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HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2013
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
SECOND SESSION
—
FULL COMMITTEE HEARING
ON
**BUDGET REQUEST FROM THE
DEPARTMENT OF THE ARMY**

HEARING HELD
FEBRUARY 17, 2012



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FISCAL YEAR 2013 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE ARMY

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, February 16, 2012.

The committee met, pursuant to call, at 10:00 a.m. in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

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

The CHAIRMAN. The committee will come to order. We just got notice that the rule was voice voted. They were going to have a vote about 10:00. So they said final votes will be at about 10:45. So we will start to get as far as into it as we can, and then we will go vote, and with your patience, we will be back as quickly as we can.

Good morning. Thank you for joining us today as we consider the President's fiscal year 2013 budget request for the Department of the Army.

Secretary McHugh, General Odierno, thank you for being here.

Secretary McHugh, it is great to see you again. Thank you for your continued service.

General Odierno, the 38th Chief of Staff of the Army, welcome to your first of many posture hearings. I am sure you are glad to hear that. Our Nation is very fortunate to have the two of you leading our Army during these challenging times.

We clearly understand the challenges the Department of Army faced in crafting this budget request, and we know you probably wouldn't be here if you didn't strongly support it.

What it boils down to is, based on this budget request, what is the risk associated with the Army's ability to meet the National security needs of this Nation? This is what we need your help with; not only the risks, but the critical assumptions behind these risks.

Many years ago, the Army testified in front of the House Subcommittee on Armed Services. I would like to read three quotes from the Army's testimony:

"We have the best men in the Army today that we have ever had in peacetime. And although we have a number of critical equipment problems yet to solve, I can assure you that our troops, with the equipment they have, would give a good account of themselves if called upon."

“Within a fixed budget, the Army can obtain greatest effectiveness only by maintaining a delicate balance between personnel and equipment.”

“We are supporting this budget that will provide only 10 divisions because we realize the necessity to integrate Army requirements with those of the other services within our national budget. And we will, of course, do everything within our power to lessen the risk that such a reduction must by necessity entail.”

These statements were made in January 1950. Six months later, a 500-man battalion-sized task force from the 24th Infantry Division, under Lieutenant Colonel Charles Smith, Task Force Smith was rushed to Korea on transport planes to block the North Korean advance. You know the rest of the story. Task Force Smith was outnumbered 10 to 1, and although they inflicted 127 casualties, the task force suffered 181 casualties.

It is worth noting that more soldiers weren't sent with Task Force Smith because the Air Force didn't have enough transport planes. It is worth noting that 2.36-inch bazookas that Task Force Smith fired at the North Korean T-34 tanks just bounced off and had no effect. The modernized 3.5 bazooka had been developed at the end of World War II but was terminated because of budget cuts.

The point is that you can have a well-led, trained and equipped force, and it can still be hollow if it isn't properly modernized and if you can't get it to the right place at the right time. Please help the members of this committee understand how, under the context of the budget before us, the Army is prepared to avoid the mistakes that led to Task Force Smith.

Finally, and I really mean this, I can't think of a better team than Secretary McHugh, and General Odierno to lead our Army during these challenges times.

Again, thank you both for your selfless service, and I look forward to your testimony. Member—Ranking Member Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 47.]

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

Mr. SMITH. Thank you, Mr. Chairman.

I, too, want to join you in your thanks and praise for General Odierno and Secretary McHugh. We cannot possibly have two more capable folks leading the Army. I appreciate your hard work on behalf of our country, and we particularly appreciate all of the hard work that our soldiers have done over the course of last 10 years fighting two major ground wars and then fighting them very, very well. They performed at the expectations, and I am sure we all had for them, but still very, very high level. We appreciate the sacrifices that all of the soldiers have made in the last 10 years and their families.

And I believe the Chairman laid out correctly the challenge that we face as we have now drawn down in Iraq and we begin to draw down in Afghanistan, that means major changes for all of the serv-

ices certainly, but for the Army in particular, as the largest force that was, and is, deployed in those two locations.

How do we do that responsibly? How do we make sure that as we change the size of force, as we change where they are deployed, we meet the requirements of our strategy and of our national security needs. And I completely agree with the Chairman that that is most what this committee wants to hear from you and what we are most focused on working with you on in the months ahead as we put together this budget and get ready for those changes.

Now, I think the reality is, and we have this debate in this committee, is this being driven by budget or driven by strategy? I suspect that will come up a time or two during the course of the questioning, and of course, the truth of the matter is, as with any project that involves money, it is driven by both. You have your strategy, and you have your budget. I have not yet come across the group that has an infinite budget. You have to live within what the budget is and figure out how to make the strategy work. But I do believe the services did this the right way. They really started thinking about this 6 months to a year ago, putting together a comprehensive strategy in light of many of the facts that both the Chairman and I have talked about, and put together a strategy that makes a great deal of sense. And it fits the budget.

Now, you would like to have more money. We would all like to have more money. But we don't. We ran a \$1.3 trillion deficit last year, and that is about 38 percent of the budget, and that is an enormous challenge; not something that can be ignored. And it is also a threat to our national security.

As you go back through history, you can see many examples of nations that ultimately lost wars because they didn't have the economic wherewithal to fight them. Yes, we would like to be absolutely 100 percent ready for everything that could possibly happen. Now, I don't think anybody in the history of the world has ever been 100 percent ready for anything that could possibly happen. But we also have to understand if we spend ourselves in such a massive deficit and economically weak condition, we then won't even be able to respond when the crisis has come, because the rest of the story, obviously, from Korea, is that we did respond. We grew the Army. We built more equipment, just like we have done in World War II; just like we have done in every war we have fought. We did not anticipate too many of them, if any of them. We have to be in a position to economically respond; to build the equipment and grow the force to meet that challenge.

So we have to do both, and I recognize that you gentlemen are trying to balance those two legitimate needs; meet the strategy but also make sure that we have a budget that is going to work economically in this country so that we don't so weaken ourselves economically that we are not in a position to fight our wars and protect ourselves.

That is a difficult challenge in this current environment. But as the Chairman said, and I will end on this note of agreement, we couldn't ask for two better people to help us meet that challenge. We look forward to your testimony and to your answers to our questions.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 49.]

The CHAIRMAN. Thank you. Mr. Secretary.

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

Secretary MCHUGH. Thank you, Mr. Chairman, Chairman McKeon, Ranking Member Smith, distinguished members of the committee. First of all, I am humbled by your kind comments, and I will try to work as hard as I possibly can to measure up to even half of them. But I am deeply appreciative, and it is great to be back in this room—although those chairs are far more comfortable than these chairs are, I found, but nevertheless, this is always an honor for me, and I am honored to be here.

I want to add my words to yours, Mr. Chairman, of appreciation and welcome to our 38th Chief of Staff of the Army. I hope I can keep this one longer than I kept the last one, but even in the relatively short time that General Odierno has been with us, he has shown that he is more than up to the task, and it is a pleasure to work with him each and every day. And I think, as you have said, both you, and Mr. Smith, that we are blessed to have such a great leader at such an important time.

And while I am on the matter of thanks, I certainly would be remiss if I didn't thank each and every one of you. I may be somewhat biased, but after 17 years on this side of the Potomac, and now nearly 2½ on the other, I think I have a great appreciation, and I know I have a deep admiration for the incredible work that this committee does, for the vital role that it plays, and building our national defense, and of course, in the Army's case, making sure that we have the processes, the procedures, the rules, the laws, the money to do the right thing by these amazing men and women, some 1.1 million strong.

Today, as has been noted more than ever, our demanding fiscal environment requires us to have an even stronger partnership with this committee, with this Congress, and I promise you, we will do everything we can to see that that happens.

We have a shared responsibility: One, to make sure that we have the right resources to defeat our enemies, to supply, and protect, and support our allies, and make sure that our homeland remains safe; and we need to do it responsibly, decisively, and yes, we need to do it affordably. And the budget that you have before you supports these goals by laying the foundation for a gradual reduction of our military and civilian end strength, while at the same time supporting the vital modernization training, soldier and family programs necessary so that the Army, though smaller, remains the strongest, and most capable, most lethal land force anywhere in the world.

As we implement what I believe can be fairly described as a bold new security strategy, I want to be clear: The Army's combat expertise, adaptability, and strategic reach will be more vital than ever before. Over the last year, the Army has continued to be the decisive hand of American foreign policy and the helping hand of Americans facing the devastation of natural disasters. From Iraq and its deserts, to the Afghan mountains, to the Philippine jungles

and Korean peninsula, our soldiers, Active, Guard, and Reserve, have continued to fight insurgents, defeat terrorists, stabilize governments, and support our allies.

In December, after some 8 years of combat and stability efforts, the Army successfully concluded Operation New Dawn, leaving behind the fledgling democracy in a nation that once knew only tyranny. In an unprecedented logistical feat, our soldiers completed one of the largest retrograde operations in the history of warfare, removing over 3.4 million pieces of equipment.

Moreover, we continue to support the efforts of the State Department as it works closely with the Iraqi government to further bolster freedom, prosperity and stability in that nation.

In Afghanistan, the Army has made steady progress in fighting Al Qaeda terrorists, and Taliban insurgents, as well as training thousands of Afghan security forces. From conducting extensive regular and special operations, to providing essential logistics, transportation, medical, and communication support for the entire Joint Force, soldiers are at the forefront of the U.S. operations and success.

But over the last year, your Army did even more. The soldiers deployed on six of seven continents and more than 150 nations around the world. Beyond that, in 2011, we saw our citizens experience some of the worst natural disasters in our Nation's history; from responding to wildfires and floods, to hurricanes and tornadoes, our soldiers and civilians from all Components were there to help, protect, rescue, and rebuild.

Simply put, our soldiers, civilians, and their families have once again proven why the United States Army is the most capable, versatile, and successful land force on earth. And it is this ability to adapt to a myriad of unpredictable threats, both at home and abroad, that we will maintain as we move forward in this new security and fiscal environment.

This year's budget portrays an Army fully embracing change by making hard decisions now to lay the right foundation for the future. First, we are implementing a sweeping new defense strategy which emphasizes even greater engagement in the Asia-Pacific region in the development of smaller, more agile land forces.

Under this framework, which was developed collaboratively with the top military and civilian officials in our Department, the Army clearly remains a decisive arm of the U.S. combat power. Our balanced and transformed force will continue to be the most capable anywhere in the world. That is our standard. That is what the strategy requires, and that is what this budget supports.

Second, we are implementing this new paradigm under the significant cuts directed by the Budget Control Act. In doing so, we made tough decisions, but we are guided always by the following principles: One, we will fully support the current fight by providing the operational commanders in Afghanistan and other theaters with the best trained and ready land forces in the world. This remains our top priority. Two, we will not sacrifice readiness for force structure. We must responsibly reduce our end strength in a manner that fully supports the new strategy but also provides the sufficient time to properly balance our training, equipment, infrastruc-

ture, and soldier and family support programs with our mission requirements.

Next, we will be able to build force structure and capabilities to handle unforeseen changes to global security. The Army must be able to hedge risk through an efficient and effective force generation process and access to a strong operationalized Reserve Component.

Next, we will maintain and enhance the Army's extensive commitments in the Pacific.

Finally, we will not let the Budget Control Act cuts be taken on the backs of our soldiers or their families. Although we have and will continue to examine all of our programs, we will fully fund those support systems that work with special emphasis on wounded warrior, suicide prevention, behavioral health, and sexual assault programs. Based on these principles, our budget minimizes end-strength reductions in 2013 to support the current fight, emphasizing continued investments and vital modernization programs, such as the network, ground combat vehicle, and joint light tactical vehicle; delays or eliminates programs which no longer meet urgent needs in support of our new strategy or transforming force and defers certain military construction programs.

The Army, at its core, is not programmed in systems; it is people. Each time before you, I come not just as a Secretary but humbly as the representative of our soldiers, civilians, and their families. As every one of us in this room knows so well, these brave men and women who have endured so much over the past decade depend upon a variety of programs, policies, and facilities to cope with the stress, injuries, and family separation caused by war.

Sadly, tragically, our suicide and substance abuse rates remain unacceptably high, and we are aggressively pursuing multiple avenues to provide our personnel with the best medical and behavioral health support available. We must never forget that our success in both Iraq and Afghanistan has come with an incredibly high price to our Army family.

Providing the means and resources for whatever challenges they now face, is in my opinion, the very least we can, we must do.

As a final note, regarding our Army family, I would be remiss if I failed to mention the devastating impact that sequestration would have, not only on the Army's programs, systems, and readiness, but also on our soldiers, civilians, and their families. Sadly, they, too, would bear the cost of continued inaction leading to sequestration. To use an axe to cut a half a trillion dollars from defense spending would be perilous enough, but to do so without providing the Department with any means of managing those reductions, would be beyond risky. To say this would be unacceptable is, at least in my opinion, an understatement.

In conclusion, on behalf of the men and women of our Army, let me thank you again for your thoughtful oversight, unwavering support, and proud partnership. Today, your Army has succeeded in Iraq, is making progress in Afghanistan, and as this budget, I feel, demonstrates, is poised to transform into a new, smaller, and more balanced force, ready to meet the needs, all the needs, of this Nation's national defense.

I want to be clear, very clear. These are extraordinarily challenging times, globally, and fiscally. Our strategy in this budget reflect very hard decisions that will impact communities, industry, and people. We know that. We know it well. But I promise you, we will do everything we can to minimize these effects, but in the end, to make a properly balanced Army that can stay ahead of our competitors and support our greatest asset, our soldiers, we must restructure, we must reprioritize. We have begun this effort, and with your continued leadership and help, we will succeed.

Thank you, Mr. Chairman.

[The joint prepared statement of Secretary McHugh and General Odierno can be found in the Appendix on page 50.]

The CHAIRMAN. Thank you very much, Mr. Secretary.
General Odierno.

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

General ODIERNO. Thank you, Mr. Chairman, and Ranking Member Smith, distinguished members of the committee. It is an honor to be here in front of you today and I want to first thank you for the incredible support you have continued to give our soldiers today and over the past 10 years specifically, as we fought in wars in Iraq and Afghanistan and around the world. We couldn't have done it without your support, your guidance, and your partnership that we have had.

I appreciate the vote of confidence from Secretary McHugh, but in reality, it was I relying strongly on his wisdom and experience to guide me through my first posture hearings as the Chief. We are very fortunate to have Secretary McHugh leading our Army. He deeply cares about our institution and its role in providing our Nation's security, and I could not ask for a better boss.

So together here today, both of us, it is a true honor to be here today, representing our 1.1 million soldiers and our nearly 280,000 Department of the Army civilians, and their 1.4 million family members. I am extremely proud of the commitment, professionalism, and dedication of our soldiers and their sacrifice and accomplishments. Today they continue to be in over 150 countries around the world. Collectively, they are a truly globally engaged Army with 95,000 soldiers deployed and another 96,000 soldiers forward-stationed, conducting a broad range of missions.

But our Army's primary purpose is steadfast and resolute to fight and win our Nation's wars. As the Army continues its transition, we will ensure the President's 2012 defense strategic priorities are implemented by first meeting our current commitments in Afghanistan and elsewhere by ensuring a highly trained, well-manned, and equipped force.

Now that operations in Iraq are complete and we continue surge recovery in Afghanistan, we will help shape the regional environs in support of the combatant commanders as well as our strategic environment.

In the Asia-Pacific, which is home to 7 out of the 10 largest land armies in the world, we will have provided an array of tools through rotational forces, multilateral exercises, and other innovative engagements with our allies and new partners. We currently

have some 66,000 soldiers, and almost 10,000 civilians in this region.

In the Middle East, we continue our strong commitment to sustaining and building partner capacity to ensure stability.

And in Europe, as we decrease our footprint by two brigade combat teams, we will use a series of engagement tools that will include rotational forces to conduct training and combined readiness exercises with our allies. This will serve as a model on how I see us doing things in the future, using a low-cost, small-footprint approach by utilizing rotational, regionally-aligned forces and prepositioned stocks.

As we move forward, we will ensure our National Guard and Army Reserves remain resourced at an appropriate level to build on the competencies and experiences that have been gained over the past several years. We are committed to maintaining an operational reserve to meet future security requirements. We will adapt our progressive readiness model to do that. We will build on the integration and synchronization gain over the past 10 years between our conventional and Special Operations Forces. The Army's investment in our Special Operations community in counterterrorism, foreign internal defense, and other key operational matters is significant, going onwards to 35,000 elite warriors that provide specialized and unique capabilities.

As we look forward, and the Secretary already touched on this a bit, there are several focus areas that will help us guide the way ahead. Foremost, we will remain committed to our 67,000 warfighters in Afghanistan and continue to provide trained and ready-equipped soldiers to win that fight.

We will be responsible governmental stewards through energy cost-savings and institutional and acquisition reform. And we will continue our equipment reset program to restore unit equipment to desired level of capability that is commensurate with their future missions. There have been over 1.8 million pieces of equipment reset to date, which equates to approximately 31 brigade equivalents annually.

And finally, we will become leaner. With a leaner Army, we have to prioritize, yet we must never sacrifice our capability of meeting a wide range of security requirements. This requires a delicate balance of end strength, modernization, and readiness, as we cannot afford to reduce too much too soon.

With the end of Operation New Dawn and new defense priorities, we will reduce our end strength and force structure in the Active Army from 570,000 to 490,000; from 358,000 to 353,500 in the Army National Guard; and from 206,000 to 205,000 in the Army Reserve.

It is imperative for us to sustain a gradual ramp that will allow us to take care of our soldiers, continue to provide forces for Afghanistan, and facilitate reversibility, if necessary, over the next 5 years. This helps mitigate strategic risks as we continue current operations and simultaneously reset for the future.

We will also reduce our end strength by a minimum of eight brigade combat teams in the Active Component. This drawdown, based on our national strategic objectives, will be done with deliberate consideration to the impacts on combatant commander re-

quirements, as well as considerations on local communities and infrastructure.

We are in the process of reviewing our brigade combat team design as we analyze lessons learned from the past 10 years of combat and look to what future capabilities we will need to be successful.

While we are a few months away from decision, initial analysis indicates we can eliminate some unnecessary overhead while sustaining more robust, flexible, adaptable brigade combat teams. This could result in additional BCT headquarters reductions while sustaining combat capability at the battalion level. Army unit readiness is measured by the level of its manning, training, and equipping. As a component of readiness, we will continue to provide first-rate support for all of our family's, wounded warriors, and our Veterans.

Additionally, the Secretary and I pledge our support for the proposed reforms in military compensation programs. We are reinforcing the professional ethics centered around trust and respect in order to establish a climate where sexual harassment, sexual assault, and hazing will not be tolerated. This misconduct is inconsistent with the core values of our profession. Accountability will be enforced at all levels.

Similarly, the Secretary and I are relooking at the role of women in combat as they comprise 15.6 percent of our Active Duty workforce. This will start with the opportunity for women to serve in their designated field, regardless the type of unit. It is about managing talent and putting our best people in critical and developmental positions.

As we continue to transform our modernization practices through a holistic bottom-up approach, we must achieve our priorities of the network, which is critical to our ability to manage information and command our forces at all levels both home and abroad. The ground combat vehicle, the replacement for our infantry fighting vehicle that can accommodate an infantry squad and balance mobility and survivability and provide unmatched lethality on the battlefield against current and future threats. The more mobile, survivable network-integrated joint light tactical vehicle, which both myself and General Amos agree is necessary, given the last 10 years of fighting and what future operations may entail. And finally, we must have continued efforts to give our squad superiority on the battlefield with advanced soldier systems, in weapons, communications, and protections.

The Secretary and I will continue to assess and make adjustments to our budget strategy while addressing any potential risk incurred as we adjust our force posture.

I would like to leave you with one last thought. Sequestration is not in the best interest, in my opinion, of our National security. The impact to the Army would be severe reductions in the Active and Reserve Component end strength. It would significantly decrease our readiness, and detrimentally impact our modernization programs.

Mr. Chairman and members of the committee, thank you again for the opportunity to speak here today. This committee affords our

all-volunteer Army the most decisive land force in the world, and we could not do it without the support you give us.

It is an honor to serve this great Nation and stand beside the dedicated professionals of our Army. The strength of our Nation is our Army. The strength of our Army is our soldiers. And the strength of our soldiers are our families. And this is what makes us Army strong.

Thank you very much, and I look forward to your questions, Mr. Chairman.

[The joint prepared statement of General Odierno and Secretary McHugh can be found in the Appendix on page 50.]

The CHAIRMAN. Thank you very much, General, and Mr. Secretary.

Last year we passed the Deficit Reduction Act that took a two-pronged approach to attack the huge deficit problem that we have built over decades of making promises that would be difficult to keep and spending money that we had to borrow to spend.

The first prong was the almost trillion dollars that was supposed to come out of discretionary spending. There was a call after the last election that everything should be on the table, and I understand that defense was a big target, and I have repeatedly said, if we could not find some savings within a budget of \$600 billion plus, shame on us.

And I think you have done a great job on that, beginning with the \$100 billion of efficiencies, and then the \$78 billion, and then the what we find now is \$487 billion. The second part of that, we had, through the legislation, assigned the supercommittee to come up with savings, hopefully out of the entitlement programs. Because if we don't address the entitlement programs, if we eliminate the total discretionary budget, we still run a deficit of about a half trillion dollars a year. So we could totally wipe out the discretionary budget and not solve the problem, not even really attack the real problem.

But we are facing that now. You have done a great job working for months on coming up with the strategies, and using the money that you have remaining after these cuts to get us through this problem.

The second part of the second prong of that attack when the "super committee" [Joint Select Committee on Deficit Reduction] was unable to perform its work, is known as sequestration, and that will be another \$1.1 to \$1.2 trillion that takes effect next January 1st. Again, half of that comes out of defense. Now, defense only accounts for 20 percent of our budget, but the first tranche, 50 percent of the savings came out of defense; the second tranche, another 50 percent of the savings is slated to come out of defense.

So that we could look out 10 years and be talking about \$100 billion a year cut on defense out of what had been projected in previous budgets.

To me, the most pressing need right now is, we need to fix the sequestration. If we allow that to move forward and hit us next January 1st, the way it is currently drafted, just across-the-board cuts of either 8 percent, 12 percent, depending on if personnel are taken out of the equation, thinking of all of the multiple contracts. I don't know how many contracts you have out, Mr. Secretary, but

I am sure it is in the hundreds, if not thousands, that would have to be rewritten, renegotiated. I just see total chaos on January 1st of next year if this has not been fixed.

I would like to ask you, General, what you are doing, what you are contemplating doing, what planning you may be doing to prepare for the problem that may confront us if we do not address this issue before next January 1st. What will you be doing?

General ODIERNO. Mr. Chairman, first, we will continue to wait for guidance from the Secretary of Defense in order to move forward on very specific planning for sequestration. But as I think through this, and as we think through the potential that this could have, what I would tell you is that it would result in us having to relook fundamentally how we do business. The reductions that would be required in both our Active Component and Reserve Components would be significant. Our readiness profiles would be affected, and so how would we be able to sustain readiness so we could avoid Task Force Smiths would be critical as we move forward. And then, finally, it would significantly delay any modernization efforts we have that could fundamentally really keep us from providing what we believe is necessary to properly modernize the force.

Secretary MCHUGH. Mr. Chairman, may I just add a few words.

The Chief is absolutely right. We are not doing as yet any hard planning. That would probably happen later in the summer, would it go to that extent. But just some back-of-the-envelope math can tell you if the Army receives and apportions share amongst the services of that cut, it would be about 26 percent. I think that is probably best-case scenario for us. That is \$134 billion through 2017. To take that kind of additional cut through the FYDP [Future Years Defense Plan], as the Chief said, would leave virtually no activity the Army undertakes untouched. You mentioned contracts. The Army has open contracts totaling since 2000, 96,000 in number at the moment. Not all of those would be affected but a great number of them would. In some cases, if we interrupt the program, we have to pay closeout costs on those contracts. I worry about, as I know you do, Mr. Chairman, what do the manufacturing interests, what do our industrial-based interest do the further we get into the year? They have employees. They have to plan. Some have shareholders. The uncertainty, I think, is something that, the sooner it can be cleared up, the better it will serve all.

The CHAIRMAN. Thank you. Thank you very much.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman, I share your concerns and these gentlemen's concerns about sequestration. I think it is imperative that we avoid it for many of the reasons that have been stated.

And I think the big problem with our budget approach is there are three basic pieces of trying to deal with the deficit here. There is the mandatory spending. There is the discretionary spending, and then there is the revenue, all of the money that comes in. You know, I mean, in all of those areas, we have seen spending go up significantly in both mandatory and discretionary, and we have seen revenue go down significantly in the last 10 years by over 30 percent, you know, in large part because of the sheer number of tax

cuts that we have passed over the course of the last 10 years and then the ups and downs in the economy.

All three of those pieces have to be on the table if we are going to seriously deal with this, and unfortunately, as the chairman points out, the Budget Control Act only dealt with one, and then sort of on a wing and a prayer said, well, we hope the super committee will figure out the other two, which didn't happen.

And I think the overall problem here is the depth of denial in this country, not just in this town, about where the deficit is at, and what is going to be required to respond to it is unprecedented. What we do is, you know, every person or elected official has their area of the budget that they care about, and they will fight to the death to defend it and then say, yeah, the deficit is a problem, but deal with it someplace else.

You know, that is why we need a comprehensive approach that looks at revenue, mandatory spending, and discretionary. And yet, you know, it is really not happening. All we are really hearing is, you know, defend our portion of the budget. You know, we hear it on this committee. Defense is our thing. We defend it. You don't hear people saying here is what we ought to cut for mandatory spending, or well, other than me and a few others, here is what ought to raise in taxes—I am willing to raise those taxes to make sure that we don't have to do the cuts necessary. And that is the key to this.

You know, if we want to protect defense from sequestration or even from the size of the cuts that it is facing, then we have to put specific proposals on the table to either raise revenue or make cuts in mandatory spending, and until we do that, we are going to be vulnerable.

You know, and we have got a bill coming up here in about a half-hour that is going to add another hundred some odd billion dollars to the problem. So, you know, we are going in the wrong direction, and I share the Chairman's concerns about the impact that will have on defense. It is our responsibility, and not just to complain about the cuts that are happening to defense but to look at those other two pieces of the equation, the revenue, and the mandatory spending, to make sure that discretionary spending is protected. That is our responsibility, not yours. And it is one that thus far, we are failing to meet. And if we really want to protect defense, we better change that.

I want to ask quickly about some of the sexual assault language that has been in previous legislation and your efforts within the Army to step up and deal with what is a fairly sizeable problem and concerns about how sexual assault charges are handled. We have passed legislation, under the leadership of Ms. Davis, Ms. Sanchez, and Ms. Tsongas and others on this committee to, you know, try to better address that issue.

There are some proposals that go further. I think the biggest proposal is the idea of taking sexual assault outside the normal chain of command, and in terms of charging, I know there are deep concerns within the military about that, so if you could do two things: One, tell us about the progress that is being made with some of the changes we have done, and then explain, you know, your concerns about going outside the chain of command for sexual assault cases.

But the big thing is, to avoid that second one, we have to have some confidence that the first one is making a real difference.

Secretary MCHUGH. And we deeply appreciate the leadership that many of the members on this committee have brought to the issue. And I just want to assure you, having worked on this matter as Personnel Subcommittee chairman and ranking member in my time here, there are few things that are more in contrast to the basic Army values and few things that happen within our ranks that we are more concerned about and that we are not trying every day to become better.

As to our responses, as you know, Mr. Smith, we have taken a holistic approach to this from both the counseling, pre-counseling, encouraging victims to come forward to report, trying to provide them the assurances necessary, both within their command and within the larger Army, that they won't be victimized again; that coming forward, and talking about these things will not be a career-killer for them. But beyond that, what we are also trying to do, is bring sensitivity to our youngest soldiers and bringing responsibility to our NCO [Noncommissioned Officer] core and to our leaders.

We have instituted constant training programs from the basic level training courses through the drill sergeants course through the basic officer leader course. We have instituted training programs into the JAG [Judge Advocate General] schools, so that our Army attorneys understand the special way in which these matters need to be handled, both socially as well as legally. We have tried to, in fact have, greatly increased the resourcing that is necessary to provide lab examiners. We have hired more of those to provide special investigators. We have hired six highly qualified experts in sexual assault and harassment to come into our ranks to guide us in terms of program development, but also to help our prosecutors and to help our investigators, make sure that they are up to the latest developments that come about.

We have mobile training teams that go out and go to every unit in the Army, conducting specialized training for our on-post camp and station investigators, as well. I think if you look at the data, they are still too high and they are unacceptable, but we do have some glimmer of progress. Our report rate is 33 percent. I view that as abysmal. But in the civilian sector, the report rate is 18 percent. We refer some 60 percent of all cases of actual rape and assault brought to our officials for court marshal. And our conviction rates have gone as high as 78 percent, and not every one of those data points have a similar data point within the civilian sector, but we are doing better in some cases, better than the civilian sector.

