

[H.A.S.C. No. 113-41]

**THE READINESS POSTURE OF THE
U.S. NAVY AND THE U.S. MARINE CORPS**

HEARING

BEFORE THE

SUBCOMMITTEE ON READINESS

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

HEARING HELD

APRIL 26, 2013



U.S. GOVERNMENT PRINTING OFFICE

80-770

WASHINGTON : 2013

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**THE READINESS POSTURE OF THE U.S. NAVY AND THE
U.S. MARINE CORPS**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
Washington, DC, Friday, April 26, 2013.

The subcommittee met, pursuant to call, at 8:00 a.m., in room 2118, Rayburn House Office Building, Hon. Robert J. Wittman (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. WITTMAN. Welcome to the Readiness Subcommittee.

Today's hearing, "The Readiness Posture of the U.S. Navy and U.S. Marine Corps," is the subject before us.

I want to welcome you to this morning's hearing. I would like to thank our witnesses for being here to address the readiness posture of the Navy and the Marine Corps in light of the fiscal year 2014 budget submission and deeply concerning current fiscal year shortfalls.

Joining us today are Vice Admiral Bill Burke, the Deputy Chief of Naval Operations Warfare Systems, N9; Vice Admiral Phil Cullom, the Deputy Chief of Naval Operations for Fleet Readiness and Logistics, N4; Lieutenant General Richard Tryon, the Deputy Commandant for Plans, Policies and Operations; and Lieutenant General William Faulkner, the Deputy Commandant for Installations and Logistics.

Gentlemen, thank you all very much for being here.

Admiral Burke, thank you for your 40 years of service to the Navy and to our Nation. We are delighted to have the opportunity to garner your insights at your final hearing before this subcommittee. Again, thank you so much. I understand your son is here today, so the Burke family Navy legacy will continue. We wish, obviously, you the best as you move onto your next endeavor. Thanks again for your service.

As we review this budget request, we cannot lose sight of the impacts on readiness and implication for operational missions. We are quickly compromising the readiness of our force, and it is our duty and commitment to ensure that we provide the resources necessary to support our warfighters and to protect our Nation, particularly in light of the fact that our forces have been operating at a very high operational tempo over the past 10 years.

We are experiencing the very real effects of the budget on a daily basis. Despite the fiscal year 2013 appropriation, the Navy still

faces a \$4.5 billion shortfall in its fiscal year 2013 O&M [Operations and Maintenance] accounts. This further exacerbates unanticipated bills resulting from rising fuel costs. So you see all those cost challenges coming to bear at one time, which makes things, as I said, even more complicated.

In February of this year, the Navy deferred the deployment of the USS *Truman* to the Gulf and reduced its carrier presence to 1.0. Additionally, in March, an additional five deployments were canceled and the “next to deploy” forces are being affected. For example, we see a reduction in two carrier air wings to the tactical hard deck, which is the minimum level of training required to maintain basic air proficiency and the ability to safely operate the aircraft. By making the near-term decisions in light of fiscal constraints, the Navy will soon begin to see the impacts on units beyond those that are next to deploy.

As maintenance availabilities get reduced or outright canceled the Navy will be challenged to reconstitute the requirement in the very near future due to the lack of capacity at shipyards. Ultimately, this results in significantly shorter life for the assets, particularly when coupled with the impacts of the sustained surge in recent years, which has taxed both the equipment and personnel at rates significantly higher than anticipated. Add to this mix the tenuous progress the Navy has made to reverse degraded surface fleet readiness trends, and I am deeply concerned about losing the momentum we have achieved to preserve the readiness of our naval force.

In particular, I have strong concerns about the readiness of the fleet as it relates to the total number of ships projected in the inventory. Any proposal to retire assets earlier than the end of their expected service lives will increase the strain and degrade the readiness of the remaining force. It is apparent, by the updated Navy 30-year shipbuilding plan, that there are deficits in the very near future. The dichotomy is that you will lose capacity, but it is not apparent how the Navy intends to replace it.

Despite slow improvements in Marine Corps readiness levels, the force structure continues to downsize to a total of 182,000 marines, facing a nearly \$1 billion cut as a result of sequestration. In light of the fiscal situation, the Marine Corps will undoubtedly be challenged to meet global commitments, to reconstitute the force and to sustain high operational tempo. The strains will likely be further compounded by the need to support new important missions, like the forward deployment of a special MAGTF [Marine Air-Ground Task Force] in Spain to support AFRICOM [U.S. Africa Command] and the expansion of critical legacy missions, like the Marine Security Guard Program slated to grow to protect an increasing number of embassies in high-risk areas around the globe.

During my recent visit to Afghanistan, it became readily apparent that we have very near-term retrograde and reset issues associated with battle worn equipment. I witnessed thousands of containers, hundreds of vehicles and millions of individual items awaiting shipment home to units that desperately need them, all items at risk as transportation costs continue to rise and budgets continue to shrink.

In addition to the service specific issues, one of my foremost concerns is consideration for the civilian workforce and the impacts on the depots and the skills that could be lost in the industrial base.

Make no mistake, the impact of the readiness of the force is real, and it is occurring today. During this hearing, I would ask that you share your perspective on this and help us to answer some basic questions. How do you define "readiness," and ready for what, and will the forces be ready in both fiscal year 2013 and fiscal year 2014. In the absence of the OCO [Overseas Contingency Operation] budget for consideration before the Congress at this time, can you please describe the impact of OCO funding on your ability to provide ready and trained forces, and how will you sustain that in the long run as OCO funds begin to diminish? Please address also the actions that you are taking for the rebalance to the Pacific and what it means for both the Navy and Marine Corps and your ability to meet global force management allocation plans.

I have every expectation that you will continue to seek options to mitigate the long-term consequences and ensure we don't create a hollow force. That said, I strongly believe that our long-term naval and Marine Corps strategies cannot be articulated until the budgetary pressures get resolved. I am deeply concerned that we are on the brink of the Department making near-term decisions that could potentially mortgage future force readiness, and it is imperative for us to work together to avert that outcome.

With that, I would like to wish a warm welcome to my partner on the Readiness Subcommittee, our ranking member, Ms. Madeleine Bordallo, and I am truly honored to have such a distinguished ranking member working with me as we review these weighty issues.

Ms. Bordallo.

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

STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Ms. BORDALLO. Thank you very much, Mr. Chairman, for those kind words.

And I would like to also welcome our witnesses this morning, Admiral Burke and, of course, your son, Lieutenant Burke, who may be in your chair in the future sometime; Admiral Cullom; Generals Faulkner and Tryon. Thank you for your service to our great country and testimony this morning.

I have appreciated getting the chance to meet and talk with you over the past years, so, Admiral Burke, I understand that this may be the last time you testify before this subcommittee, and I know you will be retiring soon, and we greatly appreciate your service to our Nation and testimony before this committee. Some of us here even remember when you were a mere lieutenant commander in the House Liaison Office downstairs.

This is our final in a series of hearings that will dive into some level of detail about the readiness issues facing each of the Services. Today we will explore the readiness challenges of the Navy and the Marine Corps.

The Navy and Marine Corps are critical to meeting the DOD's strategic guidance released in 2011. In particular, the Navy and Marine Corps play a central role in the rebalance to the Asia-Pacific region. We on Guam understand the importance of this shift better than anyone, especially with the realignment of marines from Okinawa to Guam, as well as the deployment of additional Navy assets to the island. Additionally, the air-sea battle concept makes the capabilities that the Navy and the Marine Corps bring to the table even that more important.

However, we are asking this in light of shrinking budgets and sequestration. I hope that our witnesses will broadly address how the Navy and the Marine Corps are balancing the need to support the strategic guidance in light of the impacts of sequestration. If sequestration is allowed to continue, something I very much oppose and believe we can avoid, what is the impact to meeting our strategic objectives from the Navy and Marine Corps' perspective?

The Navy has revised its objective of retaining a fleet of 313 ships down to a fleet of 298 ships. Given this information, it will be even more important for the Navy to sufficiently maintain and repair its current fleet of ships. Yet the fiscal year 2014 budget shows nearly \$1.3 billion in deferred maintenance, and the proposed budget for repairs is decreased by about 20 percent below fiscal year 2013 levels. Now, how is the Navy going to properly maintain its fleet with its current operational tempo and in light of a previous history of poor maintenance reports?

I also hope that our witnesses can discuss the impact of how deferring maintenance now saves money in the short term but ends up costing more in the long term and the financial implications of retaining our current fleet size. Further, I am also concerned that with current budget constraints, there is an increasing emphasis on repairing and overhauling ships in foreign shipyards. I need our witnesses to clearly indicate how the Navy will continue to adhere to the intent of Section 7310 and continue to repair and overhaul U.S. Navy ships to the maximum extent practical in U.S. shipyards.

I also hope that our witnesses from both the Navy and the Marine Corps can comment on the impact of sequestration on the training and flying hours that are available for their aviation components. We have seen a drastic reduction in flying hours in the Air Force for nondeployed units. Are there similar cutbacks in the Navy or Marine Corps, and what is the impact on readiness? What risks are associated with any reduction in flying hours?

I am also pleased to see plans to resume the Unit Deployment Program in the Pacific region. The UDP [Unit Deployment Program] plays a critical role in ensuring that we have a robust, resilient and distributed posture for marines in the region. I hope our witnesses can comment on what, if any, impact sequestration would have on the UDP program.

Finally, as our chairman, Mr. Wittman, mentioned, he and I just got back from Afghanistan and appreciated the chance to meet with service members while in theater. We spent some significant time on retrograde and reset issues, and I hope our witnesses will discuss how much equipment is currently in theater and challenges that will occur with reset as a result of sequestration.

Again, I very much look forward to the witnesses' testimony.
Thank you again, Mr. Chairman.

Mr. WITTMAN. Thank you, Ranking Member Bordallo.

Gentleman, we will go now to your testimony. I would ask that you stick to the 5-minute limit on your opening remarks. Your written comments will be entered into the record, so we will make sure any details that you may miss in your opening statement do get captured for the record. Make sure, too, that you push the little buttons on your microphones there in front of you, so we can all make sure that we hear you clearly and that your remarks get recorded.

So, with that, Vice Admiral Burke, we begin with you.

**STATEMENT OF VADM WILLIAM R. BURKE, USN, DEPUTY
CHIEF OF NAVAL OPERATIONS WARFARE SYSTEMS (N9), U.S.
NAVY**

Admiral BURKE. Thank you, Mr. Chairman, Congresswoman Bordallo, and distinguished members of the House Armed Services Committee on Readiness. It is my honor to appear before you to testify on the readiness of our Navy, our readiness plan for fiscal year 2014 and the outlook for the readiness of the force.

Just over a year ago, I was appointed the first Deputy Chief of Naval Operations for Warfare Systems, N9. In this role I am responsible to the CNO [Chief of Naval Operations] to look after the wholeness of our platforms through their requirements and budgetary processing within the Navy staff.

Our Navy resources continue to be pressurized with the increasing costs to sustain our force, man our fleet with high-quality sailors, and improve our capability to pace the growing and complex global threat. As a result of the sequestration of fiscal year 2013 funds and the Appropriations Act of 2013, Navy has a shortfall in operations and maintenance accounts, as you mentioned, of over \$4 billion, which is approximately 10 percent of the planned amount for the fiscal year. This has forced some hard choices, and some of our fleet accounts have been impacted.

The Navy's decisions reflected a commitment to the readiness of our deployed forces, our obligations to the combatant commanders, and our future readiness. Navy recommended changes to the fiscal year 2013 Global Force Management Allocation Plan, or GFMAP, including canceling deployments in the Pacific, to Europe and to South America and reducing our flying hours and steaming dates for nondeploying units.

Materially, we reduced intermediate ship level maintenance and deferred eight surface ship maintenance availabilities and reduced the scope of one availability. We plan to eliminate these deferrals with the fiscal year 2014 request and our fiscal year 2013 reprogramming authorities.

Our PB 14 [President's Budget for Fiscal Year 2014] budget ensures sufficient forces and readiness to provide forward presence to satisfy our fiscal year 2014 GFMAP [Global Force Management Allocation Plan] requirements. However, the impact of fiscal year 2013's reduced fleet operations and maintenance will be less surge capacity. All our forces deploying in 2013 and 2014, including two carrier strike groups and two amphibious ready groups, will be

fully mission capable and certified for major combat operations. We will also retain one additional carrier strike group and amphibious ready group in the United States that are fully mission capable, certified for major combat operations, and available to surge within 1 to 2 weeks. But due to reduced training and maintenance, almost all of our other nondeployed ships and aviation squadrons will be less than fully mission capable and not certified for major combat operations. That is about two-thirds of the fleet.

Despite the fiscal challenges we incurred in fiscal year 2013, our Navy advanced our readiness in critical areas. One such area was mine countermeasures capability. Through focused investment over the past 18 months, the mission readiness of our MCM-1 class [*Avenger* class Mine Countermeasures] ships has doubled; the clearance code time of our MH-53 [*Sea Dragon* Airborne Mine Countermeasures] helicopters has tripled, with an accompanying 28-percent increase in operational availability. We improved legacy-minded identification and clearance traits through rapid fielding of Seafox and MK 18 unmanned underwater vehicles.

We have also begun to focus a period of investment in our surface fleet. As our Nation's conflicts wind down, the Navy is using this time to begin an 8-year reset, that will allow our surface fleet to undergo deep maintenance and modernization foregone as a result of the decade-long conflict. These reset efforts will help the fleet sustain these ships through their estimated service life, a fundamental assumption of our long-term force structure.

We estimate this initiative will increase our depot maintenance requirements by close to \$2 billion over that time period. However, by making this investment, we will buy back 5 to 10 years on each of our hulls, increasing our fleet's life by a cumulative 450 ship years.

We appreciate the support Congress has shown the Navy, including continued approval of our Overseas Contingency Operations request. As we look forward to the future, we must be aware that \$3 billion of our fiscal year 2014 OCO request is funding enduring requirements for an operational tempo and rotational force structure that will remain after our forces have withdrawn from Afghanistan. As we work together in the future, we will need to address this baseline shortfall to prevent the Navy from sacrificing investment in our future force structure to fund the readiness needs of our current fleet.

Thank you, and I look forward to your questions.

[The joint prepared statement of Admiral Burke and Admiral Cullom can be found in the Appendix on page 44.]

Mr. WITTMAN. Thank you, Vice Admiral Burke.

Vice Admiral Cullom.

STATEMENT OF VADM PHILIP HART CULLOM, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR FLEET READINESS AND LOGISTICS (N4), U.S. NAVY

Admiral CULLOM. Chairman Wittman, Ranking Member Bordallo, and distinguished members of the House Armed Services Subcommittee on Readiness, it is my honor to join Admiral Burke and my Marine Corps counterparts, Generals Tryon and Faulkner, today to testify on Navy readiness.

In my position, I am accountable to the CNO to work across the entire Navy enterprise to provide an objective, holistic view of fleet readiness and logistics that assesses our ability to support planned capability, presence and operational requirements. Particularly over the long term, this must reflect the strong interrelationship between personnel, equipment, supply, training, ordnance, and facilities and their collective contribution to support the mission.

Our budget request strikes the most effective balance across these combat enablers and directly aligns with CNO's three tenets of "Warfighting First, Operate Forward, and Be Ready."

Today I would like to highlight a few areas that are especially relevant, given our current operating environment and fiscal climate. These include our operational tempo, what it takes to meet that pace, and the additional focus we must have on our sailors and families, fleet training, and energy security, to be successful.

Over the course of the past decade, we have been operating at a wartime pace with roughly half of our force at sea at any given point in time. In 2013, our carrier strike groups and amphibious readiness groups will deploy for 7 to 8 months, with several deploying in excess of 9 months due to emergent maintenance requirements or additional combatant commander requests for forces. Over the same decade, we have increased force presence 20 percent by surging our surge capacity and stationing roughly 6 percent more of the fleet forward, all with a force that has decreased in size by 10 percent.

The underlying requirements are driven by a level of activity unlikely to abate with the ongoing defense rebalance to the Pacific, especially given the maritime nature of this theater and our ongoing presence requirements in Southwest Asia.

The good news is that we continue to meet the demand, but it comes at the expense of stress to the force, both in terms of the impact upon sailors and their families and maintenance of the fleet.

Taking care of our people is at the heart of maintaining a strong Navy. This budget request provides steady funding for warfighter and family readiness programs, like child development centers, fleet and family support centers, sexual assault prevention, and services for wounded warriors and exceptional family members. In addition, the budget is on track to meet established goals to improve the quality of bachelor and family housing. Our sailors can then go into harm's way knowing all is well on the home front and that they will be cared for upon their return.

Another tool in our arsenal to mitigate stress on the force is our investment on shore infrastructure to give our sailors what they need to do their jobs. We continue to prioritize our sustainment, restoration, and modernization funding to target facilities that directly support operations, such as airfields, hangars, piers, and barracks. The budget includes the investment of \$425 million in our public shipyards, fleet readiness centers, and Marine Corps depots. This level ensures the adherence for the 6-percent investment in these key resources required by the 2012 National Defense Authorization Act.

