehicles like the Bradley or Abrams.

The intent of providing more accurate and capable weapon systems on the various Strykers is to increase the overall force protection level of the formation by enabling SBCT Soldiers to be more lethal, capable, and effective on the battlefield through more rapid identification and reduction of threats. The use of Strykers in combat reflects Tactics, Techniques, and Procedures developed during home station training and live fire qualification exercises. The capstone qualification event in an SBCT is a combined exercise that incorporates vehicles, weapons systems, and dismounted squads, as opposed to vehicle-focused gunnery in heavy formations.

#### U.S. ARMY FORCES IN KOREA

*Question.* U.S. Army forces in Korea include Headquarters Eighth U.S. Army, Headquarters 2nd Infantry Division, 2nd Heavy Brigade Combat Team, 210th Fires Brigade, 2nd Combat Aviation Brigade, 501st Military Intelligence Brigade, 1st Signal Brigade; and other medical, and support organizations. U.S. Forces are in the process of relocating to the southern part of the Korean Peninsula. The 2nd Infantry Division has one heavy brigade combat team in Korea. That brigade has M1A1 Tanks, and M2A2 Operation Desert Storm series Bradley Fighting Vehicles. However, the Army has newer and more capable versions of the Abrams Tank and the Bradley Fighting Vehicle. Why not provide the most capable equipment to the U.S. Army forces in Korea?

*Answer.* The Army provides all combat formations with the best available equipment in accordance with the unit's assigned mission priorities. We are scheduled to upgrade the M1A1 tanks and Bradley Fighting Vehicles in Korea in the second quarter, FY11. The Army will continue modernizing these vehicles, in concert with the fleet investment plan. The Heavy Brigade Combat Team (HBCT) on the Korean peninsula is scheduled to receive the M1 Abrams Integrated Management Situational Awareness variant and M2 Bradley Operation Desert Storm variant in the second quarter, FY11.

Based on potential force mix changes pursuant to the Quadrennial Defense Review and equipment availability as other HBCTs undertake missions in Iraq and Afghanistan, the Army is assessing the feasibility of providing the newest M1 Abrams System Enhancement Program and M2A3 Bradley to the HBCT forward-stationed in Korea.

*Question.* Does providing newer, more capable equipment to key areas other than Iraq and Afghanistan come under your effort to rebalance resources?

*Answer.* Yes. The Army has units that do not rotate through an Army Force Generation (ARFORGEN) cycle, but are forward stationed, or otherwise considered high priority. These include theater committed forces, Army Service Component Command Headquarters, Army Special Operations Forces and other units. The Army provides all combat formations with the best available equipment within its resources. We have provided modernized enablers to U.S. forces in Europe and are scheduled to upgrade tanks and Bradleys in Korea in the second quarter FY11. The Army will continue to modernize units in accordance with mission priorities.

*Question.* Tactical wheeled vehicles operating in Iraq and Afghanistan were initially unarmored, but force protection efforts in response to enemy tactics have resulted in wheeled vehicle fleets that have fully armored passenger cabs and many have remotely operated weapons stations. Should U.S. Army units in Korea be equipped in a similar fashion?

*Answer.* Yes. Through the investment and modernization process, we plan to put armor capable vehicles in Korea. We have already placed some armored vehicles in Army Pre-positioned Set 4, located in that theater. The Army's Tactical Wheel Vehicle Investment Strategy includes acquiring all armor capable (or armor installed) ve-

hicles. As the total fleet is modernized, the vehicles in Korea will become increasingly armor capable.

*Question.* When will the brigade combat team in Korea receive Brigade Modernization spin outs from the FCS program?

*Answer.* The Army has not yet determined when the brigade combat team (BCT) in Korea will receive Brigade Modernization spin outs from the FCS program. While the Army will field these technologies in Capability Packages to all BCTs by FY25, the unit fielding schedule is determined by multiple factors including deployment and procurement schedules. The first unit identified to receive the Increment 1 Capability Package is the 3rd BCT, 1st Armored Division, based at Ft. Bliss, Texas in FY11.

#### NON-COMBAT/NON-HOSTILE LOSSES

*Question.* The Summary Briefing on the “Study on Rotorcraft Safety”, dated December 9, 2009, reported that between October 2001 and December 2008, the Department of Defense experienced 327 rotorcraft losses, with 469 fatalities. Combat hostile action accounted for 20 percent of the losses. Combat non-hostile mishaps accounted for 40 percent, and non-combat mishaps accounted for the remainder. Fully 80 percent of losses were not attributable to hostile action. Significant among the various categories of losses were: Controlled Flight into Terrain, Brownout, and Object Strike. Army monthly updates to the Committee on helicopter losses in Iraq and Afghanistan since February 2003 indicate 176 helicopters lost as of February 2010. How many of the losses occurred in circumstances other than combat or hostile action, such as brownout, flying into obstacles, or flying into the ground?

*Answer.* Since FY02, the Army has lost 151 Rotary Wing Aircraft to non-combat, non-hostile accidents. The losses included 52 AH-64, 34 UH-60, 20 CH-47 and 45 OH-58D aircraft. Over the same period of time, the US Army lost 45 aircraft to hostile action.

The biggest contributing factor to non-combat, non-hostile accidents is human error (typically over 70%). Major human error causes are aircrew coordination failures (56%), overconfidence/complacency (28%) and inadequate mission planning, such as power management and failure to update weather. Most accidents involve flights assessed as low risk with 52% of accidents occurring during the day and 43% happening during training.

The Army Aviation Center of Excellence and the Program Executive Office—Aviation are working diligently on training and materiel initiatives to reduce non-combat aircraft losses. Some of the more comprehensive initiatives include: leaders forming aviation task forces early and training as a team throughout the reset/train cycle of ARFORGEN; increasing opportunities for high altitude/environmental training at High-Altitude Army Aviation Training Site and other high altitude training areas; refining Aircrew Coordination Training—Enhanced and continuing to stress initial and refresher training for all aircrews; fielding modernized aircraft such as the UH-60M, CH-47F, UH-72; and installing modernized training devices and simulators. The Army continues to enhance home station training and institutional training by incorporating lessons learned, leveraging outside training assets during reset/train cycle and improving programs of instruction in our institutional training courses and Officer/NCO educational courses.

*Question.* Currently what tools or instruments are available to Army helicopter crews to counter the effects of brownout, the blinding dust kicked up by the rotor wash as a helicopter operates near the ground?

*Answer.* Army Aviation is addressing brownout conditions by several methods to include: adjusting operational Tactics, Techniques and Procedures to reduce entering into Degraded Visual Environment (DVE) conditions; conducting limited visibility training at home station and in theater prior to accepting mission responsibility; and improving aircraft system display symbology, flight handling qualities, and sensor systems. For example, through the Common Avionics Architecture System and Manned-unmanned Common Architecture Program cockpit systems, the UH-60M, AH-64D, and CH-47F are being fielded with advanced display symbology to provide an easily understood representation of the aircraft’s orientation relative to the ground in DVE conditions, such as brownout. Additionally, the UH-60M and CH-47F have advanced flight control systems, which improve handling qualities of the aircraft, helping to effectively deal with this situation. The AH-64D flight control system has automatic hover hold, which when coupled with the radar altimeter provides the aircrew the capability to deal with brownout situations.

Army Aviation Program Managers continue to investigate pilotage sensor systems being developed by industry and the government that further improve the aircrew’s

situational awareness of terrain, obstacles and weather conditions in a DVE/brown-out situation.

In particular, the Army Science and Technology program has technology efforts under development to support helicopter pilots conducting landing and take-off operations during DVE conditions. These efforts are investigating several sensor-based solutions, from a single nose mounted system to one that would employ a number of multispectral sensors distributed around a UH-60/CH-47, providing imagery to both pilots and crew members on the aircraft cockpit display panel or via an optical head tracked display. Head tracked display sensors will allow multiple pilots and crew members to collaborate to view imagery all around the aircraft. This will provide the ability to track aircraft position relative to the ground and other objects, provide the ability to see through dust and will enhance crew coordination in degraded visual environments. In addition, Army Aviation S&T has further developed advanced display symbology under the Brown-Out Symbology System.