But better is not good enough. We have to get this to a point where one instance is one too many, and that is our objective.

Mr. SMITH. Thank you very much. I appreciate that, and it is worth noting that this is not just a problem in the military, and I hope we do understand that.

General.

General ODIERNO. I would just like to add that as I mentioned in my opening statement, there is institutional and operational capabilities that we have to establish and the Secretary covered most

of those. The one thing I really want to focus on is the cultural and institutional issues we have here. We get soldiers from all different parts of society, all different parts of the country. It is important for us as we initially bring them in to ensure that we foster a climate of trust and respect that we expect within our own institution. And that will start early on.

We now have courses, when you are going through basic training, when you go to your first officer courses, whether you are in officer development training, and it is going to be inculcated in everything that we do, because that is how important it is.

Our female population plays an incredible role in our Army. And we have to ensure that they have the environment that they can operate in properly, and so we take this very seriously.

If I can just make a short comment about the Uniform Code of Military Justice. I think it is important that we work carefully about this. The Uniform Code of Military Justice provides us with incredible flexibility to operate across a wide range of sexual assault, sexual harassment initiatives that we do not want to lose.

And so it is important that we continue to have discussions about this. And I am adamant that with hard work, we will ensure that the chain of command is able to use the administrative and UCMJ [Uniform Code of Military Justice] authorities they have to help us to enforce this program.

Mr. SMITH. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you, our chairman mentioned Task Force Smith. Regarding the lessons learned from Task Force Smith, one of the reasons why the Army couldn't get enough soldiers and equipment into the initial action was because there was a limited number of transport aircraft.

I understand that the Air Force has decided to not procure any more C-27 J aircraft and will be retiring some C-130s. I realize that you have recently signed a Memorandum of Understanding with the Air Force, but when it comes to providing support after the last tactical mile, are you convinced that the Air Force will be able to meet all of your needs, and if they don't, will the Army have to increase its use rates for other assets, such as the CH-47 helicopter? I think everybody knows that the Air Force was never very enthusiastic about the C-27 J. They didn't even want the plane. And the logic that I had some trouble understanding, the Pentagon assigned the plane to the Air Force, and then asked them to be at the beck and call of the Army when the Army needed that support. I didn't think this was a prescription for a really effective military.

And I understand now that because of limitations in airstrips in Afghanistan, that we don't have enough C-27 Js, and one source said you are flying the blades off the 47 to meet the demand there. How sure are you that if we are involved in conflicts like Afghanistan in the future, that you are going to be able, the Air Force is going to be able to meet your needs?

General ODIERNO. Thank you, sir.

First, in terms of our—and you are touching on our intratheater lift in terms of strategic lift. We are confident in C-5 Mikes, and

the C-17s that will be able to help us to move our forces strategically around the globe in order to meet our requirements.

In terms of intratheater, which is the subject you focused on is, it is important that we have the capability to move in intratheater. When I was the commander in Iraq, we had conducted the test for the C-130 that was then attached to the Army in order to meet its missions, and we found it to be an incredibly successful program, where we controlled where it went, we controlled the loads and it enabled us to get what we needed in intratheater lift where we needed it on time.

And that is the basis of the Memorandum of Understanding that has been now signed between us and the Air Force, based on the tests that we conducted in Iraq.

Afghanistan, as you have said, has very difficult terrain. So it is a very specific case, and yes, we have had to fly significant amount of CH-47 hours in Afghanistan in order to provide support to our disparate bases, but we have also done other things like air drop. We have significantly invested in our ability to more accurately air drop supplies and other things to remote locations, which has helped us solve some of these issues. The C-27 has performed very well in Afghanistan. I visited them personally. They are in high operational readiness rate. They have provided a capability that has been helpful in Afghanistan. I would just say that I think with choices that have to be made, one of the choices the Air Force made, was to reduce that capability. So what we are now trying to do is we will continue to increase the use of the C-130 to support our intratheater lift, as well as, as I pointed out, more precise air drop capabilities and we will continue to work on that as we move forward.

Mr. BARTLETT. Another area of considerable concern to me is lightening the load on the soldier.

General, in your opinion, do we need to shift the balance in the operational requirements process from a higher priority on aircraft and vehicles to more emphasis on soldier focus. As an example, how can we help you to speed up the rapid innovation process for weight reduction initiatives for individual soldier systems. In a 120-degree temperature, they are carrying 150 pounds. Now, that is just unacceptable, isn't it?

General ODIERNO. We have actually made, in my opinion, great progress in this area. Now, what we now look at is as a squad; it is about what the squad can carry together in a load. Now what has happened is we have made some significant improvements in reducing the weight of what they were carrying, but now what we are doing is, we are finding that we are carrying more things. It gives them the capability to have more and provide more capability in the squad as it moves forward. So we have to now work through and understand what specifically we think a squad needs for it to be successful. Because as we have lightened the load, we have added more things to the squad. And so what we have to do is invest in deciding what are the absolute, optimal loads that we have, and continue to look at the technologies to reduce body armor. We have made some good progress there, but we still want to continue to looking at decreasing the weight of our body armor, while increasing the amount of protection.

Mr. BARTLETT. Thank you very much.

The CHAIRMAN. Thank you.

Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

Gentlemen, thank you for being here this morning. I know we have talked about the impact that these cutbacks can potentially have on the industrial base. I am particularly concerned about the ground combat vehicle. This is a basic staple of the ability of the Army to fight. The current plan, according to the budget submitted, calls for a total shutdown of the Abrams, Bradley, and Stryker production lines for 3 to 4 years, which starts in fiscal year 2014.

I just want to get it on the record, how can the Army be sure that the production lines and, in particular, the skilled workers, because in a recent visit to my colleague, Mr. Critz's district, that both Chairman Bartlett and I went to, that is a very real concern on behalf of industry that the skilled workers are not going to be there after such a—such a lengthy shutdown. So after going cold for 3 to 4 years, how can we be sure that that capacity will be able to regenerate itself?

Secretary MCHUGH. Well, it is a great question. It is one we are very concerned about, and very focused on, as well. What we have attempted to do at this point, is really a two-pronged approach. First of all, the Department of Defense is leading what is called the S2-T2, sector-by-sector, tier-by-tier analysis of all of our industrial partners to try to assess those greatest vulnerabilities, the kinds of things that you mentioned, Mr. Reyes, and to figure a path forward for all of the services jointly as to how we might lessen that challenge and burden on the individual locations.

Beyond that, the Army itself is doing an industrial baseline. Our folks in our acquisition community are looking at those things. By way of example, you mentioned the Abrams shutdown in Ohio. What we are doing with GDLS, General Dynamics Land Systems, the contractor on site, is trying to ensure that, through particularly their FMS [Future Military Sales] sales, their foreign military sales, which they are beginning to line up and which the Department of Defense is attempting to assist them, provides that core ability for those particularly highly skilled engineer positions to retain employment until we begin our recapitalization program in 2017 of the M1A2 sub-V Abrams. So this is something that is of great interest. It is something, as I said, we are looking at very hard. And there are no guarantees. But whether it is a PPPs, public-private partnerships, or other kinds of approaches, as far as we are concerned, we are willing to pursue any reasonable path to ensure that those particularly critical jobs remain viable.

Mr. REYES. Is there—and I am sure you have given it thought, but is there any way to keep some kind of a minimum production capacity for the Army during these partnerships?

Secretary MCHUGH. Well, every facility has a minimum sustain rate. For the Abrams, I believe it is 70 tanks a year, which is far beyond our—not just our fiscal ability; it is far beyond our need. But as those minimum sustain rates are figured through, we try to, as I say, meet them through other means, public-private partnerships, FMS, and any other way by which we can assist. So those are part of the calculation.

Mr. REYES. General.

General ODIERNO. I would just add that we are being aggressive with our foreign military sales program in identifying potential suitors who need this type of equipment. And so we think there is some potential there, and that is something we will continue to work very hard, just to add to what the Secretary said. But for example, Lima, it would cost us \$2.8 billion just to keep that open. And we—and our tank fleet is in good shape. And we don't need to—because the great support we have gotten over the last few years, and we are not going to need to start recap or resend of that until 2017. So we have to fill that gap between the end of 2014 and 2017, and we will try to use FMS where we can to do this.

Mr. REYES. Thank you, Mr. Chairman.

Thank you, gentlemen.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Mr. Secretary, General, it is an honor to have both of you here today.

We appreciate your service, and as you know, we are often here a very bipartisan committee, and I agree very much with the distinguished ranking member when he indicates that we simply, as a Congress, can't spend \$800 billion on a stimulus package, almost twice the cuts that we are now placing in defense, or pass a massive health care act without having consequences. Two of those consequences are that we either have to ask hard-working taxpayers in America to spend more of their money to help cover our spending problem or we have to cut the defense of the Nation that they love. And neither of those consequences are good.

If we could consider all of that in here, then the sign outside would say House of Representatives, but it doesn't. It says House Committee on Armed Services. So I am going to focus on our military concerns.

And General, specifically for you, you have been working, I know, to articulate the role the Army can play in our Asia-Pacific defense plans. And when it comes to maintaining operational access in a theater where the threat of ballistic missiles is growing, it would seem to me the Army could play a larger role in providing theater missile defense to our forward-deployed personnel and facilities and provide a means of alleviating some of the missile defense burden on the Navy.

However, in the fiscal year 2013 budget there are cuts to the THAAD [Terminal High Altitude Area Defense] program and the Patriot programs, and I am concerned about the Army end-strength reductions and how they could effect this mission. Could you just tell us and discuss maybe a little bit the role the Army foresees for itself in providing theater missile defense in the Asia-Pacific region? And then the Secretary might add something to that, if he would.

General ODIERNO. Thank you, Congressman.

First, we do play a significant role in the Pacific region air missile defense command. We have—our major command is in Hawaii, who manages air and missile defense for the region. We have Patriot battalions forward-deployed in the Asia-Pacific region. And we

have tactical operation strategic radars that are being deployed into the region to continue to supplement the current air and missile defense capabilities that we have. We are very focused on forward air and missile defense capability in our key theaters, both Asia-Pacific and other areas, to include the Middle East, and we will continue to do and fund that. And we have the capability to do that. We have the force structure to do that. So I feel confident that we will continue to be involved with that.

I would also say there is many other roles that the Army can play in anti-access capabilities as we look at ground opportunities for entry and other things. And our ability, because of the large influence that the armies have in the Pacific region, we can help to develop systems and capabilities, multilateral systems and capabilities, that would help us in our anti-access campaign. And so I think in the Joint Operational Access Capability Assessment that the Joint Staff is doing, the Army will play a significant role in this as we move forward to build on the capabilities of the Navy and Air Force. And I think it is that joint concept and joint operational concept that will help us to have and work on the anti-access capabilities.

Mr. FORBES. Mr. Secretary.

Secretary MCHUGH. Yes. Thank you, Mr. Forbes.

I think the Chief laid down very well our current posture there. I would just say from a budgetary perspective, while your observation is absolutely right, there are cuts in the funding line to the entire program, and all of the accounts in the Asia-Pacific region for Army were protected. We haven't diminished any of those.

I get a little red behind the ears when I hear so many people—you did not—but I hear so many people refer to the Asia-Pacific region as strictly Naval and Air. There is a lot of air there and there is a lot of water there, but there is a heck of a lot of people there as well.

And the fact of the matter is the Army has long been a dominant posture in the Pacific, over 76,000 troops. We had 120-plus activities and other kinds of operations with our Pacific-Asia partners. We are looking to grow those. The Chief just got back from visits to Japan and Korea. And as we develop jointly into our new strategy, again, as the Chief suggested, the Army has expertise in those missile defense platforms, and if we can fulfill an expanded role in that mission, that would be something we would want to pursue very anxiously.

Mr. FORBES. We want to thank you both for your service, but also for the great men and women that you constantly turn out that serve our country.

With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you. Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, and General, for being here, and for your service.

I wanted to go back to the sexual assault question for a second, because I don't know if you had as much time, General, to respond to the chain of command issue.

And perhaps, Mr. McHugh, you would like to weigh in as well.

As you know, there are a lot of victims and people who are concerned that the chain of command has not allowed victims to have the kind of access to help that perhaps they have needed, particularly in the past, but even today. Could you comment on that a little bit more and why you feel that it does serve best?

I would say for myself I think this is a leadership issue. And so I think it is very important that leadership take responsibility and accountability. But on the other hand, we know that there are quite a number of instances when that has not worked.

General ODIERNO. Thank you. And I don't disagree with your statement. It absolutely is a leadership issue. It is a commander's issue, as we would call it. And it is something that we have to continue to work. And again, it is even with our—you know, it is about continued education. It is about making sure that we have a message that goes through the chain of command that this is something that is incredibly important to the welfare of the Army, the welfare of our profession. And we will continue to do that.

What I have found over my years of experience with these types of issues is, first off, you have to have a couple things. You have to have the ability for the victims to—some victims do not—it is about the victims feeling comfortable how they report and who they report to. So you have got to have a variety of ways for them to report. That is why it is important that we continue to have them, if they want to, not use the chain of command to report, and report outside of the chain of command. And we are establishing—we have established and will continue to emphasize that if that is what they feel comfortable doing.

But it is also important for us to ensure to the chain of command that this is an important issue for morale. It is an important issue for our ability to execute our mission on a day-to-day basis. And it is also important for them to understand and help train them on what is available in the Uniform Code of Military Justice and other means in order to hold people accountable, and that in fact, as we do in everything we do, we will hold our commanders accountable for the discipline and morale of their units. And it is important that they will understand this as we go forward.

So what we have done is we are increasing emphasis within our Judge Advocate General Corps to help train our commanders to ensure they understand what they can and what they can't do. And also it is important for us, working through the chain of command, to emphasize the importance of this. We now, we talk to every battalion and brigade commander at Fort Leavenworth. They come through there every month for a pre-command course. We have added a portion specifically dedicated to this subject so they understand the importance of this. And in fact, the Vice Chief of Staff of the Army with a group is headed out there next week to talk about a variety of subjects, this being one of the main subjects, that we talk about. So I think it is things like that that will help us to emphasize in the chain of command their responsibilities.

The other thing is to make sure that we have enough oversight where we disconnect a bit, be able to look at it from a little higher level from the chain of command. In other words, people who are not so close to the incident. And we have ways to do that. And we

are working as well as—using that as a technique as well. So, again, we are focused on this, ma'am.

Secretary MCHUGH. I want to thank this committee and this Congress, because I think you passed some very important legislation in the last session that sets some requirements as to Sexual Assaults Response Coordinators, SARCs, and victims' advocates. And the Army had already started on that, but you raised the bar as to a requirement that the SARCs be at the brigade level, the victims' advocates, we have two VAs at every battalion level and company level. And that provides the kind of alternative that the Chief had just spoken about if the victim feels uncomfortable going to their chain of command.

But that really, as you noted, Mrs. Davis, that is the critical part of fixing this more fully, making those commanders sensitive, making them understand that if they don't get it right they are not going to be in this Army much longer.

As to the UCMJ, it provides the prosecutors the opportunity to take action against people who are perhaps not violent sexual offenders, but inappropriate touching, the kinds of actions that probably in the civilian sector, nothing is done. And we take action against them as well, whether it is an article 15, or a holding off of promotion, or pay cuts.

Mrs. DAVIS. Thank you. Thank you, Mr. Secretary.

My time is about up. I did want to make one comment, if the chairman would let me. I think one of the things I have heard is that if women are serving up and down the commands and across the spectrum of the services, then in many ways, we will have less of this. So I just wanted to share my somewhat disappointment I think with the latest report that came out on women in combat and hope that we can work together to make sure that there is a process in place to be able to really determine the physical standards that are needed and how we are going to get to that, particularly for women who want to serve in those commands.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you both for being here.

As an Army veteran, I am particularly happy to see the venue today. Additionally, I am very grateful to represent Fort Jackson. I soon will be having a geographic presence adjacent to Fort Gordon. It is really exciting. And then I have got three sons serving in the Army National Guard. So I appreciate your service.

And Mr. Secretary, I am very grateful to be seated in the John McHugh seat, chair. So it is a great honor to follow you in supporting military personnel. So thank you so much for your service.

And General Odierno, one of the highlights of my congressional service, we knew of your success in Iraq. But when we came to be briefed and you came up with a diagram what appeared to be the State of Virginia, and you explained that this indicates a high level of violence where Northern Virginia would be the height, but then the surge, and then it led to the Eastern Shore. And so it was a diagram that could be understood by anyone. And so your success is just greatly appreciated by me.

With that, though, I am really concerned about the Administration's budget, and in particular, Mr. Secretary, the extraordinary fee increases in regard to TRICARE [DOD health care program]. We have commitments to our service members, our veterans. And the service that our young people make is just extraordinary, and their families. And sadly, the administration is proposing a TRICARE fee increase of fiscal year 2013, 30 to 78 percent; and then over the next 5 years, from 94 percent to 345 percent. To me, this is a great concern for the people I represent. And in fact, I am very concerned, and I would like to know how you feel this will affect recruiting, retention. And then what message does this send to our young people who are in the field today?

Secretary MCHUGH. I think you have to remember as to recruiting and retention, none of these increases would affect those who are currently serving. So the increases would only be effected on those retirees under the age of 65 who are out of the military, obviously, and working by and large.

This was not an easy decision. But it is something that this committee has talked about for a good number of years. And it is simply the fact that the health care system within the military services, just as it is within the civilian sector, from a price perspective, is out of control. While the percentage of these increases over time in some of the categories sound to be quite large, the fact of the matter is, A, these are the first increases since the program was put into place in the mid-1990s; and B, from a comparative perspective in relation to the civilian community, the TRICARE program will still be very, very beneficial, and in most cases, a far more generous program than you can find in the private sector.

So the interest here, and it is shared amongst the NCOs, senior NCOs, amongst all the service chiefs, and all the service secretaries, is that we have to do something now to ensure that this program remains viable for those great men and women in uniform and their families who have served. And the reality is the longer we wait, as in so many of the other problems that this Congress is attempting to deal with, the answer gets harder and harder, and the increases will get larger and larger. So we think the time to act is now. Maintaining a highly generous program. And certainly those great men and women in uniform have earned it.

Mr. WILSON. And TRICARE is so appreciated.

A concern I have is hollowing out of the military. First of all, I want to thank you both for your courage in regard to speaking out in regard to sequestration. There are different definitions of hollowing out. My concern is for senior NCOs and junior officers who have combat experience. This is invaluable. How are we going to address this? Is there a preference? Is there protection? What will we be doing to maintain people with combat experience?

General ODIERNO. Well, first off, that is why for me, as we come down in size, it is about the length of the ramp over 5 years. That is what is so key to that. Because if we can do it over a 5-year period, as we have asked for, that enables us to keep the best, to ensure we keep the combat-tested, the combat-experienced officers and noncommissioned officers we have. If we are asked to do it more quickly than that, then we will lose many of our combat-tested and noncommissioned leaders, both officer and noncommissioned

officer. So that is why this 5-year period is so important for us as we look at drawing down the Army.

Mr. WILSON. Thank you very much.

The CHAIRMAN. Thank you.

Mr. Loeb sack.

Mr. LOEBSACK. Thank you, Mr. Chair.

And thanks to both of you for your service. As I have discussed with both of you many times in the past, in various venues, as you will recall, I strongly believe that a key to the reversibility that is built into defense strategy, and a key to ensuring that our country is able to rapidly equip our soldiers in the event of future contingencies, is our organic industrial base.

I am very pleased that Congressman Schilling and I were able to expand the ability of our arsenals to enter into public-private partnerships through last year's NDAA [National Defense Authorization Act]. And I believe that those partnerships, as does Congressman Schilling, will be key to maintaining the readiness for our arsenals.

However, I also believe the Army must do its part. And I do believe that the Army must actively support the readiness of our organic industrial base. Specifically, my question then regarding this particular issue is what is the Army's plan to workload the organic industrial base, including our organic manufacturing base through the arsenals to ensure really that its capabilities are maintained in order to respond in case we do have another OCO [Overseas Contingency Operations] at some point down the road? And if there is a plan, how will it be implemented to ensure that these critical capabilities are maintained?

Secretary MCHUGH. Thank you for your concerns, and on a very important area. Generally, when people talk about so-called reversibility, I think they perhaps naturally think about reversing our end strength numbers. That is something we spent a lot of time on. And I think one of the more important components of the way in which the Army has shaped itself through this budget is we retain those NCOs, senior NCO positions, and particularly field grade officers who would be so critical to expanding our numbers. But there is another component to that reversibility as well, as you noted, sir, and that is our ability to produce the products, the weapons, the platforms that are necessary when we send our warfighters out to do the hard work of freedom.

I mentioned earlier one of the critical components of how we are going forward right now are the various analyses that both the Department of Defense and the Army are conducting sector-by-sector, tier-by-tier analysis through DOD [Department of Defense] and an Army baseline industrial capability analysis trying to both identify where our major risk lies, where the single point of failures exist, and also to try establish a strategy where we can do as much as we possibly can, whether it is through PPPs, as Rock Island I think has done very, very effectively, or through increased FMS to keep those work lines busy and open.

This is going to be a very difficult challenge. These are in large measure highly skilled workers. And that is certainly true at Rock Island. I have had the pleasure of visiting there. We have a similar hard metal facility in Watervliet and Albany. And those two do

some pretty important things. So this is an ongoing effort, and we recognize it. And frankly, if all of our locations were as aggressive and forward-leaning as Rock Island has been to go out and to develop partnerships, we would be a little less challenged. So I appreciate yours and Senator Durbin's and the entire delegation's vigilance on that matter.

Mr. LOEBSACK. Thank you.

General.

General ODIERNO. If I could, Congressman, as you stated, the organic industrial base is key to our ability to continue to be capable not only of reversibility, but to sustain the force as we move forward. It has been for the last several years. What we have done is we have developed core functions at many of these areas, which will enable us to sustain what we need, enabling these core functions. We will have to continue to assess, as we look at our budgets in the future, to see do we have to redesignate some core functions or combine some? But I am confident that we have a good program in place to take advantage of these core functions that we have established at many of these arsenals, depots, et cetera.

As you know, there will be some reduced—for the next few years, I think we will sustain a fairly high rate, but as we move forward and we continue to finish the reset coming out of Iraq and Afghanistan, we will have to start to reduce some of the capacity. But we will try to keep the expertise necessary to sustain these core functions that we will need over the long haul.

Mr. LOEBSACK. And I think from a national security standpoint, I think we can all agree, too, that should we have another overseas contingency operation at some point, we don't want to be in a situation where it takes some time to ramp up the production of whatever it is that the arsenals are actually producing at that time. As was already mentioned, make sure that we do provide for our troops when they go overseas on whatever mission it may be that they are trying to perform.

And I do have one question for the record I would like to submit having to do with our Reserve Components as well, if I may do that as well. Thank you, Mr. Chairman, and I yield back the balance of my time.

The CHAIRMAN. Thank you. The vote has been called. I plan on trying to get in two more questioners before, and then we will recess and come back as soon as we can.

Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you very much for being here and for your service.

Mr. Secretary, I have a two-part question for you. I see that in this year's budget, you submitted a request for approval to enter into a second multiyear contract for the CH-47 Chinook helicopter. Since you have been using the multiyear for Chinooks for the past 5 years, and I understand that one will expire this year, what have you seen as the biggest benefit for you and the taxpayer of having the authority that has led you to request a second multiyear contract?

And the second part of it, Mr. Secretary, is, is the Armed Aerial Scout program an Army priority?

Secretary MCHUGH. As to the CH-47, we have found that multiyear contract to be very efficient. We are very, very pleased with the product and the product line. And as we have looked hard at our acquisition strategies, both successes and failures over the last several years, the CH-47 contract as it is currently configured seems to have embodied a lot of the answers and a lot of the solutions to some of our challenges. So we thought it was in the best interests, both in terms of the production line, but most importantly for the taxpayer and for the Army, to extend that contract. And I am hoping that that comes through to fruition.

As to the Armed Aerial Scout, it is still a priority for us. We are looking at an analysis of our way forward. As you know, for now we are dealing with the Chinooks and the CASUP [Cockpit and Sensor Upgrade Program] program, the cockpit upgrade program as a bridge to that. And the Chinook will be a part of our inventory probably until at least 2025. But we still believe we need an Armed Aerial Scout program, and we are pursuing it as an important priority.

General ODIERNO. If I could just add to the last piece, the Armed Aerial Scout is important for us. It is an important capability that we have to sustain. And as the Secretary said, we are doing an analysis of alternatives that will be done in 2013. And once we do that, we will have to make a decision whether we go to a new aircraft, or do we continue then to keep the Kiowa Warrior and upgrade the Kiowa Warrior? That will be a decision that is made next year. And right now we expect to have the Kiowas, as the Secretary just said, the Kiowa Warrior through 2025. So this is an incredibly important program. We will look at the analysis of these alternatives that we have next year, and then we will decide on how we want to move forward.

Secretary MCHUGH. I said Chinook. Obviously, Kiowa Warrior. Thank you.

Mr. LOBIONDO. Thank you. Mr. Secretary and General, thank you.

General, can you tell us what you believe the status and readiness of the Army's current inventory of prepositioned equipment is?

General ODIERNO. I feel very confident with it. In fact, we have just actually issued our predeployment equipment in Kuwait to the brigade that moved out of there from Iraq. And they have been exercising with it. And it was in very good condition. It is important for us to sustain our prepositioned fleet in very good condition. Now, we are going to continue to review this. As we now look at this change in strategy, we will look at, do we have to make some minor adjustments in prepositioned fleets? Are they in the right place? Do we need some training preposition stocks to do multilateral training in the Pacific, to do rotational training in Europe? And we will take a look at that. And as we are downsizing, we have an opportunity here to use some of the equipment that were in some of our forces potentially to use in these prepositioned sites. So that will be a continued analysis that we conduct. It is a very important program. And it is going to become more important as we move to the future.

Mr. LOBIONDO. Thank you very much.

The CHAIRMAN. Thank you.

Mr. Kissell.

Mr. KISSELL. Thank you, Mr. Chairman.

And Mr. Secretary and General, thank you all for being here today.

Obviously, time is an issue right now. I was wanting to hear a little bit more about the importance of a rampdown in attrition. But I think, General, you mentioned that, that that 5-year plan is so important to what we are doing to be able to keep the best of the best. I also wanted to talk more about equipment. And I know in one of our readiness hearings a while back, we were discussing about where do we go with equipment? How tied down are we to equipment we might have versus what we think we might need and some of the future challenges we have.

So the two questions I want to zero in on, I am going to be spending quite a bit of time next week with a lot of our Reserve and Guard Components in North Carolina. Just what do you all anticipate the role of the Guard and Reserve being and how we are going to balance that out toward the challenges we have?

General ODIERNO. I will take that first.

In terms of the Guard and Reserve, first, the lessons we have learned here is that we have to have a total Army. We have to have certain capabilities in the Active Component, but we have to have ready capabilities in the Reserve Component for us to be successful as an Army, especially as we continue to downsize. So what we want do is take advantage of the experience that we have gained in our Reserve Component, as they have been a significant part of our deployments in Iraq and Afghanistan. So what we are going to do is we are going to set up a progressive readiness model that will enable us to attempt to sustain key components of the Reserve Component and continue to sustain an operational Reserve.

It won't obviously be as big as it is now because of the requirements in Iraq and Afghanistan, but what we will do is rotate units through and provide them more dollars in order to sustain a readiness level that will enable them to continue to contribute on a rotational basis operationally. And I think in the long term, that will help us to sustain a higher readiness rate within the Reserve Component. So we are very focused on that.

Secretary MCHUGH. If I could add, Mr. Kissell, we worked very hard over recent years to try to upgrade the level of equipment within the Reserve Component, both the Reserve and the Guard. And I think the data points suggest we have come a long ways.

For example, the equipment on hand ratings right now for the Active Component is 87 percent. The National Guard is also 87 percent. And the Reserve is 86 percent. And based on this budget and the FYDP in which it lies, we hope to grow the AC [Active Component] to 94 percent, the Guard to 92 percent, and the Reserve to 90 percent by just the end of 2013. So, the challenge, as the Chief noted going forward, is to make sure we maintain that level, both in the readiness side and the equipment part of that rating and also of course the personnel. And how we do that is something that I want to give a tip of the hat to the Chief and to the leadership of both the Guard and Reserve Components are working together to make sure we have a readiness model that works and everybody agrees upon.

Mr. KISSELL. Thank you, gentlemen. And one quick question, research and development. Do you feel comfortable that we have enough moneys allocated for that to keep us ahead of the fight in all situations?