To support a ready Navy, it is imperative we provide our warfighters with robust quality training before they serve at the tip of the spear. The budget includes sustained investments in key

training capabilities, including fleet synthetic training. To further improve undersea warfare readiness, it also increases funding for the diesel electric submarine initiative and continues development of the shallow water training range. Continued procurement of high-speed maneuverable surface targets provides realistic live fire training at sea for operator proficiency.

We must ensure our training investments are not compromised to the detriment of our warfighters. Encroachment to key training sites, both physical and electromagnetic, can occur both ashore and at sea. If not controlled, it threatens our ability to train and operate and can adversely impact our national security. Over the course of the past year, we have learned that encroachment can include adjacent development, ocean observing systems, or economic expansion. Increased awareness and continued interagency cooperation are central to maintaining our national security.

Energy fuel and how we power our ships have always been vital issues for the United States Navy. As we have seen during previous maritime conflicts and our current ground war, potential adversaries see energy as a vulnerability and have demonstrated a resolve and ability to exploit it. Our Navy energy program is focused on foreclosing these efforts by reducing the magnitude of our energy reliance and usage. Our goal is to be more Spartan and judicious in what we use and thereby gain greater agility, endurance, and flexibility in conducting our missions at sea, in the air, and on land.

This is facilitated by new technology, but it is equally reliant upon a change in mindset and culture. This combination will permit us to stay on station longer, decrease the frequency of replenishments, and reduce our vulnerability to an adversary's asymmetric attempt to use energy as a weapon. Our smarter use of energy will make us better warfighters.

Together with the United States Marine Corps, the Navy continues to be our Nation's away team, and we must remain steady and capable to protect our Nation's security. Our sailors represent the highest quality, most diverse force in our history, and continue to make us the finest navy in the world.

On behalf of all the men and women of the Navy—Active, Reserve, and civilian—thank you again for your help in delivering an approved 2013 defense appropriation and for your continued support. I look forward to your questions.

Mr. WITTMAN. Thank you, Vice Admiral Cullom.

We will now go to Lieutenant General Tryon.

**STATEMENT OF LTGEN RICHARD T. TRYON, USMC, DEPUTY
COMMANDANT, PLANS, POLICIES AND OPERATIONS, U.S. MARINE CORPS**

General TRYON. Good morning, Chairman Wittman, Ranking Member Bordallo, and distinguished members of the Readiness Committee. It is a pleasure for me to appear before you today to discuss the readiness of the United States Marine Corps. I am also pleased to be seated here with my fellow deputy commandant and my counterparts in the Navy and my shipmates, Vice Admiral Cullom and Vice Admiral Burke.

Today, after a decade of combat operations, the United States Marine Corps remains the Nation's premier expeditionary amphibious force in readiness. The ability of the Marine Corps to serve as the Nation's crisis response force can be directly attributed to the steadfast support of this committee and Members of Congress, and for that, the Marine Corps remains grateful.

Partnering with the United States Navy, we are forward-deployed and forward-engaged across the globe. At this moment, there are roughly 23,000 marines deployed around the world; 9,000-plus are serving in support of Operation Enduring Freedom in Afghanistan.

Marine Expeditionary Units aboard amphibious ready group ships are on station in the waters of the Gulf of Aden, the Persian Gulf and in the Western Pacific. Forward-deployed amphibious forces remain a uniquely critical and capable component in support of our national strategic requirement for forward presence, crisis response, power projection, and theater security cooperation.

During 2012, marines participated in more than 120 security cooperation engagements external to Afghanistan, developing partner nation capabilities, reassuring our allies, deterring our enemies, and providing the geographic combatant commanders with a credible and relevant force in readiness. Marine Corps forces were ready and able to respond to a range of crises, ranging from natural disasters to civil uprisings and to terrorist attacks. Marines were sent to Libya, returning once again to the shores of Tripoli, to provide security in the wake of the violence and uncertainty there.

Fleet Anti-Terrorism Security Teams—FAST marines—also deployed to reinforce the security of our embassies in Egypt and Yemen during the period following the attempted breach of the embassy walls by violent protestors. Today, marines stand guard at 152 embassies and consulates in 137 countries around the world. Marines also supported Hurricane Sandy relief efforts in the Northeast and super typhoon Pablo relief efforts in the Philippines. In short, your marines have met our congressional mandate to be the most ready when the Nation is the least ready.

Over the course of the last year, as we have drawn down our combat forces in Afghanistan, we have in stride reconstituted in support of the Defense Strategic Guidance rebalancing to the Asia-Pacific region, where we have had a presence for well over 70 years. As Congresswoman Bordallo has pointed out, our Unit Deployment Program is well under way with the Second Infantry Battalion deploying this past week to Okinawa and to Darwin. The Third Battalion is scheduled to deploy in the fall of this year.

As we look to the future, the Marine Corps is well aware of the fiscal realities confronting our Nation. This year's baseline budget submission was framed by the following service priorities. First, we will continue to provide the best-trained and equipped marines and units to Afghanistan. Second, we will protect the readiness of our forward-deployed forces. Third, we will reset and reconstitute the operational forces of our marines and equipment, returning after nearly 12 years of continuous combat operations. And, finally, to the extent possible, we will modernize our force by first investing in the individual marine and then by replacing worn and aging

combat equipment. And throughout these efforts, we will strive to keep faith with our marines, our sailors, and our families.

The Corps' challenge in an era of sequestration is to preserve the readiness of our forward-deployed forces, while working to improve the readiness of our nondeployed forces so that we can respond to crises and contingencies. Today, over half of our nondeployed units report unacceptable levels of readiness. The impacts of sequestration will severely challenge our ability to equip and train our units.

Our crisis response mission is incompatible with tiered readiness. Marines don't start to get ready when a crisis occurs. We must be ready, we must be forward-deployed, and we must be prepared to respond immediately.

After years of continuous combat operations, in order to meet the high state of readiness of our forward-deployed forces, we have globally sourced equipment and personnel, thereby adversely affecting our home station training and ultimately home station readiness. With significant degradation of home station readiness, responding to a major contingency operation will require additional time and create additional risk.

Despite the efforts of sequestration and the associated budget caps, the Marine Corps will do everything in its power to protect the enduring U.S. global interests that underpin our Nation's security. We will meet our responsibilities for rapid response to crises wherever they may occur. Naval forces and the Marine Corps in particular are our Nation's insurance policy in a dangerous and unpredictable world. That is why we exist.

In closing, the readiness of your Marine Corps is directly linked to the unwavering support of Congress and the American people, and we are committed to being responsible stewards of the scarce public funds. We are dedicated to serve the Nation with honor, courage, and commitment.

Once again, I would like to thank all of the members of the committee for the opportunity to appear before you today, and I look forward to the discussion and to your questions.

[The joint prepared statement of General Tryon and General Faulkner can be found in the Appendix on page 55.]

Mr. WITTMAN. Thank you, Lieutenant General Tryon.
Lieutenant General Faulkner.

STATEMENT OF LTGEN WILLIAM M. FAULKNER, USMC, DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS, U.S. MARINE CORPS

General FAULKNER. Chairman Wittman, Ranking Member Bordallo, members of the subcommittee, thank you for the opportunity to appear before you today to comment on the readiness posture of the United States Marine Corps.

As General Tryon just mentioned, our marines continue to be fully engaged around the globe as the Nation's crisis response force. This past year, we have been serving as a key member of the joint force in every geographical combatant command, meeting operational commitments as a highly capable Marine-air-ground logistics task force. Even with the many potentially competing operational requirements, our number one priority and principal focus remains crystal clear, doing everything to ensure the readiness of

our marines on the ground today in Afghanistan, as well as those men and women who are preparing to go.

Concurrent with supporting operations in Afghanistan, we are busy ensuring that we are most ready for any contingency across the full range of military operations. In support of this effort, the retrograde and the reset of ground equipment after approximately 12 years of sustained ground combat operations in Iraq and Afghanistan is well under way. We have a coherent strategy in place, and it is working. We are confident that we know exactly what is on the ground, when it is scheduled to return, and where it is going to go once it is completely reset.

Over the course of the last 18 months, with the help of our partners and the United States Transportation Command, the Defense Logistics Agency and others, we have reduced the amount of Marine Corps equipment on the ground in Afghanistan by over 60 percent. The majority of these over 38,000 individual items of equipment, such as trucks, radios, trailers, and generators, are currently at one of our two depot maintenance facilities in Albany, Georgia, or Barstow, California, being repaired to be quickly redistributed out to select sites around the globe. We definitely have a sense of urgency to accomplish our reset as quickly as possible, maximizing each and every overseas contingency money provided by the Congress.

Concurrent with resetting our equipment from operations in Afghanistan, we are also supporting the defense strategy with a rebalance to our historic backyard in the Pacific. Support to Pacific operations comes with challenges to logisticians to combat the tyranny of distance associated with this part of the world. Our logisticians will be asked to do more, and we understand the importance of fostering development of well-trained and educated marines able to succeed in distributed complex environments.

A key enabler to our success will be the synergy and the cooperation between our Navy shipmates as well as leveraging logistics information technologies. We will continue to enhance the MAGTF's organic logistics capabilities through the continued development of naval logistics integration as well as the maximization of the interdependence of the Joint Force Supply Throughput and Distribution Organization.

We also know that in order to remain ready, we need to continue to invest in our critically important bases and stations. Our commandant is very much aware that a hollow supporting establishment, or said another way, bases and stations unable to support the training and readiness of our marines, is a direct contributor to a hollow or a non-combat-ready force.

Our installations do much more than just house and feed our marines and shelter our equipment. The development and the preservation of our installations from recruit depots to air stations to training centers to other maintenance depots and the atrophy of our facilities will have a direct and a long-lasting impact on our top priority, continued support to our marines. We must keep our depots churning in order to ensure the highest level of unit readiness.

These challenges are further complicated by less resources. We pride ourselves on our frugal nature, and we are proud to say that the Nation gets the most for its money out of the Marine Corps.

This will always be the case, but the continued support of Congress will help ensure we remain the Nation's crisis response force and the force that is most ready when the Nation is least ready.

I would like to thank the committee for holding this hearing and ask that my statement be entered into the record, and, ladies and gentlemen, I certainly look forward to answering your questions.

Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Lieutenant General Faulkner. We appreciate your opening testimony and again thank you for being with us today.

I want to begin the line of questioning, focusing on the question about our cruisers and our amphibs [Amphibious Assault Ships]. We have a slide I would like to go ahead and put up that is the projected PB 14 battle inventory.

If we can go ahead and put that slide up.

[The information referred to can be found in the Appendix on pages 73–76.]

Mr. WITTMAN. It is a little bit difficult to see, but that being said, maybe we can take it past the microscopic level. I wanted to refer to this chart specifically and tell you of my concern about the unsatisfactory track the Navy is proposing on the current inventory projection.

In this plan, you know that Navy's projection in fiscal year 2015 is to retire nine assets comprised of seven cruisers and two amphibs which the Congress restored in fiscal year 2013. Congress provided sufficient funds to retain and modernize these assets over two fiscal years. However, yesterday, in testimony before the Seapower Subcommittee, Navy witnesses reaffirmed that the Navy intends to eliminate these ships from the inventory with approximately 10 to 12 years still remaining on their hulls.

Therefore, I would like to ask this question: How do you intend to employ these ships over the next two fiscal years, and how do you intend to use the funds that Congress has allocated if not for the purpose of modernizing these assets as Congress intended? I was wondering, how do you propose to backfill the capability gap with these assets not being available after fiscal year 2015, particularly in light of the increased demands that the Navy faces in the Pacific and the insufficient capacity that is there in their shipyards?

If you compare the PB 14 battle force inventory to the previous inventory, what you see is that in fiscal year 2015, the previous projection was 276 ships. You see that we are now down to 270 ships. And my concern is, where we are going; where are we going to end up with capability, especially in light of reset and needing to make sure we have that capability in an area, as we know, that is going to be a challenge and where naval assets are going to be extraordinarily important?

Vice Admiral Burke, I will begin with you.

Admiral BURKE. Thank you, Mr. Chairman, for the question.

Just to start on that, we certainly share your desire to have the biggest and best Navy we possibly can. However, our challenge is we have to balance our books. So, as I testified last year in front of this committee on this very topic, this was an extremely difficult choice for us to make, but the fiscal situation has not changed for

the better. It has actually changed for the worst, so we are even more challenged today to maintain the inventory of ships that we have than we were as we talked last year.

So the reason we chose the cruisers is, yes, they do have about 10 years of life on them. However, they have an awful lot of maintenance that needs to be done and modernization that needs to be done. And a couple of those ships are specifically challenged with some superstructure cracking in their aluminum, that once something like that happens, you don't know if you can ever fully repair it. So given that, we chose those ships to be decommissioned.

Now, we certainly appreciate the money and the sense of Congress to go fix those ships. Given that the money actually showed up a month ago, and not knowing whether the money would show up, we have not taken any action as far as maintenance or modernization of those ships.

Mr. WITTMAN. Have you made any determination then about how you are going to use those moneys? Because the concern is, going forward, if you are not going to use those to modernize, to extend the service life of those ships, and there doesn't appear to be anything at least in the short term to replace that capability, the concern is that the readiness element, especially with the reposture to the Asia-Pacific, creates a pretty significant gap.

I certainly understand resource issues, but from our standpoint, too, we need to be making the argument about where the resources need to be. I understand the limited resource pool, but we need to understand, is the money either going to be spent to modernize these ships to take them to the end of service life? I understand the limitation of the industrial base to do that, but there is also a significant limitation to be able to build new ships to replace those.

So I just want to get a sense from you about what you see as the direction where we are going to maintain that capability.

Admiral BURKE. Sir, I would expect that we will operate those ships as normal for the next couple of years, and then we would decommission those ships. I believe that the money is better spent, as I mentioned in my opening statement, on buying back the life of younger ships. Because of the last 10 years, we have not inducted our surface fleet into maintenance at a level we would like to. Therefore, we have a maintenance backlog on many of the younger ships that we have that are more capable going forward than those cruisers. So we would be better off using that money to buy back life on ships that have 25 or 30 years left in them than on those ships that have 10 years left in them.

Mr. WITTMAN. Admiral Cullom, do you have a perspective on that?

Admiral CULLOM. To answer a portion of your question about how would they be used, they will definitely be used as a portion of the battle force and to be assigned missions as we can in the Global Force Management Allocation Plan.

On the second question about whether or not the modernization, I think we are still in the process of trying to look at how would you fit those modernizations for those ships, because they have to fit within when can you accomplish those in their cycle of operations they would be expected to, and you can't easily do all seven

of those cruisers, for instance. You couldn't do those all in 2 years or even 3 years. It would take a number of years to even be able to do that.

As we have seen with some of the aging of or the work that we put much of the rest of the force and how we are going to recover that over the next few years, it is going to take a number of years. I think Admiral Burke spoke to that in his first statement about several years, that it is going to take 8 years or so before we are able to recover it. And doing the modernizations have to fit within those dry docking availabilities, and I think we are still evaluating the plan for that.

Mr. WITTMAN. Thank you, gentleman.

I am going to go now to our ranking member, but I do want to make one comment before I turn over the questioning. I am concerned that in the long run if we continue to go down the path of saying we are going to retire ships early, much earlier than what we intended, and the Navy comes back to Congress to ask for the next class of ship with a proposal that a ship were to last 25, 35, 40 years, whatever it may be, that the credibility begins to be eroded, and it makes it more difficult for Congress in considering those new classes of ships and what is projected as their service life out in the future to make those kind of commitments.

As we know, lifecycle cost is an extraordinarily important part of what we need to consider here. So it is not just the ship class itself, but it is the lifecycle cost. And this type of effort really exacerbates our ability to project out in the future what the Navy's needs are and to be able to meet those needs.

I understand the forces to be with high OPSTEMPO [operational tempo] and those sorts of things, but we have got to get things back to the point where we look at lifecycle costs to make sure we get these ships to their expected service lives. If not, we will never get our arms around this.

Let me go ahead and go to Ms. Bordallo.

And, Admiral Burke, I will give you an opportunity to comment on that later.

Ms. BORDALLO. Thank you, Mr. Chairman.

My first question would be to Admiral Cullom and General Tryon. How will you know that your nondeployed forces are not ready to respond to an emerging mission or threat, and what will be the triggers or metrics that will tell you your forces are not ready? Also, in your opinion, how far away are we before we reach a significantly degraded readiness status?

Admiral CULLOM. Ma'am, with regard to what we are seeing as the continuing resolution that we were in as well as the sequestration playing out, we had already taken a number of cuts to the operations of the nondeploying ships. Those nondeploying ships, their readiness would normally be higher than it currently is and will be for—the restoration will help, but there is still going to be an impact on those nondeployed ships. So, in essence, the average readiness of those ships, and actually the chairman mentioned that in his opening remarks about the roughly two-thirds of the fleet that ends up in that position of not being able to be MCO ready—Major Combat Operations ready—if it continues for longer, that can be even worse. If we go through fiscal year 2014, and we are still this

in those challenging situations, then we will see that percentage grow pretty considerably. It could easily get up to 80 percent of the fleet that is nondeployed, is not ready to go in a timely manner. We can still get it ready. It will take longer to do that.