*Question.* Are other vision aides which use a series of icons or a cartoon to provide the pilot with surrogate ground references reliable enough for testing and possibly fielding?

*Answer.* Army Aviation has upgraded aircraft situational displays as part of the Common Avionics Architecture System and Manned-unmanned Common Architecture Program cockpit systems, currently fielded on much of the rotorcraft fleet. These display systems incorporate improved symbology to provide intuitive awareness of the aircraft orientation during all phases of flight. In addition, Army Aviation S&T has further developed advanced display symbology under the Brown-Out Symbology System, which can enhance situational understanding by providing an indication of the landing location, aircraft attitudes and sink rates, as well as improved icons indicating height above the ground. These symbols are of primary importance to an aircrew in a brownout situation and have been shown to allow safe and repeatable landings during flight test under brownout conditions. The focus of the S&T symbology development is to address the human/machine interface and balance the need to provide significantly more relevant data to the aircrew during time critical and high workload conditions without saturating their ability to properly interpret these display cues. 3-D audio and tactile stimulation have also been investigated to augment visual display cues.

*Question.* What additional warning devices are needed to assist air crews to avoid obstacles, including flying into the ground?

*Answer.* The Army flies in a hazardous operational environment every day. Since 2003 we have flown nearly three million helicopter hours and most of those in a low level environment. Continuous investment in aircraft modernization, improved aircrew training and increased aviator combat experience has decreased our overall accident and combat losses. Since 2002 Army Aviation has achieved a downward trend in accidents that result in fatalities and loss of aircraft. This downward trend is not necessarily a result of improved aircraft capability but reflects a transition from an austere to a more mature operational environment, as well as the considerable experience gained by aircrews in both combat theaters.

The introduction of moving map displays in our helicopter fleet has significantly increased the situational awareness of our aircrews. We need to give our pilots a warning for terrain and obstacles in their flight path. We have conducted an analysis of our ability to operate at low altitudes worldwide and have determined that we do in fact have a capability gap when conducting helicopter operations. To address this gap, the Army is pursuing a fully integrated material solution that will allow pilots to safely accomplish their mission in a degraded visual environment.

*Question.* What is the status and funding of the Advanced Distributed Aperture System?

*Answer.* The Advanced Distributed Aperture System (ADAS) Program is on schedule to complete flight tests from November 2010 to January 2011. The program is also on cost with \$360K remaining from the \$48.3M funded. Flights taking place in 1st Quarter, FY11 will be paid for via carryover FY10 funds.

#### OH-58D KIOWA WARRIOR

*Question.* The Army has been flying the 01-1-58 series scout helicopter since the end of the Vietnam War. The current OH-58D Kiowa Warrior carries light weapons and a mast mounted sensor pod. The Kiowa Warriors have performed well in Iraq and Afghanistan wars, with much of the credit due to the skill and dedication of the aircrews and the ground maintenance teams. The Army has lost 50 OH-58Ds in the current actions. The Committee is aware that the Army has lost 50 Kiowa Warrior aircraft in the Iraq and Afghanistan wars. Please provide a general overview of how the aircraft were lost.

Answer. Since FY02, the Army has experienced a total of 51 OH-58D Kiowa Warrior operational losses. Of these aircraft, 14, or 27%, were lost as a result of hostile fire. The remaining losses resulted from a variety of reasons to include human and environmental factors and materiel failure. The largest contributing factor to Kiowa Warrior losses during non-combat, non-hostile accidents is human error, approximately 65%. The next largest contributing factor is materiel failure, less than 15%.

*Question.* The OH-58D is not in production. The Committee understands that a few of the remaining unarmed OH-58A and C model aircraft are being converted to D models. How many will be converted, at what unit cost, and what is the time line to field the aircraft?

Answer. Currently the Army is short 34 OH-58D Kiowa Warrior helicopters with an additional two aircraft awaiting attrition, for a total of 36 aircraft below the required quantity of 368. The Army plans to convert 36 aircraft from OH-58A to the D model configuration at a cost of approximately \$9.5M each. Overseas Contingency Operations funding was requested in FY10 (6 aircraft) and FY11 (15 aircraft) and we plan to request funding in FY12 (15 aircraft). The first rebuilt OH-58D aircraft will be fielded by the third quarter, FY12.

*Question.* How does the Army manage the aerial reconnaissance mission, given the shortage of Kiowa Warriors?

Answer. The Army is meeting its entire aerial reconnaissance mission in Operation Enduring Freedom and Operation Iraqi Freedom despite aircraft shortages. The priority of support remains with deployed units to resource which are being resourced to 100% authorized quantity (30 aircraft each). Using the Army's Force Generation (ARFORGEN) model, garrison units in dwell are managed according to priority of deployment. The Army's desired goal is to fill units in dwell at 80% of their authorized quantity by their redeployment plus 180 days (R+180). Currently this is not possible. However, units continue to perform superbly in combat despite these training shortages. Units in pre-deployment training are averaging 18 aircraft or 60% of the authorized requirement.

*Question.* Where in the Army's active and reserve units are the shortages located?

Answer. In the active component, all Continental United States units including Alaska and Hawaii are short aircraft when not deployed. Current shortages are at Fort Campbell, Kentucky; Fort Bragg, North Carolina; Fort Lewis, Washington; Fort Drum, New York and Fort Wainwright, Alaska. The only reserve unit equipped with OH-58D helicopters is the Tennessee Army National Guard (1-230th Cavalry Squadron) with 24 of 30 authorized aircraft on hand. These shortages are in line with the Army Force Generation Model.

*Question.* Can the AH-64 serve adequately as an Armed Reconnaissance Helicopter?

Answer. Although it has been used in that role, the AH-64 would not adequately satisfy the Army's armed reconnaissance mission. This is due to its size, noise signature, radar and infra-red cross sections and its maneuverability at low altitudes. The current OH-58D aircraft is better suited for reconnaissance missions when compared to the Apache helicopter, and is an excellent platform for the counter-insurgency mission.

To meet all of the Army's armed reconnaissance requirements the Apache would require additional procurement at approximately 3 to 4 times the cost of a light, manned, armed reconnaissance capability. In addition, the total fleet operating and sustainment cost would correspondingly increase.

#### ARMED RECONNAISSANCE HELICOPTER

*Question.* The Army cancelled the RAH-66 Comanche in 2004. The Comanche was to have been a replacement with significant capability upgrades to the OH-58D Kiowa Warrior. However, the Comanche program was 20 years in development and had spent \$7 billion without fielding an aircraft. A follow-on Armed Reconnaissance Helicopter (ARH) program was terminated in October 2008. That effort was to be based on a commercially produced Bell 407 but cost growth and schedule problems doomed the program. The ARH is currently undergoing an Analysis of Alternatives. What is the status of the Analysis of Alternatives, and what is the way ahead?

Answer. The Army is exploring all options to leverage existing and potential developmental solutions in manned, unmanned and manned-unmanned teaming solutions. In July 2009, the Defense Acquisition Executive directed the Army to conduct an Analysis of Alternatives (AoA) to meet Armed Aerial Scout capabilities and determine a replacement for the OH-58D Kiowa Warrior. The AoA will take a holistic look to determine the appropriate materiel solution(s) to address the still valid requirements and any capability gaps identified in the Initial Capabilities Document. The AoA will be conducted in two non-sequential phases with the first phase to be

completed in April 2010 and the final analysis (phase II) to be completed in December 2010 (followed by the final report published in April 2011).

*Question.* Does the Army need a new ARH?