Secretary MCHUGH. Well, as Mr. Smith said, would I take more money? And the answer is sure. But within this budget construct that I think we all agree is achievable and is viable, the R&D [research and development] I think line is sufficient to keep us where we need to be.

Mr. KISSELL. Thank you, sir.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

At this point, we will recess. And maybe they will just have one vote anyway. We are going to expedite, and hopefully the recess will be as short as we can make it. Thank you.

[Recess.]

The CHAIRMAN. The committee will come to order.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

And thank the witnesses for being here. I appreciate you and your service. The budget that we just had proposed cuts Army depot expenditures in 2013 by 50 percent. Could you explain to me this drastic cut, how you arrived at 50 percent, particularly since the budget document itself says that we have a backlog of equipment that has to be reset?

Secretary MCHUGH. Well, we do have a backlog, as we retrograded—we retrograde out of one theater and retrograde out of the other. But we had to fit in the reset program within our entire budget allocation. We tried to do it in a way that would ensure that the rates are sustainable, so at least in the near term we are not causing any work disruption or work interruptions. So it was both a strategy but also a budget decision that was one of those hard ones that I spoke about. But we think it will keep the lines open and progressing as we go through this FYDP.

Mr. ROGERS. Fifty percent we will be able to keep the lines moving? That is a steep hill to go off.

General ODIERNO. In the base budget, we sustain 50 percent. But there is also a piece of OCO that will be used to fund this. I think that is where the rest of this will come. It will come out of Iraq and Afghanistan.

Mr. ROGERS. Okay. I share the sentiments of Mr. Reyes when he talked about not letting this base go cold and what it can mean to us. As you know, the Anniston Army Depot has the largest public-private partnerships of any installation in the country. And we worry very much, when you talk about Stryker being one of those lines that would go cold, about losing those folks.

Secretary MCHUGH. I was just, I am sorry, I didn't mean to interrupt you, Mr. Rogers, but the Chief makes a good point. A lot of what we need to do, a lot of what we hope to be able to do will be dependent not just after—or up until drawing out of the theater in Afghanistan, but for 2 to 3 years afterwards in terms of sustaining OCO. And it is not just in the kinds of things that people often think about. It is critical for our depots to have those funds

available for our reset of equipment as we draw out of Afghanistan as well.

Mr. ROGERS. So, based on this budget, this core budget and OCO funding, do you believe you are going to be able to meet your requirements as outlined in Title 10 for combat vehicles?

General ODIERNO. The issue becomes that OCO is a 1-year—we don't know what we get from year to year. What we are getting in 2013, we have enough to do what I think we need do. What we don't know is what the OCO would be in 2014, 2015, 2016 and we would say probably 2017, 2 to 3 years after we finish coming out of Afghanistan. We are making it clear that we need support for reset in those years in order to not only—it would not only support the depots, but it also is about the readiness of our capabilities.

Mr. ROGERS. I have had several conversations with General Dunwoody and General Stein about my concerns about our depot network and our readiness. As the Secretary notes, because he was on this committee at the time, when we went into Iraq and Afghanistan, our depots were not up to speed. And it took us 18 months. And General Dunwoody has assured me that you all have learned those lessons and will not let that happen again.

But when I look at these numbers, it worries me. Because you all know we could be in Iran or somewhere over there in the next 6 months for all we know. And I want to make sure that you are confident that you have got what you need for a surge capability. Nobody knows a surge capability more than you. And if these numbers aren't working for you, you have got to tell us. Because if it is affecting us, that is our problem; that is not your problem. So we count on you to tell us what you need to be ready.

When you made your comments about being leaner going forward, and you outlined your numbers for end strength, let me ask do you think you are going to be prepared to deal with another theater of war that may open up in 3 years at those numbers?

General ODIERNO. Congressman, I do. I think with the size of the force we have, we will be able to conduct combat operations. We will have the capability to do that. Where we have a little bit of risk is if it gets extended. So what we are not—what we don't have is a force that could do long-term stability operations over a long period of time. So if that occurs, we are going to have to relook growing the force again. But we will use the Reserve Component as a buffer in order to have them help us to give us the time to grow the force if we get engaged in another major theater of war.

Mr. ROGERS. Good. And I do hope that you all vigorously pursue the FMS, because I think that is a great way for us to keep some of these lines hot.

Thank you very much. My time has expired.

The CHAIRMAN. Thank you.

Mr. Conaway.

Mr. CONAWAY. Thanks, Mr. Chairman.

And gentlemen, thanks for being here. I appreciate that. I want to just make kind of a gratuitous comment. I appreciate the continued commitment to the WIN-T [Warfighter Information Network-Tactical] program and the JTRS [Joint Tactical Radio System] communications programs because I do think those are important to leaner and more agile, and all those kind of adjectives that we

throw at it. But those are the tools I think that allow you to go to that. Following up on Mr. Rogers' comments, and perhaps—on page 7 of your summary listing Army components, you list the Reserve Component as one unit. And maybe today or soon we can start that arduous conversation about why we have a Reserve and a Guard—not today—but it may make sense, given that, to look at it. I was here in 2005 and on, and watched some of the struggles of converting the Guard and Reserve from a strategic force with a domestic mission, to a tactical force that was used extensively, to today downrange, you can't tell—unless you know the patches and understand the org [organizational] chart, you can't tell the difference between a Guard unit and an Active Duty unit. So General, over the next 5 to 10 years, will you have in place the right readiness matrix to make sure that that Guard and Reserve Component stays ready for the fight? And how will you look at rotating the, for lack of a better phrase, quick reaction force? Because if you do that extended deal, somebody has got to be first. And how do you keep those guys ready, and how do you rotate that readiness issue through that system in order to make sure that we don't have those growing pains we experienced in the original conversion?

General ODIERNO. As we went through it, I think as most of you are aware, as we went through this process, continuing to go meet our commitments in Iraq and Afghanistan, we developed what we called Army Force Generation Model, which put both Active and Reserve Component units, National Guard, Army Reserve, Active, through a sequence of preparing themselves to get mobilized, to get ready, and then to deploy.

As we come out of Iraq and Afghanistan, we are going to adjust that process. We are not going to walk away from it, we are going to adjust it. And we are going to keep a process where Active and Reserve Component units will be in a reset phase, a training phase, and an available phase. We are still working on—

Mr. CONAWAY. When you said Reserve, that includes the—

General ODIERNO. National Guard and U.S. Army Reserves.

Mr. CONAWAY. Okay.

General ODIERNO. And what we will do is, for an Active unit, for example, a cycle would be 24 months, and they spend 6 months in reset, 10 months in training, 12 months available, whatever time it is. And then for the Reserve Component, it would be a bit expanded because maybe over a 60-month period, but allow them to rotate through, so we would always have a portion of the National Guard and U.S. Army Reserves ready to go. And what it also does is it will enable us to sustain readiness across the force over a long period of time. So that is the intent of our process. We are working through the details of this and how it is funded and how we sustain them over time. And I think we are going to be able to do this. We are working very closely with mainly the National Guard, but also the U.S. Army Reserve on this concept.

Mr. CONAWAY. Will the readiness reporting program that you have morph into something that will be able to show us, this side of the table, where we are at any one point in time with respect to those?

General ODIERNO. It is going to have to. And it is going to have to do it for the total Army.

Mr. CONAWAY. Right. Right.
Thank you, Mr. Chairman. Yield back.
The CHAIRMAN. Thank you.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for your service, and General Odierno for your service and for your family's sacrifice, as well as your own. There is one thing that both of you mentioned, the JLTV [Joint Light Tactical Vehicle]. I want to run through a few things. The new requirements don't require blast or underbody protection to the same stringent requirements that they were originally stated.

First question is, why relax the requirements? And I am going to keep going, if you don't mind. Why did we relax the requirements? Why did we relax the weight limit? If you go over 13,000 pounds, as you know, it makes you less mobile, whether it is air mobile or if you are putting them on—if you are putting these—because the Marine Corps is going to use them, too, they are going to be on ships; they are going to be heavier on the ships as well. From what I could see from all of the different people, all of the different vendors that are applying for this, their vehicles come in around 13,000 to 16,000 pounds or more when you add their armor kit on, which makes them—you can't carry them in fact then in a CH-46.

My specific question is about Ford Motor Company. My district is in San Diego; Ford is not there. I have no dog in this fight, no horse in this race. Ford has offered to build the next "Humvee" [High Mobility Multipurpose Wheeled Vehicle]. They have offered to spend \$400 million of their own money to do it. They have offered to come in with multiple prototypes to give you to say, here is what we have. This is the second largest car manufacturer in the Nation, a manufacturer that goes back, if you go back to World War II and Korea, making American products for American military personnel.

Let me run through a few things on Ford. They can come out at \$225,000 per vehicle. And what is more important, Ford estimates, because they make cars and trucks for a living, their estimates now, their original estimates will be within 4 percent of their actual production costs. So there is not going to, as we look at all these different programs, we all know it is pretty hard to get it within that 4 percent. Ford can do that. What they tell you now will be what the vehicle costs in the future. They can save us over \$100 billion, taxpayers, Congress, and the Army and Marine Corps over lifecycle costs and production costs over the life of this vehicle. The most troubling aspect of this is this: This is a quote from DOD, talking about why the procurement date for this is set up for this June. The main question is Ford asked for an extra 12 months so they can compete for this. They were turned down by DOD. DOD said no. And here is what they told Ford. Ford, they could come in with more armor at less weight and provide more bang for the buck, basically. They said, in source selection, no credit will be given for proposed performance above the threshold or at objective levels. What that translates to is if you make something that is clearly superior in protection, maneuverability, and weight, we don't really care; we are going to do this anyway.

The only reason that DOD says to exclude Ford that I have seen from all the documents that I have read on this is that the money may, it may be taken out of the budget by Congress. I think the Senate tried to kill this last year. It was a fight. The money was put in there anyway. So the only reason we are doing this now this year, even though the vehicles won't be fielded until we are out of Afghanistan, is because the money may be taken out of the budget. I am not getting this at all. In this climate, with what is going on, we are going to be out of Afghanistan. We are going to need to be more maneuverable. I don't see how we make a Humvee in the future that doesn't have underbody protection and that can't come in under 13,000 pounds, which Ford says—and theirs is called the Joint Marine-Army Vehicle, the JMAV or something.

They say they can do all these things and all they are asking is for 12 months so they can compete. That is it. I mean, I guarantee you if you look at what was more people in this room, if you told them to just give us 12 more months, and we will give you something that costs a lot less and provides more bang for your buck, we could almost guarantee it because for God's sake, it is Ford. Ford. And I don't drive a Ford, by the way. So my dog is even more out of this fight. I drive a Chevy. I don't understand.

And I guess I am just asking for some clarification, explanation, or why can't we just work together on this and get it right this time and show how you can be a shining example for the rest of DOD and the military procurement system and say, here is how we did it?

Secretary MCHUGH. As you know, Congressman Hunter, the program and whatever changes are made in the requirements came about as a result of the discussions between the Marine Corps and the Army. There was a back and forth as to levels of protection, weight trade-offs, et cetera. And I would certainly defer to the Chief as to some of the specifics on that.

I do drive a Ford. It is a great company. And it has done amazing things in difficult times. And frankly, when this RFP [Request For Proposal] first hit the street, we were very—I was very hopeful that they would choose to participate and to go ahead with the program. They chose not to. That was a disappointment to us.

But we had set the ground rules. We had put out the RFPs. Every competitor, and we have had I believe six companies now that are all very credible and have played by the rules that were set out. And from a general acquisition perspective, I think, and I can't speak for DOD, it would be a very tenuous decision to pull back an RFP based on a single manufacturer saying what they may or may not be able to do when they chose not to compete.

Now, Ford can submit it any time during the process an unsolicited program that we will fully consider. But we can't pull plugs on developmental programs where everybody else is playing by the same rules because a single competitor, as great as Ford is, says, here is what we promise you we are going to do. It is just I think would be a bad precedent to set. And that was part of our problem. I am not even sure, frankly, it would be legal.

I don't know if the Chief would want to add.

The CHAIRMAN. I don't think we are going to resolve this today. Let's call this kind of an opening gambit.

Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

And thank you for your service, General Odierno, Secretary McHugh. I am concerned about—I agree with you in the bottom line cuts. I believe cuts can be made to the Department of Defense. I don't believe that—I believe the sequester goes way overboard. I don't think there is any disagreement in that in this committee on either side. But let me just say, express to you some areas that I think that I would like you to look at. Because I am concerned that we are cutting capability, and by cutting capability, we are increasing risk to our national security. One is I just think that there is a top-heavy nature to our military across the board.

I think if we look at the ratio of flag officers or general officers to the number of soldiers—and this is in every branch of the service, I believe—it is just—we are too top-heavy. And we really need to look at slimming that down.

Next, I know there is talk about that we ought to slow down pay increases moving forward as a cost savings measure. I disagree with that. And let me give you another area that I would like you to look at. And that is slowing our promotion system down. I think that—first of all, I think it moves too fast. I think that we would increase—not only have a cost savings, but increase the professionalism of our military by slowing down the promotion system, allowing soldiers to spend more time in grade in their respective military occupation specialties before they move on. When you have an organization that has the kind of quality that the Army, United States Army has today, which is extraordinary, and you have the kind of retention with highly qualified soldiers wanting to remain in the Army, it only makes sense that we do the math, and we slow down the promotion system.

Next, I think Guard and Reserve, I am very disappointed that we have cuts in the Guard and Reserve envisioned in your plan. Where I think what we ought to be doing is increasing the size of the Guard and Reserve, quite frankly, through reductions on the Active side. I mean, Secretary of Defense Gates before he left warned this committee repeatedly of the trajectory of personnel costs and how it was eating into acquisition costs, irrespective of the cuts that are before us now. And so to me, we can retain capability and do savings by looking at our force structure and more aggressively transferring units to the Guard and Reserve that we don't need say expeditionary forces or forces that truly need to be on Active Duty.

You know, next I am concerned about we are going to go through a BRAC round, a Base Realignment and Closure Commission, at the same time that we are still retaining permanent bases overseas without adequate participation of our allies. In NATO [North Atlantic Treaty Organization], most of our NATO partners are spending less than 2 percent of their GDP [Gross Domestic Product] on defense. We are at about 4.7 percent right now. Yet we have 45,000 troops in Germany, 79,000 troops, I think, in Europe all together. We are moving two Brigade Combat Teams, heavy Brigade Combat Teams, I understand, out of Germany out of that 45,000. But I think we ought to look at if they are not involved in the repositioning of forces, if they are not expeditionary in nature,

they ought to come out of Europe. We can demonstrate our capability by doing some of the things you mentioned, having rotational forces. And certainly doing joint military exercises demonstrates our commitment to the North Atlantic Treaty Organization.

In South Korea, you mentioned 20,000 soldiers in South Korea. There are substantial—and this is obviously DOD—military construction programs going on. I believe it might be suspended, some of it might be suspended in terms of looking at bringing dependents over, but at a time when South Korea is spending 2.7 percent of their GDP. You know, so we are looking at closing bases down in the United States, and yet retaining overseas permanent military bases for allies that are spending much less on defense than we are. We need to get them to do more.

So let me leave it open to you on those points. But I am disappointed in the direction of these cuts. And I think they compromise capability where I don't think we need to.

Secretary MCHUGH. First of all, and I will try to go as quickly as I can, we agree with you on general officers. And in fact, that was an initiative that Secretary Gates had already begun. General Odierno can speak very eloquently as to the closing down of a COCOM [United States Combatant Command] and JFCOM [United States Joint Forces Command], and elimination of a four-star. We downgraded the number—the four-star to a three-star U.S. Army Europe, and on and on and on.

Pay increases.

Mr. COFFMAN. I would love to see what ratio you would come you with between flag officers and soldiers at the end of that. I am sorry that we are out of time.

The CHAIRMAN. The gentleman's time has expired.

Mr. COFFMAN. If you could get to me on the record on any of these questions I would appreciate it.

The CHAIRMAN. Mr. West.

Mr. WEST. Thank you, Mr. Chairman, and Mr. Ranking Member. And also I want to thank the panel, Secretary McHugh.

I would like to publicly recognize General Odierno, and thank you for the privilege and honor of serving as a battalion commander under your command of Fourth Infantry Division.

And also to my brother red leg sitting back there, colonel Thompson, it is good to see you again.

The question I have, you know, we have been down this road before. Mr. Wilson talked about Task Force Smith. When I look in the decrease of the combat brigade formations that we are having, can you talk to us about the ramifications you see as far as the combat tours of duty? Because I really believe some of these second and third order effects we see with some of these social issues that we had just talked about relates to the amount of tours that our young men and women are having to serve in these combat zones of operation. So, have we looked at the ramifications of what can happen with maybe increased tours in combat zones?

General ODIERNO. Congressman, thank you very much.

In terms of—we have looked very carefully at this as we have decided where to take force structure out. Because we are now out of Iraq, it has made a significant difference in the OPTEMPO [Operational Tempo] of our combat forces. And now that we are

starting to reduce our presence in Afghanistan, that has also impacted that.

So we feel that as we grew the Army in the mid-2000s to meet those requirements, now that they are going away, we now have the right force structure to be asked to do what we currently are doing. As I said earlier, where we might incur some risk is if we got involved in two major theaters that were extended over a long period of time.

For our initial combat operation, we have more than enough capability. We will have the competence to conduct those operations. So I feel comfortable with that. If they get extended again, that is where we run into some risk of the things you talked about, increased OPTEMPO on our soldiers and all the other things that go along with this that we are dealing with today. So we are very cognizant of that. That is why it is important to build some reversibility into what we are doing so we can, if necessary, increase immediately the size of the Army.

And one of the things we will do is we are going to maintain officers and noncommissioned officers in our institutional Army. We have migrated them out over time. So we have more in the training base, we have more—so if we have to expand, we will be able to keep the expertise and then use them to help us expand, if necessary, as we move forward.

Mr. WEST. Second question, we had a briefing earlier this week about operations in Afghanistan.

And one of the things that I think was a very key lesson learned that we finally got to was the VSO program, the Village Stability Operations program. And of course, right now, they are looking to expand that VSO program. So when I look at the fact that we are talking about putting more responsibility and burden on our Special Operations, you know, are Special Operations Forces in the United States Army going to be capable of expanding and extending the VSO operations in Afghanistan? As well, do we see possibly our conventional forces having to augment the VSO programs?

General ODIERNO. Thank you, Congressman.

We are in fact continuing to increase our Special Operations Forces throughout this budget. We will go up to 35,000 Special Operations Forces. We have increased in every area. We have increased Rangers. We have increased Special Forces battalions, the numbers, the companies involved. We are increasing their logistics capability. But as we are increasing VSO operations, we are also building on the relationships that have been built between the Special Operations and conventional Army. And as we do that in fact, you are going to see conventional forces pick up a piece of this mission. And in fact, you will see that in this year, that we are using conventional capabilities to help with these VSO operations. And I think it is important. We have learned that we can do that. And it is a good partnership in order to best utilize our Special Operations Forces in conjunction with the capabilities of our conventional forces to support them in these key operations. And I think you will see more of that as we move forward in Afghanistan.

Mr. WEST. And last point, being from down in South Florida, I will tell you that I am quite concerned about the SOUTHCOM [Southern Command] AOR [Area of Responsibility]. The fact that

Ahmadinejad was visiting Cuba, and we have Hezbollah training camps down in South America in the tri-state area. So I would hope that we don't forget that, and, you know, we can't continue to see it as an economy of force operation. Because that is pretty near and dear to us. And I believe that the enemy is seeing that we don't—are not portraying a very strong presence down in the SOUTHCOM AOR.

So with that being said, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you very much.

Mr. Gibson.

Mr. GIBSON. Thanks, Mr. Chairman, and gentlemen, for being here today, for your leadership, commitment to our troopers, families, and veterans.

Let me just say from the outset that I am generally supportive of what you are doing here in the budget, particularly some of the major pieces of it.

Notable exception, I associate myself with Mr. Coffman, a lot of his remarks with regard to positioning of our forces. But what I would like to explore here in the next few minutes is the nesting of operational concepts. Interested to know to what degree we use modeling and simulation. As you went through the strategic review, and particularly here at the joint operational concept that drives the Army operational concept, because so much of this leads to requirements and the need for structure and procurement, leader development and everything in that regard.

Last time the Army operational concept was published in 2009, very aware of how all the ins and outs to make that happen. Certainly have no expectation that there is a new document on the street. But in your notes that you took as you went through the process of the strategic review, if you could share with me the notable points with regard to the 2009 document that you think may need to be readdressed in the current process of operational concept. And then other deductions and risks that you see in the force in relation to what we think we are going to need.

General ODIERNO. As we have looked at it, first, it is about looking at the last 10 years and also trying to project out what think we will see in the future. Under the operational concept document, one of the key things is what we see the threat will be in the future and how we must respond to that threat. And it is a concept of the hybrid threat. It is a concept of the fact that we will face an adversary that has a combination of conventional, unconventional, regular, terrorist activities, criminality, and that we have a force that is being developed that can meet that spectrum of conflict. And oh, by the way, different pieces of it from the lowest end combined all the way up to the highest end, and that we don't believe we will ever see a straight conventional conflict again in the future. That is one of the key pieces that we are using as we move forward.

And if you have a chance to go out to our national training centers, you are going to start to see us, as we go through training rotations, that this will be part of this. Training and Doctrine Command is currently running a series of seminars that they are looking at how we develop leaders for this environment, how we develop tactical and operational concepts to operate in the future en-

vironment, and how do we incorporate the lessons that we have learned over the last 10 years?

So I think after we get the results of this work done by TRADOC [Training and Doctrine Command], we will then look at updating our operational concept and look at where we want to go. And the last point I would make—and I don't want to take too much time—is then this relationship between conventional and Special Operations Forces, and how that has changed over time, and the benefits we have gotten through the integration and synchronization between conventional and Special Operations Forces, and how that fits into the operational concept. I think those are some of the things that we are going to focus on.

Mr. GIBSON. So as you look left and right to your sister services and you think about it in view of the Joint Force, I will just share the concern that I have is that as we look at the joint operational concepts, we look at the potential employment, I am just concerned that we haven't—and for good reason, over the last decade, we have been very involved in achieving these objectives in the Central Command AOR, but that we have actually done all the planning, the detailed planning have added up, have done the math to look at what is required to move the force, the risk associated, the timeline. And as I look at 301 platform United States Air Force and I consider the Navy's dimension in this, and then I think about the Joint Force delivery if we ever—you know, we pray it isn't the case that we have to deploy it for a major theater of war, but we know if we are ready, there is less chance that we will have to, particularly when we exercise it and demonstrate it to the world that we have that capability, I am just concerned we haven't really done yet the detailed planning and then looked at the experimentation that is required, the exercising that is required, the information ops that would go with that, and would look to you to sort of assuage those concerns.

General ODIERNO. I don't disagree.

In fact, a couple things let me just add. As I look back, it is about unity of effort. It is about understanding the different dimensions of warfare. I didn't get into information operations, cyber warfare, all of those things that now must be incorporated in our joint operational concepts. We are currently doing that. It is about understanding how we develop these in training our headquarters at all variety of levels. And that is all part of this as well. And I concur with what you said.

Mr. GIBSON. Thank you, gentlemen. I yield back.

Mr. RUNYAN. [Presiding.] Thank the gentleman.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Gentlemen, I want to talk with you a little bit about TRICARE and the proposed rate increases. Currently, our families are paying about \$460 for the TRICARE Prime. By about 2017, that would move to \$2,048 under the proposal. And this past year, if I am not mistaken, we asked that those rate increases be limited to the increases in the retirement plan. Is that not correct?

Secretary MCHUGH. You have to restate. I am sorry, Mr. Scott, could you say that again?

Mr. SCOTT. The rate increases for the TRICARE Prime, you all have asked us to allow you to go from \$460 to \$2,048. That is a significant increase to people who have earned that benefit. And quite honestly, I come from a risk management background. To me, that seems like something that if industry did that, that would be an indication that they were trying to actually push people out of it and shut the program down. And I guess my question is, is that the intent of the significant rate increases?

Secretary MCHUGH. No, absolutely not.

And one of the critical parts of this to consider, if you will, even after the full increases are into effect at the end of 2017, that rate will by every reasonable projection still be a very generous rate compared to an equal policy in the private sector, if you could obtain such an equal policy.

I said earlier this is not something that we are particularly happy to do. And it was not something that we didn't do—that we did do, rather, without a great deal of thought and consideration. And after we talked about this amongst ourselves, all the service chiefs, all the service Secretaries, all the command sergeant majors, master chiefs of the Navy, we decided that this was absolutely essential to preserve the benefit. As we tried do is to tailor it and to layer it in a way that only those people who are of retired age under the age of 65 and are likely to be working, and based on their rank would receive the greater of those increases.

Mr. SCOTT. Mr. Secretary, if I could, I am sorry, I only get 5 minutes, so I don't mean to interrupt. But you know, it amazes me that in this time that we are in, that we continue to take and take and take from the military under this administration. And yet for somebody who hasn't paid their dues, if you will, like our military service members have, there is no proposed reductions for food stamps. And in fact, there is no meaningful reductions for any of the entitlement programs that truly are driving this country off a fiscal cliff.

With that said, for the retirement changes that are proposed, you propose to go to a BRAC-like commission, which would be a straight up or down vote by the Congress and would essentially not allow for the individual input of the Members of Congress. Why do you believe that that that is a better route than to go through the normal committee process?

Secretary MCHUGH. Well, I am glad you used the word "better" and not "best," because there is no good way to go about this. As Secretary Gates said as he looked at the retirement system the military currently employs, we ought to ask some questions about the fairness of it. We ought to ask some questions about perhaps configuring it in a way that would allow people to vest more early. Would that, in fact, help us to recruit and ultimately retain folks in a different and hopefully better fashion?

It seems to me that the best way to go about that, as we saw through the BRAC process, is to do a true and independent body. If it is the opinion of this Congress to do it differently, well, that is something I am sure you can talk about with the Administration.

Let me just say why we looked at this healthcare proposal. Number one—

Mr. SCOTT. Mr. Secretary, I am sorry. I am down to about 45 seconds, and I apologize. But again, it is a reduction in benefits to those who protect our personal freedoms, and individual liberties, and, quite honestly, economic opportunities for other Americans. But the President refused to make any proposal to deal with the entitlement benefits for those that aren't contributing.

One last thing. The traumatic brain injury is certainly an issue that we have done a better job of that. I want to commend you for the work that has been done there. Some of the gentlemen that I have met with spoke very positively about the use of the hyperbolic chambers, the same way you would treat bends, and the benefit that they had from using those machines, yet the VA [U.S. Department of Veterans Affairs] has refused to pay for that.

I am out of time. I would appreciate it if you would work with us with the VA to make sure that those service members that do have that traumatic brain injury can receive that treatment.

Secretary MCHUGH. We have five programs in the Department of Defense including the Army that are currently looking at the efficacy of that. I would say if those programs prove promising, I am not going to wait for the FDA [U.S. Food and Drug Administration] or anyone else. We will authorize those treatments.

Mr. RUNYAN. Mr. Schilling.

Mr. SCHILLING. Thank you, Chairman, Ranking Member Smith.

First, I would like to thank you two gentlemen for your dedication to not only our country, but to our warfighters is greatly appreciated.

Just a couple of things quickly. What I was wondering, Secretary McHugh, I have been aware of a study that has been ongoing to address the organic base in the future. And I was just wondering, do you know when we might see that plan or when it is going to be released?

Secretary MCHUGH. I believe you are referring to the Department of Defense's S2T2, sector-by-sector, tier-by-tier analysis. That actually started in 2011. I do not believe DOD has placed a timeline on it, but obviously these issues are relevant and current, and we are working, as all of the services are, with DOD to bring it to a conclusion so we can make some decisions and plod our way forward.

Mr. SCHILLING. Very good. Thank you, sir.

And then, General, one of the things that I am concerned about is that as we do these, the cutbacks—and I am sure you are concerned also—but one of the things that is really important is the Rock Island Arsenal, which is one of the areas that myself and then Mr. Loeb sack represent. But back in 2006, when our troops were faced with the IEDs [Improvised Explosive Devices] that would rip through the nonarmored doors in their vehicles, the arsenal was the group that were basically stepped up and took this challenge, and within 3 weeks they were able to turn these doors around.

The FRAG [Fragmentary Armor] 5 kits is what they called them, and which allowed the private sector or the folks outside to get these things out. And that is one of the main concerns that we want to make sure is just because the turnaround was faster than the industry could ever do, and that is one of the things when it

comes to warfighters is to make sure that we keep those warmed up, of course.

General ODIERNO. Again, it is about having that organic capacity that enables us to respond quickly, and it is about developing the core capabilities that we want to sustain within our organic capacity. And that is what we are watching. The Secretary and I watch that very carefully. General Dunwoody, Commander Army Materiel Command, watches this very carefully, and that is something we will not sacrifice and don't want to as we move forward.