The things that we look at, and this is to address the second part of your question about what do we look for to know those canaries in the coal mine, the things that tell us that we have got a real problem, are the things that happen insidiously, in terms of things like cannibalization or cross-decking.

Cannibalizations right now are rather steady, meaning that we are going to actually move it from one ship to another ship, actually take it off an active ship to the other. The cross-decking, cross-decking has actually increased quite considerably. We are cross-decking people. We are cross-decking parts. So you can see that that is part of that “bathtubbing” of the readiness.

We are keeping a close eye on those things, but right now, we are able to meet the 13 global force allocation program, and we project that we should be able to meet it unless we still are in the sequestration problems. Then it will get much more serious.

Ms. BORDALLO. More serious. General.

General TRYON. Yes, ma’am. In response to your question about how will we know, we use the Defense Readiness Reporting System, called DRRS, as a framework to aggregate information on personnel, on equipment, on training and on supply readiness, and we balance that against—we measure that against the tables of organization and tables of equipment, our unit and force structure. Our commanders use DRRS [Defense Readiness Reporting System] as a tool to help the commandant understand the state of readiness of his Marine Corps. As an example, today, as I have mentioned in my opening remarks, our nondeployed home station units report a high level, an unacceptable level of readiness currently.

We are going to know when we are unable to meet the global combatant commander requirements. We are going to know when it impacts our Unit Deployment Program and being able to put the battalions on Okinawa and ultimately on Guam. We are going to know when we have to descale or descope our training exercises, when our O&M, our operations and maintenance accounts, preclude us from conducting the mission essential training that allows us to be ready. We are going to know when there is an increase in safety mishaps, and we are going to know when there is a degradation of quality of life at our installations and bases. And I would forecast, I would predict at this point based on the information that is available in the DRRS, that with sequestration, we will be at an unacceptable level, far unacceptable, severely unacceptable, in fiscal year 2014.

Ms. BORDALLO. 2014.

General TRYON. 2014, yes, ma’am.

Ms. BORDALLO. Thank you, General.

General Faulkner, I note that funding for a Marine Corps hangar on Guam is requested in the fiscal year 2014 budget, and I greatly appreciate the Marine Corps’ continued commitment to the realignment of marines from Okinawa. We have significant U.S. investment in this realignment, but we also have significant Japanese investment in this realignment as well. Unfortunately, while this

committee remains supportive of the realignment, the Senate has continued to insist on language that greatly restricts the use of Government of Japan funds.

Now, given the significant budget constraints that our budget faces, how critical would it be to remove these restrictions on Japanese funding?

General FAULKNER. Ma'am, as you stated, certainly Guam continues to be critically important to our larger repositioning through the Pacific. The aircraft hangar that you mentioned, just right short of \$87 million is the price of that in 2014, and that is very important to us in support of exercises and others.

Getting more specifically to your question about the Japanese piece of that funding, we are obviously very interested in those restrictions as well because that is part of the larger military construction package associated with not only Guam, which was the focus of your question, but really throughout the Pacific.

We continue to follow that. We are very interested in it. From a DOD, Department of Defense, perspective and Department of Navy perspective, we are interested in doing everything we can at our level, recognizing the high level of political issues that this is being discussed at now to influence that. So we are very much part of the discussion and look forward to being in the future.

Ms. BORDALLO. Have you shared these concerns with the Senate?

General FAULKNER. Ma'am, to my knowledge, following what our Commandant has talked about in his testimony, both in front of the House and the Senate, I know he has talked about the rebalancing to the Pacific, but as I recall, he hasn't specifically addressed the importance of Japanese funding as part of the larger pivot.

Ms. BORDALLO. I think it would be very important to pass this on to the Senate.

General FAULKNER. Yes, ma'am.

Ms. BORDALLO. Mr. Chairman, in the interest of time, I have a couple more questions, but—

Mr. WITTMAN. We will come back for a second round. We will do that.

Mr. WITTMAN. Thank you, Ms. Bordallo.

Now we will go to Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman, and gentlemen thank for being here today and thank you for your service to this country. I represent Georgia, so I have several military installations, a little one named Kings Bay on our coast that obviously is extremely important to our national security. I represent Robins in the heart of my district, which has a Marine detachment there, and I am on the edge of Albany, which obviously is the Marine Corps Logistics Base in Albany. I also have family that works at that base, so Easter, I got a good what-for from some of my cousins, and we had good friendly conversation about the things going on there as well.

So I think I would just kind of mention as we go forward, these budget challenges are not going to go away in fiscal year 2015 or 2016. We have got some significant challenges that we have all got to work through. And as somebody who has traveled to several of the bases lately, I think what I would ask and what I believe we need from our standpoint and I think you want to give us is, what

is the core mission of the base, any individual base, going to be 24 and 36 months from now, and how do we balance the MILCON [Military Construction] projects that are being requested now with making sure that we are not building something that is going to take us 24 months to build that is not consistent with the base's core mission at the time of the completion of that project?

But going back to the Marine Corps base in Albany, the work that is performed at that depot obviously is extremely important to our men and women as they train and especially those who are deployed. The current budget environment, when we talk about readiness, it is the same at any of the bases we talk about, my depot at Robins, the logistics base in Albany.

I would like, if you would, to speak potentially to the furloughs at the Albany depot, if you could, and what we expect at this stage so the men and women can at least plan for their pay as we go forward. And then my question would be about the amount of the equipment—another question would be the equipment to be reset and how much workload we expect at that base going forward, which deals with capacity and other things.

And then, as you know, General, the Marine Corps Logistics Base in Albany has gone over and above with green energy and the impact that that movement is having on operation of our bases.

General Faulkner, most of those may fall under your category. If they fall under somebody else's, I respect their opinion as well.

General FAULKNER. Yes, sir. Thank you.

Thank you very much for your question, and I will take it in pieces here. First—and you were spot-on with the importance of Albany, not only to our reset, which I will talk about, but just in day-to-day operations in terms of depot maintenance of our equipment.

Getting to the first piece of your question in terms of equipment that is at Albany now or scheduled to be there once we continue our retrograde out of Afghanistan, on the ground now and in Albany is somewhere around 20,000 principal end items, and most of these items of equipment have been retrograded from Afghanistan. So our large surge buildup that we did in Afghanistan, all that equipment is now back. A lot of it is sitting—it is either waiting to go through the depot or it is being worked on today. Some of it has been pushed to Barstow, California, which is our other depot.

Our prediction right now is, in support of reset with Afghanistan equipment, somewhere between 2 and 3 years after the last marine is out of Afghanistan, let's say December 14, is when we will have completed the reset of that equipment. So that takes us well into 17, Congressman, so that is consistent workload. Now, that is only for the reset out of Afghanistan. Of course, Albany operations will continue for the rest of the Marine Corps equipment. So there is a lot to do and that is why it is critically important that we have a stable and a predictable workforce, which gets to the second piece of your question.

If, in fact, we are told to furlough, which we are not in favor of furlough, but if in fact we were to do that, then the civilians at Albany will be furloughed as part of a larger approach to all bases and stations across the Marine Corps. It will have an impact. For every day furloughed that we are not able to use the depot, it just

pushes that to the right one day forward, so that is a concern of ours.

What we are doing now at—

Mr. SCOTT. General, my time has expired. I apologize, but when we get to the second round of questions, we will come back.

Mr. WITTMAN. We can do that, or too, if you want to do some additional questions, we can also have that one taken for the record, so however you would like to pursue, Mr. Scott, we will be glad to—

Mr. SCOTT. You can respond for the record if that is more convenient, and when you go to Albany, please let me know, love to see you over there. If it is hunting season, we will buy you a quail hunt.

General FAULKNER. Sir, I will, and I look forward to answering the energy question because that is a good news story for Albany.

Mr. SCOTT. Yes, sir.

General FAULKNER. Thank you, sir.

Mr. SCOTT. Absolutely.

Mr. WITTMAN. We can certainly get that in the second round.

Now we go to Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chairman.

Thank you, Admirals.

Thank you, Generals, for being here.

Throughout the time that I have been on HASC [House Armed Services Committee], one of the, I guess, the perplexing questions I have always had is what do you anticipate the force or your different expeditionary force, what it is going to do, and the Navy, what do you expect it to look like in the future? And quite honestly, no one has really been able to give a response to that, so as we talk about readiness, it seems obvious that you are measuring it against something. So to say that we are ready or we won't be ready by the year 2014 is against some kind of measurement that you must have in your mind.

Yesterday, the Army sat in exactly where you were, and they, of course, said that they must be flexible into the future to fight in potentially two theaters, Asia-Pacific, the rebalance, but also the Middle East, to ensure our commitments to the Middle East. It seems that those are two different times of theaters. So, I assume that the Navy and the Marine Corps also feel the same way, that you are going to have to be ready in two potentially different theaters, so can you tell me what your measurement of ready would be other than being able to train? In other words, I want to know what that force structure is going to look like. And in one of the other conversations we had in Seapower was we had Former Secretary of the Navy John Lehman speak to us as well as Admiral Roughead, and you know, they both had different numbers as to the amount of ships that we would need.

The Secretary of the Navy Lehman was from the infamous 600-ship Navy, and he said, well, 346. Admiral Roughead said somewhere between 325 and 345, but they both came down to the conclusion that it depended on where he would be and what we need.

So, with that as the background for my question, whoever wants it to take it, I appreciate it. Thank you.

Admiral BURKE. Thank you, ma'am.

The way we determine what our force structure should look like is we develop our strategy, and today that is a—we get help from that from OSD [Office of the Secretary of Defense] and—but by that case, we all have a strategy that looks to be ready to fight in various conflicts around the world, but there are some conflicts that are potentially more likely and some that are potentially more challenging. And then, given that work, we then do what we call a force structure assessment that would say, okay, if that is what you—if that is the future you are going to see, then what kind of forces do you need? And we have done that work, and that says we need 306 ships with the associated aircraft, and people training, readiness, maintenance, et cetera.

Now, then, what we do is we build a shipbuilding plan, and the chairman put up a portion of that shipbuilding plan earlier, one of the tables from it, and what that shipbuilding plan does, it says when we would need to buy those forces—and there is a similar aviation plan, when we need to buy those forces to achieve that number and type of platform to get to the 306. And as, you know, the chairman alluded, there is a pretty big challenge out there in the future for getting to that number. So we have a difference today between what we think we need and what OSD agrees that we would need and what we can afford. And so we will clearly need help from the Congress in order to get there.

Ms. HANABUSA. General.

General TRYON. Thank you, ma'am.

I would echo much of what Admiral Burke said. We are a general purpose force in the Marine Corps, and as a general purpose force, we have a design mission. We look at the most likely enemy course of action, we look at the most dangerous enemy courses of action that we would anticipate meeting. These threats manifest in a variety of different manners. Conventional threats, threats, such as the hybrid threat where you have a non-nation-state actor who may have access to sophisticated technology that will pose a threat to our vital national interests. Terrorism is a concern, threats to our diplomatic missions abroad.

There is a wide array of threats that we need to consider, and as we do that, ma'am, we measure what capabilities are required in order to be able to provide an adequate response and then what capacities we want to be able to deliver those capabilities.

As an example in terms of our amphibious force, we have worked with our shipmates in the Navy, and we feel that it is important to be able to provide this Nation with a two-assault echelon Marine Expeditionary Brigade Force. And in conversations and agreements with our shipmates, that is 33 amphibious ships.

Mr. WITTMAN. Thank you, Ms. Hanabusa.

We now go to Mr. Palazzo.

Mr. PALAZZO. Thank you, Mr. Chairman.

Gentlemen, it is good to see you this morning. I appreciate your testimony. I definitely appreciate your service to your country.

I have a lot of the same concerns about reset, and for me, largely centered around replacing old ships with new ones. The shipbuilding industry is extremely important. I don't think just to me, but to our Nation, but it is also, because of the fiscal restraints and the environment that we are in, when we do provide a product, we

have to provide it at the best possible price, since the taxpayer is paying for it.

So, with that, I have seen some—I have noticed some comments from the Commandant over the past couple of weeks, and I would like to ask General Tryon and General Faulkner about them, and I think it serves almost two purposes, not only replacing old ships with new ones but doing it in the most efficient and effective, especially cost-effective manner.

So, to recap, a few weeks ago, the Commandant mentioned that he wanted to see the replacement for the LSD dock landing ship make use of the LPD amphibious transport dock production line that is about to draw to a close. Can you give us any thoughts on the utilization of the LPD hull as a bridge for the LSD hull?

I will start with you, General Tryon.

General TRYON. I will take a quick stab at that, and then I will defer to the subject matter experts on hulls. We are, of course, inextricably linked to the Navy, and the Navy's investment in amphibious ships, maritime prepositioning ships, ship-to-shore connectors, mine countermeasures and the Navy expeditionary combat commander are where we are invested and are our most critical dependencies with the Navy.

We have agreed to a fleet of 30 operational available amphibious warships to meet the combatant commander requirements. Within the construct of those 30 ships, 11 amphibious assault ships, LHA or LHD; 11 amphibious transport docks, LPDs; and 11 dock-landing ships, LSDs, are the inventory that we believe are necessary to operate and to be able to provide employment of the assault echelons of two expeditionary Marine brigades. I will defer to my Navy counterpart to discuss that specific—

Mr. PALAZZO. Before we do that, can I ask you, so you agree with the commandant that we should probably utilize this hot production line to bridge the gap, or do you disagree with the Commandant?

General TRYON. Let me think about that. I agree with the commandant, sir.

Mr. PALAZZO. Okay. Thank you. I appreciate it.

Admiral Burke.

Admiral BURKE. Congressman Palazzo, thanks for the question.

The, I think, preamble on this by General Tryon was right on. We have an analysis of alternatives ongoing with regard to what the LSD replacement will be, and so that analysis of alternatives will consider anything at the high end. It will consider the LP-17-like ship and then it will consider other options in addition to that.

Right now there are about 10 options being considered, and that is being done under the cognizance of N95 [Director of Expeditionary Warfare] and the Navy Sea Systems Command. N95 works for me, and so we expect to get to a conclusion on that this late summer or fall.

Mr. PALAZZO. Yes, please.

Admiral CULLOM. I would also add that there are other combat enablers that also make this expeditionary thing work, and a lot of those are—they don't have the—they don't go but USS, they go by USNS, our Military Sealift Command ships. We have some really good news stories in some of those. The new mobile landing plat-

forms, the MLPs, are coming off the assembly lines, and they are on time and on schedule. *Montford Point* was just christened just recently.

In addition, the T-AKEs—dry cargo and ammunition ships—are also out there, and those also add to the ability to be able to get the things that we need as that 911 force together to be able to enable the USS ships, the LSDs, the LPDs, and big deck amphibious ships to do their job.

Mr. PALAZZO. I appreciate your responses.

I yield back.

Mr. WITTMAN. Thank you, Mr. Palazzo.

We now go to Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

I want to thank the witness for their testimony, very frank testimony this morning, particularly about the impact of sequester.

You know, this morning's *New York Times* has a story about the FAA [Federal Aviation Administration] deal that passed in the Senate and which hopefully we are going to take up later today, and there is a Member, one of our colleagues, who is quoted, again, still lauding the benefits of sequester, saying I think it is the first time we have saved money in Washington, D.C.; I think we need to move on from the subject.

Your testimony clearly shows that we don't—we can't move on. I mean, we are far from out of the woods here, and again, I always cite Phil Gramm, who invented sequester, who was quoted recently saying the purpose of sequester was not to be a policy but to in fact be an incentive for people to sit down and compromise and act. And that is really what your testimony kind of reinforces today very powerfully.

And the Navy, before March 1st, did put out the warning to Congress, despite the claims in some quarters to the contrary. Admiral Greenert testified, again, before March 1st, that failure to fix sequester as well as failure to pass the CR [Continuing Resolution] would have canceled about 22 ship availabilities. Obviously, the CR mitigated some of that.

I guess the question is, there are a few others, you know, they are sort of hanging out there, and I was wondering, one particular, the USS *Providence*, you know, whether or not, can you report anything this morning, whether the Navy is any closer to resolving, you know, that work moving forward before the end of the fiscal year?

Admiral BURKE. Congressman Courtney, I don't know, but I will get back to you.

[The information referred to can be found in the Appendix on page 80.]

Mr. COURTNEY. All right.

Admiral BURKE. I will take that one for the record and get back to you pretty quickly. I think we are getting close on that, but I don't think we have gotten there quite yet.

Mr. COURTNEY. Thank you.

And yeah, we would appreciate that.

Mr. Rigell and I visited the *Truman* not too long ago, which also has been impacted by the sequester situation, and again, there is some sort of claims around here that, you know, the Navy was kind

of doing what the board of education does, you know, cutting football when the budget is under pressure. And again, this is not a decision that I know you came to lightly. Rob and I were just over in Bahrain a few days ago, and you know, the hole that that creates was pretty obvious. Again, I was wondering if you could talk about that a little bit, Vice Admiral Burke.

Admiral BURKE. Yes, sir. It frustrates me greatly to hear the discussion about how that was a political decision. You know, what we were challenged with there was, we had *Truman* ready to go, could have sent *Truman*, and we could have had two carrier strike groups in the Gulf right now. However, because of sequestration, we would not be able to get the next one ready in time to go when they finish their time, so we were—the option was either two now and none later, or one now and one later. And we felt like the obvious right answer to that was one now and one later.