*Answer.* The Army has an enduring requirement for a light, manned, armed reconnaissance rotary wing aircraft. The armed reconnaissance capability remains a key element in the Army's airborne attack, reconnaissance, surveillance, targeting and acquisition force structure modernization effort. This force structure includes heavy attack helicopters, unmanned aerial systems and light reconnaissance helicopters complementing one another and working synergistically on the battlefield. The Armed Aerial Scout will conduct armed aerial reconnaissance providing combat information to enable joint/combined air-ground maneuver execution of mobile strike, close combat and vertical maneuver operations across the full-spectrum of military operations.

The Armed Aerial Scout capability will meet the still valid requirements and capability gaps identified in the Initial Capabilities Document, specifically the need to operate in a high/hot environment like Afghanistan. Additionally, the Armed Aerial Scout will have the Joint Interoperability Level 2 capability to control unmanned aircraft systems.

*Question.* Could the Lakota light helicopter serve as the base aircraft for the ARH?

*Answer.* The Lakota Light helicopter (UH-72A) could possibly serve as the next Armed Aerial Scout; however, as the aircraft is currently produced it operates under a Federal Aviation Administration (FAA) certified qualification as a non-combat aircraft and does not possess a full military qualification. The aircraft would need significant modifications and qualification testing in order to meet minimum qualification for combat operations, including live fire testing, installation of ballistic tolerant fuel tanks, aircraft survivability equipment and other crew protective measures.

*Question.* Could an AH-64 Apache serve in the ARH role? What are the cost and tactical implications of using Apaches as armed reconnaissance helicopters?

*Answer.* The Apache has been used in the armed reconnaissance mission however, it does not adequately satisfy the Army's armed reconnaissance needs. This is due to its size, noise signature, radar and infra-red cross sections and its maneuverability at low altitudes. To permanently include the Apache in a reconnaissance role would require additional procurement of Apaches at approximately 3 to 4 times the cost of a light, manned, armed reconnaissance capability.

#### AH-64 APACHE

*Question.* The AH-64 Apache has been a reliable and lethal attack helicopter in Iraq and Afghanistan. The air cover provided by Apache attack helicopters serves to deter enemy attacks, and the Apache is a fast and powerful direct fire tactical responder for units in contact. However, the Army has suffered 52 operational losses of Apaches in pre-deployment training and in combat operations in Iraq and Afghanistan. Nine have been shot down in combat. All losses have been funded for replacement. The Army has been in the process of converting early model AH-64A aircraft to the AH-64D configuration. The Committee understands that the "A" models are found in Army National Guard units, and that units equipped with "A" models are not considered deployable for the current fights. What is the status of getting all the older "A" model Apaches converted to "D" model?

*Answer.* The Army is committed to converting the remaining Army Reserve AH-64A Battalion and the remaining four Army National Guard AH-64A Battalions to AH-64D Longbows. The Apache A to D conversion is on schedule and funded. The program has converted 592 aircraft and is scheduled to complete the remaining 125 aircraft by the end of FY14.

*Question.* How many Army National Guard Apache Battalions are not deployable due to having AH-64A?

*Answer.* There are currently four non-deployable AH-64A model Armed Reconnaissance Battalions in the Army National Guard.

*Question.* What is the time line to finish the "A" to "D" conversion?

*Answer.* The AH-64A model to "D" model conversion is projected to be completed by second quarter FY14.

*Question.* Is the "A" to "D" conversion fully funded?

*Answer.* Yes.

*Question.* A total of 52 Apaches have been lost in combat operations in Iraq and Afghanistan; nine of which were shot down. How were the other 43 lost?

*Answer.* The 43 losses resulted from a variety of reasons to include human error, environmental factors and materiel failure. The largest contributing factor to these

accidents is human error (typically over 70%). These reasons include aircrew coordination, overconfidence/complacency and inadequate mission planning.

*Question.* What materiel or training solutions are available to assist aircrews to avoid both hostile and non-hostile losses?

Answer. AH-64 Apache materiel solutions include: ballistic crew protection from some small arms; Aircraft Survivability Equipment such as the Common Missile Warning System; the Modernized Target Acquisition and Designation Sight, which improves situational awareness for both hostile and non-hostile situations; and crashworthy fuel cells. Program Manager Apache is also fielding High Performance Shock Struts designed to absorb higher loads and collapse at a slower rate during a crash sequence.

The Apache Aircrew Training Plan has been expanded to include more robust Combat Maneuvering Flight events resulting in better crew reaction to hostile fire. In addition, the Army sends its instructors to the High Altitude Training Center in Gypsum, Colorado, and encourages all units to send their aircrews to this school prior to deployment. The High Altitude Training Center helps air crews better understand the effects of flying in extreme environmental conditions, similar to what they may experience in Afghanistan and Iraq.

#### STANDARD ISSUE COUNTER SNIPER

*Question.* Explanatory language accompanying the fiscal year 2010 Department of Defense Appropriations Act directed the Secretary of the Army to provide a report, within 60 days of enactment of the Act, on the acquisition objective and basis of issue plan for both vehicular and soldier wearable sniper detection equipment, as previously directed in the Joint Explanatory Statement accompanying the Supplemental Appropriations Act, 2009. In Afghanistan, snipers remain a serious and very capable threat to U.S. forces. As U.S. forces have advanced into areas that have been Taliban strongholds, exposure to snipers has increased and U.S. Soldiers continue to be shot and killed by snipers. The Army has provided counter sniper equipment to units in response to operational needs statements from units that are deployed or preparing to deploy. Should counter sniper equipment be standard issue for units deploying to Iraq and Afghanistan?

Answer. No. The Army continues to procure and field counter sniper capabilities to forces in both Iraq and Afghanistan in accordance with validated operational needs. Capabilities fielded to warfighters become Theater Provided Equipment to maintain equipment that is commensurate with force strength in theater. Currently, counter sniper capabilities are not standard issue to all deploying units. However, units arriving in theater will fall in on assets of the unit they are replacing. This enables the theater commander to maneuver assets based on changing threat conditions and maximize the effects on the ground. The Army has also established gunshot detection as an enduring capability through the Capabilities Development for Rapid Transition process.

*Question.* Does the Army have a plan to make soldier worn and vehicle mounted counter sniper devices standard in the equipment tables for Army units?

Answer. The Army is pursuing several efforts to provide an enduring counter sniper capability through its deliberate planning processes. Whether these are Soldier mounted, ground vehicle mounted or other types of configurations is part of the materiel solution set. Counter sniper capabilities will be distributed throughout the Army based on analysis conducted by U.S. Army Training and Doctrine Command. A vehicle mounted gunshot detection Capability Production Document (CPD) was validated in February 2009. This CPD calls for 13,658 vehicle mounted systems to be installed on tactical wheeled vehicles. The Army continues to analyze the efficacy of a Soldier worn gunshot detection system. CPD staffing for an individual gunshot detection system is expected to be completed and validated this calendar year.

*Question.* The fiscal year (FY) 2009 Supplemental Appropriations Act provided \$50 million for counter sniper acoustic sensors. What is the status of obligating those funds and issuing the devices for use in the field?

Answer. Of the total \$50M provided, the U.S. Army Rapid Equipping Force (REF) obligated \$15M on two different contracts to purchase the Soldier Wearable Acoustic Targeting System (SWATS). First, in September 2009, the REF procured and deployed 235 systems to theater. Next, in March 2010, the REF procured 2,054 systems; the deployment of these systems is currently underway and should be completed in May 2010. Project Manager Soldier Sensors and Lasers (PM SSL) will competitively award the remaining \$35M. On January 20, 2010, PM SSL issued an Individual Gunfire Detection (IGD) solicitation. This solicitation requested vendors, with mature technology capable of satisfying the IGD threshold technical criteria and production capacity, to respond. The Army Test and Evaluation Center is con-

ducting the competitive Operational Test of three IGD systems that meet the threshold criteria listed in the solicitation. The testing is expected to conclude in May 2010 with subsequent contract award in fourth quarter FY 2010. The initial fielding will be three to four months after contract award.

*Question.* What is your assessment of the mission performance of the Soldier worn and vehicle mounted counter sniper devices?