Mr. SCHILLING. Awesome. Thank you for your service.

I yield back.

Mr. RUNYAN. Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman, Mr. Secretary, General Odierno. Always a pleasure and privilege to be in your company; John, for your service here many years and allowed me to try to fill your shoes here on the committee when you went over to the Department.

And, General Odierno, I think I first met you in Kirkuk many years back, and I have always been amazed at your great leadership, and humbled to be able to work in any capacity with you. We are a blessed Nation because of both of you in your service to the Nation, and to the men and women in the Army and their families. They are all in good hands because of both of your leaderships.

I am going to try to be quick because I may be the last one holding you from getting out the door. And I think the gentleman from Texas, Mr. Reyes, may have raised the issue of the modernization of the Bradley Fighting Vehicle. I say up front BAE is a great employer in my district and is a wonderful company to work with, but, more importantly, they build an incredible piece of equipment in the Bradley.

And the concern that I think Mr. Reyes raised, I would just echo that. In looking at the 2013 budget request for the modernization of the Bradley, it looks like it would require a shutdown of the operating line at some point, and my worry is what the cost will be to restart it, but maybe even more importantly, the ability to restart it because of the loss of the skilled labor force that is incredible, including many veterans of Vietnam and wars since, including most recent. When I visit there at the plant, I usually run into some guardsmen who are now back on the line building the vehicles that, you know, they and others benefited from in the combat theater.

So I guess I first would just echo his concern, and encourage any and all efforts that we can to find a way to not allow that line to shut down and the consequences that may come from that both financially, and again, most importantly, from the ability to restart it with the skilled labor force that is unmatched by any other.

Related to that is it is my understanding also that the Army's engineer forces, that their Bradleys are not, you know, the most upgraded and comparable to the Bradleys or M1 tanks that are found in the other elements of the Heavy Combat Brigade Team. And is it possible to look at those upgrades to bring them up to par and so we are all on the same level as also a way to then prevent that shutdown and, again, the consequences?

So, you know, I appreciate your consideration of those concerns as you look at how to balance the books and make it all work. And I know you have a difficult assignment and take that assignment very seriously.

A final issue, if I can just put on your—related to upgrades is the 4-year testing schedule for the Paladin howitzer system, and if there is any ability to expedite that. That seems like a pretty lengthy process for what is basically an upgrade of a current system, not a new system, so—another concern.

I appreciate your service and leadership, and having the privilege to represent the Army War College, and AHEC [Army Heritage and Education Center], you know, it has been a remarkable honor to serve on this committee. And my final years—I will leave Congress at the end of this year and see what happens next—but serving on this committee and having the privilege to interact with true American heroes such as both of you in your service has been something I will always treasure.

If you would like to respond to any of those concerns, I would be, you know, really grateful.

Secretary MCHUGH. First of all, I want to wish you on a personal level all of the best in the future. I have truly enjoyed the opportunity to serve with you, and you do great work. And, you know, Army-centric here, but your very effective representation was very moving to me personally.

We share your concerns on the industrial base. We have talked about it several times. The Bradley program is turning down, and we are working as we are in other facilities to try to find ways to fill those gaps, particularly for the higher-end employee positions, the engineers, the highly trained technicians, et cetera, et cetera. And whether, as I mentioned before, through PPPs or through foreign military sales, you mentioned the other services, obviously we are willing to consider all kinds of solutions to this.

And one of the reasons we are working with the Department so we can have an a cross-services approach to our industrial-based challenges, and the Secretary, Secretary Panetta, has made this a critical issue of his, and we are working with him very diligently to try to ensure that we have some answers.

General ODIERNO. Just very quickly, again. Thank you for your service, your continued service, to our Nation and what you have done. I wish you the best of luck as you move forward.

You know, some things we are looking at, you know, there are some programs, suspension track programs, that we are trying to put in there to help sustain that base, and we will continue to work with that over the next several years to make sure we sustain a readiness level there.

With the Paladin program and the testing, this is something that the Secretary and I are looking at throughout all of our programs is the cost and amount of testing that we are doing, sometimes redundant, and so we are going to work very carefully with Congress in order to try to reduce the costs and length of some of our testing that is required. And we agree with your assessment of that.

Mr. PLATTS. And as I said at the beginning, I know we are in good hands as you try to make this all fit and work, you know, to have the final product be what we need for our Army and ulti-

mately for our Nation's defense. And we do plan to be back in theater at least once or twice more. I think it would be number 9 to Afghanistan and 12 to Iraq, if that works out, even with the draw-down, so—

Secretary MCHUGH. Bring fudge.

Mr. PLATTS. I will make a note. Next time I see you, I will have some of my mom's peanut butter fudge.

So, Mr. Chairman, with that, I yield back.

Mr. RUNYAN. Thank you.

Mr. JOHNSON.

Mr. JOHNSON. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you for joining us today.

The new defense strategy and budget requests reflect the hard work and forward thinking of President Obama, our DOD civilian leaders, and our senior military commanders. I have been saying all week that ominous and exaggerated fears about the national security consequences of reduced growth in the defense budget are certainly unfounded. There is no way a 1 percent reduction in the Pentagon's base budget from 2012 to 2013 could mean the difference between the greatest military known to man or a hollowed-out force. And the American people, I think, understand that. In fact, I believe there is room for further savings in the Department's budget, though I strongly oppose the across-the-board cuts that would be imposed by sequestration.

General Odierno, is it your assessment that Afghan National Security Forces are on pace to self-sufficiently defend Afghan's sovereignty and defeat insurgents by the end of 2014?

And also, I would like for you to respond, General, to the February 1st quote of Secretary Panetta, when he said that hopefully we could reach a point in the latter part of 2013 that we could make the same kind of transition we made in Iraq, from a combat role to a training-and-assist role. What is your interpretation of Secretary Panetta's remarks?

General ODIERNO. Thank you, Mr. Johnson.

First, I think that we have seen a continued increase in capabilities of the Afghan Security Force. I was there just the day—I got back the day before Christmas from there. I am encouraged by the progress that has been made by the Afghan Security Forces.

I think as you see us move forward, we are going to—we are putting them more and more in front. I think we will continue to do that. As we learned in Iraq, it is important to do this slowly, do it right, but ensure that they are ready to take over so there is no backward movement. I think we are on the right track.

In terms of Secretary Panetta's comments, I would say all along our strategy is to turn over responsibility to the Afghan Security Forces. And I think that as we continue to make progress, General Allen and others on the ground will make the decision exactly when this happens. But I think we all agree with Secretary Panetta that over time we are going to turn responsibility over to Afghan Security Forces. We will move back from combat operations, allow them to take the lead, and we will do that when the time is right. The end of 2013 might be the time we do that, but that will be a continual assessment that goes on.

We have had open conversations with Secretary Panetta on this subject, and I know that is his judgment as well. And I think he was stating what his estimate would be right now. And we will continue to assess that as we move forward.

Mr. JOHNSON. Thank you.

Mr. Secretary, the fiscal year 2011 defense authorization required the Department of Defense to provide Congress with a full analysis of alternatives for the Ground Combat Vehicle. We still have not received that analysis of the alternatives. And when will we get it?

Secretary MCHUGH. Well, we are working through the dictates of the congressional mandate, but also what would be our normal procurement. And part of that, as you just noted, is analysis of alternatives, and also an analysis of nondevelopmental platforms as well.

Our current plan, I think, calls for 2014 on the next step for that, so hopefully at the end of this year we will have some input for you to then get back to you. I don't recall the legislation itself had a specific deadline.

General ODIERNO. We are aggressively going after this. It is not only developmental, but we do want to look at nondevelopmental items in this, and that is clearly part of the process that we will go through. And once we meet milestone A, as part of that will be nondevelopmental potential capabilities that we could accept at that time. That is part of this open competition that we want to continue to have as we develop these systems and programs.

Mr. JOHNSON. Thank you.

And, General, how much is a Ground Combat Vehicle going to cost, and at what unit production cost would the GCV [Ground Combat Vehicle] become prohibitively expensive?

General ODIERNO. I will have to get back to the prohibitive part. I am not sure yet. We will have to wait until they give us what we think the capabilities of those vehicles will be before we understand those costs. But I can give you more of a ballpark, and I can get back with you on that, sir.

[The information referred to can be found in the Appendix on page 107.]

Mr. JOHNSON. All right. Thank you. And I will yield back. And thank you both for your service to the country.

Mr. RUNYAN. Thank you, gentlemen.

The chair will now recognize himself for possibly the last question, as long as no one else walks in. But both of you, Secretary and General, thank you for being here and your testimony.

I have kind of two questions, but they pertain generally to readiness and reset. And obviously, the first question is to what extent is it important to maintain the current funding level for reset of equipment for home-station training in places like in my district we have Joint Base McGuire-Dix-Lakehurst? Now, despite the planned reduction in well over 100,000 Army and Marine troops—and the second question is—kind of relays into that—what is the rationale for the Army's decision to increase reset funding over the fiscal year 2012 appropriated levels despite personnel reductions under the fiscal year 2012 budget?

General ODIERNO. A couple of things first. The increase has to do with as we reset, it is about resetting the equipment coming out of Iraq and Afghanistan, and that equipment will be used to continue to properly man and equip our Active and Reserve Component forces. So if we don't reset this equipment properly, we will not—we will not be at the right readiness level. So it is absolutely essential that we get this reset dollars.

And the reason it is increased is because of the coming out of Iraq, more equipment coming back; the equipment coming out of Afghanistan, coming back to the United States. So it is important that we have this funded this year.

Mr. RUNYAN. It is up there on the priority list.

General ODIERNO. It is very high on the priority list for us in order for us to stay in our overall range.

Secretary MCHUGH. The other thing I would mention, Mr. Chairman, on training, we have some risk in training funding through this program through 2017. But one of the advantages of taking a 5-year look is that each year we have the opportunity to reanalyze where we are to make sure that we are financed and resourced across the array of needs, and training is a very important part of that. So we are going to have to be working hard going into 2014, 2015, and particularly 2015 and 2016. And we recognize that challenge out there, and it is something we are focused on very carefully.

Mr. RUNYAN. Just to kind of piggyback off of that, though, as we have the need for the reset and, say, the mechanics to do that, and we are reducing personnel. Is that well within your vision? You are very aware of that? That could be a legitimate problem where you have a lot of equipment to fix, and you have the funding levels, and you don't have the personnel to do the maintenance.

General ODIERNO. Part of this is to fund it in our organic capability that we have within the Army at our depots and arsenals, and that is where we see most of the reset work being done. And that is why it is so critical to have the funding. So if we don't get the appropriate funding, we will not have the people that will allow us to conduct this reset, but it would be done by mostly civilian governmental employees that operate within our depots, arsenals that will conduct the majority of the reset work.

Secretary MCHUGH. That really goes back very effectively to the conversations we have had a number of times today with respect to how do we sustain our organic depots? How do we keep places like that employed and up to speed?

It also underscores the need for OCO funding, because a great share of that reset money will come out of those OCO fund accounts, and not just while we are at theater war, as we have talked earlier today. We need that OCO line for at least 2 years, we hope 2 to 3 years, after the cessation of hostilities.

Mr. RUNYAN. Thank you, and that is all I have. We are all alone in here. I thank both of you for being here, taking the time out, your testimony. This committee looks forward to working with you as we service the men and women of our armed services. And with that being said, the hearing is adjourned.

[Whereupon, at 12:38 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 17, 2012

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 17, 2012

Statement of Hon. Howard P. “Buck” McKeon
Chairman, House Committee on Armed Services
Hearing on
Fiscal Year 2013 National Defense Authorization
Budget Request from the Department of the Army
February 17, 2012

Thank you for joining us today as we consider the President’s fiscal year 2013 budget request for the Department of the Army. Secretary McHugh, General Odierno, thank you for being here. Secretary McHugh, it’s great to see you again and thank you for your continued service. General Odierno, the 38th Chief of Staff of the Army, welcome to your first of many posture hearings. Our nation is very fortunate to have you two leading our Army during these challenging times. We clearly understand the challenges the Department of the Army faced in crafting this budget request. And we know you probably wouldn’t be here if you didn’t support it.

What it boils down to is, based on this budget request, what is the risk associated with the Army’s ability to meet the national security needs of this Nation? This is what we need your help with; not only the risks, but the critical assumptions behind these risks. Many years ago the Army testified in front of the House Subcommittee on Armed Services. I’d like to read three quotes from the Army’s testimony:

“We have the best men in the Army today that we have ever had in peacetime. And although we have a number of critical equipment problems yet to solve, I can assure you that our troops, with the equipment they have, would give a good account of themselves if called upon.”

“Within a fixed budget, the Army can obtain greatest effectiveness only by maintaining a delicate balance between personnel and equipment.”

“We are supporting this budget that will provide only 10 divisions because we realize the necessity to integrate Army requirements with those of the other services within our national budget. And we will, of course, do everything within our power to lessen the risk that such a reduction must by necessity entail.”

These statements were made in January 1950. Six months later a 500-man-battalion-sized task force from the 24th Infantry Division under Lt. Col. Charles Smith, Task Force Smith, was rushed to Korea on transport planes to block the North Korean advance. You know the rest of the story. Task Force Smith was out-

numbered 10 to 1 and although they had inflicted 127 casualties, the task force suffered 181 casualties. It's worth noting that more soldiers weren't sent with Task Force Smith because the Air Force didn't have enough transport planes. It's also worth noting that the 2.36-inch bazookas that Task Force Smith fired at the North Korean T-34 tanks just bounced off and had no effect. The modernized 3.5 bazooka had been developed at the end of WWII, but was terminated because of budget cuts.

The point is that you can have a well led, trained, and equipped force and it can still be "hollow" if it isn't properly modernized and if you can't get it to the right place at the right time. Please help the members of this committee understand how under the context of the budget before us, the Army is prepared to avoid the mistakes that led to Task Force Smith.

Finally, and I really mean this, I can't think of a better team than Secretary McHugh and General Odierno to lead our Army during these challenging times. Again, thank you both for your selfless service to our Nation. I look forward to your testimony.

Statement of Hon. Adam Smith
Ranking Member, House Committee on Armed Services
Hearing on
Fiscal Year 2013 National Defense Authorization
Budget Request from the Department of the Army
February 17, 2012

Mr. Chairman, thank you for holding this hearing today. I want to also thank the witnesses, Secretary of the Army John McHugh and Army Chief of Staff General Raymond T. Odierno, for appearing here today and for their dedicated service to our country.

Earlier this year, the President released the findings of a strategic review, which clearly articulated the global threat environment, and presented a broad strategy to address those threats moving forward. While this strategic review appropriately places a renewed focus on the critically important Asia-Pacific region, the Army will continue to play a key role in our national defense.

First and foremost, the Army is still engaged in Afghanistan and other places around the world, where our troops continue to do a tremendous job. Over the last ten years, the Army has been an important part of our efforts to defeat violent extremists and ensure our national security. Moving forward, your role will be different, but no less important. The budget put forth this week affords the Army the opportunity to return to full-spectrum training, and ensure we are prepared to face the array of threats of the future.

I have consistently said that we can rationally evaluate our national security strategy, our defense expenditures, and the current set of missions we ask the military to undertake and come up with a strategy that enhances national security by spending taxpayer dollars more wisely and effectively. I believe this budget meets that goal as well.

Overall, the defense budget is also fully consistent with the funding levels set by the Budget Control Act passed by Congress. Although I did not support this act, many members of the House Armed Services Committee did, Congress passed it, and the Department of Defense has submitted a budget that complies with the congressionally mandated funding levels.

Over the last few years, with the strong support of the Army, our military has put together a significant string of foreign policy successes, including the death of bin Laden, Anwar Al-Awlaki, the elimination of much of Al Qaeda's leadership, the end of the war in Iraq, and supporting the uprising in Libya. The budget lays out a strategy that will enable the United States to build on those successes and confront the threats of today as well as in the future.

I want to thank the witnesses again and I look forward to hearing their testimony.

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH
SECRETARY OF THE ARMY

AND

GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

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SECOND SESSION, 112TH CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY

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The Strategic Context

Our Nation has weathered difficult circumstances since the attacks on 9/11, yet we have met every challenge. The mission in Iraq has ended responsibly, continued progress in Afghanistan is enabling a transition to Afghan security responsibility, and targeted counterterrorism efforts have significantly weakened al Qaeda and degraded its leadership. In all these endeavors, the Army has played a leading role.

As President Barack Obama stated in introducing his new national defense priorities, the country is at a turning point after a decade of war and considerable increases in defense spending. Even as large-scale military campaigns recede, the Nation will still face a growing array of security challenges. This new strategy focuses on the continuing threat of violent extremism, the proliferation of lethal weapons and materials, the destabilizing behavior of Iran and North Korea, the rise of new powers across Asia, and an era of uncertainty in the Middle East.

On top of that, our Nation confronts a serious deficit and debt problem (in itself a national security risk) that will squeeze future Army budgets. However, declining defense budgets do not nullify our obligation to provide enough capacity and maintain a highly ready force that is sufficiently modernized to provide a leaner, adaptive, flexible and integrated force that offers the President a significant number of options along the spectrum of conflict.

Today the U.S. Army is the best-trained, best-equipped, and best-led combat-tested force in the world. Today's Army Soldiers have achieved a level of professionalism, combat experience, and civil and military expertise that is an invaluable national asset. Our warriors have accomplished every assigned task they have been given. But everything we have accomplished in building this magnificent force can be squandered if we are not careful. We are an Army in transition, and we look to Congress to assist us in the difficult work to build the Army of 2020.

America's Army—The Nation's Force of Decisive Action. Every day, America's Army is making a positive difference in the world during one of the most challenging times in our history. Although stressed and stretched, the United States Army remains the most agile, adaptable and capable force in the world. Ours is an Army that reflects America's diversity and represents the time-honored values that built our Nation: hard work, duty, selflessness, determination, honor and compassion.

Today, less than one-half of 1 percent of Americans serve in the Army. As members of one of our Nation's oldest and most enduring institutions, these volunteers play an indispensable role in guarding U.S. national interests at home and abroad. Young men and women who want to make a difference in this world want to be part of our Army, which is why even after a decade of conflict, we continue to fill our ranks with the best the Nation has to offer. They have earned the gratitude, trust and admiration of an appreciative people for their extraordinary accomplishments.

2011—The Army in Transition. Over the past year, the Army has concluded its mission in Iraq and commenced the drawdown of surge forces in Afghanistan while transferring responsibility to Afghan forces. We are beginning reductions in end-strength to face budgetary realities. We are also undertaking efforts to rebalance force structure and make investment decisions that will shape the Army of 2020— all during a

time of war. These transformational efforts are both significant and unprecedented. As the President's new national defense priorities are implemented, the Army will continue its transition to a smaller yet capable force fully prepared to conduct the full range of operations worldwide.

Operation Enduring Freedom. A decade into the war in Afghanistan, the Army continues to play a leading role in defending our national security interests in this vital theater. At the war's start following the attacks on 9/11, elements of Army Special Operations forces led efforts on the ground to bring al Qaeda members to justice and remove the Taliban from power, thereby denying a safe haven to terrorists. With more than 70,000 Soldiers in Afghanistan at peak strength in 2011, the Army's brigade combat teams conducted operations ranging from stability to counterinsurgency.

Today, over 63,000 Army Soldiers in both general purpose and special operations units continue to conduct a wide range of missions across that country to help Afghans lay the foundation for lasting security. At the same time, the Army provided essential logistics capabilities to sustain the land-locked Afghan theater. In fact, only America's Army can provide the necessary theater logistics, transportation, medical and communications infrastructure capable of supporting Joint and Combined forces for an operation of this size and complexity.

Since the beginning of combat operations in Afghanistan, Soldiers have earned 5,437 valor awards, including 241 Silver Stars and 8 Distinguished Service Crosses. Four Soldiers have been awarded the Medal of Honor for their heroic actions: Sergeant First Class Jared C. Monti, Staff Sergeant Salvatore A. Giunta, Staff Sergeant Robert J. Miller and Staff Sergeant Leroy A. Petry. They exemplify the courage, commitment and sacrifice of all the men and women who have served in this conflict.

Operation New Dawn. In December 2011, the Army concluded more than 8 years of combat and stability operations in Iraq. Initially, powerful and agile forces liberated Iraq and then adapted to the new demand of suppressing the post-invasion insurgencies. Indeed, when the Nation needed a sustained effort to achieve its strategic objectives, the Army answered the call, adjusting its deployment tours from 12 to 15 months to enable a decisive surge in forces. Army units trained and equipped Iraq Security Forces, and when the mission changed, the Army executed the extremely difficult tasks of redeploying people and retrograding equipment to ensure future readiness.

Over one million Soldiers and Department of the Army Civilians served courageously in Iraq. They were essential to freeing more than 25 million Iraqi people from the tyranny of a brutal dictator, putting Iraq's future in the hands of its people and removing a national security threat to the United States.

Success came at a great cost in blood and treasure. But even during the most dire times, our Soldiers never wavered. Their heroic actions earned 8,238 awards for valor, including 408 Silver Stars and 16 Distinguished Service Crosses. Two Medals of Honor were awarded posthumously to Sergeant First Class Paul R. Smith and Private First Class Ross A. McGinnis.

Other Global Commitments. In addition to the Army's unprecedented contributions in Afghanistan and Iraq, we have continued to conduct across the globe to prevent conflict, shape the environment and win decisively. Nearly 20,000 Soldiers remain stationed on the Korean peninsula, providing a credible deterrent and investing in our partnership with the Republic of Korea Army. Simultaneously, Army Special Operations Soldiers in the Pacific region continue to provide advice and support to the Philippine Armed Forces, enhancing our robust alliance. Both are examples of strategic

investments in a region that is home to 7 of the world's 10 largest armies. (In fact, in most countries around the world, the army is the dominant defense force.) And U.S. Soldiers continue to serve in places such as the Sinai, Guantanamo Bay, Bosnia, Kosovo and the Horn of Africa, developing and maintaining relationships on six of the world's seven continents.

Defense Support of Civil Authorities. Over the past year, the Army has continued to provide instrumental support of civil authorities. The Army's reserve component proved to be one of our great strengths for these missions, giving the force depth and flexibility. The National Guard provides a distinctive capability for the Nation. When floods, wildfires and tornados struck from the Midwest to the South over the span of a few days in spring 2011, more than 900 National Guard Soldiers supplied a coordinated response to address citizens' needs across the affected region. Similarly, when Hurricane Irene knocked out power and flooded towns across the Northeast in summer 2011, nearly 10,000 National Guard Soldiers and Airmen across 13 States delivered critical services to sustain the region through the crisis.

In addition to ongoing counterdrug operations, approximately 1,200 National Guard Soldiers and Airmen supported the U.S. Department of Homeland Security in 4 States along the southwest U.S. border by providing entry identification and analysis to disrupt criminal networks and activities.

Army Special Operations Forces. To conduct unified land operations the U.S. Army fields a suite of Special Operations capabilities that range from the world's finest precision strike and special warfare forces to the world's most lethal combined arms maneuver formations. The Army draws from across its broad set of capabilities to provide the Joint commander the blend of Army assets required to ensure mission accomplishment. True in Afghanistan today, Army Special Operations Forces are also

providing assistance in the Philippines, Yemen, the Arabian Gulf, Lebanon, Colombia, the African Trans-Sahel, and across the Caribbean and Central America. As Army regular forces become available, they will increasingly integrate with Army Special Operations Forces to promote trust and interoperability with allies and build partner nation capability where mutual interests are at risk from internal or external enemies.

Fiscal Environment

Challenges of Reduced Budget. Today's global fiscal environment is driving defense budgets down for our partners and allies, as well as our Nation. Historically, defense spending has been cyclic with significant reductions following the end of major conflicts. The Army understands it cannot be immune to these fiscal realities and must be part of the solution. Our focus areas for the FY 13 budget demonstrate our concerted effort to establish clear priorities that give the Nation a ready and capable Army while being good stewards of all our resources.

Challenges of Continuing Resolutions. Timely and predictable funding enables the Army to plan, resource and manage the programs that produce a trained and ready force. The Army very much appreciates that Congress approved the FY 12 budget earlier than had been the case in recent years when we were forced to operate for long stretches under continuing resolutions. Long-term continuing resolutions force the Army to slow its spending, freeze production rates and delay the start of new programs. Such delays pose a risk to the Army's operational readiness and investment strategy. We stand ready to help Congress once again pass defense bills in a timely manner.

Security Environment. A series of powerful global trends continue to shape the current and future strategic environment: increased demand for dwindling resources,

persistent regional conflict, empowered non-state actors, the continuing proliferation of weapons of mass destruction and failed states. We anticipate a myriad of hybrid threats that incorporate regular and irregular warfare, terrorism and criminality. We also face cyber-threats to an increasingly critical and vulnerable information technology infrastructure and the destabilizing effect of global economic downturns. Together, these trends create a complex and unpredictable environment in all of the Army's operational domains: land, sea, air, space and cyberspace.

Implications for America's Army

Role of the Army: Prevent, Shape, Win. In the uncertain environment our country faces, the Army remains central to our Nation's defense as part of the Joint Force. No major conflict has been won without boots on the ground. Listed below are the three essential roles the Army must play.

First, our Army must **prevent** conflict just as we did during the Cold War. Prevention is most effective when adversaries are convinced that conflict with your force would be imprudent. The Army's ability to win any fight across the full range of operations as part of a Joint Force must never be open to challenge. It must be clear that we can fight and will win, which requires a force with sufficient capacity, readiness and modernization. That means quality Soldiers; agile, adaptive leaders; versatile units; realistic training and modern equipment. Prevention is achieved through credible readiness, sometimes requiring decisive action. Our Army must continue to be a credible force around the globe to prevent miscalculations by those who would test us.

Second, our Army must help **shape** the international environment to enable our Combatant Commanders to assure our friends and contain our enemies. We do that by engaging with our partners, fostering mutual understanding through military-to-military contacts and helping them build the capacity to defend themselves. These actions are

an investment in the future that the Nation cannot afford to forego. We must cultivate positive relationships before they are needed and be a reliable, consistent and respectful partner to others.

Finally, the Army must be ready to **win** decisively and dominantly. Nothing else approaches what is achieved by winning, and the consequences of losing at war are usually catastrophic. With so much at stake, the American people will expect what they have always expected of us—decisive victory. The Army must never enter into a terrible endeavor such as war unprepared. Although we may still win, it will be more expensive, cost more lives, and require more time.

In addition to being trained, sized and equipped to win decisively in the more traditional operational domains, the Army also will require robust capability in cyberspace. As the past decade of conflict has demonstrated, the information environment has changed the way we fight. Military and cyberspace operations have converged, and protecting information in cyberspace is more essential than ever to how our Army fights. The advantage will go to those able to maintain the freedom to operate and able to gain, protect and exploit information in the contested cyberspace domain. The Army must be dominant in both the land and cyberspace domains.

Smaller but Reversible. As our new national defense priorities drives us to a smaller Army, we must avoid the historical pattern of drawing down too fast or risk losing leadership and capabilities, making it much harder to expand again when needed. It is critical that the Army be able to rapidly expand to meet large unexpected contingencies, and four components are key to that ability. First, the Army must maintain a strong cadre of noncommissioned and mid-grade officers to form the core of new formations when needed. Second, we will make significant investments in Army Special Operations Forces to increase their capabilities and provide the President with

more options. Third, it will require ready and accessible Army National Guard and Army Reserve forces. The Army's reserve component has proven essential in contingency operations around the world. From Kosovo, the Sinai and Horn of Africa, to Afghanistan and Iraq, to homeland defense along America's southwest border, humanitarian assistance and disaster relief at home and abroad, the Army National Guard and Army Reserve have evolved into indispensable parts of our operational force and ones that we will continue to rely upon to provide depth and versatility to meet the complex demands of the future. The fourth critical component of the Army's ability to expand is the Nation's industrial base. We rely on the industrial base to perform research and development and to design, produce and maintain our weapon systems, components and parts. It must be capable of rapidly expanding to meet a large demand. Reversibility is the *sine qua non* to ensuring that the Army can rapidly grow when our Nation calls.

The Army's Focus Areas

Support to Operations in Afghanistan

Our immediate focus remains on providing the best trained and most ready land forces in the world to win the current fight while maintaining responsiveness for unforeseen contingencies. The support of the American people is paramount to our success. We must fulfill our responsibilities to them without draining their goodwill and treasure.

Despite continued challenges and tough conditions, our forces are making measureable progress against an adaptive enemy. Army Security Force Assistance Teams continue to train both Afghan National Army forces (now almost 180,000 strong) and Afghan National Police forces (made up of nearly 144,000 men and women in uniform). The increased capability of Afghan Security Forces is allowing security of the

region to be turned back over to the government of Afghanistan district by district. During the coming year we must continue to provide trained and ready forces equipped to support operations. We remain focused on doing everything we can to ensure that we meet our national objectives and provide what our brave men and women in the field need to succeed.