Mr. COURTNEY. And I mean, and that is really—we are still sort of stuck there for now. I mean, it really requires us to fix sequester in a much more comprehensive way in terms of funding that shortfall. Is that again correct?

Admiral BURKE. Yes, sir, that is correct. So, essentially where we are with sequestration in the operations and maintenance accounts is we have taken a pretty good hit out of our shore support. We have cut some administrative areas. Operationally, everything we are sending forward is fully ready, fully loaded out, et cetera, but we are not able to get everybody, keep everybody at the same level they have been. So the next guys to get ready to go, we are working them, but the ones that are not next are not doing very much. And so what we usually call that is “surge”—the ability to send ships and planes forward—and we have reduced our surge capability as a result of sequestration in a significant way, such that two-thirds of our force is not ready right now.

Mr. COURTNEY. And again, just so we are clear, the 2014 budget has been submitted. Let’s just say, you know, this place, you know, had an epiphany and we moved forward and enacted it in record time, I mean, that still kind of begs the question of what you are talking about here. It doesn’t sort of reach back and fix the problem that—of the *Truman*, does it?

Admiral BURKE. No, sir. If the 2014 budget were approved as is, we would still have sequestration.

Mr. COURTNEY. Right.

Admiral BURKE. And so we would be, you know, take that, whatever number it is, and take \$50 billion, \$55 billion or whatever the number is off of that, and some 12—well, probably 15 comes to the Department of the Navy, and so we—we would be in the same position, if not worse. And so any of those maintenance availabilities on the aviation side or the ship side that are deferred or descope, that would start to cascade. And then that part of the readiness piece certainly affects you a year or two later, and so we would have even more challenges getting ships in place for it.

Mr. COURTNEY. Thank you.

Admiral CULLOM. We have to remember that the *Truman* was part of the surge capability and was being surged to be able to handle or the desire to have two out there at one time, so that is what we have come to, is what Admiral Burke is saying, is this point

where we don't have that surge capability, that surge volume to be able to put forward if a request for force comes in.

Mr. WITTMAN. Thank you, Mr. Courtney.

We now go to Mr. Rigell.

Mr. RIGELL. Thank you, Mr. Chairman.

And gentlemen, I join my colleagues in expressing my sincere appreciation for your service. Thank you. Thank you very much. This is going to be somewhat as a followup to Mr. Courtney's line of questioning there, so I think it is headed to the Navy side of the table.

In February, latter part of February, a number of Members, myself included, received a response back from Secretary Mabus and Admiral Greenert, and it said in part this, that the fleet commanders have been directed to notify contractors of the potential for cancellation, deferral or descoping of private sector fiscal year 2013 third and fourth quarter surface ship maintenance availabilities.

That letter was sent to us. This bipartisan letter that we have sent to the Secretary, and just so you know, expressing our concern about this matter, we closed the letter this way; our letter said, This is not an acceptable solution for us or the taxpayers.

Now, subsequent to those letter exchanges, we finally passed HR 933; 933 [Consolidated and Further Continuing Appropriations Act, 2013], and so, albeit late, far later than anyone of us would have wanted, we have provided clarity on funding from our side, and I ask you this morning if you could provide clarity where we stand on third and fourth quarter availabilities.

Admiral BURKE. So, where we stand is we have got eight avails [availabilities] that are deferred at this point. They are highest on our buyback list. We think we will be able to execute those availabilities as planned, but we are not 100 percent sure of that. I talked to our comptroller last night anticipating you might ask this question, and that is where we stand. So they are number one on our buyback list. And he thinks that we will make that, we will make them happen.

But I will tell you that one of the things you ought to know is, here is what happens when this sort of thing occurs: When the money is not appropriated at the right time, two things potentially happen. One is, planning stops or is reduced. Secondly, shipyards, knowing that avails are unlikely to happen, lay off people or don't hire. And when that happens, then if money is later appropriated, now planning gets turned back on, shipyards hire, but what happens is, and we will spend the money, but we will not necessarily get the maintenance done that we want to get done, so—because we haven't—

Mr. RIGELL. Admiral Burke, I hesitate to interrupt, but our time is always short. I just want you to know, Admiral, that this is realtime, of course, in Virginia, too, the Norfolk waterfront, and I have great empathy and understanding, and I am doing everything I can with my colleagues, especially in the House, to help my other colleagues understand that sequestration, the uncertainty that this institution has created for our men and women in uniform is harmful to our national defense. You know, the failure to pass a budget is in and of itself harmful to national defense to some degree. So,

we are going to continue to fight for you, and I wish we had done better on our side.

I do want to transition very quickly in the short amount of time I have left here about material inspections. The Navy, by law, conducts material inspections of all Navy ships to determine a ship's fitness, and let me just get to the point here.

Three possible inspection results: satisfactory, degraded and unsatisfactory. If we look at the trend line of 2007, 2008, 2009, 2010, 2011, 2012, the trend is unsatisfactory, as I see it here, 8 percent, 13 percent, 19 percent, 22, 20, and 21. That is the percentage of inspections that fall below satisfactory. And in the short amount of time you have here, if you could just give a quick comment on that. We may have to do this offline. I am just trying to understand the causal factors of why that is and if we can do something on our end to help you with it.

Admiral BURKE. I don't think we need help, other than, you know, we need to fund readiness in the way that it needs to be funded. If—

Mr. RIGELL. If I may, is it your testimony—not your testimony. Just in our conversation here, is it—is it the sequestration, is that—and I am just trying to understand, you know. It went from 8 percent to 21 percent. It looks like it is kind of holding at that level. Is it things that we have done on our end on the uncertainty side or—

Admiral BURKE. It is not sequestration.

Mr. RIGELL. Okay.

Admiral BURKE. The numbers you reference go back to, I think, 2007, 2008.

Mr. RIGELL. Right.

Admiral BURKE. But the last couple of years, we have actually been steady. So I think what we would say is that we have taken a round turn on this; we have stopped the bleeding; and we are working our way toward getting better.

Mr. RIGELL. I thank you.

Admiral CULLOM. I would add that it is a part of 10 years war and running those ships—

Mr. RIGELL. Yeah.

Admiral CULLOM [continuing]. So hard, not getting them in for the maintenance that they needed, and now having a plan to be able to move forward and looking at every ship individually and planning those things out, and we know the challenge we have over the next roughly 8 years.

Mr. RIGELL. Thank you very much, Mr. Chairman.

Mr. WITTMAN. Thank you, Mr. Rigell.

I want to go back to my original line of questioning and now drill down a little bit on amphibious capability. We know that our combatant commanders request that capability quite often for things like security cooperation and crisis response and regional deterrence. And these are the underpinnings of the Marine Corps' mission, and we know that it spans the spectrum of the conflict issues that we face today.

One of the Marine Corps' principal contributions to U.S. global responsiveness is really focused on the rotational forces aboard amphibious ships, and as we have seen that historically, we have seen

over 1,000 missions accomplished there over the past 21 years, so it is very, very significant.

I want to ask this and get both the Navy and the Marine Corps' perspective here. In looking at the current requirements for amphibious lift, do we meet those requirements? And if not, why are we considering further fleet reductions? And I will ask that, and I want to ask a question as a follow up to that specifically for our Navy witnesses.

If the requested amphibious ship retirements go forward, that is, those two amphibs will be retired, what is the Navy's assessment of the increased risk assumed by the Marine Corps? And I will ask that conversely from the Marine Corps, too, how would you characterize the increased risk, and especially in light of where the Marine Corps is faced with the reposture of the Pacific and also the constraints that may push the Marine Corps to disaggregate or distribute their MEU [Marine Expeditionary Unit] operations throughout the theaters? So I will go ahead and get your basis on the current lift requirements, where we are, what increased risk we might assume from a Navy perspective and a Marine Corps perspective.

Admiral BURKE. The requirement is 38 amphibious ships. The Navy and the Marine Corps for several years have agreed that the 33 is a fiscally constrained requirement in order to make 30 ships operationally available at any one time. We do not meet that requirement today.

Mr. WITTMAN. Very good. Where do you see us going in the future, especially with an additional reduction of two? Where would we be in the near term, I say within the FYDP [Future Years Defense Program], where do you see us being?

Admiral BURKE. We are struggling to get to 33. We will—I don't have the figures in front of me, sir. You may, but we are in the low 30 range during that—during the timeframe. You know, to our discussion earlier, if—with regard to cruisers, you know, we kind of lumped the cruisers and the LSDs together, if we were to buy back any of those ships, the higher priority ships would be the LSDs.

Mr. WITTMAN. How do you see us in the risk scenario with increased risk based on the level of amphibious ships we have?

Admiral BURKE. Well, we certainly have increased risk based on—we have risk based on not meeting our numbers, but we have a process called the Global Force—GFMAP, Global Force Management Allocation Plan, by which we address risk. So we take what we have, take the COCOM [Combatant Command] requirements, address the highest priority COCOM requirements with what we have, and therefore, we minimize the risk we take because we either don't service the lower priority requirements or we look for different ways to service some of those requirements.

Mr. WITTMAN. Thank you.

Lieutenant General Tryon.

General TRYON. Thank you, sir. I would not need to remind anyone here that the United States is a maritime nation. We are a Atlantic Ocean nation, and we are a Pacific Ocean nation: 28 of the world's—21 of the world's 28 megacities lie within 60 kilometers of the coast; 95 percent of the world's communication travels by un-

derwater cable; 95 percent of the world's commerce travels by sea; 60 percent of the population lives within 100 kilometers of the coast; and 23,000 ships are under way every single day carrying vital commerce to which we are inextricably linked.

The value of the amphibious force, I think, is manifest in the request that we routinely see, routinely see, from the combatant commanders. We don't make or meet the requirements that they generate as part of the Global Force Management Allocation Plan. We consistently fall short, yet the demand signal remains. So the combatant commanders recognize the value of the amphibious and expeditionary force that we bring.

It provides them with a low signature in terms of a shore basing. It provides them with the opportunity to operate from over the horizon. It is operational maneuver from the sea, ship-to-shore objective, without impinging on the sovereignty of a given nation, and it provides our Nation's leaders with the time and decision space necessary to make follow-on determinations.

Mr. WITTMAN. Thank you. Let me ask you just with a yes-or-no answer, will the current and future projections on amphibious force structure, will it affect the operational capacity or the structure of how the Marine Corps expeditionary units function today?

General TRYON. Sir—

Mr. WITTMAN. In other words, will it fragment your views?

General TRYON. To give you a yes-or-no answer to that question—

Mr. WITTMAN. Will it fragment your views? Will you go away from the current concept of how the—

General TRYON. We have the flexibility, the agility, the adaptability with the Marine Air Ground Task Force afloat, to adjust to split ARG [Amphibious Ready Group] operations, desegregate ARG operations, and at the same time bringing those forces together for a purpose.

The inventory right now, we have 31 this year. It will fall to 28 in the near term, but over the long term, it will rise to 32 ships in the 30-year construction plan.

Mr. WITTMAN. Okay, sir. Very good.

Thanks, Lieutenant General Tryon.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

Admiral Cullom and General Faulkner, what specific flexibilities or exceptions did you request in terms of furloughing the civilian personnel who provide the backbone of support for our operational Navy and Marine Corps? And also, what is the impact of using borrowed military manpower to backfill civilian positions or functions previously performed by contractors?

General.

General FAULKNER. I will go ahead and go first, ma'am, and then go over to my shipmate. Thank you for the question. The process, as you alluded to, does allow us—

Mr. WITTMAN. Lieutenant General Faulkner, if you could turn your mike on.

General FAULKNER. Sorry, sir. Got it. The process, as you alluded to, does allow us to identify exceptions, which is exactly what we have done. And so, in the Marine Corps, what we have focused in

on are those individuals—those civilians that are most closely linked to safety of our marines and our marine families. So, for example, fire and rescue, medical response capability, water and electricity plant operators that are linked, and in fact, we were very careful when we looked at each individual in terms of who met that bill.

To answer the second piece of your question in terms of using military—using our marines to replace the civilians, we have no intention to do that. The bottom line is that we know right now that there will be an impact when in fact our civilians are furloughed. Our ratio of marine—our civilian to marine is 1 to 10, I believe the lowest of all the Services. And in fact, 69 percent of those civilians are retired military, so in fact, right now, that is just risk that we are going to have to bear through the furlough process.

Ms. BORDALLO. So, General, what you are telling the committee then is that in spite of the fact that furloughing includes the contractors and civilians, there has been no Active military to take these positions? Is this what I—or you are not using Active military?

General FAULKNER. No, ma'am, we are not, and so we have no intention to take our marines from their primary occupational specialty and plug them into this furlough. It is risk we are going to have to bear.

Ms. BORDALLO. Admiral.

Admiral CULLOM. Yes, ma'am. On the Navy side, I think it is an important point to make that there is a direct operational impact to our personnel. We oftentimes think that our civilians are people that do administrative work and move paper around in the Pentagon, but the reality is, there is over 23,000 artisans that are either in shipyard waterfront jobs or in aviation depots, on the shop floor day to day that are fixing planes, fixing ships, and putting them back out to sea, so they have a very, very important role.

What we don't often think about with the furlough is that we say, well, if it is a 20-percent reduction, then we lose 20 percent of the work. But the reality is that it is much greater than that because we rely upon overtime in both aviation depots as well as within our shipyards to accomplish our work, and that is so that we don't have too many people on board during the periods where there is lesser work, so we rely upon that overtime to get us through that.

So, the impact is the 20 percent direct that you lose as well as maybe 15, 17 percent additional that is the overtime because you are not allowed to pay overtime if you furlough. So the impact can be as high as almost 40 percent, 35, 40 percent in terms of the impact that it has to us.

It is not our intention either to use military personnel. They don't oftentimes have the skill sets to do what those artisans do.

Ms. BORDALLO. Thank you, Admiral.

And I have one final question, Mr. Chairman.

And it is a question for each of you, but if I could have a concise answer, since time is the essence.

Okay. How are you using sequestration as an opportunity to essentially change and transform the way you do business? For example, what thought have you given to administrative or base op-

eration functions that the Navy or Marine Corps may not need to do at all? I guess we will start with Admiral Burke.

Admiral BURKE. Thank you for the question.

I think there are a couple of things that we are looking at doing. One is—we started this some time ago, but it is certainly even more appropriate during the fiscal situation—is to put more ships forward, so to get more bang for the buck out of the ships. So those ships in your theater that are homeported forward in Guam or Japan, give us more bang for the buck. We get far more operational availability out of those.

So we are sending LCS [Littoral Combat Ship] to Singapore. We will send another SSN [nuclear-powered attack submarine] to Guam, while at the same time, maintaining what we have in other areas. We will also send some JHSV [joint high speed vessel] for it, but I think there is other things as well.

We certainly are looking hard at our administrative overhead to see what we can skim out there, and then—and then BRAC. I mean, we have a need for BRAC [Base Realignment and Closure]. The last BRAC was based on 340 cruiser equivalents. We have—we don't have anywhere near 340 cruiser equivalents. We don't have anywhere near 340 ships, and it is unlikely we will have that many, so we are carrying excess overhead that we need to get at.

Ms. BORDALLO. Thank you.

Admiral.

Admiral CULLOM. Ma'am, I would also add that we are also looking at our business transformation, the businesses that we do, and service contracts as well as the audit ability that we have for our records, and I would like to get back to you, maybe for the record, with a response more complete to how to align the things that we are doing in that regard because those are important, and they save millions, and those millions go back to putting ships back to sea.

Ms. BORDALLO. General Tryon.

General TRYON. Yes, ma'am. We are, I think, probably already pretty lean in terms of our bases, stations, and installations. We pride ourselves on being good stewards of the scarce public funds. I think we consume the smallest percentage of the Department of Defense budget. We do consistently and continuously look at force structure, force structure review, force structure analysis. We look hard at where operational concepts can blend with technological innovation and provide us with the capability that is more efficient and more effective for our Nation. I would point to the deployment of the Special Purpose MAGTF Crisis Response that is under way today responding to request for forces for AFRICOM as an example of that kind of a measure.

And I will pass to General Faulkner.

Ms. BORDALLO. General Faulkner.

General FAULKNER. Ma'am, real quickly. I would just add that we don't need sequestration as a forcing mechanism, if you will, to review our internal processes. That is continuous. We like to say, like camouflage, it is continuous. The only thing I would say, just for the record, is that getting to my fellow marine's point is we don't believe we have any excess infrastructure. In fact, we believe that we are right-sized today in terms of bases and stations for our

182,100 force. Certainly, if we are told to participate in BRAC, we will do the analysis again, but again, that is where we sit in terms of our infrastructure.

Ms. BORDALLO. So what I am taking from this is you are all going to be better businessmen, right? Thank you.

Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Bordallo.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

And gentlemen, I apologize, after my question, I am going to be leaving for another meeting.

But I want to come back to you, General Faulkner, but I want to make a kind of a statement if I could to the gentlemen, the admirals.