*Answer.* Counter Sniper devices are used in theater in three different ways: worn by the Soldier, mounted to vehicles and mounted to guard towers at Forward Operating Bases and Combat Outposts. Classified feedback on vehicle mounted counter sniper devices from commanders downrange indicates they are effective in saving Soldier lives. The Soldier Wearable Acoustic Targeting Sensor (SWATS) is successful in detecting and localizing the direction and distance of small arms fire. Soldiers believe SWATS systems are beneficial and have recommended several system improvements that are being actively worked. High demand for these systems exists in theater due to the success of this emerging capability.

*Question.* What has been the feedback from soldiers in the field who have used counter-sniper devices?

*Answer.* The Soldier Wearable Acoustic Targeting Sensor (SWATS) is successful in detecting and localizing the direction and distance of small arms fire. Soldiers believe SWATS is beneficial, but recommended system improvements regarding calibration, elevation solution, ergonomics and power. These improvements are being actively worked by Program Executive Office (PEO) Soldier. High demand for these devices attests to its popularity with Soldiers. Classified feedback from Soldiers downrange on vehicle mounted devices has been positive. This is an established program within PEO Intelligence, Electronic Warfare and Sensors.

#### PREPOSITIONED STOCKS

*Question.* Five modular Brigade Combat Team (BCT) equipment sets are the centerpieces of the Army Prepositioned Stocks (APS) program. These sets enable the rapid deployment of CONUS-based soldiers in support of future contingency operations. The Army's APS strategy is to have three Heavy BCTs stored on land, and two additional Infantry BCTs to be aboard ships. However, Army operational requirements (first the Iraq Surge and now the Afghanistan surge) have resulted in only one full APS on hand (APS-4 in Northeast Asia). It has been reported that during OIF and OEF, Army issued War Reserve Secondary Items (WRSI) stocks that it had prepositioned both afloat and ashore, and that it is now in the process of a holistic review of the WRSI program. What is the current level and condition of WRSI stocks? What are the plans to reconstitute such stocks and what is the estimated cost to reconstitute?

*Answer.* The Army made great progress in reconstituting WRSI stocks to meet our APS Strategy 2015. With \$1.5B in Overseas Contingency Operations funding in Fiscal Years 2008 and 2009, and \$102M in base program funding, the Army has procured ~80% of the initial supplies and critical sustainment (up to 60 days of supply) needed to reconstitute these stocks. The remaining 20%, or about \$400M in short-fall, involves initial supplies for two APS-5 Southwest Asia sustainment brigades and for new equipment such as the Mine Resistant Ambush Protected (MRAP) vehicles entering the APS inventory in the coming years.

To reconstitute WRSI, the Army plans to harvest materiel from the Iraq draw-down to offset the need for additional funding. Depending on how much is able to be obtained thru this means, the Army will submit an FY12 OCO Army Working Capital Fund funding request for any required supplies and sustainment.

*Question.* What is the readiness status of APS-5 and APS-3?

*Answer.* Detailed readiness levels are classified but projected levels of fill for APS-3 and APS-5 unit equipment sets are as follows:

(1) APS-3 Afloat Army Strategic Flotilla (ASF) IV Theater Opening/Port Opening Package (TO/PO) uploaded on the USNS Watson is currently enroute to the Pacific area of operations after completing a cargo maintenance cycle at Charleston, SC. The TO/PO Package has a 97% Equipment On Hand (EOH) level of fill.

(2) APS-3 Afloat Infantry Brigade Combat Team (IBCT) with motorized augmentation set will be uploaded on two Large Medium Speed Roll-on Roll-off (LMSR) ships in September and November 2010. It has a projected 80% EOH level of fill. The Army plans to increase this level of fill prior to upload through available equipment from reset/repared OIF retrograded equipment, depot and new production.

(3) APS-5 Southwest Asia (SWA) Heavy Brigade Combat Team (HBCT) with motorized augmentation set located in Kuwait, which was originally planned to be fully operational on 31 Mar 2010, is delayed to Mar 2011 due to the recent issue of medium and heavy tactical wheeled vehicles, Material Handling Equipment, and

SINGGARS radios in support of the Operation Enduring Freedom (OEF) Expansion. The HBCT currently has an 87% EOH level of fill which includes all combat vehicles. The motorized augmentation set has 83% EOH. The Army plans to fill equipment shortages over the next year from reset/repaired Operation Iraqi Freedom (OIF) retrograded equipment, depot and new production.

(4) Temporary SWA Infantry Brigade Combat Team (IBCT) with motorized augmentation set located in Kuwait has a 94% EOH level of fill. The motorized augmentation set has 99% EOH. Some Medium & Heavy Tactical Wheeled Vehicles, Tractors, Vans and Container Handlers have been issued to fill OEF Expansion requirements. The set will become the APS-3 Army Strategic Flotilla II IBCT when no longer required ashore in the CENTCOM AOR.

*Question.* What underlying requirements does the Army use to build and rebuild its APS?

(a) Do these requirements vary by APS?

(b) Do these requirements reflect recent changes in the Army's overall manning/deployment strategy?

*Answer.* APS position and composition are primarily driven by the Combatant Commander's requirements. As Combatant Commander plans evolve, APS composition and disposition is reviewed and adjusted if necessary.

(a) The Army is continuously and holistically reassessing the APS strategy to ensure it meets Combatant Commander requirements based on the Guidance for the Employment of the Forces and Joint Services Capabilities Plan. The APS afloat sets are used to support multiple Combatant Commanders requirements and not tied to a single scenario. The mixture of mission and enabler capabilities provide Combatant Commanders with operational flexibility. APS ground based sets support rapid deployment and early entry forces in high threat environments.

(b) APS has been heavily used in Operations Iraqi Freedom and Enduring Freedom and requires Overseas Contingency Operations funding for reconstitution. The Army has utilized the equipment and rebuilt the APS sets several times. Most recently, equipment from APS supported the surge in Iraq and the plus-up in Afghanistan.

*Question.* What impact has the Army Prepositioned Stock Strategy 2015 (established in 2007) had on stock levels? What are the funding requirements within the fiscal year 2011 budget to implement this strategy?

*Answer.* Execution of Army Prepositioned Stocks (APS) Strategy 2015 has had minimal impact on existing APS stock levels. The strategy increased previous force structure by adding an Infantry Battalion set in Southwest Asia and motorized augmentation set to selected APS-3 and 5 sets. Other than that, the changes were not significant enough to have a major impact on stockage levels. More significant has been the lessons learned from OEF/OIF in stockage determination for secondary items, and stock positioning, (taking advantage of the establishment of forward DLA depots around the world). Finally, the drawdown in Iraq affords us an opportunity to take advantage of stocks purchased to support the war, which we can now use to help fill out secondary item stockage levels.

The FY11 budget request (Base OCO) to implement APS Strategy 2015 totals approximately \$2B. This includes Other Procurement Army funding of ~\$1.5B and Operations and Maintenance Army funding of ~\$545M. This funding will allow us to reconstitute that portion of the APS sets established by the 2015 APS Strategy and provide for Care of Supplies in Storage for APS-3 and APS-5; funds five uploaded APS-3 Large Medium Speed Roll-On Roll-Off (LMSR) and container ships; and returns three LMSR ships from reduced operating to full operating status.

*Question.* A significant number of Mine Resistant Ambush Protected (MRAP) vehicles, currently being used in OIF and OEF, will be repaired (reset) and made part of prepositioned equipment upon the conclusion of hostilities in Iraq and/or Afghanistan. What is the current plan for the disposition of MRAP vehicles upon conclusion of the war(s)?

*Answer.* The Army has developed a pre-decisional allocation plan for MRAPs as they return from theater. This plan was briefed to Army senior leaders and is undergoing revision based on guidance to conduct a detailed cost benefit analysis. The results will be presented to Army senior leaders the end of March 2010.

The exact numbers are yet to be determined, but some MRAPs and M-ATVs will be placed in the force structure allocated to Task Organized sets and into units to fill existing capability gaps. Additionally, other MRAPs will become part of a robust training fleet allowing Soldiers to maintain proficiency on the system.