In Afghanistan, the commitment and performance of our Soldiers and Civilians continues to be nothing short of extraordinary. Not only have they taken the fight to our enemies, but they have proven equally effective as emissaries. Our investment in leader development prepared them to operate in this demanding environment.

In the coming year we will continue to increase Afghan lead of security responsibilities, target key insurgent leaders, retain and expand secure areas, and help Afghan National Security Forces earn the support of the people through improved security capacity and capability. Because of its geography, distance, infrastructure and harsh environment, the difficulty and complexity of the drawdown in Afghanistan will exceed that in Iraq. The United States Army is the only organization in the world with the capability to plan and execute a logistical operation this complex and difficult.

The Army places great emphasis on properly maintaining its equipment to restore readiness to the force to ensure it is prepared to meet Combatant Commander requirements. The Army reset program reverses the effects of combat stress and restores equipment to a high level of combat capability to conduct future operations. Reset is a lengthy process, and even after the drawdown from Afghanistan is complete, the Army will require funding for 2 to 3 years to reset our equipment from the harsh demands of war.

Responsible Stewardship

Institutional Army Transformation. The drive to reform the Institutional Army is about doing things better, smarter and faster while taking advantage of available technology, knowledge and experience. Our Institutional Army will become more flexible by improving our ability to quickly adapt to changing environments, missions and priorities. The Institutional Army—the part of the Army that trains, educates and supports Army forces worldwide—is also working to rapidly address the demands placed on the organization by the current and future operational environments. It performed magnificently to produce trained and ready forces, even while seeking to adapt institutional business processes.

Further, the Army is working to provide “readiness at best value” to help us live within the constraints imposed by the national and global economic situation. In short, the need to reform the Army’s institutional management processes and develop an integrated management system has never been more urgent. To enhance organizational adaptive capacity while shepherding our resources, the Army initiated a number of efforts, such as the Army Financial Improvement Plan, which will enable the Army to achieve full auditability by FY17.

Acquisition Reform. As a result of uncertain funding, insufficient contract oversight and an ineffective requirement determination process, the Army has initiated a significant reform of the way we develop and acquire our products and weapons. As part of this initiative, we have taken steps toward improvement through a series of capability portfolio reviews. These platforms serve to revalidate, modify or terminate programs based on the Army’s need and the affordability of the program. We have also started to fix an inefficient procurement system that too often wastes precious resources and fails to provide needed systems in a timely manner. For example, the Army

commissioned a comprehensive review of our acquisition system that, based on the findings and recommendations, produced a blueprint for acquisition reform. These changes fall into four broad areas:

- realignment of acquisition requirements combined with a sharper focus on the needed competencies of acquisition professionals;
- expansion of stakeholder (acquisition professional and Soldier end user) participation in developing requirements, planning and acquisition solicitation;
- reappraisal and streamlining of acquisition strategies and the attendant risk in such streamlining; and
- improvement in the selection, development and accountability of the people involved in the acquisitions process.

We are implementing these recommendations as part of our broader effort to reform the Institutional Army.

Army Energy Security. Supplying energy to our Army around the world is increasingly challenging, expensive and dangerous. The Army must consider energy in all activities to reduce demand, increase efficiency, obtain alternative sources and create a culture of energy accountability. Energy security is an imperative that can be described in two categories, operational and garrison.

Operational energy is the energy and associated systems, information and processes required to train, move and sustain forces and systems for military operations. The Army is developing new doctrine, policies, plans and technologies that will improve the management and use of operational energy to better support Soldiers' needs. Less energy efficient systems in an operational environment require more fuel, increasing the number of fuel convoys and thus risking more lives and limiting our flexibility.

Garrison energy is the energy required to power Army bases and conduct Soldier training. Dependence on fossil fuels and a vulnerable electric power grid jeopardize the security of Army operating bases and mission capabilities. The impact of increasing energy prices is a decrease in the quantity and quality of training the Army can conduct.

Initiatives such as cool roofs, solar power, stormwater management and water efficiency are positive steps toward addressing the challenges of energy security in the operational and garrison environments. Innovative and adaptive leaders, seeking ways to increase energy efficiency and implement renewable and alternate sources of energy, are key to saving lives and increasing the Army's flexibility by reducing costs.

A Leaner Army

The Army is committed to providing Combatant Commanders with the capabilities, capacity and diversity needed to be successful across a wide range of operations. With a leaner Army, we have to prioritize and also remain capable of meeting a wide range of security requirements. We will reduce in a manner that preserves our readiness and avoids any hollowing of the force. To satisfy this enduring requirement, we have three rheostats that must be continuously assessed and adjusted: end strength/force structure, readiness and modernization. We will balance these three foundational

imperatives throughout the next several years to provide Combatant Commanders trained and ready forces in support of Joint Force 2020.

Force Structure and Force Design. The Army will maintain a versatile mix of tailorable and networked organizations, operating on a rotational cycle, continuing to provide a sustained flow of trained and ready forces for the full range of military operations to the Combatant Commanders as a hedge against unexpected contingencies enabling a sustainable tempo for our all-volunteer force. Over the next five years, the Army will decrease its end-strength from a peak authorized strength of about 570,000 to 490,000 Active Army, 358,000 to 353,500 Army National Guard and 206,000 to 205,000 Army Reserve Soldiers as directed. Reducing our end strength over a deliberate ramp through the end of fiscal year 2017 allows the Army to take care of Soldiers, Families, and Civilians; to continue meeting our commitments in Afghanistan; and to facilitate reversibility in an uncertain strategic environment.

An unpredictable and dynamic global security environment requires the Army as a force in transition to adjust and reduce its size with an eye on remaining flexible, capable and ready to meet the Nation's requirements maintaining an ability to reverse course and to readily expand if necessary. In accordance with the new defense priorities, the Army of 2020 must have a versatile mix of capabilities, formations and equipment that is lethal, agile, adaptable and responsive. As the Army transitions from the current force to a leaner force, it will do so while remaining engaged in the current conflicts. The Army will prioritize force structure and committed assets in the Pacific Region and the Middle East, and will shape the future force to support the Army's requirements as part of the Joint Force to fulfill the Nation's strategic and operational commitments. The Army will optimize force structure to maintain reversibility, and achieve maximum operational strategic flexibility. Today we plan on reducing at least 8 active component Brigade Combat Teams, however, we continue to assess the design and mix of these modular formations based upon the lessons from the last ten years of

combat while looking to the future. This analysis may lead to a decision to reorganize BCTs into more capable and robust formations, requiring further BCT reductions in order to increase overall versatility and agility for tomorrow's security challenges.

As the Army's active component reduces in size, the composition of combat support and combat service support enablers in the active and reserve components will be adjusted to give the Army the ability to conduct sustained operations, and to mitigate risk. The Army will continue to rely on the reserve components to provide key enablers and operational depth. An operational reserve comprised of a discrete set of capabilities with an enhanced level of readiness will be essential. This force will consist of three elements: select combat formations prepared to respond to crisis; combat support and combat service support enablers employed early in support of operational plans; and forces aligned to support steady-state Combatant Commander requirements. Ensured access to the reserve component is essential to providing the operational depth and flexibility Combatant Commanders require. During the transition, we must manage our people carefully to neither compromise readiness nor break faith with those who have served the Nation so well.

Readiness. Army unit readiness is measured by the level of its manning, training and equipping. The current Army force generation model, known as ARFORGEN, has served us well in meeting the requirements for Iraq and Afghanistan; however, we will adapt it to ensure we meet future Combatant Commander requirements in the uncertain, complex strategic environment. We envision a progressive readiness model for most active and reserve component early deploying units which will align forces for Combatant Commanders. Because of their unique capabilities, low density, high demand units do not lend themselves to a rotational pool like ARFORGEN. These units must be sustained in a constant readiness model.

The Strength of Our Army is Our Soldiers. Soldiers and Families form the foundation of unit readiness. People are the Army, and our enduring priority is to preserve the high-quality, all-volunteer force —the essential element of our strength. The Army has gained the trust of the American public more than at any other time in recent history while developing a force that is very different from what it was a few short years ago. Our Army must maintain the public's trust while our Nation fulfills its responsibilities toward its Soldiers and their Families. The United States Army is unique from other professions because our core attributes are derived from American values, the Constitution and law. Today's Army is building on a successful foundation with the trust, respect and support of the American people. This foundation, and our enduring commitment to strengthening our Army Profession, will improve our force as it adapts to meet the Nation's evolving needs.

The Army is the Nation's preeminent leadership experience. The all-volunteer force is our greatest strategic asset, providing depth, versatility and unmatched experience to the Joint Force. We must continue to train, develop and retain adaptive leaders and maintain this combat-seasoned, all-volunteer force of professionals. We will continue to adjust in order to prepare our leaders for more dynamic and complex future environments. Our leader development model is an adaptive, continuous and progressive process grounded in Army values. We grow Soldiers and Army Civilians into competent and confident leaders capable of decisive action. We must give our leaders broadening opportunities to better prepare them for the myriad challenges they will encounter. In addition, we must reinvigorate unit training, training management skills and leader development to build versatile units. By providing our leaders with the professional challenges they expect, we will retain them and nurture their adaptive spirit.

Our challenge in the coming years is not just about attracting and selecting the best available candidates to be Army professionals. We must also engage and develop our quality, combat experienced leaders so that we keep them and they, in turn, train the

next generation of Army professionals. During the last decade of war, we have given our young leaders unprecedented flexibility and authority to operate effectively on the battlefield. We will prepare for tomorrow by building on that investment and ensuring that opportunities for creativity, leadership and advancement exist throughout the Army.

We must draw down wisely to avoid stifling the health of the force or breaking faith with our Soldiers, Civilians and Families. Excessive cuts would create high risk in our ability to sustain readiness. We must avoid our historical pattern of drawing down too much or too fast and risk losing the leadership, technical skills and combat experience that cannot be easily reclaimed. We must identify and safeguard key programs in education, leader development, health care, quality of life and retirement—programs critical to retaining our Soldiers

The Strength of Our Soldiers is Our Families. In order to ensure a relevant and ready all-volunteer force, the Army has and will continue to invest heavily in our Soldier and Family programs. The Army Family Covenant expresses the Army's commitment to care for Soldiers and their Families by providing a strong, supportive environment that enhances their strength and resilience and helps them to thrive. The Covenant focuses on programs, services and initiatives essential to preserving an all-volunteer force and institutionalizes the Army's commitment to provide Soldiers and their Families a quality of life commensurate with their service to the Nation. Through the Covenant, the Army is improving the delivery of Soldier and Family programs and services, sustaining accessibility to quality health care, and promoting education and employment opportunities for Family members. We are sustaining high-quality housing; ensuring excellence in school support, youth services and child care; and maintaining quality recreation services for Soldiers and Family members as they serve on the Nation's behalf around the world. We will not walk away from our commitment to our Families; however, a different fiscal reality requires us to review our investments and

eliminate redundant and poor performing programs while sustaining those that are high performing and most beneficial to our Families.

Honoring Service. We must fulfill our moral obligation to the health, welfare and care of our Soldiers, Civilians and Families. The effects of more than 10 years of war and inadequate dwell time at home has resulted in a cumulative stress on Soldiers, Families and communities that has significant implications for the Army and our Nation. We have implemented an unprecedented number of personnel-focused programs, including Comprehensive Soldier Fitness; Wounded Warrior Program; and Health Promotion, Risk Reduction and Suicide Prevention, to ensure the continued care, support and services that sustain the high quality of our force.

Sexual harassment and sexual assault are inconsistent with the Army's values and our profession. It is imperative that we foster a climate where such misconduct is not tolerated and the dignity of our Soldiers, Civilians, and Family members is respected and protected. Army Leaders are focused on the urgency of this issue and the level of commitment required to affect cultural change and combat this crime. We are aggressively implementing and expanding the Army's comprehensive Sexual Harassment/Assault Response and Prevention (SHARP) Program. The SHARP program is aimed at command prevention efforts at all levels, educating all members of our Army family, training our first responder professionals and supporting victims while reducing the stigma of reporting. One incident of this type of unwarranted and abusive behavior is one too many. The Army is committed to ensuring engaged leadership at all levels to prevent sexual assault and harassment, and appropriately holding offenders accountable.

The Army continues to invest heavily in better understanding traumatic brain injury and post-traumatic stress, the invisible signature wounds of our recent wars. We have

developed and implemented new prevention and treatment protocols, and we are in the third year of our 5-year partnership with the National Institute of Mental Health to identify the factors that help protect a Soldier's mental health and those that put it at risk.

We have also started to reduce the length of deployments to 9 months for many of our units at the division level and below, which we believe will alleviate significant pressure on our Soldiers and their Families. We are doubling our efforts to ensure that each of our more than 18,000 Soldiers currently enrolled in the Integrated Disability Evaluation System is carefully examined to determine whether he or she should return to civilian life or continue military service. A recent initiative between the Department of Defense and U.S. Department of Veterans Affairs, the Integrated Disability Evaluation System integrates formerly separate programs, resulting in a streamlined, more efficient process for servicemembers, which will reduce the backlog of Soldiers awaiting benefits.

As we draw down the Army, we must honor our veterans with the very best support, care and services they deserve as they make the transition from military service to civilian life. We are committed to our Soldiers and their Families, who are the strength of the Army. At the same time, the Army is focused on wisely managing our resources in the health care arena. The Army supports Defense Department proposals to further reduce the rate of growth in health care costs – proposals that are aligned with our priorities. TRICARE is a superb health benefit – one of the best in the country, and appropriately so. Just as in all areas of the defense budget, we need to make decisions that preserve a strong benefit yet reflect the fiscal realities of the times. The proposals take care to exempt populations who have made the greatest sacrifices – those who are medically retired, and those families who have lost their loved one while serving on active duty. The changes proposed are also adjusted to reflect lower adjustments for those retirees with lower retirement pay. And, most importantly, the Department

continues to provide resources that improve the overall health system for our soldiers and their families.

The Army is using the Health Promotion and Risk Reduction FY 11 Campaign Plan to holistically promote health and reduce risk. The Campaign Plan incorporates findings and recommendations from Department of Defense and Army reports regarding health promotion, risk reduction and suicide prevention. Health promotion and risk reduction activities are essential to sustain the force under the current operational tempo and reset our Army.

Modernization. The Army has global responsibilities requiring large technological advantages to prevail decisively in combat. Just as pilots and sailors seek supremacy in the air and on the seas, Soldiers must dominate their enemies on land. Modernizing, especially as end-strength is reduced, is the key to ensuring that our dominance continues.

The Army is setting priorities and making prudent choices to provide the best possible force for the Nation within the resources available. We are developing and fielding a versatile and affordable mix of equipment to enable us to succeed in the full range of missions and maintain a decisive advantage over our enemies. To meet the challenges of an evolving strategic and fiscal environment, our strategy is based on three tenets: integrated capability portfolios, incremental modernization and leveraging the Army Force Generation cycle:

- Integrated capability portfolios align stakeholders to identify capability gaps and eliminate unnecessary redundancies.

- Incremental modernization enables us to deliver new and improved capabilities by leveraging mature technologies, shortening development times, planning growth potential and acquiring in quantities that give us the greatest advantage while hedging against uncertainty.
- Army Force Generation processes synchronize the distribution of equipment to units providing increased readiness over time and delivering a steady and predictable supply of trained and ready modular forces. The Army has consolidated its materiel management process under a single command and designated U.S. Army Materiel Command as the Army's Lead Materiel Integrator. Additionally, we consolidated all of our materiel data into a single authoritative repository called the Logistics Information Warehouse.

These emerging systems and processes represent a powerful new approach for implementing the Army's equipping priorities, policies and programs to meet new security demands of the 21st century. The equipment requested in the President's FY 13 Budget strikes a balance between current and future needs, provides the basis for an affordable equipping strategy over time, and takes into account Army requirements and priorities. In developing this request, the Army made difficult decisions to shift funds previously programmed for future capabilities to current needs. The decisions came at the expense of not funding promising and needed technologies for capabilities that did not fit within resource limitations. The Army's top four modernization priorities are the Network, Ground Combat Vehicle, Joint Light Tactical Vehicle and Soldier Systems.

Network. Also known as LandWarNet, the Network remains the Army's top investment priority. With expectations of tighter budgets and a still very active threat

environment, the Army will have to produce a force that is smaller yet more capable. The Network is the core of that smaller, capable Army.

The Army is conducting a series of semiannual field exercises known as the Network Integration Evaluation to evaluate, integrate and mature the Army's tactical network. The exercises will assess network and non-network capabilities to determine implications across doctrine, organization, training, materiel, leadership and education, personnel and facilities. The process aligns several key Army network programs and advances the fusion of radio waveforms to form an integrated network baseline to which industry can build.

The foundation of the modernized Network is a Joint, secure and common architecture that will provide information from the cloud to enable leaders, units and the Institutional Army to function more effectively. The Army will extend this critical capability to its installations around the world. This capability will increase force effectiveness, facilitate transition for units and individuals from one phase of the Army Force Generation cycle to another, and greatly improve network security.

The major programs that form the backbone of the tactical network are:

- the Warfighter Information Network-Tactical, which provides a real-time common operating picture down to the company level by extending satellite and line-of-sight communications, including telephone, data and video;

- the Joint Tactical Radio System, an advanced software-defined family of radios that will carry data and voice for dismounted troops and airborne and maritime platforms;
- the Distributed Common Ground System - Army, which provides intelligence, surveillance and reconnaissance data, as well as access to the entire Defense Intelligence Information Enterprise, to commanders from the company to Army service component command level;
- the Joint Battle Command Platform, which provides situational awareness data enhancing mission command to Army and Marine Corps tactical operations centers and combat vehicles; and
- Nett Warrior, which gives dismounted leaders integrated situational awareness and information sharing, helping them to avoid fratricide and increase combat effectiveness.

The Army Network must be dynamic to give Soldiers, Civilians and partners information and services when and where needed. Investment must be steady and wisely applied, while maintaining a strong partnership with industry.

Ground Combat Vehicle (GCV). The Infantry Fighting Vehicle is reaching the limit of its capacity to receive technology upgrades proven critical for Soldiers in combat operations. The GCV is the Army's replacement program for the Infantry Fighting Vehicle and the centerpiece of the Army's overall combat vehicle investment strategy. It will be designed to deliver a full nine-man squad with improved survivability, mobility

and network integration, considered crucial to our ability to conduct fire and maneuver in close quarters fighting in complex terrain. The vehicle will also provide the growth potential necessary to accommodate advances in protection, networking and space, weight, power and cooling technologies while reducing sustainment demands. No current vehicle can sufficiently meet all these requirements.

The GCV acquisition strategy implements affordability measures designed to ensure the long-term success of the program as the Army faces constrained resources in the future. To develop this acquisition strategy, the Army and the Office of the Secretary of Defense conducted a comprehensive review to make sure the program is both achievable and affordable within a 7-year timeframe. The model adopted for the GCV program incentivizes industry to use the best of mature technologies that are both affordable and support the 7-year timeframe. The Army has also paid close attention to risk reduction within the program by requiring industry to identify potential cost schedule and performance tradeoffs; provide cost targets throughout the GCV's life cycle; and maximize competition to support innovation, cost containment and schedule requirements.

Joint Light Tactical Vehicle (JLTV). As a Joint Service program between the Army and Marine Corps, the JLTV will replace approximately one-third of the Army's oldest unarmored High Mobility Multipurpose Wheeled Vehicles (HMMWVs). The JLTV incorporates the strengths of the Mine-Resistant, Ambush Protected (MRAP) vehicles that the HMMWV family of vehicles does not provide. The HMMWV was not designed to be used as an armored combat vehicle, but it was often employed as one during the wars in Afghanistan and Iraq. In contrast, the JLTV will be designed for this role from the outset. It will be capable of operating across the range of military operations and physical environments providing, improved mobility and protection for Soldiers. The JLTV balances protection, payload, performance and improved fuel efficiency in one

affordable and sustainable vehicle. It will also be fully integrated into the Network to enhance the effectiveness of ground forces.

Soldier Systems. The squad is the foundation of the decisive force; it is the cornerstone of all units. To ensure the success of combat operations in the future, the Army will invest in systems that consider the squad as a team rather than a collection of individuals. This approach will guarantee that the squad will not be in a fair fight but will have overmatch. The Army will continue to invest in Soldier systems that enable the lethality, protection, situational awareness and mobility of the individual Soldier in his or her squad. These systems include small arms, night vision, Soldier sensors, body armor and individual clothing and equipment.

Summary and Conclusion

The Army has been, and will continue to be, a critical part of the Joint Force because land power remains the politically decisive form of warfare and is essential to America's national security strategy. No major conflict has ever been won without "boots on the ground." By being tasked to seize, occupy and defend land areas, as well as to defeat enemy land forces, the Army is unique because it must not only deploy and defeat an adversary, but must be prepared to remain in the region until the Nation's long-term strategic objectives are secured. Indeed, the insertion of ground troops is the most tangible and durable measure of America's commitment to defend our interests, protect our friends and defeat our enemies.

With global trends pointing to further instability, our Army remains a key guardian of our national security. In the wake of the Cold War, it was said that we had reached the "end of history," and that liberal democracy had won the ideological competition. However, events since then make it clear that potential adversaries with competing ideologies still exist and are extremely dangerous.

As a result, we find ourselves in an increasingly uncertain world, with threats ranging from terrorist and cyberattacks to regional instability to the proliferation of weapons of mass destruction. For our Army that means we will likely have to deal with near peer competitors in niche areas and hybrid threats that mix regular, irregular and criminal activity—all while still facing the possibility of a conventional force-on-force conflict.

The danger extends from the homeland to the theater where combat operations might occur. Conflict is the norm; a stable peace the exception. In such a world, our adversaries will adapt to gain advantage, especially in the land domain. And it is on land, that our challenges will be the most complex because of dynamic human relationships and terrain variables.

While the Army's new end-strength numbers allow it to support current defense priorities, it is imperative that the Army draw down end-strength levels in a smart and responsible manner. We believe that our new end-strength does that and provides us with the flexibility to retain the hard-won expertise it has gained over the last decade. To be sure, the Army has faced similar challenges before. After every major conflict since the Revolutionary War, the Army has faced pressure to decrease its end-strength. As recently as 2001 (pre-9/11), many believed a strategic shift was needed and that the future of modern warfare would be about missile defense, satellites and high-tech weaponry because no adversary would dare challenge America's conventional forces. But whenever we have rushed to radically diminish the position of the Army, the result has always been the same: an excessive decline in effectiveness at a cost of blood and treasure.

Decreases after World War I directly contributed to failures at Kasserine Pass. Decreases after World War II led to Task Force Smith's failure in Korea. More recently,

the end of the Cold War demonstrated our Nation's need for agile, adaptable and decisive ground forces to conduct a wide range of operations. These numerous missions include Operation Provide Comfort in Iraq, Joint Task Force Andrew in Florida, Operation Restore Hope in Somalia, Operation Uphold Democracy in Haiti, Operation Joint Endeavor in Bosnia-Herzegovina, and Operation Joint Guardian in Kosovo. What they have in common is that they were unforeseen, thus emphasizing our need to avoid the historical pattern of drawing down too fast.

America's leaders face difficult choices as they chart the way ahead for our Nation. Familiar external threats persist and complex new challenges will emerge. Concurrently, fiscal limitations create internal challenges for our leaders. America's Army is prepared to fulfill its role in keeping the Nation secure. The Army will **prevent** conflict by remaining a credible force with sufficient capacity to dissuade adversaries from challenging American interests. The Army will **shape** the environment, building positive relationships and capabilities that enable nations to effectively protect and govern their citizenry. Finally, when called, the Army will fight for the Nation and **win** decisively. We understand these responsibilities and resolve not to reduce the size of the Army in a manner that does not permit us to reverse the process should demand for forces increase dramatically.

As we look ahead, the Army is focusing on three areas. Our first priority remains supporting operations in Afghanistan. We will guard against becoming distracted by the future at the risk of our men and women who remain in harm's way.

Second, we will be the very best stewards we can, because America's resources are too precious to waste. Transforming the Institutional Army, reforming our acquisition process and ensuring energy security are essential for us to protect the resources provided by Congress and the American people.

Third, we will fight to incorporate principles and processes that preserve readiness and capability while reducing the size of the Army. We are adjusting our formations to build the right number of units with the right capability to meet the needs of the Joint Force. The past 10 years have taught us that an operational reserve force is essential to accomplish our missions and expand rapidly when required. We will invest deliberately and wisely in our Soldiers, Civilians and Families to make sure they are prepared and supported. We will treat those who have served in our ranks with respect and honor. Our wounded Soldiers will receive the very best care the Nation can provide, and our Soldiers who return to civilian life will be well prepared to do so.

Future threats will demand enhanced capabilities for our Soldiers, so we will modernize our equipment. The Army has identified four programs to highlight. The Network gives sight, sound and awareness to our Soldiers, Civilians and leaders to defeat our adversaries. The Ground Combat Vehicle and Joint Light Tactical Vehicle will incorporate hard won lessons in Iraq and Afghanistan to provide the mobility and protection our Soldiers require. Investments in Soldier Systems improve our Soldiers' ability to move, fight and survive on the battlefield.

The Army has chosen its three focus areas carefully and deliberately because they will enable us to provide the Army the Nation needs. We owe it to America and to the American Soldier, the Nation's servant and warrior—the Strength of the Nation!

2012 Reserve Component Addendum to the Army Posture Statement

Sections 517 and 519 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum. 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 519 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 ANGCRRA). Section 704 of the NDAA amended Section 519 reporting. Included is the U.S. Army Reserve information using Section 519 reporting criteria. The data included in the report is information that was available 30 September 2011.

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.

	AC in RC (%)*	Army Average (%) **
FY 2010		
Major	(57 of 67) 85.1%	92.1%
Lieutenant Colonel	(10 of 12) 83.3%	88.7%
FY 2011		
Major	(73 of 86) 84.9%	93.3 %
Lieutenant Colonel	(6 of 11) 54.5%	86.8 %

*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).

	AC in RC (%) *	Army Average (%) **
FY 2010		
Major	(6 of 123) 4.9%	5.7%
Lieutenant Colonel	(0 of 7) 0.0%	10.7%
FY 2011		
Major	(3 of 57) 5.3%	8.7 %
Lieutenant Colonel	(0 of 10) 0.0%	3.5 %

*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 519(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: 21,425 or 49.2 percent of which 1,429 were FY 11 accessions

Army Reserve officers: 9,888 or 33 percent of which 389 were FY 11 accessions.

- 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: 95,375 or 30 percent of which 7, 243 were FY 11 accessions.

Army Reserve enlisted: 35,796 or 21 percent of which 3,524 were FY 11 accessions.

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 ANGCRRA:

In FY 11, there was one Service Academy graduate released from active duty before completing their obligation to serve in the Army Reserve.

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 FY 11, under section 1112(a) (2) of ANGCRRA the Secretary of the Army granted no waivers to the Army National Guard.

In FY 11, under section 1112(a) (2) of ANGCRRA the Secretary of the Army granted one waiver to the Army Reserve. The waiver provided the Soldier an opportunity to play a professional sport and complete service obligation.

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 FY 11, there were no distinguished Reserve Officers Training Corps (ROTC) graduates serving the remaining period of their active-duty service obligation as a member of the Selected Reserve.

- 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 FY 11, the Secretary of the Army granted no waivers.

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 ANGCRRA 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 FY 11, there were no graduates released early from an active-duty obligation.

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 ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).**

There are no longer active and reserve component associations affiliated with ARNG vacancy promotion 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 FY 11, the ARNG recommended 4,286 Officers for a position-vacancy promotion and promoted 2,318.

In FY 11, the Army Reserve recommended 85 officers for a position-vacancy promotion and promoted 85.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.

In FY 11, the ARNG had a total of 44 Soldiers that received a military education waiver. The waivers were granted based on non-completion of the Warrior Leader Course (WLC) due to assignment to a Warrior Transition Unit (WTU) ("medical hold" or "medical hold-over" units); and non-completion of the Advanced Leader Course or Senior Leader Course due to deployment or training schedule constraints.

In FY 11, the Army Reserve had a total of 257 Soldiers who received a military education waiver. Of these, 89 were SGTs in need of a waiver for WLC as a result of being deployed or assigned to WTUs (medical hold or medical hold-over units) because of a medical condition incurred in direct support of Contingency Operations while otherwise eligible for promotion, if recommended. Furthermore, 155 waivers for Advanced Leaders Course (ALC) and 13 waivers for Senior Leader Course (SLC) were granted to Soldiers otherwise eligible for consideration but lacking the prerequisite level of Non Commissioned Officer Education System (NCOES) schooling as a direct result of operational deployment conflicts or inability of the Army to schedule the course.