Our national geography for America gives us a distinct advantage over many countries. I mean, our enemies are not going to come through Canada. They are not going to come through Mexico. I mean, we would clearly be able to stop that at those borders if they tried that.

I guess my frustration with the naval shipbuilding, if you will, is that I believe our threat comes from the sea. The Atlantic, the Pacific, that is where, that is where I think if a major country wanted to come to us and do us harm, they would come through there. Obviously, the Gulf is there, but I think that is limited as well.

So, I would like for us to find a way to do a better job of the shipbuilding, and I would just offer this as an example, may or may not work: In Georgia, when I was on the appropriations committee, if we were buying a fleet of school buses and the life expectancy of the school buses was 5 years, we would issue a 5-year bond to purchase those buses. And I just wonder if there is a better way for us to handle the purchasing of the fleet that maybe could be considered as we go forward, that may actually help us get the ships that we need to defend this country.

I know we are going to be forward-deployed, but as an American citizen, as a father, I also want to make sure that we have got enough naval vessels here to protect us in the Atlantic and the Pacific.

General, you mentioned BRAC, and you said that you have got excess capacity. For me, as a Member of Congress, we hear that from most of the branches. If you know you have excess capacity, I would like for you—to ask you to trust us and to show us where that excess capacity is. If you know there is 20-percent excess capacity, can you tell us where it is?

Admiral BURKE. Sir, I can—you know, I can tell you what I just said. We have—we did the last BRAC based on 340 cruiser equivalents. We don't have that today. We have fewer ships than aircraft by 10 percent than what we had during the last BRAC of 2005. We have not done the specific analysis that would need to be done in order to give you the answer, you know, on which one is specifically in excess. But given those—given those numbers based on the last one, it is clear to me that there is excess.

Mr. SCOTT. Thank you.

General Faulkner, if I may, I would love for you to have the opportunity to finish the answer, especially with regard to the Marine Corps logistics base in Albany with the green energy initiatives.

General FAULKNER. Sir, thank you for the question.

The energy situation in the Marines, we feel like, is a good news story, and there are two components. Certainly there is the installation piece and the operational piece. Just real quickly on operational piece, if I could.

Right now we are pursuing several initiatives in terms of energy-efficient sheltering, solar batteries, generators, reverse osmosis water purification, et cetera. But getting to the installations piece, which is your question, Albany is certainly a good news story, and they have been recognized by Secretary of the Navy for their initiatives in terms of energy, use of an on-base landfill that was created to generate power right there in support of not only the base proper, but the logistics base as well. Also, they are pursuing third-party financing off base with some of the local partners in terms of an energy coop, if you will, to better support their efforts.

Quite frankly, they are at the forefront among all our 24, 25 bases and stations in terms of what they are doing in support of energy, together with doing their normal day-to-day operation in terms of our depot maintenance efforts, so a good news story in terms of energy.

Mr. SCOTT. Thank you, gentlemen.

And again, if you come down there, I would love to have the opportunity to buy you lunch or a cup of coffee, and we will see you there.

General FAULKNER. Sir, I will take you up on that.

Thank you.

Mr. SCOTT. Mr. Chairman, I yield for the remainder of my time and apologize for having to step out.

Mr. WITTMAN. No problem. Thank you, Mr. Scott.

Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chairman.

One of the other hearings that we had, it was evident that the Navy and Marines basically have the flexibility in what you have in your operation maintenance, that you really didn't have to furlough, but the problem was, I believe, the Army that didn't, and as a result, the furlough issue that affects our civilians was going to be one that treated everyone "the same." So, as a result of that, we went from the 20 to potentially the 14 to potentially 7. As far as I know, we still have not gotten the final word as to what that number is going to be, but is it still remaining true that if the—if the branches were to be able to treat their respective civilians separately, that the Army and the Marine Corps really do not have to institute the furlough; is that correct?

Admiral BURKE. Do you mean the Navy and the Marine Corps, ma'am?

Ms. HANABUSA. Yes.

Admiral BURKE. Yes. I think what you said is accurate. A decision has not been made yet. That decision is being looked at today by the Secretary of Defense, and I don't—I personally have no insight into what he might decide.

Ms. HANABUSA. But you do have sufficient funds that you would not need to furlough if given the opportunity to make that decision independent—as an independent branch. That is also correct, isn't it?

Admiral BURKE. Excuse me. I don't know—we would certainly like not to furlough and—but I don't know how the, necessarily how the money is going to shake out, so I don't know whether that will end up being true in our case or not.

Ms. HANABUSA. Well, I know the Army has made it very clear that they would have to furlough, and I think the Navy has, in the past, given testimony that they think that you can avoid it, so we appreciate that.

General, you made a statement in my last series of questions about the most likely enemy, and I would like for you to define—you don't have to identify the most likely enemy, but if you can—if you can define what you think that most likely enemy is going to require, I would appreciate it, and I am raising this in the context of—because as I said earlier, I have asked this question many times, and I still remember what General Chiarelli said, and he said, We have been 100-percent accurate in being 100-percent wrong, on determining what that enemy is going to look like in the future. So given that, I would like to know what you are planning when you said the most likely enemy.

General TRYON. Thank you, ma'am. Tough question. If it is true that we have been 100-percent wrong all the time, my thoughts are, then we better be 100-percent ready for whatever is coming our way. I don't know that I would put my finger on any particular nation as a threat, but you only have to read the front page of your newspaper to identify a wide variety of threats.

We look at North Korea today and the threat they pose to our homeland in terms of Guam. In Hawaii, we look at our—the hybrid threats, the hybrid threats that I mentioned that are out there that manifest themselves on an all-too-regular basis. We look at terrorism, which has touched us in the recent past, and I would simply say that as a general purpose force, we have to rely on the indications and warnings, we have to rely on what we know to be the world as it is in order to prepare to defend our vital national interests and the security of the country.

That is probably not the essay answer you were looking for, but it is a difficult question, I think, to provide a precise response to you, ma'am.

Ms. HANABUSA. Thank you. And you can understand why in trying to understand what we should be appropriating for, that it is a very difficult question because unless we understand what you are expecting to fight, then it then determines, I think, what we would, of course, fund appropriately.

General TRYON. If I may, ma'am, that is a great point. What I would tell you is I know where we don't want to fight them, and that is here, in the CONUS—the Continental United States. It is not in Hawaii, and it is not in Guam. So we need to be forward-deployed and ready to meet and engage at a distance, and your Navy/Marine Corps team is optimally organized to do just that.

Ms. HANABUSA. Thank you very much.

Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Hanabusa.

I wanted to finish my line of questioning with focusing again on the readiness element and looking at the current ship capabilities, and that includes the number of ships going forward. There is still, I think, a significant amount of concern about where we are, and I wanted to then follow up on that and ask this question, Admiral Burke. What can Congress do to keep the retirement of those nine ships from happening in fiscal year 2014? Would extending the funds that we put out for the next 2 years past 2014, would that allow the ships to stay in service longer? Give us your perspective on how we, as Congress, can help to maintain the most capable Navy going forward?

Obviously, we have got some tough decisions to make about resources, but we have to be able to know what we can do in order to battle for those resources because that is essentially what it is, is battling, within the defense budget, to make sure that Navy receives a portion of those resources, and then within the Department of Defense framework, within the entire budget, to battle for those. So give me your perspective on how we can—what can we do to put off or get those ships to their expected service life?

Admiral BURKE. Yes, sir. First of all, I certainly appreciate and agree with your concern about service life and lifecycle costs. Admiral Cullom and I are broken records inside Navy talking about this.

But I think, given the shortage of funding, that we have several options available on where we could spend our limited resources. I am a fan of keeping everything until service life, but we won't be able to do that, so I would prefer to put the money into destroyers as opposed to cruisers, because those are younger; the modifications we need to make to them are simpler; and we are actually looking for ways to, as I mentioned the other day in your office, looking at ways to combine availabilities and do better on those availabilities as far as time and cost.

In the case of the cruisers, we have enough of them without those ships. So, I think they would be—we would potentially be throwing good money after bad. If we are to buy back something, I would buy back the LSDs. To get to the specific point on the cruisers, however, the challenge we have is I got it that it was pretty clear that the committees—all four committees—were interested in retaining those ships but the money shows up at the 6-month point and it is 2-year money, and it is hard to go buy things with 2-year money to maintain them.

So, a potential option is to extend the life of that SMOSF [Ship Maintenance, Operations, and Sustainment Fund] money, and if you were to extend the life of that money, we would have the opportunity, perhaps, to work out a way to retain some of those or all of them or—but I think that would give us the flexibility to at least have a conversation about it and probably get there.

Mr. WITTMAN. And I certainly understand the whole restrictions on certainly one of those ships there and the decisionmaking there. I understand, too, some of the issues with the aluminum superstructure, so—but what we would want to be able to do is to again look in that short term, where we have that precipitous dip in the number of ships that are available, which I think is a concern to

all of us, and I appreciate you talking not only about the cruisers but also about the LSDs, which we think are important.

Let me ask you something. I want to go back to another macro question, too, and it goes right back to PB 14 structure numbers. What do you all believe—and I want to ask across the board here. I want to ask of the Navy, and I want to get the Marine Corps' perspective. What do you believe the fleet size needs to be? And I know what you project can be build or will be built, but what do you think the fleet size needs to be to normalize maintenance, training, and operations across the fleet, based on today's surge operations tempo? And we look at that, and reset is going to be an important part of that going forward, so we always try to project, and what was pointed out earlier is, you know, we don't always get that right.

But that being said, we live in today's world that is pretty dangerous, and our ability to respond, just as was pointed out by the Marine Corps, is absolutely critical, and our ship capability, I believe, is the cornerstone of this Nation's defense structure in order to really respond to the things that happen around the world.

I mean, we watch today, anything that has happened from a security standpoint, who is there at the tip of the sphere? It is the Navy that goes there immediately along with the Marine Corps. So I want to get your perspective. Where do we need to be as far as fleet size to really do the things that we need to do? And I would like to get every one of your perspectives on that.

Admiral BURKE. Sir, just a quick question before I answer it. Are you talking about where we should be without fiscal constraints, or are you asking, given fiscal constraints, what are we able—what would be the right size?

Mr. WITTMAN. I would say—I would say, sans the fiscal constraints, looking purely at strategy and looking at what you project, where do you think that we need to be?

Admiral BURKE. Yes, sir. As I mentioned earlier to Congresswoman Hanabusa's question, we actually—taking the strategy and then doing a detailed force structure assessment by our assessment division, we determined that the right number is 306. And it is a mix of various types of ships.

So, that is where we think it ought to be. Now, that would require, in addition to just buying the ships, we would need—we would need to fill in the OCO hole. We have \$3 billion or so in OCO that ought to be in base. There are some other issues that we would need to—need to address, but those are relatively minor when you compare it to the money to buy the ships in the first place and the OCO; everything else is relatively minor. So we think that 306 is the right number.

Now, that will change over time. It changed here recently from 313 to 306, and that is just addressing certain things that have changed in the world and certain things that will—parts of our force structure that we will retire or a different way of doing things with our force structure, for instance, with our SSNs or SSGNs [cruise missile submarines], they will go away over time. We think we can essentially do that mission by putting *Virginia* payload modules in this. So, you know, there is a little bit of give and take over the years, but generally, it is in the low 300s.

Mr. WITTMAN. Very good.
Vice Admiral Cullom.

Admiral CULLOM. Yes, sir, I would concur with Admiral Burke. The Force Structure Assessment is pretty clear on how it gets to the number and the methodology by which it gets to it. So, in the unconstrained environment, 306 is the right number.

I think the reason, when you have asked that question of numerous people and you keep getting different answers, if you will, across the board, is that combatant commander desires and requests out there, we do not fulfill all those, not by a long shot; roughly only half of those. So, above and beyond the things that the Force Structure Assessment towards the operational plans are built, there is this need that, because of what General Tryon was talking about, that need for us to be out there because it is such a maritime world and everyone lives close to a coast is why there is a desire to have more than that.

In the constrained world, that then, I would have to say, tell me what the constraint is and I can tell you what that could give us in a whole manner. And we have had to do a lot of thinking about that just in case we can't get further on sequestration.

Mr. WITTMAN. Very good.

Admiral BURKE. Before you throw it to General Tryon, can I just add one thing, sir?

In order to meet COCOM demand, we would need a Navy approaching 600 ships. Certainly, we would be happy to have anywhere between 300 and 600, but I think that is probably unreasonable, and that is where the GFMAP comes in adjudicating where we go and where we don't.

Mr. WITTMAN. Lieutenant General Tryon.

General TRYON. My Navy counterparts are nervous right now, sir, as I prepare to answer this question. This is a force generation and a capacity question. I think due diligence on the part of the Department of Navy has been realistic, given our funding available.

The fleet response plan for amphibians is 27 months, and understanding operational availability is typically running at 70 percent, I would tell you that we would say that the 38-ship requirement that has been advertised heretofore is a realistic number. It would not meet, again, all of the combatant commander requirements, but we believe it would provide us with the forward-deployed presence, the ability to surge and at the same time to maintain and take care of the ships in the event that we had a major contingency operation.

Mr. WITTMAN. Very good.

Lieutenant General Faulkner.

General FAULKNER. Sir, I would just add, I won't throw out a number, but I would just add, and it was mentioned earlier in terms of our strategy and our rebalancing to the Pacific, even more so in the future than ever before, it is going to be important for those very reasons that we are forward to be relevant and that we are flexible and we are as agile as possible, and that is going to call for us to be able to be even better in terms of training.

We didn't talk much about sea basing when in fact that is a key part of our future ability logistically to support across those wide

areas in the Pacific, and it demands an even greater reliance on that amphibious shipping.

Thank you.

Mr. WITTMAN. Very good. Thank you, gentlemen.

I appreciate your perspective. As you can see from our standpoint, it is a little frustrating, because the numbers, as you know, go all over the chart as far as where we need to be strategically. I have always been a proponent to say that strategy needs to drive budget, not budget driving strategy. And then it is up to Congress to make the tough decisions about where does the money go. And many times it is going to fall under what the strategy may dictate, but at least we have the knowledge and we can make an objective decision about how priorities need to be made. And we can ask you then the questions and say, well, if we need 306, 316, 330, whatever the number may be, and this is what we can do, how do we address that in the short term and the long term? So I want to make sure that we continue to have an understanding there.

One question I do want to pose to you, but I want to take it for the record, and that is one of the areas we will look at in the future that is a significant cost for both the Navy and the Marine Corps is energy and whether it is operational energy or at the base level. I want to get your perspective on what both branches or what the Navy is doing, with the Marine Corps being an element of that, what you all are doing on reducing that energy cost. I think there are a lot of things that are going on that are pretty significant, but I want to get you all on the record as to what you are doing with that. And that is a significant cost savings. As you know, when we get that energy footprint down, it is money we can plow back into the force structure and the systems that we need for the Navy in the future.

[The information referred to can be found in the Appendix on page 79.]

Mr. WITTMAN. So, Ms. Bordallo, do you have any other questions?

Ms. Hanabusa?

Very good. Well, with that, we will adjourn the Subcommittee on Readiness.

Gentlemen, thank you so much for joining us today. Thanks for your perspective.

[Whereupon, at 10:00 a.m., the subcommittee was adjourned.]

A P P E N D I X

APRIL 26, 2013

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

APRIL 26, 2013

Statement of Hon. Robert J. Wittman
Chairman, House Subcommittee on Readiness
Hearing on
The Readiness Posture of the U.S. Navy
and the U.S. Marine Corps
April 26, 2013

Welcome to this morning's hearing. I would like to thank our witnesses for being here to address the readiness posture of the Navy and Marine Corps in light of the Fiscal Year 2014 budget submission and deeply concerning current fiscal year shortfalls. Joining us are:

- Vice Admiral Bill Burke, the Deputy Chief of Naval Operations Warfare Systems (N9);
- Vice Admiral Phil Cullom, the Deputy Chief of Naval Operations for Fleet Readiness and Logistics (N4);
- Lieutenant General Richard Tryon, the Deputy Commandant for Plans, Policies and Operations; and
- Lieutenant General William Faulkner, the Deputy Commandant for Installations and Logistics.

Gentlemen, thank you all very much for being here. Admiral Burke, thank you for your almost 40 years of service to the Navy and to our Nation. We are delighted to have the opportunity to garner your insights at your final hearing before this subcommittee. And, we wish you all the best as you move on to your next endeavor.

As we review this budget request, we cannot lose sight of the impacts on readiness and implications for operational missions. We are quickly compromising the readiness of our force, and it is our duty and commitment to ensure that we provide the resources necessary to support our warfighters and to protect our Nation, particularly in light of the fact that our forces have been operating at a very high operational tempo over the past 10 years.

We are experiencing the very real effects of the budget on a daily basis. Despite the FY13 appropriation, the Navy still faces a \$4.5 billion shortfall in its FY13 O&M accounts, which is further exacerbated by unanticipated bills resulting from rising fuel prices. In February of this year, the Navy deferred the deployment of the USS *Truman* to the Gulf and reduced its carrier presence to 1.0. Additionally, in March, an additional five deployments were cancelled, and the next-to-deploy forces are also being affected, for example, by reducing two carrier air wings to "tactical hard deck," which is the minimum level of training required to maintain basic air proficiency and the ability to safely operate the aircraft.