*Question.* If MRAP vehicles are to be placed into war reserve/prepositioned stocks and equipment, in what numbers and where?

*Answer.* The Army developed an allocation plan for MRAPs. MRAPs currently used in Operation Iraqi Freedom and Operation Enduring Freedom will be repaired

(reset) and made part of the prepositioned stocks program when no longer required in Iraq or Afghanistan.

The allocation plan projects tasked organized MRAP sets (Infantry Brigade Combat Teams, Heavy Brigade Combat Teams, Stryker Brigade Combat Teams and enablers) will be placed into the prepositioned stocks program. The Army is analyzing positioning options to support Combatant Commanders. The remaining MRAP sets will be located in the Continental United States (CONUS) at the Army Strategic Logistics Activity and Sierra Army Depot.

*Questions.* What will be the disposition of non-standard items of equipment upon conclusion of the wars?

(a) What, if any, is expected to be declared excess to the needs of the Service?

(b) What, if any, will be retained by the Service(s) and how will it be utilized?

Answer. Non-Standard Equipment (NS-E) has been divided into two categories: Retained and Not-to-be-Retained.

*Retained NS-E:* HQDA has identified selected NS-E items that are to be retained and stored as part of Pre-positioned Stocks in Southwest Asia or returned to Sierra Army Depot for potential future contingency use, once the NS-E is no longer required in Iraq or Afghanistan. Retained NS-E accounts for approximately 95% of the dollar value of all NS-E in Iraq.

*Not-to-be-Retained NS-E:* A listing of NS-E items, excess to theater requirements and not being retained for future use, is provided to the National Association of State Agencies for Surplus Property (NASASP) for vetting with the state and local governments. If no U.S. requirement exists, then Not-to-be-Retained NS-E items are available for potential transfer to coalition partners (Iraq, Afghanistan or Pakistan). Examples include: office and exercise equipment; non-tactical vehicles; air conditioners; commercial generators; televisions and commercial tentage.

(a) The listing of NS-E items has been provided to the NASASP for vetting with State and local governments, includes ~133K individual items valued at ~\$400M. Examples of potential equipment include: exercise equipment; computers and monitors; office furniture; air conditioners; select non-tactical vehicles (utility trucks, water trucks, fuel trucks, cargo vans); commercial tentage; television monitors and screens; public address systems; and experimental items deemed unsuited for future use. It is important to note that some NS-E does not meet U.S. specifications and therefore would require modification (in some cases costing more than the item is worth). Most of the equipment has been in theater for a number of years and is now beyond its expected useful life.

(b) HQDA has identified selected NS-E items that will be retained and stored either OCONUS or CONUS in Army Pre-positioned Stocks or at a supply depot such as Sierra Army Depot. This equipment will be used in future contingencies, or in the case of commercial equipment, will be issued to installations to fulfill current requirements. The current retained NS-E list consists of over 183K individual items valued at ~\$8.1B. Equipment examples include: Mine Resistant Ambush Protected (MRAP) vehicles; convoy protection devices (Rhino); entry control point X-Ray and surveillance equipment; optical surveillance and targeting systems (Ghost); container handling equipment and cranes; specialized night vision devices; optical sights and rangefinders; and commercial construction equipment/forklifts that comply with U.S. specifications.

#### BALANCED TRAINING FOCUS

*Question.* The Secretary of Defense has stated publically that the United States should not seek to eliminate national security risks through larger defense budgets that attempt to do everything and buy everything. He has said that the Department of Defense must set priorities and consider tradeoffs and opportunity costs. Such a rebalancing is necessary so that the Army can successfully conduct counter insurgency operations in addition to preparing for other potential future contingencies. However, the fiscal year 2011 defense budget request for operation and maintenance does not seem to reflect priorities or tradeoffs. Mr. Secretary, please describe the balance that the Army has, or has not been able to achieve between training for counter-insurgency operations and future potential full spectrum training.

Answer. The Army is in the third year of a four-year effort to restore balance. We are making steady progress toward achieving our goals for deployment frequency. Our interim goal for Active Component (AC) forces in FY12 is a 1:2 ratio of time deployed to time at home station. Our interim goal for Reserve Component (RC) forces in FY12 is a 1:4 ratio of time mobilized to time not mobilized. Our force planning assessments indicate about 70% of AC forces and about 80% of RC forces will be able to achieve these goals by the end of FY11. Units achieving goals for deploy-

ment frequency will conduct Full Spectrum Operations training on multiple assigned mission environments.

Another measure of Army balance between training for counter-insurgency operations and training for future Full Spectrum Operations is the scenario used for training during the Combat Training Center rotations. At some point, not all units produced by the Army's force generation process will be required to deploy. Non-deploying units will not be required to execute a mission rehearsal exercise at the Army's maneuver Combat Training Centers (CTCs), rather they will execute a training rotation designed for Full Spectrum Operations in a generic contemporary operational environment. In FY11 the Army plans to conduct 2–3 such maneuver rotations.

*Question.* Please discuss dwell time and the operation and maintenance-budget as factors that limit full spectrum training and equipment readiness.

*Answer.* The Army is in the third year of a four-year effort to restore balance. We are making solid progress toward achieving in our interim goals for deployment frequency. Our interim goal in FY12 for Active Component forces is a 1:2 ratio of time deployed to time at home station. Our interim goal for Reserve Component forces is a 1:4 ratio of time mobilized to time not mobilized. Our force planning assessments indicate about 70% of AC forces and about 80% of RC forces will be able to achieve these goals before FY12. Units achieving goals for deployment frequency will be able to conduct Full Spectrum Operations training.

Regardless of available training time before the next deployment, units prepare to conduct Full Spectrum Operations (some mix of offense, defense, and stability operations) for a contemporary operational environment (in complex conditions and against regular and irregular forces, including criminal elements). With limited training time, however, deploying forces focus primarily on their next assigned mission environment. Units achieving goals for deployment frequency will conduct Full Spectrum Operations training on multiple mission environments.

Between Army base and Overseas Contingency Operations (OCO) funding, the Army has sufficiently resourced units deploying to theater. However, the Army has relied on OCO funding to fully prepare deploying forces for operations in Iraq and Afghanistan. As the demand for forces diminishes, Army base funding must support the preparation of forces for other operational environments. In the future, Army units will simultaneously conduct some mix of offense, defense, and stability operations against a variety of threats (conventional, irregular, criminal, etc.) under complex conditions.

#### UNDEFINITIZED CONTRACT ACTIONS

*Question.* To meet urgent needs, the Department of Defense can authorize contractors to begin work and incur costs before reaching a final agreement on the contract terms and conditions—known as undefinitized contract actions (UCAs), or letter contracts. As of October 2009, the Department of Defense had 429 contracts that were undefinitized. This type of contracting is not in the best interests of the taxpayer since the contractors lack incentives to control costs while the contract is being definitized. How are undefinitized contracts different from normal contracts?

*Answer.* With a normal contract, the terms, specifications and price are agreed upon or negotiated by both parties (definitized) prior to performance. With an undefinitized contract, the terms, specifications, or price have not been agreed upon. Rather the contract action provides for agreement within 180 days after the UCA is issued. This may be extended to 180 days after the contractor submits a qualifying proposal, or the date on which the amount of funds obligated under the contractual action is equal to more than 50 percent of the negotiated ceiling price for the contract action.

*Question.* Mr. Secretary, do you think the Army overuses undefinitized contract actions (UCAs)?

*Answer.* No, we only use UCAs when the negotiation of a definitive contract action is not possible in sufficient time to meet the Government's requirements or the Government's interest demands that the contractor be given a binding commitment so that contract performance can begin immediately.

*Question.* In your experience, does the benefit of starting work sooner outweigh the loss of control experienced in a UCA?

*Answer.* Yes, starting the work sooner allows the Government to obtain crucial supplies or services quicker. The UCA requires more oversight and includes measures to minimize the loss of control.