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. The National Guard Bureau and the U.S. Army Reserve Command maintain 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 ANGCRRRA 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. (Included is a narrative summary of information pertaining to the Army Reserve.)

In FY 11, the ARNG had 49,454 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The National Guard Bureau (NGB) maintains the detailed information.

In FY 11, the Army Reserve had 34,180 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The U.S. Army Reserve Command (USARC) maintains the detailed information.

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 ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

A total of 445 ARNG Soldiers, with at least 24 months time in ARNG, were losses in FY 11 due to lack of minimum required military education. The breakdown is 265 enlisted and 180 officers.

The number of Army Reserve Soldiers discharged during FY11 for not completing the minimum training required for deployment within 24 months after entering the Army Reserve is 24 officers and five enlisted Soldiers. Under AR 135-175, Separation of Officers, separation actions are necessary for officers who have not completed a basic branch course within 36 months after commissioning. Under AR 135-178, Separation of Enlisted Personnel, separation actions are necessary for Soldiers who have not completed the required initial entry training within the first 24 months.

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 FY 11, there were no waivers granted Secretary of the Army to the Army National Guard under section 1115(c)(2) of ANGCRRRA of the requirement in section 1115(c)(1) of ANGCRRRA described in paragraph (9).

In FY 11, there were 210 waivers granted by the Chief, Army Reserve. The Army Reserve was delegated the authority to grant waivers for personnel who did not complete the minimum training required for deployment within 24 months after entering the Army Reserve. The reasons for waivers were categorized as Hardship, Medical or Administrative (i.e. Failed Height/Weight Standards, Failed to Obtain Driver License, Accepted ROTC Scholarship, Temporary Disqualified, and Failed to Complete High School).

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 who did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA 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 FY 11, 256,696 ARNG Soldiers underwent a Periodic Health Assessment (PHA). There were 14,305 (3.9 percent of the Soldiers who underwent PHA) personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

In FY 11, 124,785 Army Reserve Soldiers underwent a Periodic Health Assessment (PHA). There were 14,948 (12 percent of the Soldiers who underwent PHA) personnel identified for review due to a profile limiting condition or failure to meet retention standards.

b. The number and percentage that transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

In FY 11, the ARNG transferred all 14,305 Soldiers to a medically non-deployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

In FY 11, the Army Reserve transferred 15,826 Soldiers to a medically non-deployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

On 23 August 2010, Department of the Army implemented Medical Readiness Categories (MRC) per AR 40-501 which replaced Fully Medically Ready (FMR) as the metric for measuring Individual Medical Readiness (IMR) in the Army. This new way of measuring medical readiness by classifying Soldiers into MRC reduced the number of Soldiers considered medically not ready in the ARNG in FY 11. Soldiers previously listed as not "Fully Medically Ready" because they didn't have current immunizations, medical warning tags, DNA, and a current HIV test on

file are now considered "Medically Ready" and identified as MRC 2 (which is correctable within 72 hours). The data is generated from MEDPROS, the medical readiness database of record for the Army.

12. 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 ANGCRRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRRA.

13. 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 ANGCRRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRRA.

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 ANGCRRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRRA.

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 ANGCRRRA.

Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1118 of ANGCRRRA.

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 Army Reserve units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.

The January 19, 2007 Secretary of Defense Memorandum, "Utilization of the Total Force," limited reserve component unit mobilizations to 400-day periods, including 30-days post-mobilization leave, and five days out-processing. The most significant impact of this policy change to the Army National Guard is the inclusion of post-mobilization training time during the 400-day mobilization period.

Timely alert for mobilizations—at least one year prior—is crucial to the Army National Guard's mission success. Under the Army Force Generation (ARFORGEN) model, many training tasks previously conducted during the post-mobilization phase now occur in local training areas before mobilization. First Army, in CONUS, manages and directs post-mobilization training for reserve component conventional forces. First Army, in theater, conducts the theater-specified training required and confirms the readiness of mobilized units waiting to deploy.

Army National Guard training and Army Reserve training complies with the ARFORGEN model of progressive training over multi-year cycles and reflects the Army Training Strategy. Units move through the ARFORGEN cycle in three force pools (reset, train/ready, and available). Training progresses through these force pools with the initial focus on individual and leader training, migrating to low-level unit and battle staff, and finally culminating in multi-echelon, combined-arms exercises in the Ready year.

All ARNG units are "Combat Units." Forces Command Pre-Deployment Training, in support of Combatant Commands' guidance, identifies four categories of deploying units:

- Category (CAT) 1 includes units that would rarely, if ever, travel off a Contingency Operating Base/Forward Operating Base (COB/FOB)
- CAT 2 includes units that will, or potentially will, travel off a COB/FOB for short durations
- CAT 3 includes units that travel and conduct the majority of their missions off a COB/FOB
- CAT 4 consists of maneuver units with an Area of Operations (such as Brigade Combat Teams).

The pre-mobilization tasks increase by category, up to CAT 4. A unit's post-mobilization training time depends on the number of the pre-mobilization tasks completed during pre-mobilization. Army goals for post-mobilization training for reserve component headquarters and combat support/combat service support units range from 15 to 45 days, depending on the type and category of the unit (note: this time does not include administrative and travel days). Any pre-mobilization tasks not completed during the pre-mobilization phase must be completed at a mobilization station. The ARNG typically sends units to a mobilization station with a pre-mobilization task completion rate of 90-95 percent. Smaller ARNG units typically arrive at mobilization station 100 percent complete.

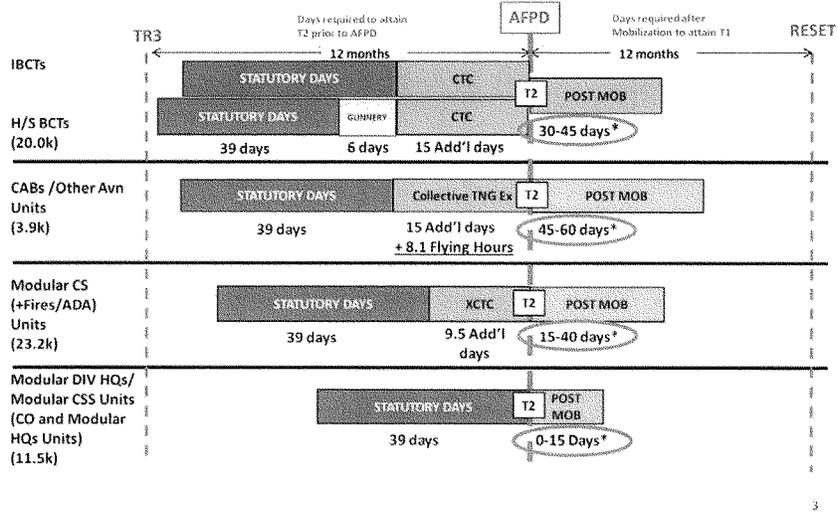
Post-mobilization training conducted by First Army typically consists of:

- theater orientation
- rules of engagement and escalation-of-force training
- counterinsurgency operations

- counter-improvised-explosive-device training
- convoy live-fire exercises
- completion of any theater-specified training not completed during the pre-mobilization period

Post-mobilization training days for a CAT 4 unit range from 50-65 days training at mobilization station. This training supports a Combat Training Center culminating training event during post-mobilization that a CAT 4 unit is required to perform in order to be validated and deployed (National Training Center or Joint Readiness Training Center; 30 day training exercises).

Below is an outline depicting post-mobilization training day goals for various units:



The outline below depicts the actual number of post-mobilization training days for various units:*

	Post Mobilization Training Days		
	Current	Goal	Delta
I/H/S Brigade Combat Team	63	45	18
Combat Aviation Brigade	33	60	-27
Military Police (Internment/Resettlement)	27	40	-13
Engineer Battalion (Route Clearance)	37	40	-3
Military Police Company	30	40	-10
Quartermaster Company	23	15	8
Engineer Company (Construction)	29	40	-11
Transportation Company (Heavy Equip Trans)	37	40	-3

* from First Army-approved Post-Mobilization Training Plans.

The Army Reserve (AR) Command in conjunction with First Army (1A), Forces Command (FORSCOM) and Headquarters Department of the Army (HQDA) are in the process of transitioning the business rules for pre and post mobilization training for AR formations deploying in support of Overseas Contingency Operations (OCO). This is motivated in order to meet the intent behind FRAGO 4 to HQDA EXORD 150-08 (RC Deployment Expeditionary Force (DEF) Pre and Post-Mobilization Training Strategy), the January 19, 2007 SECDEF Memorandum, "Utilization of the Total Force" and the August 04, 2011 Secretary of the Army Memorandum, "Army Deployment Period Policy."

Both the current and projected models are listed below, but both exclude all individual skills training, to include PME, MOSQ and functional training. The bulk of Individual skills training will remain a pre-mobilization requirement and would consist of 24 days of Inactive Duty Training, 15-29 days of Annual TrainingT for Collective Training, and, under the current model, 21 additional days of Active Duty Training individual training (Army Warrior Tasks (AWTs), Theater Specific Required Training (TSRT)). Under the projected model, the 21 additional days would be eliminated. Some formations, under the current model, used up to 74 days pre-mobilization to obtain a T2 rating prior to mobilization and up to 60 days post-mobilization to achieve a T1 rating. Below is an average of current pre and post-mobilization training models which will expire September 30, 2012. To reduce the demand on soldiers in a pre-mobilization status, First Army will assume the training responsibility for many of the AWTs and TSRT on October 1, 2012. AR units will mobilize at no less than a T3 rating. The shift in training strategy is for DEF units only and will increase current post-mobilization days by a projected ten days.

Current Model

Category (CAT)*	AVG Pre-MOB	AVG Post-MOB TNG	AVG Total Post-MOB
1	65 days	17 days	30 days
2	60 days	22 days	34 days
3	56 days	33 days	46 days

Projected Model

Category (CAT)*	Average Pre-MOB	AVG Post-MOB TNG	AVG Total Post-MOB**
1	39-45	27 days	40 days
2	39-45	32 days	44 days
3	39-45	43 days	56 days

*No CAT 4 formations in the AR

**Some formations may require up to 70 days post-MOB to achieve T1 and satisfy COCOM requirements.

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 11, 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 is continuing to field and train using the Conduct of Fire Trainer- Situation Awareness (COFT-SA) and the Mobile-Conduct of Fire Trainer Situation Awareness (M-COFT-SA). Due to the geographical dispersion of units, the ARNG has developed the M-COFT-SA trainer as a mobile solution to fulfill training gaps. The ARNG continued fielding Tabletop Full-Fidelity Trainers and is fielding the Bradley Advanced Training System (BATS) for the M2A2 units. When fully fielded, these devices, in addition to the Conduct of Fire Trainer Advanced Gunnery Trainer System (CAGTS) will be the primary simulation trainers to meet the virtual gunnery requirements of M1A1 and M2A2/A3 crews.

In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations and meet unstabilized gunnery requirements, the ARNG has fielded

the Virtual Convoy Operations Trainer (VCOT). The VCOT, through the use of software databases, provides commanders with a unique and critical mission rehearsal tool. In addition, the ARNG has added an Individual Gunnery Trainer (IGT) to train individual and crew drills for .50 caliber and MK19 unstabilized gunnery tasks listed in the HBCT gunnery manual. Currently, all 54 States and Territories have received the VCOT capability. The IGT is an initiative that is currently being fielded; to date 140 IGT systems have been fielded to ARNG units.

The ARNG is currently fielding the Operation Driver Simulator that trains transportation tasks in a family of vehicles, at both the unit and institutional levels.

The ARNG has just completed the Army Training Support Command directed upgrades to the Call For Fire Trainer II (CFFT II). The CFFT II trains Artillery Soldiers and observers of indirect fires on critical skills prior to live fire requirements.

To meet basic and advanced rifle marksmanship requirements, the ARNG is continuing to field the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship training device. The ARNG is also continuing the use of its previously procured Fire Arms Training System (FATS) until EST 2000 fielding is completed. The EST 2000 and FATS also provides static unit collective gunnery and tactical training, and shoot/don't shoot training. The Army is currently rewriting the strategy for the EST 2000 to include the ARNG initiative of the mobile EST to accommodate the geographical troop dispersion of the ARNG. 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 use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assess basic and advanced skills. The ARNG 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.

The Improvised Explosive Device Effects Simulator (IEDES) supports the training requirements for the detection, reaction, classification, prevention, and reporting of

Improvised Explosive Devices. The IEDES kits consist of pyrotechnic and/or non-pyrotechnic training devices to achieve scalable signature effects. The ARNG is currently fielded 258 total IEDES kits, of which, 194 are non-pyrotechnic kits (A-kits) and 64 are pyrotechnic kits (B-kits). This distribution includes 53 ARNG training sites across 39 states and territories. They have received fielding, New Equipment Training (NET) and life cycle sustainment as of 3rd Quarter FY12. ARNG-TRS is continuing the effort to identify and fill requirements based on the recently completed (1st Quarter, 2012) Training Aids, Devices, Simulations, and Simulators (TADSS) Mission Essential Requirements (MER) review. The latest IEDES innovation is the fielding of the IEDES Transit Cases to support less than company size training scenarios.

The ARNG continues to develop its battle command training capability through the Mission Command Training Support Program (MCTSP). This program provides live, virtual, constructive, and gaming (LVC&G) training support at unit home stations via mobile training teams. Units can also train at Mission Training Complexes (MTC). The MCTSP consists of three MTCs at Camp Dodge, Iowa; Fort Indiantown Gap, Pennsylvania; and Fort Leavenworth, Kansas, and a regional Distributed Mission Support Team (DMST). The Army Campaign Plan 2011 requires the ARNG to train 172 units (Brigade equivalents and above). The MCTSP synchronizes ARNG mission command training capabilities to help units plan, prepare, and execute battle staff training. The objective is to develop proficient battle command staffs and trained operators during pre- mobilization training.

In order to provide the critical culminating training event for the U.S. Army Forces Command (FORSCOM) ARFORGEN Cycle, the ARNG has implemented the Exportable Combat Training Capability (XCTC) Program. The ARNG XCTC program provides Battalion Battle Staff training to the level organized, coupled with a theater immersed, mission focused training event to certify company level proficiency prior to entering the ARFORGEN Available Force Pool defined as Certified Company Proficiency with demonstrated Battalion Battle Staff proficiency, competent leaders, and trained Soldiers prepared for success on the battlefield.

The Army Reserve continues to develop its ability to integrate live, virtual, constructive and gaming training aids, devices, simulations and simulators (TADSS) programs with the Army Reserve Training Strategy in order to meet established aim points in our ARFORGEN training model. TADSS play an essential role in our collective training exercises on our installations which help support our transition from a strategic to an

operational Army Reserve and meet our ARGORGEN aim point of providing units at T2 readiness in the Available year. Just as critical, TADSS also support our individual Soldier training at home station, local training areas, and institutions. By synchronizing the use of TADSS with ARFORGEN, the Army Reserve continues to improve unit training proficiency and ensures we meet our requirement to provide the combatant commanders with trained units and proficient battle staffs.

The Warrior and Combat Support Training Exercises are the Army Reserve's major collective training exercises conducted on Army Reserve installations. These exercises integrate live and constructive environments to train senior battle staffs while lower echelon units conduct company and platoon lanes. The Army Reserve has made sizable investments in improving the facility infrastructure at Fort Hunter Liggett and Fort McCoy to support the use of TADSS in these and future exercises. The 75th Mission Command Training Division is utilizing the Entity-level Resolution Federation to provide a high resolution (e.g., individual Soldier-level fidelity aggregated to unit resolutions) joint constructive battle staff training simulation.

The Army Reserve also utilizes TADSS to assist individual Soldiers in maintaining their technical and tactical proficiency. These TADSS assist Soldiers in training on individual pieces of equipment and in sharpening their battlefield skills.

Low-density simulators continue to be employed 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. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for transportation terminal units.

Use of the Laser Marksmanship Training System (LMTS) and Engagement Skills Trainer 2000 (EST 2000) remain essential elements of the Army Reserve marksmanship training strategy. During FY 11, the Army Reserve fielded more than 529 LMTS to 396 Army Reserve facilities to support home station basic marksmanship training for individual and crew served weapons. The system allows the Soldier to use their assigned weapon, as well as crew served weapons, in a simulation/training mode. In FY 11, the Army Reserve also fielded the EST 2000 to 21 Army Reserve facilities.

The EST 2000 provides initial and sustainment marksmanship training, static unit collective gunnery and tactical training, and shoot/don't shoot training.

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 and can be provided upon request. The Department of the Army, G-3, maintains this information. The states do not capture this data. The information is maintained in the Defense Readiness Reporting System – Army.

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 and can be provided upon request. The Department of the Army, G-3, maintains this information. The information is maintained in the Defense Readiness Reporting System – Army.

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 FY 11, Inspectors General and other commissioned officers of the Regular Army conducted 1,219 inspections of the Army National Guard. Regular Army Officers assigned to the respective States and Territories as Inspectors General executed the bulk of these inspections (959). Of the remaining 126 inspections, the U.S. Army Forces Command (FORSCOM), Communications-Electronics Command (CECOM), and other external inspection agencies conducted 104. 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 these inspections may be requested for release through the Inspector General of the Army.

The Army Reserve Office of the Inspector General conducted two assessments within the last 12 months. The first was entitled Property Accountability within the Army Reserve (Directed by the Chief, Army Reserve (CAR)) on 25 January 2011 and final report approved on 11 August 2011). The second assessment entitled Special Assessment of Personnel Transition within the Army Reserve was directed by the CAR on 11 August 2011 and is ongoing (expected final report approval in March 2012). The Army Reserve Office of the Inspector General conducted both assessments. The Army Reserve Inspection General assessed 30 units for Property Accountability. As of 13 December 2011, 33 units have been assessed as part of the Personnel Transitions Assessment. The overall goal of both assessments was not to evaluate the unit's deployability status. However, out of the total 66 units assessed nothing was found that would cause a unit to be listed as non-deployable. Results of these inspections may be requested for release through the Inspector General of the Army.

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.

While the methods employed by the Army to manage the active component (AC) support to reserve component (RC) readiness have changed during the last ten years of persistent conflict, we have met the intent of the Congress as outlined in Title XI of the National Defense Authorization Act of 1993, as amended. Every RC unit that deployed during FY 11 was properly manned, equipped, trained, and certified to meet Combatant Commander (CCDR) requirements prior to employment overseas and in the Continental United States (CONUS) by supporting processes associated with the Army Force Generation (ARFORGEN) process.

The Army began its transformation from large, fixed organizations (divisions and corps) to a modular, brigade-centric organization in 2004. At the same time, and while engaged in persistent conflict, it began transforming the way it executes the training and readiness of modular units – both AC and RC – to meet CCDR requirements. As such, modular force transformation and the implementation of the ARFORGEN process precludes a response in the format directed by Title 10, U.S. Code, Section 10542.

The formal training relationships previously established by the AC/RC Association Program outlined in U.S. Army Forces Command (FORSCOM) Regulation 350-4, *Active Component (AC)/Reserve Component (RC) Partnerships*, were modified as the requirements of ongoing Overseas Contingency Operations kept AC units in frequent deployments and RC units in frequent mobilization. The deployment tempo problem was solved within the Army's Training Support XXI program by using designated, fully functional, AC-led multi-component organizations to provide the necessary contact with

mobilizing RC units. Since FORSCOM Regulation 350-4 no longer reflected the way the AC partnered with RC units, FORSCOM discontinued its use on 21 July 2010. The legislated roles and responsibilities formerly given to the commanders of associated AC units listed in Appendices B and C of that regulation are now executed by the commanders of First Army (FORSCOM's executive agent for Active Army support for the training, readiness, and mobilization of conventional RC units in the Continental United States); the 196th Infantry Brigade (U.S. Army Pacific's executive agent for the training and readiness of conventional RC units located in the Pacific Command's area of responsibility); and the U.S. Army Europe (USAREUR) for the training and readiness of conventional RC units located in the European Command's area of responsibility.

In 2011, the Army published Army Regulation (AR) 525-29, *Army Force Generation*, which institutes the structured progression of unit readiness over time to produce trained, ready, and cohesive units prepared for operational deployment in support of CCDR and other Army requirements. This regulation was a collaborative effort between FORSCOM, U.S. Army Training and Doctrine Command, the Army National Guard, and the U.S. Army Reserve Command to meet the progressive readiness demands of an Army engaged in persistent conflict. Within ARFORGEN, all rotational active Army, Army National Guard, and Army Reserve units cycle through three ARFORGEN force pools – Reset, Train/Ready, and Available – and are designated either for deployment to a validated CCDR operational requirement as a Deployment Expeditionary Force (DEF) or for the execution of a contingency mission, operational plan, or other validated Army requirement as a Contingency Expeditionary Force (CEF).

For the RC, this pertains to all modular division headquarters, brigade combat teams, multifunctional and functional support brigades (headquarters only), as well as modular units at the battalion to detachment level that comprise the critical enablers for operational missions. Assessments of the manpower, equipment, and training resource requirements of these RC units and validation of their compatibility with AC forces (as required by sections 1131(b)(3) and 1131(b)(4) of the Army National Guard Combat Readiness Reform Act of 1992) are executed and maintained by First Army, the 196th Infantry Brigade, and USAREUR as the RC unit progresses through the ARFORGEN process into the deployment window.

Fiscal Year 2011 also found the Army at an inflection point in which strategic conditions have signaled a future change in demand across the range of military operations (DEF to CEF). The RC will figure prominently in the Army's response to these changes.

ARFORGEN is the process that will produce trained and ready RC units that are organized, manned, trained, and equipped, as integral members of the Total Force, compatible with their AC counterparts, to provide predictable, recurring and sustainable capabilities for the Nation's security requirements. The Army does not foresee a return to the legacy construct of associated units.

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 11) Authorizations				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	97	110	8	215
TRADOC	50	3	0	53
FORSCOM	1033	2165	101	3299
USARPAC	30	49	1	80
TOTAL	1210	2327	110	3647

Title XI (FY 11) Assigned				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	12	18	0	30
TRADOC	36	3	0	39
FORSCOM	696	1925	102	2723
USARPAC	30	41	9	80
TOTAL	774	1987	111	2872

As of September 30, 2011, the Army had 2,872 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act 2005 (Public Laws 108-767, Section 515). Army G-1 and U.S. Army Human Resources Command carefully manages the authorizations and fill of Title XI positions. The data is not managed or captured by state – the chart above provides the best representation of how Title XI positions are dispersed and utilized.

John M. McHugh

Secretary of the U.S. Army

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

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



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

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

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

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

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



General Raymond T. Odierno
38th Chief of Staff for the U.S. Army



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

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

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



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

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

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

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

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

FEBRUARY 17, 2012

RESPONSE TO QUESTION SUBMITTED BY MR. JOHNSON

Secretary MCHUGH and General ODIERNO. The Army set an upper limit Average Procurement Unit Cost (APUC) for the Ground Combat Vehicle (GCV) to do Analysis of Alternatives at \$13M. At this time, the program is still in the Technology Development phase. During this phase, the Army will continue to explore options to perform cost informed trades. These trades should reduce overall program life cycle costs and inform an updated cost position. The Army will reevaluate the GCV Program and affordability at the end of the Technology Development Phase. [See page 41.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 17, 2012

QUESTIONS SUBMITTED BY MR. MCKEON

Mr. MCKEON. As a follow-up to my opening statement with regard to defining risk: I know both of you have pledged to avoid mistakes of past force reductions, when the Army fielded what were called “hollow” units without enough people and equipment to actually carry out their missions. I ask that you not share that burden alone and that you work closely with Congress to make sure that doesn’t happen. In your public and written statements you have said that your challenge is to adjust these rheostats—end strength, force structure, readiness, and modernization—in such a way where we sustain our technical advantage. Any concerns you may have about sequestration notwithstanding, and, with the operational and strategic lessons learned from Task Force Smith in mind, please describe to us the one risk that keeps you up at night (the most) within these rheostats that you must keep adjusting. Could you both take a shot at answering this?

Secretary MCHUGH and General ODIERNO. The Army’s most challenging task will be to balance its grade structure to provide the right mix of leadership and technical capabilities, sustainable across a career span that will allow us to retain our most experienced and skilled inventory of officers serving today. We must keep a cadre of mid-grade officers and Non-Commissioned Officers who can provide the core for expansion of capability should the world situation demand wider engagement. However, the biggest risk of this structure is the increased personnel cost—higher grades cost more. As personnel costs increase, funds available for modernization, equipping, and stationing must decrease. How the Army will balance these requirements while sustaining as capable force will be our most significant challenge is still being determined.

Mr. MCKEON. We’ve been told that the Army will eliminate at least 8 Brigade Combat Teams and that more could be possible. During the Cold War the Army was focused on large-scale maneuver operations in Europe. Over the last decade the Army has been largely focused on counterinsurgency operations in the Middle East. So how does the shift in strategic focus where there is more of an emphasis on the Pacific region affect Army concepts and operations. In other words, what is the Army’s role in this Pacific-focused strategy and what force structure does the Army need? The reason I ask is because I remain concerned about the plans to lower the Army’s end strength to pre-9/11 levels. General Odierno you spent I believe 54 months in Iraq. You helped build up the Army to execute the surge. Even under the concept of “reversibility,” with such a large decrease in end strength, will the Army be able to conduct another “surge” in the future if needed?

General ODIERNO. The Army has determined that it can meet the ground force requirements for any of the current warplans in the Pacific region under current planned end strength reductions with manageable risk and continued investment in readiness. This ensures that America can meet its long standing treaty obligations in the Pacific region and around the world. The Army’s regionally aligned forces concept will provide PACOM with a trained force to execute theater security cooperation activities and exercises with key and emerging partners. These forces, along with our surge force capacity, prevent conflict and shape the area of responsibility to advance mutual security interests.

Two large scale long term contingency operations caused the need for end strength increases. With the end of our mission in Iraq and drawdown of forces we have conducted in Afghanistan, the Army can reduce end strength to ensure balance is maintained between end strength, readiness and modernization. The planned Fiscal Year (FY) 2017 Army of 490,000 will be a much more capable force than the Army of 482,000 pre-9/11. Besides 10 years of hard-earned combat experience in our ranks, we continue to increase Special Operations capabilities, Intelligence, Surveillance and Reconnaissance (ISR) assets, aviation enhancements, and we have invested in a more capable Cyber force along with other capabilities. We are reviewing and refining our organizational design, mission command, and training methods to institutionalize the lessons learned in combat. Should unforeseen contingencies arise, the Army maintains the capability to reverse the drawdown, and expand if needed.

**QUESTION SUBMITTED BY MR. MCKEON, MR. BARTLETT, MR. REYES,
AND MR. BROOKS**

Mr. MCKEON, Mr. BARTLETT, Mr. REYES, and Mr. BROOKS. The Army Improved Turbine Engine Program (ITEP) envisions a significantly more fuel-efficient and powerful engine for the Black Hawk and Apache helicopter fleet as well as the next-generation Joint Multi-Role helicopter. All too often, the Government makes premature selections that result in delays, cost increases, and cancelled programs. It is important that we manage the ITEP program correctly and competitively to ensure technical maturity and operational capability are proven before making a decision that will impact the current and future helicopter fleet for 40+ years. I believe that competition into EMD through Flight Demonstration will reduce risk and cost. In short, “fly before you buy” will be best for the warfighter and taxpayer as competition will incentivize industry to perform and provide the lowest cost and best engine to the Government. Can you please explain what measures the Army is taking in the ITEP acquisition strategy to ensure there is competition beyond the Science & Technology phase and into Engineering Manufacturing & Development (EMD)?

Secretary MCHUGH and General ODIERNO. The Army agrees that competition in the EMD phase will incentivize industry to perform and provide the lowest cost and best product to the warfighter in the timeliest manner. Therefore, the Improved Turbine Engine Program acquisition strategy promotes competition throughout the EMD phase. The acquisition strategy includes a full and open competition approach with the intent of selecting two vendors for initial engine design and development. This will include ground operation in engine test stands and flight tests in Black Hawk and Apache aircraft. A final down select is planned for Milestone (MS) C, Low Rate Initial Production. However, if the competition through MS C becomes too costly or some of the offered solutions are not achievable, provisions will exist in the contract for a potential earlier down selection to one vendor.

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. The Army’s Green Laser Interdiction System (GLIS), is a competitively awarded nonlethal weapon system currently in use in Afghanistan. What has been the Army’s experience with this weapon? In what way has this system aided our soldiers in this particular contingency operation? What is the Army’s acquisition strategy for the GLIS system?