By making the near-term decisions in light of fiscal constraints, the Navy will soon begin to see the impacts on units beyond those that are “next-to-deploy.” As maintenance availabilities get reduced or outright cancelled, the Navy will be challenged to reconstitute the requirement in the very near future due to lack of capacity at the shipyards. Ultimately, this results in significantly shorter service life for the assets, particularly when coupled with the impacts of the sustained surge in recent years which has taxed both the equipment and personnel at rates significantly higher than anticipated. Add to this mix the tenuous progress the Navy has made to reverse degraded surface fleet readiness trends, and I’m deeply concerned about losing the momentum we have achieved to preserve the readiness of the naval force.

In particular, I have strong concerns about the readiness of the fleet as it relates to the total number of ships projected in the inventory. Any proposal to retire assets earlier than the end of their expected service life will increase the strain and degrade the readiness of the remaining force. It is apparent by the updated Navy 30-year shipbuilding plan that there are deficits in the very near future. The dichotomy is that you will lose capacity, but, it is not apparent how the Navy intends to replace it.

Despite slight improvements in Marine Corps readiness levels, the force structure continues to downsize to a total of 182,000 marines facing a nearly \$1 billion cut as a result of sequestration. In light of the fiscal situation, the Marine Corps will undoubtedly be challenged to meet global commitments, to reconstitute the force, and to sustain high operations tempo. The strains will likely be further compounded by the need to support new, important missions like the forward deployment of a special MAGTF in Spain to support AFRICOM and the expansion of critical legacy missions like the Marine Security Guard program slated to grow to protect an increasing number of embassies in high-risk areas around the globe.

During my recent trip to Afghanistan it became readily apparent that we have very near-term retrograde and reset issues associated with battle-worn equipment. I witnessed thousands of containers, hundreds of vehicles, and millions of individual items awaiting shipment home to units that desperately need them—all items at risk as transportation costs continue to rise and budgets continue to shrink.

In addition to the service-specific issues, one of my foremost concerns is consideration for the civilian workforce and the impacts on the depots and the skills that could be lost in the industrial base. Make no mistake—the impact to the readiness of the force is real, and is occurring today. During this hearing, I would ask that you share your perspective on this and help us answer some basic questions:

- How do you define “readiness”? And, ready for what? And, will the forces be “ready” in both FY13 and FY14?
- In the absence of the OCO budget for consideration before the Congress at this time, can you please describe the impact of OCO funding on your ability to provide “ready” and trained forces? And, how will you sustain that in the long run as OCO funds begin to diminish?

- Please address the actions you are taking for the rebalance to the Pacific, what it means for both the Navy and Marine Corps, and your ability to meet Global Force Management Allocation Plans.

I have every expectation that you will continue to seek options to mitigate the long-term consequences and ensure we don't create a hollow force. That said, I strongly believe that our long-term Naval and Marine Corp strategies cannot be articulated until the budgetary pressures get resolved. I am deeply concerned that we are on the brink of the Department making near-term decisions that could potentially mortgage future force readiness, and it is imperative for us to work together to avert that outcome.

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RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

STATEMENT OF

**VICE ADMIRAL BILL BURKE
DEPUTY CHIEF OF NAVAL OPERATIONS
WARFARE SYSTEMS (N9)**

AND

**VICE ADMIRAL PHILIP H. CULLOM
DEPUTY CHIEF OF NAVAL OPERATIONS
FLEET READINESS AND LOGISTICS (N4)**

ON NAVY READINESS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON

READINESS

APRIL 26, 2013

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

Chairman Wittman, Congresswoman Bordallo, and distinguished members of the House Armed Services Subcommittee on Readiness, it is our honor to appear before you to testify on the readiness of our Navy.

Before discussing our readiness plan for FY2014, we have to describe our current readiness state in FY2013. In CNO's testimony in February, he discussed the combined effects of growth, the Continuing Resolution, and sequestration that resulted in Navy facing a shortfall of about \$8.6 billion in our FY2013 operations and maintenance (O&M) account. Since then, thanks to the Congress' efforts, we received an FY2013 appropriation in March as part of the Consolidated and Further Continuing Appropriations Act of 2013. This appropriation restored about \$4.5 billion toward our total need in operations and maintenance. As a result, we have a FY2013 shortfall in operations and maintenance of about \$4.1 billion, approximately 10 percent of the planned amount for this fiscal year.

To address FY2013 shortfalls, we are applying our remaining O&M funds to the following priorities:

- **Fund personnel and "must pay bills":** Ensure we have funding for bills such as utilities and civilian pay.
- **Reconcile FY13 readiness:** Sustain operations and maintenance for the priority forces in accordance with the defense strategy that will deploy to meet the current approved FY2013 Global Force Management Allocation Plan (GFMAP), which describes the forces required to be provided by the services to the Combatant Commanders as directed by the Secretary of Defense. Our remaining spending plan for FY2013 will reduce furloughs of Civilians and sustain non-deployed ship and aircraft operations in order to prepare forces that will deploy in 2014 and ensure others operate sufficiently to safely respond if needed in support of homeland defense.
- **Prepare to meet FY2014 GFMAP:** Conduct training and maintenance for forces that will deploy as part of the FY2014 GFMAP, including guided missile destroyers (DDG) transferring to Rota, Spain as part of the Forward Deployed Naval Force (FDNF).
- **Restore critical base operations and renovation:** Sustain base infrastructure and port/airfield operations to support training and deployments needed for the FY2013 and FY2014 GFMAP. We will also conduct health and safety-related facility repairs and continue high-return energy efficiency projects.

Impacts of Sequestration

While we have made informed choices in prioritizing our reduced FY2013 O&M funds and gained financial efficiencies where possible, the reality is that sequestration will continue to impact Navy readiness in terms of ships, aircraft, bases and people in FY2013 and through FY2014. For example, at sea we were compelled to recommend the FY2013 GFMAP be changed to cancel one ship deployment to the Pacific, two ship deployments to Europe, and all but one FY2013 ship deployment to U.S. Southern Command. We continue to evaluate opportunities to add deployments to these regions as our fiscal position becomes clearer. In addition to reducing overseas operations, we also reduced the amount of operations our ships and aircraft will conduct when not deployed.

We also reduced maintenance, deferring depot maintenance on 84 aircraft and 184 engines and eight of 33 planned depot-level surface ship maintenance availabilities. Restoration of all planned surface ship maintenance availabilities in FY2013 remains a top priority.

The impact of reduced fleet operations and maintenance will be less surge capacity but we are prioritizing resources to retain the ability to support the FY2014 GFMAP. All our forces deploying in FY2013 and FY2014, including two Carrier Strike Groups (CSGs) and two Amphibious Ready Groups (ARGs), will be fully mission-capable and certified for Major Combat

Operations. We will also retain one additional CSG and ARG in the United States that are fully mission capable and certified for Major Combat Operations, available to surge within 1-2 weeks. Due to reduced training and maintenance, however, almost all of our other non-deployed ships and aviation squadrons will be less than fully mission capable and not certified for Major Combat Operations – about 2/3 of the Fleet. Historically, about half of our Fleet is in this status since ships and squadrons are in training or maintenance preparing for their next deployment. While these forces will not be ready or certified to deploy overseas, they will remain able to respond, if needed, to support homeland defense missions.

Ashore, we deferred about 16% of our planned FY2013 shore facility sustainment and upgrades, about \$1 billion worth of work. Recovering these projects could take five years or more and, in the meantime, our shore facility condition will degrade. We were able to sustain our Sailor and Family Readiness programs through FY2013, including Child Development Centers, Fleet and Family Support Centers, and Sexual Assault and Prevention programs.

Current Readiness Challenges

Even prior to the impacts of sequestration, there were readiness challenges to meet. We continue to operate the Fleet at levels beyond the baseline GFMAP which suppress the readiness of deployed forces for full spectrum operations and reduce the remaining surge capacity of the non-deployed force. This requires us to compress the time available for maintenance and training in home port for some units and impacts the lives of our Sailors and their families. As you will note in the following sections, we continue to leverage Overseas Contingency Operations (OCO) funding to fully meet our current readiness requirements. We have made significant progress in understanding the backlog of maintenance in our surface force through an aggressive schedule of inspections, some in partnership with the American Bureau of Shipping. We will seek to fund the maintenance required to reset our surface fleet from over a decade of war with OCO in FY2014, but can only effectively execute this work during dry docking availabilities that are conducted in an 8 year cycle, which will require a long-term investment commitment.

Current Readiness Accomplishments

Over the last year our Navy continued to provide crucial global presence and employed innovative ways to enhance our readiness in many critical areas. We deployed additional mine countermeasures capability and capacity to CENTCOM and increased the readiness of an international force, including 34 partner nations, to conduct mine hunting and clearance operations. The International Mine Countermeasures Exercise (IMCMEX 2012) also demonstrated strong international resolve to sustain freedom of navigation throughout the global maritime commons. In the Pacific, the Rim of the Pacific (RIMPAC) and VALIANT SHIELD exercises demonstrated high end warfighting capabilities with participation from across the Joint Force and, in the case of RIMPAC, 22 partner nations. Together with the U.S. Marine Corps, we conducted Exercise BOLD ALLIGATOR to reinvigorate our readiness for large scale amphibious operations. With the supplemental funding provided by the Congress over these years of extended combat operations, we have been able to continue to provide ready forces to the Combatant Commanders and adequately fund our maintenance accounts to support future readiness.

We continue to balance Navy readiness requirements, current and future, through the three tenets of our Navy's "Sailing Directions" -- "Warfighting First, Operate Forward, and Be Ready." We have continued to move forward in ongoing readiness initiatives to improve the material condition of our surface force ships, improving manning at sea and providing increased staffing ashore at the Regional Maintenance Centers. These efforts have the dual benefit of improving current maintenance support and building technical experience in our enlisted community. Our initial review and update of maintenance plans for each surface force ship class is complete, and

engineering discipline has been restored to the surface ship maintenance process. We have executed targeted readiness improvement initiatives for our forward deployed Mine Counter-measures ships (MCMs), Patrol Coastal craft (PCs) and our Ballistic Missile Defense ships, achieving improvements in operational availability. One forward Navy Component Commander described these as the equivalent of an extra AEGIS ship on station.

Navy Readiness FY2014

Our Fiscal Year 2014 budget request continues the CNO's readiness priorities -- to meet projected operational requirements and build future capabilities, while sustaining the readiness of our ships and aircraft over the course of their expected service lives. It continues to implement the Defense Strategic Guidance, expands forward presence through both traditional and new approaches, and ensures the Fleet is where it matters, when it matters, to achieve the security interests of the Nation, and sustain the global economy.

Operating a Ready Navy

We remain ready today to respond globally with the highest quality force in our history. As previously mentioned, we continue to experience high operational tempo. Sustaining that level of operations remains dependent upon the receipt of OCO or similar supplemental appropriations. We are taking some risk in the readiness of our non-deployed forces to maintain very high levels of readiness in our deployed forces. In FY2014, the Navy budget request, with anticipated supplemental funding, supports the adjudicated requirements of the Combatant Commanders, as represented by the baseline GFMAP, with capacity to provide surge forces in support of their major operational plans and other emergent needs. The readiness of surge forces, particularly in the first half of FY2014, will be influenced by steps we may need to take to curtail training for non-deployed forces to remain within budget in FY2013.

Navy manages force generation using the Fleet Response Plan (FRP). This plan establishes a sustainable cycle of maintenance, training, and operations for both individual units and task groups. With this process, Navy generates the ready forces required to meet global presence requirements and develop the capacity for surge response for homeland defense and overseas contingencies. The plan operates as a cycle, so that forces undergo maintenance, training, and then deployment/sustained surge readiness in defined periods. The flexibility of this approach enables Navy to develop greater surge capacity in response to contingencies than did earlier approaches to force generation. However, for over ten years, Navy forces have been operating at a war-time pace, which has resulted in forces enduring more underway days, deferred maintenance, compressed training, and increasing deployment lengths or double deployments within a single FRP cycle. The limited reductions to surge operations in the second half of this year, while necessary to ensure Navy could meet baseline GFMAP commitments in FY2014, will not significantly relieve the impacts of over ten years of surge. Continuing to operate at this pace indefinitely will prematurely expend the service life of our platforms and maintain a high level of stress on our Sailors and their families. Our plan for FY2014 implements deployment schedules at an executable level of maintenance and training and begins to develop more efficient ways to generate presence.

Ship Operations

The Ship Operations program provides for the operation of our ships and submarines and the training of their crews. The baseline budget request for FY2014 supports the highest priority presence requirements of the Combatant Commanders, generating a level of theater presence for CSGs and ARGs that meets the demands of the GFMAP as it exists today. Forty-five days of underway operations per quarter for deployed units are provided within this baseline submission. Navy will employ anticipated supplemental funding to generate forces to meet surge requirements.

and fully fund deployed steaming days (58/quarter) necessary to execute the FY2014 GFMAP. The readiness of non-deployed forces, particularly in the first half of FY2014, will be impacted by training and support reductions we must implement in FY2013 to remain within the constraints of our current budget. We will maximize use of simulators, concurrent training, and certification events while underway to meet our readiness demands. In addition, we will pursue the judicious use of fuel and consumables to mitigate readiness risk where possible.

Air Operations (Flying Hour Program)

The Flying Hour Program (FHP) funds operations, maintenance, and training for ten Navy carrier air wings, three Marine Corps air wings, Fleet Air Support aircraft, training squadrons, Reserve forces and various enabling activities. Our individual Navy and Marine Corps aviation units are funded to achieve a defined training-rating level for deployment or surge operations. The FY14 baseline budget submission achieves these required deployed and surge readiness levels. We continue to employ simulation to use non-deployed flying hours most effectively and continue to invest in new simulators. To preserve aircraft service life and reduce fuel costs, we are also upgrading existing simulators to reduce the requirement for aircraft flying hours. Out year projections for FHP reflect the addition of Unmanned Aerial Systems to the program. For the Joint Strike Fighter, fuel costs are included in FHP, but other costs are funded in the Aviation Logistics program.

Fleet Training, Targets, Training Ranges and Encroachment

To support a ready Navy, we are sustaining investments in key training capabilities, including Fleet Synthetic Training, Threat Simulation Systems, the Tactical Combat Training System, and constructing the Shallow Water Training Range to improve undersea warfare readiness. The FY2014 budget submission also includes increased funding for the Diesel Electric Submarine Initiative, providing realistic live undersea warfare training with partner nation diesel submarines, at-sea training capability for Ballistic Missile Defense ships, and waterfront instructors to improve readiness and the professional expertise of our enlisted and officer communities.

We continue development of the Multi-Stage Supersonic Target to meet critical test and evaluation requirements, as well as a replacement subsonic aerial target to sustain Fleet training. We also continue procurement of high speed, maneuverable surface targets and provide increased opportunities for live fire training to support operator confidence and proficiency in response to Combatant Commander and Fleet priorities. These live training capabilities are executed on our ranges which are critical to both training for warfighting missions and test and evaluation of new platforms and capabilities.

Our training ranges, operating areas, and installations are essential enablers for Fleet readiness. They are 'crown jewels' that facilitate realistic training and simulation against potential adversary threats including live fire evolutions and high end warfighting needed to ensure our people and systems are confident and ready to employ our systems and capabilities. We must preserve our ranges from physical and electronic encroachment, and ensure our tactics, techniques, and procedures are not exploited by potential adversaries. The Navy is susceptible to encroachment and therefore at risk in our ability to conduct training and readiness missions, test, and evaluation within our ranges, operating areas, and special use air space. Our installations, including air and port operations functions, encounter many of the same encroachment risks. Recent concerns at ranges and installations have arisen primarily from proximity of renewable energy projects, new transmission lines, increased commercial and recreational use of confined spaces and limited resources at sea, urban expansion near key facilities, electromagnetic spectrum and frequency loss, ocean observing systems proliferation, and exploitation threats from both domestic and foreign investment in the United States.

Additionally, interagency involvement in initiatives related to encroachment such as the National Ocean Council, OSD Siting Clearinghouse, Bureau of Ocean Energy Management, and the National Broadband Initiative increase the standards and scrutiny by which Navy must justify and defend its testing and training requirements. To protect key capabilities, address encroachment, refine internal programs and processes, and resolve encroachment issues, Navy established Task Force Compatibility and Readiness Sustainment (TFCRS) in 2011. Through TFCRS coordination, Navy is taking action to sustain operational capabilities and installation functions at designated ranges, special use airspace, military training routes, and operating areas. Current examples of encroachment issues include the following:

- Wind Energy Development. Electromagnetic interference and Doppler shift from wind turbines can interfere with air traffic control, navigational aid systems, and over the horizon radar capabilities that support national counter narcotics efforts. Turbines can also impact test and evaluation capabilities as well as creating physical obstructions to low level flight training over land and training and testing activities at sea.
- Ocean Observing Systems. Increasing proliferation of these systems results in an unintentional operational security risk to Navy undersea operations. Navy training and readiness is impacted by longer training cycles and increased cost to mitigate the effects of OOS capabilities.
- Economic Development. Economic development in the vicinity of Navy training and areas (land and sea), and the potential for exploitation of capabilities and techniques, complicates encroachment challenges. Current or future observation and reporting on Navy training and operational procedures poses security risks.