*Question.* As of September 2009, the Army had 30 overdue definitizations, which is about 34 percent of all the Army's UCAs. What is the Army doing to rein in overdue undefinitized contract actions?

Answer. In order to rein in overdue undefinitized contract actions, the Office of the Secretary of Defense has set in place two reporting requirements, a Consolidated UCA Management Plan and a Consolidated UCA Management Report, identifying UCAs with a value exceeding \$5 million. These reports are due on October 31 and April 30 of each year. We use these to monitor progress toward definitization.

*Question.* Does a shortage of contracting officers within the Army impact the Army's ability to definitize contracts?

Answer. Yes, the shortage of contracting personnel impacts almost every facet of contracting. We are working to rebuild the workforce so that we can better meet mission requirements and return to past levels of efficiency and effectiveness. Hiring new contracting personnel is half the battle; bringing them to a level of capability to credibly perform in a complex spectrum of contracting situations takes approximately five years.

*Question.* What actions are you taking to reduce the Army's reliance on undefinitized contract actions?

Answer. The Army has taken the following actions in reducing reliance on undefinitized contract actions (UCA):

- Increased emphasis in using advance acquisition planning to minimize the need for UCAs.
- Mandatory UCA Management Report submission for each UCA exceeding \$5 million.
- Semi-annual UCA Management Reports addressing each UCA with an estimated value exceeding \$5 million.
- Record copies of weighted guidelines for each definitized UCA with a value of \$100 million or more.
- Contracting Activity Department Chief required approval of all UCAs under \$5 million.

However, it's important to keep in mind that in truly urgent situations, UCAs provide a necessary tool to address critical warfighter needs.

#### EXPLOSIVE ORDNANCE DISPOSAL TRAINING

*Question.* The movie "Hurt Locker" won an Oscar for Best Motion Picture. This movie depicts the life of an Army Explosive Ordnance Disposal (EOD) team serving in Iraq. All individuals trained to be EOD technicians are trained at the Navy's Explosive Ordnance Disposal School at Eglin Air Force Base in Florida. The Navy manages the school, and all the Services provide instructors. Since 1999, the school has grown from an annual student requirement of 634 to over 1,700 students in 2009. While the school is a great asset to our nation, there are some areas of concern. Last year, some services did not fully utilize their authorizations. The Army only provided 692 students even though they were authorized 1,004. Additionally, the failure or dropout rate was 40 percent for the Army.

What is the Army's plan to fill all authorized seats?

Answer. In FY09, the Army filled 708 of 1075 Phase II (Naval EOD) school allocated seats for a 66% fill rate. Our analysis showed that the lower fill rate for FY09 was caused by a combination of shortfalls in recruitment (September 2008 through December 2009) and 30% attrition rates (789 grads of 1128 student seat fills) from the Phase I (Army EOD) prep course. The recruitment shortfall was caused by adding a significant number of training seats (573 above the original program of 502) to the Army Program for Individual Training at mid-year 2008 to meet urgent force structure demands. High attrition rates at the Phase I (Army EOD) prep course were due primarily to academics. By the end of FY09, seat fill rates improved to 89%. Reductions in attrition are being addressed by a U.S. Army Training and Doctrine Command special focus team.

In FY10, there is no particular issue at this time limiting the Army's ability to fill seats at the Phase II (Navy EOD) Basic Course. The fill rate is at 97% and projected to remain close to that for the rest of the year. Although the fill rates have improved, the next step is to reduce course attrition.

*Question.* What is the Army doing to increase the graduation rate?

Answer. Headquarters, Department of the Army G-3/5/7 in coordination with the U.S. Army Training and Doctrine Command has assembled a special focus team to develop a strategy to address: (1) learning improvements (2) physical training improvements (3) integration of Army Center for Enhanced Performance instruction, and (4) modifying the Army's EOD nine-week preparatory course to better prepare students for the EOD Basic Course at the Navy School Explosive Ordnance Disposal.

*Question.* The Marine Corps sends senior enlisted or officers to the course. Should the Army consider this plan?

*Answer.* In-service recruits (who tend to be mostly Non-Commissioned Officers) have a better academic and administrative record for graduation. The Army is institutionalizing a "proof of concept" in-service recruitment program for the EOD School. An Army team will conduct an on-site visit to Eglin Air Force Base 5-9 April 2010 to discuss the implementation of these changes. The team will be led by Lieutenant General Mark Hertling, Deputy Commanding General for Initial Military Training, U.S. Army Training and Doctrine Command and included representatives from the Army's Recruiting Command; Headquarters, Department of the Army, Deputy Chief of Staff G-3/5/7; and the Ordnance Munitions and Electronic Maintenance School. The Army is also vetting a mitigation strategy with the dual goals of keeping school throughput high by filling available seats and lowering overall attrition of qualified candidates.

#### ARMY SUICIDES

*Question.* The number of soldier suicides has increased annually since 2004. In 2009 alone, there were 160 reported active duty Army suicides. In addition, there were 78 reported suicides among reserve component soldiers not on active duty. While the official statistics for 2009 are still awaiting confirmation, it is clearly evident that this reflects a disturbing upward trend. For comparison, in 2008 there were 140 active duty suicides and 57 reserve component suicides. In 2007, there were 115 active duty suicides, and in 2006 there were 102 active duty suicides.

The new figure of 160 reported active duty Army suicides is the highest since record keeping began in 1980. In response to the rise in suicides, in December 2009, the Army mandated that all personnel receive suicide prevention and awareness training/counseling before departure and upon return from in-theater leave.

However, so far this year the Army has reported 26 suicides among active duty soldiers and 20 suicides among reserve component soldiers not on active duty. The official numbers are yet to be verified. General Casey, are there certain bases that experience a greater number of suicides than others? If so, which bases?

(a) Are these bases seeing a higher average deployment rate compared to the Army overall?

(b) Do you think that repeated lengthy combat tours combined with limited dwell time at home station are major factors contributing to the increase in the rate of suicides?

*Answer.* As of 1 March 2010 the three installations with the highest number of suicides (pending and/or confirmed) are: Fort Hood (6 home station), Fort Lewis (3 home station, 1 deployed), and Fort Carson (3 home station, 1 deployed). For 2009 the three highest were: Fort Campbell (20 home station, 1 deployed), Fort Stewart (10 home station, 1 deployed), and Fort Hood (8 home station, 3 deployed).

All of these bases host large concentrations of rotational forces including combat and support units, as well as and large total populations overall. These bases in particular have high concentrations of brigade combat teams and associated enablers that have in fact been affected by a high operational tempo. They also host large concentrations of junior enlisted combat arms Soldiers, which presently are our most vulnerable population.

In comparison however, we also have other bases with similar population demographics that did not experience the extremes in suicide rates for 2009 such as Fort Bragg (5 home station, 1 deployed). These bases also host large numbers of rotational units and experienced similar OPTEMPO, yet have lower total incidences of suicide.

It is difficult to directly and unequivocally prove the effect of OPTEMPO on suicide in the ranks. Even without scientific investigation, however, OPTEMPO clearly influences some of the leading correlated factors such as relationship difficulties, substance abuse, medical and behavioral health challenges and total stress on the force. We have partnered with the National Institute for Mental Health to conduct a 5-year Army STARRS research initiative. This study will attempt to provide a more concrete basis to show what if any causal relationship exists between the different variables leading to suicide, including deployment history and OPTEMPO.

*Question.* What resources are included in the fiscal year 2011 budget request to deal with this dilemma and how will they be used? Does the Army need any additional funding to help prevent suicides?

*Answer.* The Army has reprioritized within our current programs to ensure resources are available to support suicide prevention. In FY11, the Army is providing \$42.9M for suicide prevention programs. These programs include training and education for Soldiers, leaders and healthcare providers. The Army will expand its

Strong Bonds program to support family communication, invest in data management programs to better identify risk trends and increase the transparency of information. We will also add program managers and psychological directors to assist garrison commanders and regional commanders in developing and executing a comprehensive health promotion, risk reduction and suicide prevention programs.