General ODIERNO. The Army’s Rapid Equipping Force (REF) fielded several Commercial Off The Shelf (COTS) Green Lasers to units in Iraq, Kuwait, and Afghanistan based on Operational Need Statements. Post Combat Survey feedback Soldiers believed the green visible laser was an excellent nonlethal, escalation of force tool. The green laser serves as a warning and is a safe and effective tool that sends a strong message without the need to employ deadly force.

The Army approved the transition of Green Laser Technology from the REF as a Capabilities Development for Rapid Transition Army Acquisition Program. Product Manager Soldier Maneuver Sensors (PM SMS) conducted a full and open competition for the GLIS program. There are two qualified GLIS configurations. The L-3/Insight Technology, Inc. Checkpoint Green Laser is designated as the GLIS LA-12/P. The B.E. Meyers Glare Mount Plus Green Laser is designated as the GLIS LA-13/P. In November 2011, a production contract was awarded to B.E. Meyers for 12,542 GLIS systems. The first fielding event is scheduled for 3rd Quarter Fiscal Year 2012 (FY12) and will replace any REF fielded green lasers. In FY12, PM SMS will complete procurement of the GLIS requirement between the two qualified vendors.

Mr. SMITH. The option of using nonlethal weapons in an escalation of force scenario appears to make sense for many reasons. Does the Army have a particular doctrine addressing escalation of force issues and the use of nonlethal weapons? Do you believe this is something that the Army should consider?

General ODIERNO. Yes, the Army has current doctrine that addresses the escalation of force and the use of nonlethal weapons. The primary Field Manual that covers this topic is FM 3-22.40, “Multi-Service Tactics, Techniques, and Procedures for the Tactical Employment of Nonlethal Weapons” produced by the Air, Land, Sea Applications (ALSA) Center, dated October 2007.

QUESTIONS SUBMITTED BY MR. TURNER

Mr. TURNER. In a letter to Secretary Panetta on January 6 of this year, the Committee indicated its grave concerns with the Department's apparent change in plans to equip the Afghan Security Forces (ASF). The Department initially requested \$1.3 billion to procure 6,372 HMMWVs for the ASF for Fiscal Year 2011, in addition to another \$771 million for 3,514 vehicles in Fiscal Year 2012. Of the total of 9,886 vehicles, it now appears that only 2,763 HMMWVs will be procured, an obvious significant reduction in the planned procurement of these vehicles. Congress approved this funding, understanding that it would be used to ensure the ASF are trained and equipped to adequately defend themselves, and an important part of this strategy was providing them with modern light tactical vehicles.

The Committee is also aware that the Department chose to procure over 19,000 Ford Rangers for the Afghan National Police (ANP) manufactured in a plant in Thailand (some sources report as many as twice that number of Thai pickups have been purchased). Instead of using funds appropriated by Congress to adequately equip the ANP and support jobs here in the U.S., the funding was used to procure foreign-made vehicles.

How did the Department determine that these trucks should be procured from Thailand without first consulting the Committee? How can these Thai-built pickup trucks possibly give the Afghan forces the capability to defend themselves against a violent and determined enemy?

Secretary MCHUGH and General ODIERNO. ANSF operational requirements are determined through development of the Afghan National Army (ANA) and Afghan National Police (ANP) Taskhil and Recapitalization Requirements documents. Since 2006, ANSF requirements have been continuously reviewed to validate the appropriate number and type of vehicles. Most recently, from November 2011 to January 2012, NTM-A and CSTC-A conducted an operational review which validated or adjusted all requirements based on current and projected inventories. HMMWVs and Light Tactical Vehicle (LTVs or up-armored Sport Utility Vehicle) are both used to fill various ANSF requirements. Since 2004, the HMMWV has been the primary vehicle required by the ANA and some specialized ANP units such (as the GDPSU, PRC, ANCO, etc). The LTV has been the primary vehicle for the ANP because: 1) they are smaller and more maneuverable in congested urban areas and on small rural roads; 2) they present the desired appearance of a professional police force vice a para-military appearance; 3) ANP leadership continues to request LTVs as their preferred armored vehicle vice HMMWVs; 4) procurement, maintenance and fuel cost are lower than HMMWVs and 5) HMMWV maintenance and fuel are more complex than LTVs. Force protection is only one factor to consider in the procurement of LTVs versus HMMWVs. HMMWVs were selected for specific mission sets because of the force protection they provide; however, LTVs clearly meet the overall requirement of the country-wide policing mission.

Mr. TURNER. One tenet of the Administration's new defense strategy is reversibility. According to released documents, the new budget plan specifically sustains critical segments of the industrial base that cannot be duplicated or regenerated quickly. The strategy identifies some of these industries and talks about combat aircraft, bombers and of course shipbuilding, all hugely important aspects of national security and our economy. What I find puzzling is the lack of mention of the U.S. combat vehicle industrial base. My read of the Army's FY 2013 budget request indicates zero procurement of existing combat vehicles such as the Abrams tank and Bradley Fighting Vehicles.

Can you explain why the new National Defense Strategy ignores the combat vehicle industrial base? If a particular parts manufacturer goes out of business and they were the only producer of that part, how does "reversibility" take this into account? In some cases, depending on the complexity of the part, it can take over a year for a prime contractor to get another vendor qualified? What is the risk of increasing our vulnerability from an industrial base perspective where we will be forcing our prime contractors to depend on foreign sources to supply critical parts? Finally, if the Ground Combat Vehicle is the Army's number one modernization program, who will build it when it enters production if both competitors are essentially out of the combat vehicle production business?

Secretary MCHUGH and General ODIERNO. The National Defense Strategy (NDS) is written in very broad terms; as the Army implements it, the combat vehicle industrial base is one of the key sectors being considered and thoroughly evaluated. Reductions in the Nation's forces will be structured and paced in a way that will allow the Army to surge, regenerate, and mobilize the capabilities and materiel needed for any future contingency. In some cases, the Army will be reducing capabilities that are of a lower priority. In other cases, the Army will invest in new capa-

bilities to maintain a decisive military edge against a growing array of threats. Building in reversibility and the ability to quickly mobilize will be very important. That means reexamining the mix of elements in the ground forces and preserving the health and viability of the nation's defense industrial base to properly equip those ground forces.

The combat vehicle industrial base is of significant concern to the U.S. Army. Accordingly, we are directing efforts to assess industrial base risks and develop various cost-informed mitigation strategies that ensure the continuous support to the Warfighter and the health of the ground combat vehicle industrial base. These strategies include a Department-wide effort to assess the health and risks to the industrial bases on a Sector by Sector, Tier by Tier (S2T2) basis. The Army is also incorporating mitigation strategies involving the Foreign Military Sales (FMS) program to address identified risks. The S2T2 analysis seeks to identify critical areas that could constitute single points of failure and develop strategies to mitigate the risks identified. The FMS program allows our vendors to diversify and balance military with commercial business so they can weather the lean years and be in position to compete when we start investing in the next generation or recapitalize the vehicles we have. FMS sales also help sustain highly skilled jobs in the defense industrial base by extending production lines and lowering unit costs for key weapon systems.

The Firm selected to provide the Ground Combat Vehicle (GCV), would be required to prove it can manufacture the vehicle on the timeline required by the Department.

QUESTION SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. The C-27J is critical in supporting ground forces to meet the last tactical mile requirements. The Air Force has used a combination of larger C-130 cargo planes in conjunction with Army CH-47 helicopters to support last tactical mile requirements, but these alternatives have shown that they are less than adequate to accomplish the mission. The C-27J also plays a critical role in our National Guard providing airlift capabilities in support of homeland defense mission. What is the Army's plan to compensate or fill the gap for the loss of the C-27J platform? Will it increase the CH-47's ops tempo, until a more adequate alternative is designed? Given the potential divestiture of C-27J aircraft, what is the plan for filling the missions lost by the potential retirement of C-23 Sherpa aircraft? What impact would divestiture of the C-27J have on the logistical supply chain in theater?

Secretary MCHUGH and General ODIERNO. The Army has a capability requirement for intra-theater lift to be provided to ground forces, as the Army currently has in Afghanistan. CH-47s are used heavily and cannot bear the whole load. To assist us with our requirement, the Air Force has agreed to provide fixed wing aircraft for resupply. A Memorandum of Agreement signed by the Air Force and Army on 27JAN12 states "The Combatant Commander/Joint Force Commander should TACON (Tactical Control) an Expeditionary Airlift Squadron or Detachment to the Commander, Army Forces who will exercise Tactical Control through the Senior Army Aviation Authority. The dedicated Expeditionary Airlift Squadron may, at the discretion of the Combatant Commander/Joint Force Commander, collocate with an Army Combat Aviation Brigade or Task Force to provide tactical airlift for transport of Army Forces time sensitive/mission critical equipment, supplies and personnel." The Air Force assures the Army it will be able to fulfill this requirement with their current C-130 fleet. The Air Force commitment to meet the Army's intra-theater lift requirement using C-130 aircraft to support Army ground forces fulfills this requirement. The Army does not currently have or foresee any gaps or shortfalls for intra-theater lift requirements or theater logistical supply chain requirements based upon this agreement.

QUESTION SUBMITTED BY MR. ROGERS

Mr. ROGERS. We believe that increasing the overall Army RDT&E budget for Command, Control, and Communications Advanced Technology (Program Element 0603006A) line by \$40 million is a worthy investment in preventing a catastrophic degradation of our ability to defend our troops, our allies and our Nation if our weapons systems should sustain a cyberattack. The U.S. Army Space and Missile Defense Command's role in developing advanced technologies for weapons systems, as well as their operational role in training soldiers to operate those systems provides a unique opportunity to test systems and train soldiers proactively vs. reactively to operate network embedded weapon systems in a hostile cyberspace environ-

ment. Is the Army's role in securing our cyber-dependent systems an area that is programmatically underfunded?

Secretary MCHUGH and General ODIERNO. Defending its networks and providing full spectrum cyber operations is a mission area the Army works diligently to accomplish every day. Army senior leadership is acutely aware that investments in the cyber mission area must be sufficient to address the current and growing threat and we believe the Army's Fiscal Year 2013 budget request for cyber security is appropriately prioritized and balanced.

QUESTION SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. In your joint testimony, you state that "the Army National Guard and Army Reserve have evolved into indispensable parts of our operational force and ones that we will continue to rely upon to provide depth and versatility to meet the complex demands of the future." And, as Iowans know all too well, the Reserve Components play a critical role in homeland security and disaster response.

Can you explain how the planned reductions in the National Guard and Reserve will be implemented through 2017? What criteria will be used in determining where, when, and how the reductions will be made? What role will DOD's total force policy play in implementing the force reduction? Lastly, how will this plan for the force reductions maintain the experience and readiness of the operational reserve?

Secretary MCHUGH and General ODIERNO. Our Army has proven after more than ten years of war to be the most capable, sustainable and decisive land force in the world. The Army National Guard (ARNG) and United States Army Reserve (USAR) have been employed as an "operational force," providing critical land power and rotational capacity essential to our efforts. As the Army continues to shape its force mix to meet strategic demands, reduce capability shortfalls and balance force requirements across all three components, the DOD Total Force Policy help guide and inform our efforts.

Announced reductions in the ARNG and USAR are expected to achieve through decreases in the Trainees, Transients, Holdees, and Students (TTHS) overhead account in each component and by suspending planned Grow-the-Army increases in the USAR. No units will be inactivated to achieve the end strength goals (ARNG—350.3K/USAR—205K), thus maintaining combat-experienced units built over the last ten years of war. The ARNG will begin a phased reduction of its TTHS account in FY16 and complete it by FY19; the USAR will complete its reductions by FY14.

QUESTIONS SUBMITTED BY MR. FRANKS

Mr. FRANKS. In your joint statement you talk about "Garrison Energy" which is "the energy required to power Army bases and conduct soldier training." You say, "Dependence on fossil fuels and a vulnerable electric power grid jeopardize the security of Army operating bases and mission capabilities." However, your testimony does not enumerate what the electric power grid is vulnerable to. Many studies show our civilian power grid is critically vulnerable to both natural and manmade electromagnetic pulse. Furthermore, reports show that domestic military installations receive 99% of their electricity from the civilian power grid. But when I look in your summary for what the Army is doing to eliminate or mitigate vulnerabilities to electric power and our dependence on fossil fuels all I see are references to "cool roofs, solar power, storm water management, and water efficiency." I don't see any evidence in that proposed list of green initiative fixes that gives me any confidence that the Army really grasps the magnitude and the immediacy of catastrophic danger this Nation faces if the civilian power grid in this country went down for an extended period as a result of natural or manmade EMP. Does the Army know the magnitude of the challenges it would face in trying to carry out its core function of defending this Nation and its people if the civilian power grid or a substantial part of it went down for an extended period, say a month or longer, and has it planned for such an event due to natural or manmade EMP? Furthermore, since both the military and civilian society are dependent upon the civilian power grid, doesn't it make sense that there should be more done to mitigate this vulnerability and achieve the security of the electric grid and other critical infrastructures that are indispensable to the survival of our civilian population and to DOD's military bases alike? If so, how is the Army mitigating this vulnerability to their source of electricity?

Secretary MCHUGH. The Army recognizes the threat to the energy grid as a significant vulnerability. To mitigate this risk of a power grid failure, it is implementing both doctrinal and technological solutions. Earlier this year, the Army

adopted energy security as a Campaign Objective of the Army Campaign Plan for the first time. By doing so, we are ensuring that energy security will be a consideration in everything the Army does.

With regards to protection against Electromagnetic Pulses (EMPs), DOD Instruction 3150.09, Chemical, Biological, Radiological, and Nuclear Survivability Policy, establishes the requirements for EMP survivability. Accordingly, critical infrastructure is designed and maintained with an appropriate level of resilience, through measures such as hardening. Broader installation capabilities are being developed as a part of Army's efforts to increase energy security on its installations.

Mr. FRANKS. In your joint statement you talk about "Garrison Energy" which is "the energy required to power Army bases and conduct soldier training." You say, "Dependence on fossil fuels and a vulnerable electric power grid jeopardize the security of Army operating bases and mission capabilities." However, your testimony does not enumerate what the electric power grid is vulnerable to. Many studies show our civilian power grid is critically vulnerable to both natural and manmade electromagnetic pulse. Furthermore, reports show that domestic military installations receive 99% of their electricity from the civilian power grid. But when I look in your summary for what the Army is doing to eliminate or mitigate vulnerabilities to electric power and our dependence on fossil fuels all I see are references to "cool roofs, solar power, storm water management, and water efficiency." I don't see any evidence in that proposed list of green initiative fixes that gives me any confidence that the Army really grasps the magnitude and the immediacy of catastrophic danger this Nation faces if the civilian power grid in this country went down for an extended period as a result of natural or manmade EMP. Does the Army know the magnitude of the challenges it would face in trying to carry out its core function of defending this Nation and its people if the civilian power grid or a substantial part of it went down for an extended period, say a month or longer, and has it planned for such an event due to natural or manmade EMP? Furthermore, since both the military and civilian society are dependent upon the civilian power grid, doesn't it make sense that there should be more done to mitigate this vulnerability and achieve the security of the electric grid and other critical infrastructures that are indispensable to the survival of our civilian population and to DOD's military bases alike? If so, how is the Army mitigating this vulnerability to their source of electricity?

General ODIERNO. On our installations, we are aggressively working to improve energy security in three key areas. First, we are taking steps to reduce energy demand on Army facilities through energy efficient technologies and culture change. By reducing energy demand, our installations will be less vulnerable and require less backup power to operate in the case of a disruption. Second, we are planning to install on-site renewable energy generation and power storage to extend the current capabilities of our diesel generator backup power capabilities, which will allow extended operations in the event of a failure of the commercial electric grid. Finally, we are working to develop micro-grid technologies on our installations that will be able to prioritize and match critical loads with supply and continue operations in the event of a commercial power failure.

QUESTIONS SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. The Army has announced cuts—in vehicles and ISR capabilities to name just two areas—that will have an immediate impact on troops deployed today. However, this budget asks for \$400 million for the Medium Extended Air Defense System, or MEADS, which the Army has no plans to procure and field.

In the FY 12 Defense Authorization Act, Congress required a report from the Secretary of Defense to Congress on the Department's plan to use this year's funds as a final obligation for either "(1) implementing a restructured program of reduced scope or (2) contract termination liability costs." When can we expect to receive this report?

Secretary McHUGH and General ODIERNO. The report was delivered from the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics to Congress on 26 April 2012.

Ms. TSONGAS. I am concerned about the number of injuries caused by soldiers carrying heavy loads in combat. Currently soldiers deployed in Afghanistan are outfitted with armor that weighs as much as 40 pounds. And, when combined with the gear that troops must carry in the field, the total weight our soldiers carry can exceed 120 pounds, causing skeletal injury just through the mere fact of carrying these materials.

I understand and appreciate that the Army has made efforts to reduce the total load carried in combat, however I am concerned by the fact that there is still no formal requirement for lighter-weight body armor.

My question is: Who made the decision to use low-bid contracting for body armor and in doing so did they include both the human cost as well as the long-term financial cost? If these factors were not included in the decision, why not?

General ODIERNO. The Army is taking a deliberate holistic approach to evaluating the requirements for Soldier Protection. The future for Soldier Protection is detailed in the Soldier Protection System (SPS) Capability Development Document (CDD). The SPS CDD provides requirements for the protection of the entire Soldier, from head to toe, and strives to reduce weight in all areas. This document is currently being staffed at Headquarters, Department of the Army, and is expected to be approved in early Fiscal Year 2013 (FY13).

The Army has also taken steps to encourage vendors, through the contracting process, to lighten the weight of body armor. The Army achieved success in reducing the weight of the soft armor used in the Generation III (GEN III) Improved Outer Tactical Vest (IOTV) while retaining the improved fit for female Soldiers. The most recent procurement in FY11 resulted in achieving a reduction of 0.5 pounds (9 percent weight reduction). All Personal Protection Equipment currently under solicitation and in production requires a weight reduction from previous versions. In addition to the body armor, we are also addressing the weight of the combat helmet. The specification for the Advanced Combat Helmet, recently released to Defense Logistics Agency—Troop Support (DLA-TS), requires a weight reduction of 4 ounces (8 percent weight reduction).

The Army is committed to reducing the weight of body armor and providing increased comfort for all Soldiers. We are pushing the limits of technology to do so while still providing excellent protection.

These advancements to help lighten the load of our individual soldiers are one part of the Army's total comprehensive efforts. The Army is now examining at how to distribute loads across a squad of soldiers to reduce overall weight of the entire team. This analysis will enable squads to carry the load smarter, while still maintaining their effectiveness as a fighting unit.

The Army awards contracts based on best value and puts cost as the least important criteria for new body armor. For DLA-TS sustainment contracts, the vendors must meet the performance specifications which include specific weight limitations.

Ms. TSONGAS. The Army is now approximately 14% female. Pursuant to the Department's welcome review of the role of women in combat positions, an increasing percentage of women in the Army will need to wear body armor in the coming years.

However, I remain concerned by the fact that our female service members are wearing armor which was not specifically designed to fit their anatomy. Because of their smaller stature, injuries resulting from the excessive weight may be even more severe.

Last year, General Fuller, former PEO Soldier, told the Air/Land Subcommittee that the second-generation tactical vest is fairly adjustable and fits female service members better than previous iterations. Can you give me an update on any other developments pertaining to female body armor? Have there been any advances specifically with ceramics? Is the Department collecting and assessing data regarding the current armor's use by women in the field which could be useful in developing female-tailored armor?

General ODIERNO. Current ceramic technology is not able to produce multi-curve ballistic plates that can conform to the female anatomy while providing effective ballistic protection. However, Natick Soldier Research, Development and Engineering Center (NSRDEC) has a Science and Technology program called "Improved Geometry and Sizing for Ballistic Plates" that is researching how best to proceed. This effort is expected to provide a geometric database and a statistical analysis of body geometry and movement which will serve as the basis for establishing templates for the next generation ceramic body armor. The requirements gathered from the NSRDEC study will be incorporated into the Soldier Protection System, one of our future initiatives.

From May 2009—April 2010, the Army conducted an anthropometric fit and sizing study of 200 female Soldiers that confirmed the extent and quality of the body armor fit issues and their adverse impact. To correct the issues found in that study, the Army made improvements to the Generation II (GEN II) Improved Outer Tactical Vest (IOTV), fielded in June 2010. The GEN II IOTV answered most of the concerns that were raised by female Soldiers in 2009, including better adjustability in the shoulders and hips, to better fit all Soldiers.

The Army continuously assesses data gathered from Combat Surveys and Soldier comments from the field. Improvements are being made incrementally to each new

revision of the IOTV. Recent improvements in Fiscal Year 2011 include procurement of IOTVs that have a weight reduction of 0.5 pounds (9 percent weight saving). Also, the Army is procuring narrower side plates which enable smaller Soldiers, including many females, to get a better fit. All Personal Protection Equipment currently under solicitation and in production requires a weight reduction from previous versions.

QUESTION SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. I understand the USD-ATL is currently engaged in discussions with his German counterparts to negotiate the termination of the MEADS program. When can we expect a report from DOD on the program's reduced scope? Last year's Defense Authorization fenced 25% of funds for MEADS until such a report was delivered. Roughly, how much of the FY12 funding has been spent to date?

Secretary MCHUGH and General ODIERNO. a) According to OSD, the report required by Section 235 of the 2012 NDAA is expected to be delivered in April 2012.

b) To date, the U.S. released \$86.138M, approximately 25 percent of the FY12 funds, to the NATO MEADS Management Agency, the executing agent for the MEADS program.

The OSD-led team, including Army representation, continues to press the partners for a restructured program; however, Germany and Italy are very firm and consistent on their position to execute the Proof of Concept, current plan, approved in October 2011.

QUESTIONS SUBMITTED BY MS. PINGREE

Ms. PINGREE. I am concerned about the recently issued Request for Proposal (RFP) for the Joint Light Tactical Vehicle (JLTV) because it imposes severe time constraints for producing prototypes for testing. These time constraints preclude participation by essentially any contractor other than the traditional defense industry manufacturers that previously failed to deliver an acceptable vehicle during the technical demonstrator effort. For example, the RFP precludes an innovative group, led by Ford Motor Company and Future Force Innovations, and including Raytheon and others that was willing, without any Government funding, to invest \$400 million of its own funds to produce prototypes for testing. Even companies that have been working on a JLTV for 5 or more years will have 1 year (or less) to redesign their vehicles and produce prototypes for testing. What are your reasons for employing severe time constraints in the RFP? Will you consider modifying the RFP to ease the time constraints for producing prototypes for testing so that nontraditional, yet highly qualified, groups have sufficient opportunity to participate and potentially deliver a superior result to that offered by traditional industry? In particular, as General Austin recently encased the Flag in Iraq and General Allen is scheduled to do the same in Afghanistan well before even the present schedule calls for the fielding of the JLTV, what is the urgent need that prevents an RFP that enhances competition and produces a better, lighter, and cheaper JLTV?

General ODIERNO. The current JLTV strategy allows for full and open competition and is available to all offerors including vendors such as Ford that have not traditionally participated in the military vehicle marketplace. After extensive feedback from Industry and Congress, the Army and the United States Marine Corps agree that the current strategy maximizes competition and sets a level playing field among a wide range of no less than six extremely credible vendors. Delaying the RFP significantly to benefit one vendor gives the perception that the Army is giving preferential treatment to one particular vendor and is unfair to the other competitors that have invested significant time and resources.

The JLTV program is well structured to maintain the competitive pressure that will constrain cost growth throughout the upcoming EMD phase. The strategy carries up to three vendors in a competitive environment into low rate initial production. In addition, the current acquisition strategy allows for vendors who are not selected or do not compete for EMD contracts to submit vehicles for testing, consistent with our current schedule for even broader competition during the LRIP down-select.

Ms. PINGREE. The new JLTV acquisition strategy in the RFP relaxes the original protection, performance, and payload requirements for the vehicle. Why would you relax the base requirements for the JLTV below what was mandated in the prior failed effort when other groups appear able to meet or exceed the original base requirements in all respects at a price meeting the budget necessities of the Army and the Marine Corps? Furthermore, why, in these times of fiscal crisis, would you pro-

vide \$65 million to contractors that are being asked to reduce, not increase capability?

General ODIERNO. The adjustments that were made to the requirements preserved the key core capabilities that JLTV must meet the needs of the warfighter by delivering significantly improved payload, protection, and performance over our current light tactical vehicle fleet, without paying a premium in terms of either cost or schedule for only marginally increased capabilities. The new JLTV acquisition strategy does not relax the original protection, performance or payload requirements for the vehicle. The protection level was actually doubled over the Technology Development phase vehicles. The payload remained the same, 3,500 pounds for the four door variant and 5,100 pounds for the two door variant. The only significant changes were a reduction in the threshold for reliability and adjustment of corresponding transportability requirements.

For the Engineering and Manufacturing Development phase, reliability was lowered to 2,400 mean miles between operational mission failures (MMBOMF). The JLTV schedule provides for over a year of additional reliability growth testing in the Low Rate Initial Production (LRIP) phase in order to continue our Reliability, Availability and Maintainability growth, and a plan to retrofit any Reliability Growth design changes into all the LRIP vehicles prior to fielding at Initial Operational Capability. By comparison, the current MMBOMF for the Up-Armored High Mobility Multipurpose Wheeled Vehicle is 600–1,200. The reduced MMBOMF requirement for the JLTV is still set at a significantly higher performance level than the vehicle it is designed to replace.

The increase in curb weight of approximately 1,000 pounds significantly reduced the estimated cost of the vehicle because it eliminates the need for exotic materials. Even with this increase, both Services will be able to use the JLTV for rotary wing lift operational requirements.

The willingness of the Services to explore what industry could deliver in terms of demonstrated capability, and to adjust requirements and program plans to ensure an affordable and executable program, demonstrates the Services' joint commitment to acquisition reform and affordable programs.

The \$65 million ceiling achieves a more appropriate balance of cost and risk for both Industry and the U.S. Government. This should substantially increase the competition during the EMD phase, further driving savings in production.

Ms. PINGREE. The new JLTV RFP states that, "[i]n EMD Source Selection, no credit will be given for proposed performance above threshold or at objective levels." This sentence was not in the draft RFP dated October 3, 2011, but was inserted into the final RFP. This change provides absolutely no incentive to design a JLTV that is better, lighter, and cheaper than the base requirements. This is a particularly puzzling development when the requirements of the RFP's new acquisition strategy will permit prototypes that weigh substantially more and, in true combat configuration, cost substantially more than the original prototypes which, not too long ago, were rejected by the Services as too heavy and too expensive. Shouldn't our goal be to enhance competition and produce a better, lighter, and cheaper JLTV?

General ODIERNO. The final RFP does explicitly state that during the EMD source selection, proposals will not be given credit for performance above threshold values. However, the EMD selection criteria must be placed into the broader context of the overall acquisition and contracting strategy. The goal in the EMD is to pick up to three of the best vehicle designs to carry forward into the selection for production. The language in question is intended to limit vendor claims about performance, particularly claims that might exceed the approved thresholds for performance, because we are initially depending on paper proposals and design artifacts rather than demonstrated performance at the stage in the selection process. However, where vendors can show meaningful facts and data, their proposals would be evaluated as lower risk to achieve those thresholds.

The program's experience during the last phase showed that vendors claimed a high performance were not able to subsequently demonstrate that performance once they built hardware and began testing. Our criteria for EMD are focused on the maturity of the designs that are being bid, and the ability of those designs to meet at least threshold requirements. We want to avoid giving credit for "proposed performance" claims that vendors are not able to demonstrate during test. However, we do make it clear that the down-select into the Low Rate Initial Product will consider performance beyond the threshold for a number of factors, including reliability, mobility and curb weight. We say that explicitly in the executive summary, so that the vendors understand up-front that we are interested in the very best vehicle they can build within our cost limits.

Based on Technology Development (TD) results, we have adjusted performance requirements and used lessons learned to reduce vehicle costs. The vehicle coming out of the TD phase weighed approximately 24,000 pounds and had an average procurement unit cost of \$475,000. The EMD vehicle should weigh approximately 19,500 pounds and have an average procurement unit cost of \$350,000.

The current JLTV strategy allows for full and open competition and is available to all offerors including vendors such as Ford that have not traditionally participated in the military vehicle marketplace. After extensive feedback from industry and Congress, the Army and the United States Marine Corps agree the current strategy maximizes competition and sets a level playing field among a wide range of no less than six extremely credible vendors.

QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. On February 3rd, the subcommittee for oversight and investigation held a hearing on Arlington National Cemetery and some of the reforms that are ongoing there. Is the Army utilizing best practices from the civilian (cemetery) sector as lessons learned to avoid pitfalls in the future?