Maintaining a Ready Navy

Navy maintenance programs are critical elements of near-term readiness as well as key contributors to sustaining our force structure over the long term. Achieving the expected service life of the ships and aircraft we have today enables the successful execution of the 30-year Shipbuilding Plan and the Master Aviation Plan. As a result, our FY2014 budget submission seeks a balance between maintenance requirements and our shipbuilding and aviation construction investments. This budget request is built upon our proven sustainment models for nuclear aircraft carriers and submarines, our ongoing investment in the readiness of our surface combatants, and plans for transition and integration of new capabilities into Naval Aviation.

Ship Maintenance (Aircraft Carriers, Surface Ships and Submarines)

Ship maintenance is executed in both public and private sector shipyards, and requirements are based upon proven processes used for many years for aircraft carriers and submarines. Reaching expected service life requires an integrated engineering approach to plan, fund, and execute the right maintenance. We have now restored similar processes for our surface ships, with all depot availabilities in the FY2014 requirement based upon updated class maintenance plans, an aggressive schedule of inspections and detailed planning for each ship. Under this new process, availability planning, execution, and certification are codified; all required maintenance actions are tracked to completion; and all proposed maintenance deferrals are formally reviewed to ensure adjudication by the appropriate technical authority and rescheduling in a follow-on availability or other appropriate window of opportunity.

We also continue to focus on improving 'condition-based' planning through documentation and analysis. For example, ship tank condition has been identified as a key factor to reducing growth work and maintenance availability extensions, so it is now aggressively monitored. Tank

corrosion prevention and repairs have been incorporated into individual ship life cycle maintenance plans. The goal is to document the condition of over 90 percent of all tanks by the end of FY2014.

In baseline, the FY2014 budget submission (\$5.2B) funds most aircraft carrier and submarine maintenance and emergent maintenance on surface ships. We must continue to leverage supplemental funding to achieve the full requirement. Without OCO or other supplemental funding, FY2014 deferred maintenance would total \$1.3B. Additional reset funding is required to accomplish deferred life-cycle maintenance in surface ships executing docking availabilities in FY2014.

The cyclic nature of ship and submarine depot availabilities from year to year continues to result in variations in budget requests and annual obligation levels. Surface ship availabilities are conducted almost exclusively in the private sector, while submarine and aircraft carrier availabilities are primarily conducted in the public sector with selected availabilities completed by nuclear-capable private shipyards. When allowed by statute and policy, and when competition exists in the ship's homeport, surface ship availabilities less than six months in duration and other maintenance are performed in homeport to minimize the impact on our Sailors and their families. The Navy recognizes maintenance organizations need a stable and level workload to maximize efficient execution. Leveling the workload to the maximum extent practicable within operational constraints is therefore a key planning consideration.

Aviation Depot Maintenance

Aviation Depot Maintenance (ADM) funds the airframe, engine, and engine module repair requirements beyond the capability of intermediate maintenance funded under the Flying Hour Program. ADM requirements have been refined in this budget submission to enhance the linkage with the aircraft flight line entitlement and engine readiness goals necessary to produce the squadron operational availability required to execute the Fleet Response Plan and meet GFMAR requirements. ADM funding is used to conduct depot repairs of both Navy and Marine Corps, active and reserve component, aircraft and propulsion systems to meet these requirements.

Our baseline budget request for FY2014 depot airframe and engine workload (\$1.0B) supports depot level repair of 557 airframes and 1,364 engines/engine modules. An additional 227 airframes and 549 engines/engine modules require repair to achieve the full requirement. Supplemental funding is required to reduce the induction backlog to an acceptable level at which we could recover the forecast the airframe and engine backlog within one year.

Providing Expeditionary Combat Support Capabilities

Navy expeditionary forces support global missions by deploying security, construction, explosive ordnance disposal, logistics and training units operating as complementary components of a small, rapidly deployable combat support force. With the significant engagement of these forces in Operation ENDURING FREEDOM, baseline funding in FY2014 represents 43% of the enduring requirement, while supplementary funding will be applied to meet the full requirement. This budget submission continues to execute restructuring of Navy expeditionary forces with a focus on supporting the full range of expeditionary capabilities at a reduced capacity. Navy is retaining the appropriate deployable force structure in the Active Component to support core Navy missions at reduced capacity, while providing surge capacity within the Reserve Component.

The Navy budget submission also supports Naval Special Warfare Command with service common capabilities that include tactical communications equipment, night vision equipment, small arms and ammunition, recompression chambers, tactical vehicles and additional common systems in use by other Navy components. Furthermore, we have supported Joint Special Operations Forces and Naval Special Warfare's urgent ISR needs with multiple deployments of organic and expeditionary 'interim' Small Tactical Unmanned Aircraft Systems that provide engaged operators with decisive advantages in critical tactical operational intelligence on the battlefield.

Supporting a Ready Navy

Shore Readiness

The Navy's shore infrastructure – both in the United States and overseas – provides essential support to our Fleet. In addition to supporting operational and combat readiness, it is also a critical element in the quality of life and quality of work for our Sailors, Navy civilians, and their families. The FY14 budget submission emphasizes ship and air operations, as well as Sailor and family readiness. It funds port and flight line operations, safety and security, and family support programs within Base Operating Support while accepting risk in other shore program areas. Meanwhile, we continue to target our Facilities Sustainment, Restoration, and Modernization funding toward facilities that directly support operations, such as airfields, hangars, piers, and barracks. Critical infrastructure ashore directly supports combatant commanders and deployed warfighters and must be able to withstand and fight through natural disasters, conventional threats, and cyber attacks. To that end, through energy efficiency improvements in our buildings and utilities infrastructure, we are working to increase the resiliency of mission-critical support facilities as well as reduce our dependence on the electric grid.

The Department of the Navy's planned FY14 investment of \$425M in our depots -- Naval Shipyards, Fleet Readiness Centers and Marine Corps Depots -- is in compliance with the National Defense Authorization Act (NDAA) 6% investment requirement for infrastructure improvements. We recapitalize our shipyards within today's fiscally constrained environment, focusing on mission-critical facilities such as production shops, piers, wharves, and dry docks. We mitigate the level of deliberate risk we take in the sustainment of our infrastructure by prioritizing projects for repair.

Family Readiness Programs and Child and Youth Programs

Navy's Family Readiness programs enhance mission readiness by assisting Commanding Officers, Sailors, and their families in managing the demands of the military lifestyle. This budget request provides steady funding for warfighter and family readiness programs to include child development centers, Fleet and Family Support Centers, services for exceptional family members, sexual assault prevention, and Wounded, Ill and Injured Warriors. Our Navy Child and Youth Programs provide high-quality educational and recreational programs for Navy children ages six weeks through eighteen years in multiple venues. All programs are operated in accordance with the Military Child Care Act and are DoD-certified and nationally accredited. We continue to provide respite childcare, directly supporting Exceptional Family Members and families of deployed Sailors. We recently expanded our childcare facilities to accommodate an additional 7,000 children and have met the Secretary of Defense's goal of providing for at least 80 percent of the "potential need".

Housing

Our budget request also sustains funding for quality housing which significantly impacts Sailor retention, productivity, and individual and mission readiness. Our Bachelor Housing program is focused on providing Homeport Ashore housing for our junior sea-duty Sailors by 2016 and attaining the OSD goal of 90 percent of our bachelor housing as being 'adequate' on a quality scale rating. We have requested \$195M in FY14 to improve the condition of our existing barracks to continue progress toward this goal.

We maintained funding for the operations and maintenance of Navy Family Housing in this budget. Navy expects to achieve OSD's goal of attaining a 90 percent 'adequate' family housing inventory by 2019. This two-year delay from last year's projected completion date of 2017 is due to Navy's full incorporation of 1,200 older units in Guam acquired by Navy under Joint Basing. Our FY14 budget submission funds the operation and maintenance of our Navy-owned and leased homes

as well as the renovation of more than 120 'inadequate' homes in Japan and Guam. We have privatized 97 percent of our CONUS and Hawaii family housing inventory and continue to perform oversight of our privatized housing to ensure Navy Sailors and their families benefit from quality housing and services.

Energy

Energy, fuel, and how we power our ships have always been vital issues for the United States Navy. As we have seen during previous maritime conflicts and our current ground war, potential adversaries see energy as a vulnerability and have demonstrated a resolve and ability in attempting to exploit it. Our Navy energy program tackles this head on by working to foreclose these efforts by reducing the magnitude of our energy reliance and usage. Our goal is to be more Spartan and judicious in what we use, thereby gaining greater agility, endurance/combat range, and flexibility in conducting and supporting our missions at sea, in the air, and on land. This is facilitated by new technology but it is equally reliant upon a change in mindset and culture. Ultimately, however, it is the combination of culture change, efficiency efforts, and hardware investment that will permit us to stay on station longer, decrease the frequency of replenishment, and reduce our vulnerability to an adversary's asymmetric attempt to use energy as a weapon. It is through this lens that our smarter use of energy can make us better warfighters, keeping our nation's assets where they matter most, when they matter most.

In alignment with these initiatives, Navy's energy program (\$697M/FY14) focuses on two critical areas: operational efficiency, and installation energy efficiency and resilience. The major components of the program include a \$357M investment in Operational Energy efficiencies/technology and a \$340M investment in Shore/Installation Energy initiatives. Together, these investments and our efforts to utilize affordable alternative sources will improve our combat capability, enhance our mission effectiveness, save resources, and reduce vulnerability in energy markets. However, the almost \$600 million FY 2014 reduction in SRM/O&M and Base Operating Support, in addition to the sequester reductions in FY 2013, will make the statutory energy intensity goals more difficult to achieve. Moreover, reduced investments in energy projects *now* will result in lost opportunity for savings in the future, higher utility costs and, ultimately, reduced readiness as funds are diverted to pay these bills.

Conclusion

Our FY2014 budget supports the Defense Strategic Guidance and the CNO's three tenets with the resources required to train, maintain and operate Naval forces worldwide. Our Sailors are the highest quality, most diverse force in our history and continue to make us the finest Navy in the world. On behalf of all these men and women of the United States Navy - active, reserve, and civilian - thank you for your continued support.

United States Navy Biography

Vice Admiral William R. Burke Deputy Chief of Naval Operations Warfare Systems (N9)

Vice Adm. Burke, a native of Hornell, N.Y., graduated from the United States Naval Academy in 1978 with a Bachelor of Science in Systems Engineering. In 1985, he completed a Master of Business Administration at Marymount University. In 1999, he earned a Master of Science degree in National Security Strategy at the National War College in Washington, D.C. He is a graduate of Massachusetts Institute of Technology Seminar 21 Program in International Politics.

His submarine assignments include USS *Lafayette* (SSBN 616), USS *Key West* (SSN 722), USS *Omaha* (SSN 692), USS *Cavalla* (SSN 684), and command of USS *Toledo* (SSN 769). He commanded Submarine Squadron Two from July 2001 to July 2003.

His Washington D.C. shore assignments include a tour in chief of naval operations' Attack Submarine Division; assistant deputy for House Liaison in the Navy Office of Legislative Affairs; chief of Training, Doctrine, and Assessment; assistant deputy director for Combating Terrorism (JCS J34); and, head of Warfighting Assessments Branch (N812) followed by a tour as the executive assistant to the Vice Chief of Naval Operations.

Promoted to Rear Admiral in September 2005, his flag assignments include commander, Logistics Group Western Pacific/commander, Task Force 73/commander Navy Region Singapore; director, Assessment Division (N81/N00X) and the director, Quadrennial Defense Review (QDR/N00X).

In April 2010, he was promoted to vice admiral and reported for duty as deputy chief of naval operations for Fleet Readiness and Logistics (N4). He is currently assigned as deputy chief of naval operations for Warfare Systems.

Burke wears the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit (three awards), Meritorious Service Medals (three awards), the Navy and Marine Corps Commendation Medal (four awards), and the Navy and Marine Corps Achievement Medal (two awards). While onboard *Cavalla*, he received the Admiral Chick Clarey Award for the 1992 Outstanding Navy Officer Afloat from the Honolulu Council of the Navy League.



United States Navy Biography

Vice Admiral Philip Hart Cullom Deputy Chief of Naval Operations for Fleet Readiness and Logistics

A native of Flossmoor, Ill., Vice Adm. Cullom graduated with distinction from the U.S. Naval Academy with a bachelor's degree in Physics. He also holds a master's degree in business administration with distinction from Harvard Business School.

At sea, he has served at sea aboard *USS Truxtun* (CGN 35), *USS Jesse L. Brown* (FF 1089), *USS Dwight D. Eisenhower* (CVN 69), and *USS Mobile Bay* (CG 53), participating in numerous exercises and counter-narcotics patrols as well as Operations *Desert Storm* and *Southern Watch*. During the Kosovo Crisis, he commanded *USS Mitscher* (DDG 57), deploying to the Mediterranean, Adriatic, and North Sea. As commander, Amphibious Squadron Three, he served as sea combat commander for the first Expeditionary Strike Group (ESG 1) in support of Operations *Iraqi Freedom* and *Enduring Freedom* and, subsequently, as chief of staff to Commander, 2nd Fleet/Striking Fleet Atlantic. Most recently, from June 2007 to August 2008, he commanded the *Eisenhower* and *George Washington* Strike Groups, as commander, Carrier Strike Group Eight.



Ashore, he has served in technical, staff, policy, and strategy positions as shift engineer and staff training officer of the A1W nuclear prototype at the Idaho National Engineering Laboratory; special assistant to the CNO's Executive Panel (OP-00K); and, branch head for Strategy and Policy (N513). Joint assignments have included Defense Resource Manager within the J-8 Directorate of the Joint Staff; white house fellow to the Director of the Office of Management and Budget; and, director for Defense Policy/Arms Control on the National Security Council staff. He also held a personnel assignment, serving as the head of Officer Programs and Placement (PERS 424/41N) for all surface nuclear trained officers from late 2001 until 2003. Flag assignments ashore included Navy Staff positions as director of Deep Blue; the Strategy and Policy (N5SP) Division; Fleet Readiness Division (N43); and, most recently, director, Energy and Environmental Readiness Division (N45) on the Navy Staff. In March 2012, he assumed his current duties as deputy chief of Naval Operations for Fleet Readiness and Logistics.

Cullom's personal awards include the Defense Superior Service Medal (two awards), Legion of Merit (six awards), Defense Meritorious Service Medal, Navy Meritorious Service Medal (two awards), Navy and Marine Corps Commendation Medal (three awards), Joint Service Achievement Medal, and Navy and Marine Corps Achievement Medal.

Not public until released by the
House Armed Services Committee

STATEMENT OF
LIEUTENANT GENERAL RICHARD T. TRYON
DEPUTY COMMANDANT FOR PLANS, POLICIES, AND OPERATIONS
LIEUTENANT GENERAL WILLIAM M. FAULKNER
DEPUTY COMMANDANT FOR INSTALLATIONS AND LOGISTICS
BEFORE THE
READINESS SUBCOMMITTEE
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
READINESS
26 APRIL 2013

Not public until released by the
House Armed Services Committee

Today's Marines are thoroughly trained and are meeting all assigned Operation ENDURING FREEDOM (OEF) and combatant commander requirements. The approximately 7,400 Marines deployed in Helmand Province under Regional Command South-West remain our top priority. Rotation after rotation, their professionalism, training, and morale has remained. Over the last several years, their cumulative efforts have successfully created the conditions for the Afghan National Security Forces to grow and mature in size and capability, and they have given the Afghan people an opportunity to build for a better future.

In 2012, Marines have participated in more than 120 security cooperation engagements external to Afghanistan, developing partner nation capabilities and building up stores of goodwill among our global neighbors. Marine Corps forces have been ready and able to respond to a range of crises and contingencies from natural disasters to civil uprisings. Marines were sent to Libya in the wake of the assassination of our Ambassador and other U.S. personnel. Marines deployed to reinforce the security of our embassies in Egypt and Yemen following the attempted breach of the embassy walls by violent protesters. Marines supported Superstorm Sandy relief efforts here in our Northeast and Super typhoon Pablo relief efforts in the Philippines. In short, Marines have lived up to our reputation as the nation's crisis response force and remain ready to respond to future incidents that threaten our Nation's interests, regardless of the location or the nature of the occurrence.

Current Readiness

The readiness of our force is integral to our ethos; it's a state of conditioning that Marines work hard to maintain. Our mission is incompatible with tiered readiness. Marines don't get ready when a crisis occurs, we must be forward deployed and always ready to respond to events that occur without warning. This always ready, always trained, and always relevant ethos is the most important aspect of who we are and what we do.