In addition, the Army has requested \$42.5M in FY11 to build resilience in Soldiers. The Army's Comprehensive Soldier Fitness program is designed to equip and train our Soldiers, Family members and Army Civilians to maximize their potential and face the physical and psychological challenges of sustained operations. Lastly, the Army is planning on spending \$1.7B in FY11 to support other family programs.

*Question.* Of the 26 reported active duty suicides so far this year, how many of these suicides occurred while in theater and how many occurred at home installations? How many of those soldiers served in Iraq and Afghanistan and how many served multiple tours?

*Answer.* As of 28 February 2010 there were 26 reported suicides. Of the 26, 6 occurred in theater: 3 in Operation Enduring Freedom (OEF), and 3 in Operation Iraqi Freedom (OIF). The remaining 20 suicides occurred at home installations. Of the 26 total, 19 Soldiers (73%) had deployed at least once to either OEF or OIF. Of the 19 who had deployed, only 1 Soldier had multiple deployments. For reference, approximately 70% of the total Active Component Army has deployed at least one time.

*Question.* Please explain what Mental Health (MH); and Army Suicide Prevention Program (ASPP) services are available to Soldiers before deploying, while in Theater, and upon return from Theater?

*Answer.* The Army requires all Soldiers to fill out the Pre-Deployment Health Assessment 30 days before deploying. This process includes questions regarding the Soldier's behavioral health status. Soldiers can be referred to behavioral health for additional screening or treatment when warranted. Additionally, unit suicide prevention and awareness training is conducted prior to and upon return from rest & recuperation leave (R&R).

During deployment, many units have organic or attached behavioral health teams available for outreach, training and treatment. These teams typically consist of a behavioral health provider (psychologist or social worker) and an enlisted behavioral health technician. Recently, the Army began pilot projects to expand tele-behavioral health capability within theater. These projects extend professional behavioral health assessment and counseling services into smaller operating bases so Soldiers do not have to be evacuated for routine behavioral health counseling and treatment.

Prior to leaving Theater, all personnel submit a Post Deployment Health Assessment and are screened for referral (as necessary) upon their return to home station or de-mobilization. Soldiers are further required to submit a Post Deployment Health-Reassessment within 180 days of their return from Theater for follow-up and identification of issues. The Army has also begun a pilot tele-behavioral health screening test to ensure all returning Soldiers receive "person to person" screening upon returning home.

*Question.* The Army and National Institute of Mental Health signed an agreement in October 2008 to conduct long-term research to identify factors impacting the mental and behavioral health of Soldiers and to share intervention and mitigation strategies that will help decrease suicides. During this study, which is expected to last five years, what aspects of soldier life will be examined? What recommendations from the study have you received at this point, and what is the Army doing to implement?

*Answer.* The Army Study to Assess Risk and Resilience in Service Members (Army STARRS or the Study) is a five-year study that is being conducted via a cooperative agreement grant award from the National Institute of Mental Health. The grant was awarded in July, 2009, to a consortium consisting of the Uniformed Services University of the Health Sciences, Columbia University, the University of Michigan and Harvard University. As a cooperative agreement, the research is being carried out by the grantees as well as NIMH scientists; Army scientists are also participating in scientific coordination and review.

The purpose of Army STARRS is to identify, as rapidly as scientifically possible, modifiable risk and protective factors associated with suicidal behavior and psychological health. This will help inform the Army's ongoing efforts to prevent suicide and improve Soldiers' overall psychological health and functioning. To do this, investigators will conduct an epidemiologic study of mental health, psychological resilience, suicide risk, suicide-related behaviors and suicide deaths in the Army. The Study will evaluate representative samples of Soldiers across all phases of Army service, both retrospectively and prospectively.

Army STARRS is designed to focus comprehensively on all aspects of Soldier life that may be associated with suicide risk and psychological health. To do this, the Study will use three types of information: administrative data from Army and Department of Defense (DoD) sources, including personnel and health records; interview data collected from Soldiers directly; and biological data from Soldiers, (e.g., via saliva and/or blood specimens, for genetic and neurobiological analyses). The Study will examine a number of areas, such as exposure to adverse events, attitudes, social support, leadership and unit climate, training and knowledge, employment and economic status, family history and health/health care use.

It should be noted that while suicidal behavior occurs at a specific point in time, the Study views risk and resilience as developing over time. Therefore, it will examine Soldiers' characteristics and experiences over time. This will provide significant longitudinal information relating Soldiers' characteristics and experiences to subsequent psychological health, suicidal behavior and other relevant outcomes. Over the 5-year course of the Study, data from approximately 400,000 Soldiers will be collected, making Army STARRS the largest study of mental health and suicide ever undertaken, whether in military or civilian populations.

From a scientific perspective, it is too early for there to be substantive findings. Army STARRS began receiving historical information from Army sources in January 2010, following a detailed process of identifying relevant data sources, entering into a Data Use Agreement with the Army and demonstrating compliance with the Army's Information Assurance protocol. Parallel Data Use Agreements with applicable DoD data sources are in process. The Study is scheduled to begin new data collection from current Soldiers and new recruits over the next six months.

Army STARRS will report progress and findings to the Army on a quarterly basis, as well as on an ad hoc basis as new findings arise. In the coming year, the Study is scheduled to deliver initial findings on risk and protective factors for suicide and related outcomes, based on analyses of historical data; as well as detailed new information on the characteristics, exposures and experiences of current Soldiers and new recruits, with particular focus on known risk factors for suicide. In subsequent years, the Study will follow Soldiers over time, identify those who have particular negative (or positive) outcomes, and deliver practical, actionable information on risk and protective factors for suicide.

In the interim and at the request of the Army, NIMH has provided a report on civilian "best practices" regarding suicide prevention and behavioral health care. NIMH and the Army are also working together to identify where relevant interventions could be implemented.

#### TEMPORARY END-STRENGTH INCREASE

*Question.* The Army is requesting funding to support a temporary increase of 22,000 active Army soldiers for fiscal year 2010 and fiscal year 2011, increasing the active duty Army end-strength from a base of 547,400 to 569,400. The fiscal year 2011 budget request assumes this growth will be 15,000 in fiscal year 2010 and 7,000 in fiscal year 2011. The Army is on track to meet its accession goal of 15,000 this year, and a decision will soon be made as to whether the additional 7,000 troops are necessary. End strength is due to start ramping down in March 2012 and be completed in September 2013. Of the 22,000, about 1,000 will be reenacted retired officers and 21,000 will be new recruits.

The Army has limited means to make quick changes to end-strength. Its four "levers" to affect end-strength are changing the number of recruits, reenlistments, promotions, or moves. When will the Army reach its goal of 15,000 additional new soldiers in 2010?

*Answer.* The Army expects to reach its additional 15,000 goal not later than September 2010 and potentially as early as June 2010.

*Question.* At what point will a decision be made as to whether the additional 7,000 troops are necessary?

*Answer.* Within the next several months, a determination will be made regarding the additional 7,000 Soldiers.

*Question.* What is the affect of the temporary end-strength increase on soldier dwell time?

*Answer.* Despite the short term impact of the recent surge of troops to Afghanistan, we continue to make progress toward our goal of keeping the ratio of Boots on Ground (BOG) time to Dwell time at 1:2 for the active force and 1:4 for the reserve component.

Eventually increased dwell time will be achieved by lowering the demand on our forces. This will ease the constant pressures on our forces as we move into the rotational cycle of the Army Forces Generation (ARFORGEN) model.

The Army Senior Leadership remains committed to meet these deployment goals while eliminating Stop Loss, and without any increase in tour length for our Soldiers.

*Question.* What is the proposed plan to reduce the total end-strength back to 547,400 in the next few years?

Answer. Regardless of whether the temporary end-strength increase is 15,000 or 22,000 Soldiers, the plan is a draw-down over an 18 month period with the goal of being at the “pre-increase” end-strength level of 547,400 Soldiers by the end of FY13.