Secretary MCHUGH. ANC has developed a mutually-beneficial relationship and works cooperatively to share best practices with the Veteran Administration (VA) National Cemeteries Administration (NCA). This relationship includes sending ANC personnel to the NCA National Training Center in St. Louis to receive training on various aspects of burial operations. We have sent more than 25 personnel to the NCA and private industry training centers (for operating heavy equipment). Recently ANC hosted the VA's Deputy Undersecretary for Memorial Affairs and personnel from the Virtual Lifetime Electronic Record (VLER) Program Management Office (PMO) at a demonstration of our GIS system and discussion of our case management methodology. ANC also formed a working group with NCA to bring together both organizations for continued engagement. During the first meeting, NCA representatives visited ANC to discuss the best sharing practices in the areas of streamlining ordering headstones, chain-of-custody procedures for remains and most effectively leveraging BOSS & ISS to manage cemetery operations.

In addition to these interactions, we are working with American Battle Monument Commission, the National Funeral Directors Association and other private organizations to begin sharing best practices.

Mr. CONAWAY. In the FY2013 President's Budget Highlight paper the Army emphasizes the importance of "The Network" and states that the Network is the Army's foremost investment priority in the 2013 budget. Your budget request includes significant funding for programs of record such as the JTRS Rifleman Radio and the WIN-T program. Can you expand on the importance of the Network Integration Evaluations conducted at Fort Bliss, Texas, and what lessons you have learned that are shaping your investment strategy?

General ODIERNO. Our semi-annual Network Integration Evaluations (NIEs) have a two-fold purpose. The first is to remove the integration burden from the operational units; the second is to provide an operation venue to evaluate new technologies and network capabilities. The Army has learned significant lessons from the NIE in not only how well the individual systems perform, but how to optimize the entire network to harness its power for the Warfighter.

The Army has already reaped substantial benefits from the NIEs, such as informing requirements aligning programs of record, integrating systems prior to deployment, and providing an avenue for industry to bring in mature capabilities for evaluation. Through the NIE process, the Army has successfully brought the operational test, acquisition, and requirements communities together to synchronize and streamline the evaluation and feedback approach, allowing for more useable test data and direct user feedback to acquisition and requirements communities.

For example, by getting WIN-T into the field in NIE 12.1, we were able to identify and correct numerous shortcomings with the system. In one instance, company commanders found receipt of data was slow or spotty when attempting to receive data on the move and it was recommended that more access point be provided throughout the battalion. By getting systems like WIN-T into Soldiers' hands for their feedback we are reducing risk for Initial Operational Test and Evaluation (IOT&E).

Following each NIE, Training and Doctrine Command and the Army Test and Evaluation Command examine capabilities evaluated during the NIEW across Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel and Facilities (DOTMLPF). When completed, this report will form the basis for Army de-

cisions concerning acquisition, as well as identify gaps that can be satisfied with non-materiel solutions.

QUESTIONS SUBMITTED BY MR. OWENS

Mr. OWENS. Secretary McHugh, you propose with this budget to reduce the number of Army Brigade Combat Teams (BCTs) by 8, with two coming from Europe. How far along is the Department in determining which U.S.-based BCTs will be drawn down, and when might your analysis of these decisions be made available to Members of Congress, Commanders at U.S.-based installations and the general public? Will Members or home installations have the opportunity to weigh in before these decisions go into effect?

Secretary MCHUGH. The Army is considering a number of potential options, but no final decisions have been made as to which U.S. based BCTs will be drawn down. An announcement on specific force structure actions is expected sometime before, or in conjunction with, submission of the FY14 President's Budget in early February 2013. Subsequently, the Army will ensure that appropriate information regarding the draw down is timely and effectively communicated to member of Congress.

Mr. OWENS. Secretary McHugh, it should come as no surprise that your request for additional BRAC authorizations has been met with some resistance from Members of Congress, including myself. I do appreciate General Odierno's recent statements that closures of major installations are not in the works, and I believe many of us are willing to work with the Department if there is unused or otherwise excess real-estate on your books. Giving the Department carte blanche to begin a process for closing installations, however, is not something I for one am open to considering. I have concerns not only for major installations here in the U.S., but also for the costs generally associated with a BRAC request. Can you give us a range of the potential costs for a BRAC round, and are there any details available on where the money to pay for such an effort would come from?

Secretary MCHUGH. The costs of a future BRAC are directly related to the recommendations made by DOD and approved by the BRAC Commission. The Army has conducted some preliminary planning however; absent new BRAC authority, no recommendation, specific analysis or cost projections will be completed. The Army supports additional BRAC authority to properly shape existing installation inventory to match our evolving strategic and mission requirements. Absent this authority, the Army may be forced to retain excess installation infrastructure potentially impacting spending on forces, training and modernization.

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. Secretary McHugh, What role does the Army envision the Reserve Component playing under the new strategy and force structure? How does the Army intend to provide the "strong, steady-state force readiness" for the Nation as it rebalances its forces?

Secretary MCHUGH. The DOD Total Force policy is a fundamental premise upon which our Nation's military strategy is accomplished. In support of the new strategy, the Army is planning to use its active and reserve forces as an integrated force for operations and within prescribed goals for frequency of use and duration of involuntary activations of the National Guard and Army Reserve, as established by the Secretary of Defense. In addition, the Army will evaluate the mix of operating and generating force capabilities between the Active Component (AC) and Reserve Component (RC) to support the planning objectives for using the Total Force established by the Secretary of Defense. Within the parameters of global security conditions and combatant commander requirements, the Army will use a common deployment cycle (Army Deployment Period) for named operations to facilitate the integration of AC and RC forces in support of operations.

Mr. WITTMAN. Secretary McHugh and General Odierno, with the downsizing of the Active Duty Army, the Guard and the Reserve force will be in need of combat experienced mid-grade junior officers and NCOs to lead the force through the 21st century. What incentives is the Army utilizing in order to attract and keep our best, brightest, and most experienced Soldiers to the Reserve force as they transition out of the Active Duty Component?

Secretary MCHUGH and General ODIERNO. The United States Army Reserve (USAR) and Army National Guard (ARNG) both have the authority to pay bonuses ranging up to the statutory maximum of \$20,000 for enlisted Soldiers in critical skills that transfer from the Active Army to the Reserve Components. In addition

to cash incentives, some Soldiers also qualify for Student Loan Repayment up to \$50,000 and The Montgomery GI Bill “Kicker” which adds up to \$350 per month to the monthly GI Bill benefit. Active Army officers/Warrant Officers who affiliate with the Reserve Components are eligible for up to \$10,000 when leaving the Active Army.

Active Duty Soldiers must meet with a Reserve Component Career Counselor during transition from Active Duty. The Career Counselor discusses the benefits and opportunities available to continue to serve in the Reserve Component.

Mr. WITTMAN. General Odierno, earlier we talked to the Navy and Marine Corps team about how they plan to become more flexible and agile to execute this new defense strategy focused on the Asia-Pacific and Middle East. How does the Army plan to streamline its capabilities to respond to the threats of the future? Do you see more airborne infantry units? More Army Special Operations Forces? More Ranger Battalions? What are the risks associated with cutting conventional Army land forces when confronted with the strategy you have to execute?

General ODIERNO. The Army will reduce conventional land forces, to reshape and transition, while maintaining the capacity to remain decisive. We will continue to provide the joint force with a scalable, trained, equipped, and ready ground force to meet contingencies and succeed in ongoing conflicts. The Army will preserve the current force disposition in the Pacific, while supporting all geographic combatant commanders’ security cooperation strategies with regionally aligned forces and capabilities. We will shape the environment through engagement, build and maintain global relationships, and increase partner capacity and regional security. The Army can meet the ground force requirements for any of the current war plans in the Pacific region, given continued investment in readiness. However, additional reductions of conventional land forces will create a smaller margin for error to keep sufficient forces prepared to meet requirements. The Army’s regionally aligned forces concept enables PACOM’s theater security cooperation activities and exercises with key and emerging partners. These forces, along with our surge force capacity, are key to deterrence in the Pacific region. They shape the region and advance the security interests of the United States and our allies.

Army Special Operations Forces make up over 50% of the personnel assigned to Special Operations Command (SOCOM). Based on SOCOM and theater combatant commanders’ requirements, we are addressing the anticipated need to increase the mix of special operations forces. Over the past years, the Army has increased the capability of airborne infantry units and ranger battalions. In the future, we will continue to assess and refine the capabilities of these units to improve their ability to execute specialized missions. As a result of the 2006 and 2010 Quadrennial Defense Reviews, the Army Special Operations Forces strength will grow from 32,000 personnel to 35,000 by fiscal year 2015. This will complete the growth of Army Special Operations Forces from 26,000 in 2009. While the majority of the growth is within the five active component Special Forces Groups, all of the United States Army Special Operations Command (USASOC) operational formations either have received or are receiving additional growth in both operational and organic sustainment capabilities. In addition to the Army’s investment in Army specific special operations formations, the Army is also resourcing personnel across the same period into essential joint special operations command and control structures such as theater special operations commands. The recent re-emphasis on the role of special operations forces within the recently published strategic guidance re-confirms the need for this investment.

QUESTION SUBMITTED BY MR. CRITZ

Mr. CRITZ. Last October, I expressed my concern that the replacement vehicle for the Vietnam-era M113, which was terminated in 2007, was not scheduled to enter Low Rate Initial Production until 2016. I asked why the Army could not adopt a “Stryker type acquisition” in which the Army was able to award a contract 13 months after General Shinseki announced the Army’s desire to procure an Interim Armored Vehicle. The Army agreed that replacement of our M-113s should be accelerated. In fact, they stated that they would look to award a replacement vehicle more quickly than the 2016 that was planned at the time. As you also know, the NDAA conference report expressed concerns about the fact that many of the current tracked or wheeled vehicle systems currently in production are scheduled to end before 2016. Furthermore, the conference report expressed its support for AMP-V, stated concerns over the long timelines, and offered suggestions on how to accelerate the program. As such, I was disappointed to learn that the Army budget now doesn’t plan to reach Milestone C and L-RIP until 2017, a full year later than was proposed

last October. So my questions are: 1. Does the Army plan to replace the M113 in the Heavy Brigade Combat Team with a variant of a vehicle that is already currently in the Army inventory? 2. Last fall, I saw prototypes for both the MEDEVAC vehicle and the mortar carrier at AUSA; why can't the Army adopt a Stryker type acquisition model where the Army calls for all candidate vehicles, tests and evaluates them, and awards a contract by 2014?

Secretary MCHUGH and General ODIERNO. The Army plans to replace the M113 with the AMPV in the HBCT. However, it has yet to be determined whether the vehicle will be a variant of a vehicle currently in the Army inventory. The acquisition model used during the Stryker program was conducted prior to the STET implementation of the Weapon Systems Acquisition Reform Act of 2009 (WSARA). STET WSARA the Army is currently conducting an Analysis of Alternatives (AoA) for this Major Defense Acquisition Program (MDAP). The Army is considering both modified and unmodified versions of vehicles that are currently in inventory as part of the AoA.

MDAPs are now also required to go through a Materiel Development Decision, which initiates the AoA and completion of the Materiel Solution Analysis phase before consideration of an entry into the milestone process. WSARA also gave the Joint Requirements Oversight Council (JROC) the responsibility to ensure that consideration of trade-offs among cost, schedule, and performance objectives are conducted for joint military requirements, in consultation with the Under Secretary of Defense (Comptroller), the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Director of Cost Assessment and Program Evaluation (CAPE). The results of these assessments cannot be completed until CAPE has certified the AoA results.

QUESTION SUBMITTED BY MR. SCHILLING

Mr. SCHILLING. Secretary McHugh, I wrote a letter along with Congressman Loeb sack to the Installation Command (IMCOM) asking for information about positions that were to be cut at the Rock Island Arsenal Garrison. This letter has not yet been answered and the Garrison is now facing not only a loss of institutional memory by those in senior positions retiring, but also the ability to make sure that the knowledge and capability cannot be passed on before those retirements because of a hiring freeze.

Secretary MCHUGH. Can you clarify when IMCOM will come to a final decision on the position reductions at all facilities within the Army and specifically at Rock Island Arsenal?

The IMCOM-wide force structure program review conducted January and February, 2012, rebalanced civilian resources across several IMCOM Garrisons, to include Rock Island Arsenal. As a result, the Rock Island Arsenal garrison received an additional 23 civilian OMA Direct-funded authorizations for a total of 258 authorizations. The rebalance right-sized the garrisons to support mission critical/mission essential tasks through FY2015 and will serve as the baseline.

IMCOM Garrison Commanders are taking necessary actions to reshape and rebalance their civilian workforce to meet their civilian Operations and Maintenance; Army (OMA) authorized end-strength levels while mitigating adverse impact on the workforce and the accomplishment of the Garrison's mission.

QUESTIONS SUBMITTED BY MR. RUPPERSBERGER

Mr. RUPPERSBERGER. Mr. Secretary, the 2-star general that commanded RDECOM recently retired and was replaced with the civilian level equivalent. What was the rationale for this decision?

Secretary MCHUGH. The Army leadership made the decision to turn over the U.S. Army Research, Development and Engineering Command to a civilian to enhance the continuity and stability of the organization and its workforce. A Senior Executive Service employee, Dale E. Ormond, succeeded Major General Nick Justice, the Commanding General, as RDECOM's director on February 10, 2012.

General officers were routinely assigned to RDECOM for one to two years. Such short tour lengths were not conducive for effecting the kind of enduring changes that could potentially benefit the Command. The leadership decision was also based on the Army's recognition of a need for a developmental process to groom leaders to direct this technically complex R&D organization. Previously, commanders came from various backgrounds like Acquisition or Infantry. Continuity and stability are critical to the transformation and adaptation of RDECOM's mission and to gain effi-

ciencies. The Army leadership decided that a civilian director at the helm of RDECOM at this time would greatly aid in that effort.

Mr. RUPPERSBERGER. As you are aware, the GAO has found that the escrow account set up for Enhanced Use Leases is in violation of Section 2667 of Title 10 and the funds received from these EULs must be deposited into an account at the Treasury. It is my understanding that the funds in this account will be distributed at your discretion. Will these funds be used to augment the yearly funding that bases would receive or will it be distributed in addition to the yearly amount?

Secretary MCHUGH. According to 10 USC 2667(e)(1), the Secretary shall deposit lease proceeds in a special account in the Treasury and such proceeds shall be available to the Secretary for the following: (i) Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities; (ii) Construction or acquisition of new facilities; (iii) Lease of facilities; (iv) Payment of utility services; (v) Real property maintenance services. At least 50 percent of the proceeds deposited in the special account established for the Secretary concerned shall be available for the activities described above only at the military installation or Defense Agency locations where the proceeds were derived.

QUESTIONS SUBMITTED BY MR. RUNYAN

Mr. RUNYAN. Mr. Secretary, I see that as part of this year's budget, you have submitted a request for approval to enter a second multiyear contract for the H-47 Chinook helicopter. Since you've been using a multiyear for Chinooks for the past 5 years and I understand that one will expire this year, what have you seen as the biggest benefits for you and the taxpayer of having this authority that has led you to request a second multiyear contract?

Secretary MCHUGH. The biggest benefit from the multi-year contract was the realized savings of: \$449 million on the base contract for 181 CH-47F aircraft for Fiscal Year 2008-2012. This firm fixed price multi-year contract has executed on cost and delivered on schedule. In addition to the base contract savings, the program office procured 34 option aircraft for an additional \$86 million in savings. The second requested multi-year contract is projected to yield 10 percent savings, or \$373 million.

Mr. RUNYAN. Mr. Secretary, the Army's use of dedicated airborne tactical ISR systems to maintain intelligence overmatch for counter-IED and counterinsurgency missions has been and continues to be vitally important to core BCT operational success. Have you resolved yet with the Air Force leadership, in your interdepartmental deliberations on roles and missions to maintain this critical capability within the Army? If so, what is the role of the Enhanced Medium Altitude Reconnaissance and Surveillance System (EMARSS) program of record in support of your strategy in this area?

Secretary MCHUGH. The Army agrees that dedicated airborne tactical ISR systems are critical to support IED and counterinsurgency mission. The Army has not yet resolved with the Air Force the roles and mission to maintain this capability and meet requirements. While the EMANSD program was terminated due to affordability, the Army must continue to assess other options and potential investment strategy to meet critical requirement.

Mr. RUNYAN. Mr. Secretary, is the Armed Aerial Scout program an Army priority? Can you discuss the way ahead for an evaluation of the different capabilities available from industry?

Secretary MCHUGH. The Armed Aerial Scout (AAS) remains a top equipping modernization priority for the Army. The Army's current armed scout helicopter, the OH-58D Kiowa Warrior is more than forty years old and has been modified extensively over its lifetime. The OH-58D is underpowered and becoming increasingly obsolete and difficult to upgrade, modify or modernize.

In July 2009, the Defense Acquisition Executive (DAE) directed the Army to conduct an Analysis of Alternatives (AoA) to meet AAS capabilities requirements. Initial efforts for the AoA began in October 2009. Phase I determined that Manned-Unmanned Team alternatives best filled the capability requirements for the AAS capability. The Phase II AoA includes further analysis that refines alternatives to inform competitive prototyping efforts. The results from Phase II of the AoA are expected to be released in the second quarter of Fiscal Year 2012 and will inform the way ahead for evaluating capabilities available from industry.

Mr. RUNYAN. General Odierno, for a number of years members of this committee have heard from Army leaders and soldiers that they need lighter-weight body armor. During testimony last year I was told that the Army was pursuing lighter-weight body armor. I asked what steps are being taken to both reduce the weight of body armor and to develop products that better fit female soldiers. In my recent

conversations with industry I am told that the Army, despite years of talking about it, still has no requirement for either lighter-weight body armor or for armor that better fits female soldiers. I was also told that the military is entering into a long-term contract that has no incentive for lighter-weight body armor. Why is there no requirement for either lighter-weight body armor or armor tailored to female soldiers? Is this just inertia or is there a regulatory or legal obstacle? Who is responsible for the decision not to incentivize industry to develop lighter-weight body armor?

General ODIERNO. The Army has been successful in providing better fit body armor for females as well as incrementally lightening the weight of body armor. Further, we have experienced no legal or regulatory obstacles to pursuing the best body armor for our Soldiers. Finally, the Army has taken steps to encourage vendors to develop lighter body armor.

From May 2009—April 2010, the Army conducted an anthropometric fit and sizing study of 200 female Soldiers that confirmed the extent and quality of the body armor fit issues and their adverse impact. To correct the issues found in that study, the Army made improvements to the Generation (GEN) II Improved Outer Tactical Vest (IOTV), fielded in June 2010. The GEN II IOTV answered most of the concerns that were raised by female Soldiers in 2009, including better adjustability in the shoulders and hips, to better fit all Soldiers. The Army is also procuring narrower side plates which enable smaller Soldiers, including many females, to get a better fit.

The Army also motivates vendors, through the contracting process, to lighten the weight of body armor. The Army also achieved success in reducing the weight of the soft armor used in the GEN III IOTV while retaining the improved fit for female Soldiers. The most recent procurement in Fiscal Year 2011 (FY11) resulted in achieving a reduction of 0.5 pounds (9 percent weight reduction). All Personal Protection Equipment currently under solicitation and in production requires a weight reduction from previous versions.

In addition to the body armor, we are also addressing the weight of the combat helmet. The specification for the Advanced Combat Helmet, recently released to Defense Logistics Agency—Troop Support (DLA-TS), requires a weight reduction of 4 ounces (8 percent weight reduction).

The Army is committed to reducing the weight of body armor and providing increased comfort for all Soldiers, and we are pushing the limits of technology to do so while still providing excellent protection. The Army is taking a deliberate holistic approach to evaluating the requirements for Soldier Protection. The future for Soldier Protection is detailed in the Soldier Protection System (SPS) Capability Development Document (CDD). The SPS CDD provides requirements for the protection of the entire Soldier, from head to toe, and strives to reduce weight in all areas. This document is currently being staffed at Headquarters, Department of the Army, and is expected to be approved in early FY13. The Army awards contracts based on best value and puts cost as the least important criteria for new body armor. For DLA-TS sustainment contracts, the vendors must meet the performance specifications which include specific weight limitations.

Mr. RUNYAN. General Odierno, I believe the Army could keep this committee informed about military body armor—specifically small arms protective inserts (ESAPI), the hard body armor worn by our soldiers. For many years this committee has held hearings and legislated on body armor, yet despite our years of interest, I was recently informed by industry that the Army has a new requirement for body armor. Specifically I am told that the Army has determined that the product description for ESAPI was changed and a new threat round was added to the package of threats that ESAPI must defeat. I have also heard from industry that some of the manufacturers who have produced ESAPI do not have a solution for the new threat and that their previous ESAPI does not reliably stop the new threat. These are manufacturers who have fulfilled a significant part of the ESAPI requirement over the years. Interestingly, I understand that the Army, for what appears to be convenience, has decided not to change the name of ESAPI, the national stock number, or the color of the product. If there is a new threat and the Army is adopting to the realities of the battlefield I applaud you. My concern is that if this threat is real, how do we ensure that every soldier gets the ESAPI that stops the threats that the Army has identified on the battlefield and how long will it be before every soldier gets the new body armor? Also, do you have any concerns that a soldier may not get the best body armor because the supply sergeant is unable to tell the two ESAPIs apart?

General ODIERNO. The Army has great confidence that currently fielded ESAPI plates protect Soldiers against small arms projectile threats on the battlefield. To our knowledge, the Interceptor Body Armor has never failed to stop a small arms

ballistic threat for which it was designed. The Army made the decision to update the small arms threat baseline to the current ESAPI performance specification because it gives us the opportunity to test against a round that is in U.S. inventory. This specification will better protect our Soldiers from fratricide, accidental discharges, and enemy capture of U.S. and similar NATO ammunition. Stopping the additional bullet in the threat baseline could stop a future enemy bullet of similar size and velocity. The name, stock number, and color are unchanged because most ESAPI plates currently in inventory and all ESAPI plates currently in production already stop the additional threat. Those in inventory that do not stop it are identified by visual inspection of the manufacturer and lot number during routine scanning before deployment and during mid-tour leave and set apart for training use only. We anticipate that all plates in theater will conform to the new standard by the 1st Quarter of Fiscal Year 2013.

Mr. RUNYAN. General Odierno, as you may know I serve on this Committee and the Veterans Affairs Committee and I am concerned about the number of injuries caused by soldiers carrying heavy loads in combat. These heavy loads are injuring large number of soldiers at immeasurable human cost as well as a significant financial cost that will be borne by the Veterans Administration for generations as these people receive the care they deserve. I understand that the Army has made efforts to reduce the total load carried in combat, however I am concerned that the Army does not have an integrated approach to reducing the weight carried by soldiers. As an example, there is still no formal requirement for lighter-weight body armor. I am also told that the weight of body armor is increasing because manufacturers are using heavier, less expensive materials because of the military's decision to award contracts based on lowest cost. Who made the decision to use low-bid contracting for body armor and in doing so did they include both the human cost as well as the long-term financial cost? If these factors were not included in the decision, why not?

General ODIERNO. The Army does not base awards for new body armor on lowest cost, nor do they include 'human cost' as a criterion. These contract awards are based on best value and puts cost as the least important criteria. Once body armor is in sustainment, the Defense Logistics Agency requires vendors to meet the performance specifications which include specific weight limitations.

The Army is committed to reducing the weight of body armor and providing increased comfort for all Soldiers. We are pushing the limits of technology to do so while still providing excellent protection.

From May 2009–April 2010, the Army conducted an anthropometric fit and sizing study of 200 female Soldiers that confirmed the extent and quality of the body armor fit issues and their adverse impact. To correct the issues found in that study, the Army made improvements to the Generation (GEN) II Improved Outer Tactical Vest (IOTV), fielded in June 2010. The GEN II IOTV answered most of the concerns that were raised by female Soldiers in 2009, including better adjustability in the shoulders and hips, to better fit all Soldiers. The Army is also procuring narrower side plates which enable smaller Soldiers, including many females, to get a better fit.

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QUESTION SUBMITTED BY MR. SCOTT

Mr. SCOTT. How would you describe the relationship between the U.S. Army and the Republic of China Army? What impact does the ban on U.S. general officers visiting Taiwan have on enhancing and building upon this relationship?

General ODIERNO. The U.S. Army and Taiwan Army currently enjoy a strong, stable, and mutually beneficial relationship. Within the long-standing constraints of this relationship, our two sides have managed to develop a wide array of security cooperation programs. The Taiwan Army's acquisition of AH-64 Apache helicopters and the establishment of a pilot training detachment in the United States is one of our most recent and noticeable successes. Taiwan's soldiers are also offered many other training opportunities at U.S. Army training institutions, including the U.S. Military Academy, the Army War College, and nearly every functional training center. The U.S. Army, Pacific, cooperates with the Taiwan Army to execute a series of annual military-to-military exchanges to share professional insights, tactics, techniques and procedures of mutual benefit. Despite the ban on U.S. general officers visiting Taiwan, we manage to maintain strong ties with Taiwan Army senior leaders and take maximum advantage of every Taiwan Army general officer visit to the U.S.

QUESTION SUBMITTED BY MR. PALAZZO

Mr. PALAZZO. Secretary McHugh, on January 5, the Secretary of Defense issued a new strategic plan entitled, "Sustaining Global Leadership: Priorities for a 21st Century Defense." Several missions listed seem perfectly tailored for our National Guard and Reserve forces.

Could you please explain what role DOD's total force policy will play in implementing this new strategic policy?

Do you think the Army budget submission reflects a true total force policy?

Secretary MCHUGH. The DOD Total Force policy is a fundamental premise upon which our Nation's military strategy is accomplished. The Army will use its active and reserve forces as an integrated force to support the Total Force Policy and New Strategy.

The Army's FY13 budget submission maintains a robust Reserve Component end strength with proportionally fewer cuts than that of the active component.

QUESTIONS SUBMITTED BY MRS. ROBY

Mrs. ROBY. Due to the need for reduction of forces in the Army, what will the Department of Army do to ensure as General Dempsey pointed out in his testimony earlier this week as need to "help our veterans find education opportunities, meaningful employment, and first class health care." He continued by saying that this is not "exclusive responsibility of the Services or veterans organizations."

What is the plan of the Army in both internally and across other Federal agencies to ensure that military personnel transitioning out of the military are equipped with the necessary training and education to obtain employment? I am particularly concerned since the unemployment rate for young Iraq and Afghanistan veterans is 22% and for wounded veterans is 41%.

Secretary MCHUGH and General ODIERNO. The mandates of the Veterans Opportunity to Work Act of 2011 (or VOW Act) and the Presidential Task Force on Veteran Employment Initiatives which mandated the Transition Assistance Program (TAP) for all separating Soldiers will nearly triple the throughput of Soldiers in Army Career and Alumni Program (ACAP). As such, we are looking internal to the Army and Department of Defense for the funds to support this effort. The Army is currently in the Budgetary Review Process to identify the resources requirements needed to implement a new transitions training and services delivery model. The training and support provided to transitioning Soldiers will ensure Army Veterans are "career or education ready" prior to leaving active duty and that they have the skills they need and deserve when they return to civilian life.

In order to meet the increased Soldier throughput and fulfill the VOW requirements, ACAP is addressing the situation from three avenues of approach. First, we will reinforce our existing infrastructure. We currently have 54 ACAP centers with 200 counselors with a plan to increase the number counselors. Workload requirements dictate a need for several hundred counselors; however, leadership involvement and virtual usage will reduce that requirement.

Next, we will utilize Forward/Mobile Transition Support Teams positioned away from Army installations to support Soldiers and units that are geographically dis-

persed. Half of the transitioning Army force completes their transition away from an installation. Lastly, we have already stood up the virtual ACAP center with a 24/7 call center where Soldiers may contact a certified transition counselor anytime from anywhere. Transition preparation can also take place in a virtual room where Soldiers may access online classes that are the same as the training at a physical ACAP center.

Mrs. ROBY. How will this budget impact the need to modernize our current rotary wing fleet as well as the need to develop the next generation of rotary wing?

Secretary McHUGH and General ODIERNO. The Fiscal Year 2013 President Budget (PB) (Base and Overseas Contingency Operations funding requests) requests \$7.5B in Army Aviation and supports continued modernization of Army Aviation fleets. For example, the PB13 request procures 40 remanufactured and 10 new AH-64D Block III aircraft, 16 new OH-58D aircraft, 25 new CH-47F aircraft and 19 new CH-47F airframes with limited recap components, 35 new UH-60M and 24 new HH-60M aircraft. The procurement and recap programs will facilitate rotary wing modernization within the Army, but necessary fiscal constraints decrease our production plan and hence fielding by three to five years in the long term by reducing quantities in the near term. Additionally, we have accepted some operational risk since the reduced modernization rate will not afford us the ability to make-up for pre-existing fleet shortages for some time to come.