*Question.* Given normal retirement and reenlistment rates, how many active Army personnel can it expect to retire or separate in fiscal year 2013 under normal circumstances?

(a) Will this be enough to handle the temporary end-strength ramp down or will additional measures be needed?

(b) Is the Army changing its assumptions regarding estimated retirement and reenlistment rates due to poor economic conditions?

Answer. The Army expects approximately 73,000 personnel to retire or separate in FY13.

(a) In the absence of yet to be approved modifications to personnel management policies and/or modifications to the FY13 accession mission, our forecasted losses will not be sufficient to meet the temporary end-strength ramp down. However, analysis and recommendations regarding force shaping strategies to draw-down from either 15K or 22K Soldiers have been developed. After a CSA decision on whether to continue the final 7K growth during FY11, the Army will develop an implementation plan to execute the appropriate force shaping strategies.

(b) We forecast retirement and other loss rates by applying time series techniques to historical data to derive loss rates by type, grade, months of service, gender, term and projection month. These rates are subsequently applied at this level of detail within the Active Army Strength Forecaster (A2SF) suite of models to forecast losses. This technique has been accurate to within 0.5%. By using time series analysis, we are assuming that emerging trends can be derived from historical behavior. We do not currently use econometric modeling.

*Question.* How does the Army decide which of the staff reduction “levers” to pull if it needs to reduce staff?

(a) When will it start making those decisions?

Answer. The Army reduces its force based on requirements. The size of the requirement, along with the timeline, determines which reduction levers or methods will be implemented. These methods can include natural attrition in conjunction with a reduction in recruiting and retention missions, voluntary incentives, involuntary actions or a combination. A determination will be made regarding which reduction levers should be implemented at the same time the Army decides whether the additional 7,000 Soldiers are required.

*Question.* How might the steep ramp down due to the temporary end-strength affect morale?

Answer. We are expecting that the ramp down will have little or no effect on the total force. However, there is expected to be a morale impact at the individual level; this type of individual impact happens when the Army determines that an individual’s continued service in the Army is not in the Army’s best interest. The Army has support programs to assist these individuals as they transition from military life to civilian life.

#### ENLISTMENT AND RETENTION BONUSES

*Question.* The military services offer a variety of enlistment and reenlistment bonuses to attract new recruits into military specialties that are considered “hard to fill,” as well as to encourage experienced military members in “shortage jobs” to stay in past their first enlistment period. The Army has more enlistment incentives than any of the other military services. Programs include Enlistment, Overseas Extension, and Reenlistment bonuses. Bonus levels are in constant flux. What was the total funding for Army recruiting and retention bonuses for fiscal year 2010 and what is the total budget for fiscal year 2011?

Answer. The total funding for Army recruiting and retention bonuses was just under \$1.7B for FY10 and just over \$1.7B for FY11. The table below displays the FY10 enacted and the FY11 request for the Active and Reserve Components by Enlistment Bonus, which includes new and anniversary payments, and Reenlistment Bonus, which includes Selective Reenlistment Bonus (SRB) and Critical Skills Retention Bonus (CSRB).

SM	FY 2010	FY 2011
Enlistment Bonus—AC .....	\$445	\$465
Reenlistment Bonus—AC .....	\$434	\$457
Total—AC .....	\$879	\$922
Enlistment Bonus—USAR .....	\$250	\$177
Reenlistment Bonus—USAR .....	\$65	\$116
Total—AR .....	\$315	\$293
Enlistment Bonus—NGB .....	\$244	\$251
Reenlistment Bonus—NGB .....	\$239	\$239
Total—NG .....	\$483	\$490
Total .....	\$1,677	\$1,705

*Question.* What is the range of individual bonuses for recruiting?

(a) For retention? Please indicate why there are differences.

*Answer.* Recruiting bonuses for critical skills range from as low as \$1,000 to as high as \$20,000. Currently, only 34 of the Army's 160 skills have a cash bonus incentive. Recruiting new Soldiers in a particular skill will determine the type of bonus they receive. Skills such as Explosive Ordnance Disposal and Signal Intelligence are difficult to recruit given the danger element or the difficulty in qualifying for the skill.

Retention bonuses for critical skills range from \$40,000 to as high as \$150,000. Currently, only 15 of the Army's nearly 200 skills have a critical skills retention bonus (CSRB) incentive. CSRB is extremely effective and is the primary resource tool used to retain skills identified as critical to combat readiness. The 15 critical skills are defined as such because they may require long training periods, are low density, high demand and a challenge to recruit.

*Question.* Have you found any imbalances or inequities in your recruiting and retention bonus structure that have been improved for fiscal year 2011?

*Answer.* The Army continually monitors bonuses to recruit the proper mix of critical skills and to maintain an even flow of recruits to the training base. Since the Army recruits new Soldiers in the entry skill level, but retains them in higher skill levels, applicable bonuses may differ. The Army has maintained balance and equitability consistent with mission requirements. Quarterly, the Army reviews skill level retention strength by grade to determine appropriate bonus amounts and makes adjustments as needed.

*Question.* At a time when the Army is having unprecedented success at retaining its soldiers, has the Army reviewed its recruiting and retention bonus program?

*Answer.* Yes, the Active Army conducts quarterly incentives review boards to determine if bonuses are needed and if existing incentives programs should be reduced, eliminated or adjusted. The Army has reduced all bonuses since 2008 and will continue to do so as long as recruiting and retention objectives are attained in the proper mix of critical skills. Bonuses for many skills have been fully eliminated, allowing the Army to target only the most critical skills.

*Question.* Is there any concern that enlistment and re-enlistment bonuses are now viewed by soldiers as an entitlement instead of a bonus?

*Answer.* Such concerns existed during the peak bonus periods from 2007 through 2008. Since then, the Army has reduced bonuses dramatically and the perception of bonuses as an entitlement has greatly diminished. As bonus levels stabilize and are targeted to only the most critical skills, the expectation that a bonus as an entitlement is fading away.

#### SURGE IN AFGHANISTAN

*Question.* Last December, the Administration announced that it will send an additional 30,000 personnel to Afghanistan. Of the 30,000 service members being sent to Afghanistan, how many are Army soldiers?

*Answer.* The Army will support the additional force requirements with approximately 21,000 soldiers.

*Question.* Of the soldiers being sent, how many will be on their 1st deployment and how many will be on their 2nd or more tour?

*Answer.* About 50% of the soldiers we send down range are on their first deployment. The remaining 50% have deployed at least once. This is consistent with other units that the Army is deploying today in Iraq and Afghanistan.

*Question.* Are soldiers deploying to Afghanistan training with the same equipment they will use when deployed?

(a) If not, what compromises are necessary in your training programs?

(b) Please provide some specific examples.

*Answer.* Soldiers deploying to Afghanistan have an opportunity to train on almost all equipment they will use when deployed. However, there are some training equipment shortfalls which includes: Blue Force Tracker, Tactical Satellite and Mine Resistant Ambush Protected (MRAP) vehicles.

*Blue Force Tracker:* Units normally train on how to use the Blue Force Tracker prior to deploying to Afghanistan. However, a limited number of Blue Force Trackers causes us to conduct this training in a classroom environment, without practical exercises. This problem is mitigated by the vast combat experience of the force.

*Tactical Satellite:* This capability exists in Pre-Deployment Training Equipment sets at the battalion level but not at the company level as deployed in theater. We are working through Army G8 to get these terminals in Pre-Deployment Training Equipment sets at the company level in order to meet the requirement of units deployed in theater.

*Mine Resistant Ambush Protected (MRAP):* The Army has 477 of 755 Mine Resistant Ambush Protected (MRAP) vehicles required for pre-deployment training and by 1 June will have 120 of 306 MRAP All Terrain Vehicles (MATV) required for pre-deployment training. The Army has positioned these assets at key locations such as Combat Training Centers and Mobilization Stations to ensure all deploying Soldiers get the necessary training. We augment this hands-on training with well developed Training simulators.

[CLERK'S NOTE.—End of questions submitted by Mr. Dicks.]

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