Readiness does come at a cost and the high readiness of the deployed forces comes at the expense of our non-deployed units' readiness. The Marine Corps can sustain its current operational requirements on an enduring basis; however, to maintain the high readiness of our forward deployed units, we have globally sourced equipment and personnel for Afghanistan and other emerging threats from our non-deployed units. The non-deployed forces' principal readiness challenge is the reduced availability of equipment at home stations with which to outfit and train units. Currently, more than half of non-deployed units are experiencing degraded readiness due largely to portions of their equipment being redistributed to support units deployed forward. The manning of our home station units also suffers due to the need to meet the personnel requirements for deploying units, Individual Augments and Security Force Assistance Teams. The primary concern with the out-of-balance readiness of our operating forces is the increased risk in the timely response to unexpected crises or large-scale contingencies, since the non-deployed forces likely would be the responders. Efforts to maintain the readiness of all of

our forces would be exacerbated further if our Operations and Maintenance (O&M) account is diminished.

The training of Marines is an equally important component of readiness. As part of ensuring Marines are appropriately trained and are able to maintain currency in their required occupational specialties, we must ensure appropriate training ranges are available and suitable to meet those needs. In the near term, this includes ensuring the plans to expand our Marine Corps Air Ground Combat Center under the Twentynine Palms Land Expansion initiative are executed. This expansion is necessary to address our current lack of a training area to support Marine Expeditionary Brigade-level combined arms training. Retention of the Chocolate Mountain Aerial Gunnery Range and expansion of the Townsend Bombing Range are also crucial to maintaining combat readiness of Marine Corps aviation units as part of the Marine Air-Ground-Logistics Team.

Resetting the Force

Reset is a subset of reconstitution and comprises the actions taken to restore units to a desired level of combat capability commensurate with the units' future missions. After more than a decade of combat, this will require an unprecedented level of effort. The Marine Corps is resetting its forces "in stride" while fighting the war in Afghanistan and supporting other global requirements while also transitioning to the new Defense Strategic Guidance. Unlike previous post-conflict periods, such as after Operation DESERT STORM, we do not anticipate taking an "operational pause" to reset as we transition from OEF.

Our Operation Enduring Freedom Ground Equipment Reset Strategy, released in January 2012, is our overarching plan to identify the equipment we will either reset or divest. The reset strategy incorporates the investment and modernization decisions in support of future missions and our vision of ourselves as America's middleweight force. Our estimated total reset liability is based on the replacement of combat losses, the restoration of items to serviceable condition, and the extension in service life of selected items. Last year our reset liability was approximately \$3.2B. Based on reset dollars provided in FY12 and the first quarter of FY13, and the establishment of the Marine Corps' enduring Mine Resistant Armored Protected (MRAP) vehicle requirement, we now estimate our reset liability will be something less. The Marine Corps will continue to evaluate the totality of the costs associated with returning our equipment from Afghanistan and the detailed costs associated with resetting our gear after 10 years of combat.

The Marine Corps' enduring MRAP requirement strikes the right balance between capabilities immediately available to the operating forces, those geographically positioned for crisis response, and MRAPs placed in a cost-effective long-term storage capacity for enduring conflict. MRAPs placed in short-term storage within our strategic prepositioning stocks afloat, in Norway

and Kuwait will be maintained at a heightened state of readiness; available for crisis response with little notice.

The Retrograde and Redeployment in support of Reset and Reconstitution Operational Group (R4OG) is a vital organizational element of the Marine Corps' responsible drawdown from Afghanistan and the successful execution of the Ground Equipment Reset Strategy. The R4OG, which was established and deployed in May 2012, is the Marine Corps' component to the U.S. Central Command Materiel Recovery Element and it is tasked with preserving the operational capacity of combat units shouldering the load of clearing the battle space of equipment, supplies and sustainment stocks. The R4OG is focused on accountability and efficiency within the redeployment and retrograde process. This process includes retrograding equipment, repairing shipping containers, and processing ammunition. It has overseen the retrograde of millions of square feet of aviation AM2 matting and thousands of items of equipment to date. With the help of our R4OG and outstanding support from U.S. Transportation Command and the Defense Logistics Agency, the Marine Corps has retrograded 60% of our equipment items; 70% of our supplies, repair parts, and ammunition; and 85% of our AM2 matting from Afghanistan. Additionally, the R4OG brings discipline to the retrograde process ensuring Marine Corps combat units can dutifully withdraw from Afghanistan concurrent with the directed redeployment of Marine Corps forces.

Depot Capacity

The bulk of reset execution occurs in our maintenance depots. The continued availability of our ground equipment depot capacities at Barstow, CA and Albany, GA are essential in support of reset, and our ability to self-generate readiness and surge in response to demand. As the Marine Corps shifts emphasis from OEF sustainment to execution of our reset strategy, more equipment is returning to the depots in battle worn condition and requiring extensive depot maintenance repairs. Based on the current funding levels provided by Congress in HR933, we will be able to remain on schedule with our reset plan in FY13. However, the long-term impacts of lower discretionary budget caps on reset may result in cuts to depot maintenance and procurement accounts, which would hinder the Marine Corps' ability to reconstitute in stride by FY17.

If planned funding is reduced, a "depot lag" or a backlog of equipment requiring depot maintenance is expected. Due to the reset workload, depot maintenance requirements –both sustainment and reset requirements – are at peak levels for FY14 and FY15. In these fiscal years, we will require maximum throughput of our organic depot capability and will also rely on other sources of repair, which include other service depots and commercial options. Reduced funding would defer the maintenance requirements to out-years, thus increasing the backlog of equipment requiring service. Sustained funding reductions would cause a ripple effect, leading to a backlog that would adversely affect near- and long-term readiness. Compounding this problem, depot capability could be impacted by permanent workforce furloughs in the last quarter of FY13.

In addition to the readiness challenges already addressed, another long-term impact of sequestration is deferred maintenance. We would have to closely scrutinize and determine equipment maintenance priorities, assume risk in mission-essential weapon system readiness, delay normal depot sustainment, and delay reset operations. For example, the Department of the Navy plans to induct 686 aircraft into depot maintenance during FY-13. Of these aircraft, the Marine Corps will have 22 scheduled aircraft depot inductions across all type/model/series that will not occur as a result of sequestration reduction to the FY13 budget. Of the 22 aircraft, 9 are F/A-18A-D aircraft. This will result in less aircraft available for assignment to Marine F/A-18 squadrons, reducing the assets available for training and operational support. Each operational F/A-18 squadron should be equipped with 12 aircraft. Of the 12 USMC F/A-18 squadrons: five are deployed, with four in the Unit Deployment Program/Request for Forces (UDP/RFF) and one with the carrier air wing (CVW). The four UDP/RFF squadrons have 12 aircraft and the one CVW squadron has 10 aircraft. The reductions to depot throughput will cause the seven non-deployed squadrons to each have about 6 aircraft available. The long-term effect on non-deployed F/A-18 squadrons will be the inability of the units to achieve and maintain the minimum combat readiness required for follow-on deployments. The training squadron will be maintained constant at about 33 aircraft to meet training requirements for Navy and Marine Corps F/A-18A, C and D pilots and weapons system operators.

Reconstitution

The Marine Corps has a strategic trajectory to reconstitute to a ready total force by FY 17. Our reconstitution efforts will restore and upgrade our combat capability and will ensure our units are ready for operations across the range of military operations. Additionally, reconstitution will rebalance and sustain home station readiness so that our units are ready to deploy on short notice. To ensure we are organizing for the emerging security environment and its inherent and implied challenges, the Commandant directed a Total Force Structure Review in 2010. This Review aligned our force to meet the needs of the nation and took into consideration the realities of constrained spending levels; the Defense Strategic Guidance; and the lessons learned from 10 years of war, particularly the requirements to conduct distributed operations. Then in 2012, the Commandant directed another internal-look, a Force Optimization Review, to prioritize potential future cuts.

To meet the Defense Strategic Guidance within the fiscal realities, we are decreasing our active duty end strength, while retaining our reserve component at 39,600 Marines. From a wartime-high force level of 202,100, we are conducting a drawdown to 182,100 by the end of FY 16. We are currently at approximately 194,280 Marines. The active duty end strength reductions will occur at the rate of no more than 5,000 per year. We have no plan to conduct a reduction-in-force. These end strengths will retain our capacity and capability to support steady state and crisis response operations. The pace of the reductions will account for the completion of our mission in Afghanistan, provide the resiliency that comes with sufficient dwell times, and keep faith with our Marines. Reshaping the active duty component to 182,100 Marines will entail

some risk relative to present and future capacity requirements; but it's manageable, particularly as we maintain the reserve component's operational capability. Further force level reductions would cause us to reevaluate the Marine Corps' role in the National Defense Strategy. For us, a hollow force is not an option.

Five Readiness Pillars

To achieve institutional readiness, sustain operational requirements, and be prepared for crisis and contingency response, we must restore and maintain a balance for our Marine Corps across five pillars:

- High quality people
- Unit readiness
- Capacity to meet combatant commander requirements
- Infrastructure sustainment
- Equipment modernization

High Quality People

The recruiting and retention of high quality people remain essential to maintain a highly ready and professional force. We need the right quantities and occupational specialties to fulfill our role as the Nation's expeditionary force in readiness. In FY 12, the Corps achieved 100 percent of its officer and enlisted recruiting goals for the active and reserve components, while exceeding DoD quality standards for Tier 1 High School Graduates and Mental Categories I-IIIa. We expect to achieve the same in FY 13. The Marine Corps also achieved its retention mission in FY 12 and anticipates doing so again in FY 13. Critical enablers of recruiting and retaining a high quality force are appropriate compensation and benefits; we thank the Congress for its focus on this issue through the past decade of war. We rely on Congress' continued support of pay and benefits, incentive pays, and selective reenlistment bonuses to meet future recruiting challenges, position the force for the on-going drawdown, and shape the all-volunteer force to meet the new defense strategy.

Civilian Marines are an integral part of our total force, supporting the Corps' mission and daily functions. Marine civilians are a "best value" for the defense dollar and are shaped to support the Corps into the future. They are the leanest appropriated funded civilian work force within DoD, with only one civilian for every 10 Marines. Fewer than five percent work in the Pentagon. The vast majority of our civilian Marines, more than 95 percent, work at our installations and depots. Sixty-eight percent are veterans who have chosen to continue their service to our Nation. If furloughed, our civilian Marines could lose a substantial amount of pay during the last quarter of FY13. The potential readiness and human impacts associated with

furloughing our civilian Marines are significant. While we would like to believe a discontinuous furlough will reduce the impact on our employees, most will not be able to easily absorb the loss of income, even over a 14-week period - should it come to that.

The Marine Corps' Wounded Warrior Regiment (WWR) is a fundamental component of our pledge to "keep faith" with those who have served. The WWR supports Marines wounded in combat, those who fall severely ill, and those injured in the line of duty. The Regiment administers the Marine Corps' Recovery Coordination Program, which ensures medical and non-medical needs are fully integrated with programs such as the Warrior Athlete Reconditioning Program. Facilities such as our new Warrior Hope and Care Centers (WHCC) provide necessary specialized capabilities allowing us to support our wounded warriors and their families.

Key to this care is ensuring Marines execute recovery plans that enable their successful return to duty or reintegration into their civilian communities. Around the country we have established District Injured Support Coordinators whose duty is to assist Marines transitioning from active duty to a veteran status. Our WWR Medical Staff provides medical subject matter expertise, advocacy, and liaison to the medical community. The Sergeant Merlin German Wounded Warrior Call Center conducts an average of 7,000 outreach calls per month and receives calls for assistance 24 hours a day from both active-duty and veteran Marines. Our contact centers also conduct outreach to Marines who remain with their parent command to ensure their needs are met. Depending upon the individual Marine's requirements, these programs and services are coordinated for optimal care delivery, proving that Wounded Warrior care is not a process, but a persistent relationship between the Marine Corps, our Marines, and their families.

The Marine Corps is greatly concerned about the long-term care and support for our wounded veterans. Many of our young men and women have sustained injuries that will require support for the remainder of their lives. Given the youthfulness of this wounded population, this represents a debt to our Nation's warriors that will have to be paid for several decades. Our wounded warrior capabilities are an enduring measure of our commitment to keep faith with our young men and women, and we expect this capability will continue well beyond our return from Afghanistan.

Unit Readiness

This pillar upholds maintaining and shaping the readiness of the operating forces, to include the necessary O&M funding to train to core missions and maintain equipment. The Marine Corps will continue to source our best trained, most ready forces to meet combatant commander requirements. The challenge is to maintain the readiness of the non-deployed forces so they can respond to crises and contingencies with the proper balance of equipping, manning, and training.

As our forces return from Afghanistan, our focus will be on training to our core expeditionary and amphibious mission capabilities. We anticipate incremental increases in the core training

readiness of units as Marines and equipment flow back from Afghanistan over the next 12-24 months.

As we drawdown from Afghanistan, we expect to be increasingly engaged around the world – training, deterring, and responding to all manner of crises and contingencies. O&M funding is essential for our readiness to conduct steady state operations, including amphibious and Maritime Prepositioning Ships Squadron (MPSRON) operations; provide support to the combatant commanders; and provide for our supporting establishment's sustainment of the operating forces. The battlefields of today and tomorrow necessitate more distributed operations and decentralized command – both of which will drive training costs higher. We know that these future requirements to maintain readiness will increase demands on O&M funding.

Sufficient O&M funding is also essential in the Pacific to support our unit deployment program in Japan; support rotational deployments to Australia and Guam; and engage throughout the region. It is also needed to cover the transportation costs for bringing together the widely dispersed Marine Expeditionary Brigade and Marine Expeditionary Force elements for training and exercises.

With the pending impacts of discretionary caps, the training and unit readiness of aviation units is also a concern. The Marine Corps has developed a highly refined process to achieve aviation unit core competency through interlinked standardized training and readiness manuals, resource models, training plans, budgets, and associated flight hours. Based on this process, Marine aviation units are resourced with the right amount of flight hours to achieve aircrew proficiency and resulting unit core competency. Any reduction in flight hours will have a corresponding reduction in aircrew proficiency. The short-term impact of these discretionary caps is a reduction in the programmed flight hours. The long-term impact is compounding readiness degradation due to resources that were programmed originally to maintain readiness, are now being used to attain readiness. The increased risk is any reduction in non-operational sorties will result in decreased aircrew proficiency. This degradation will directly increase risk to both the operator and associated equipment.

Capacity to Meet Combatant Commander Requirements

Force-sizing to meet Geographic Combatant Commander (GCC) requirements, with the right mix of capacity and capability, is the essence of our third readiness pillar. The GCCs continue to register an increased demand for crisis response and amphibious forces to meet requirements across the range of military operations (ROMO). Decisions made in our Force Structure Review and Force Optimization Review will provide a better breadth and depth of Marine forces, capable of executing regional, major contingency operations and optimized for current operations and crisis/contingency response. The capacities of our organic intelligence, surveillance, and reconnaissance; command and control; and unmanned aircraft systems will be increased.

Our critical capacity versus requirement concerns include: shifting forces to the III Marine Expeditionary Force in the Pacific, retaining a global crisis response capability, and ensuring the availability and readiness of amphibious shipping and maritime prepositioned assets to meet increased training and contingency requirements. The primary challenge of the Marine Corps, from a logistics standpoint, is the "tyranny of distance" inherent in the laydown of forces across the Pacific covering an area thousands of miles wide and linkable only by airlift and sealift. To sustain our forces in the Pacific and mitigate gaps, we will rely on our own organic capabilities together with external support from the other Services, the Defense Logistics Agency and the U.S. Transportation Command. This combination will provide flexibility, agility, and responsive support to the operating forces while strengthening the synergistic abilities of the larger joint team.

Marine Expeditionary Units (MEUs), coupled with their Amphibious Ready Group (ARG) partners, remain one of the key means by which the Marine Corps provides rapid response to emerging global crises. Their composition and capabilities see them frequently requested by combatant commanders to fulfill various theater engagements; most often supporting Central Command and Pacific Command requirements. We have assumed some risk in the Mediterranean with a reduced MEU/ARG presence, but still maintain the capability to respond to crises in the European Command and Africa Command (the Mediterranean). This response capability includes our Fleet Anti-Terrorism Support Teams (FAST) from the Marine Corps Security Forces Regiment deployed to Rota, Spain and the Special Purpose Marine Air Ground Task Force - Africa stationed in Sigonella, Italy. To further mitigate the risk and hasten responsiveness to the "new normal" with an enhanced baseline of security at U.S. diplomatic facilities, we are looking to form a crisis response force whose primary duty will be to cover that region. This force will be specifically designed to provide embassy reinforcement and fixed site security in addition to other limited crisis response capabilities. As with all our MAGTFs, it will be forward deployed; rotational; and be self-contained with inherent ground, aviation, logistics, and command and control capabilities. This capability does not replace a MEU, but serves to provide a presence and an immediate crisis capability where MEUs are not located.

Infrastructure Sustainment

Infrastructure sustainment, our fourth readiness pillar, is the investment in real property, facilities maintenance, and base infrastructure to support the missions and readiness of our operating forces and other tenant commands. The quality of life for our Marines, Sailors and their families is measurably impacted by the condition of our facilities. As such, the Marine Corps is committed to the proper stewardship of our bases and stations to include the natural resources they encompass. We must adequately resource their sustainment to maintain our physical infrastructure and the complimentary ability to train and deploy highly ready forces. Additionally, as we rebalance toward the Pacific, we will strive to make the proper investments in ranges and facilities to maintain the training readiness of deployed forces to and within that area of operations.

Funding for our facilities sustainment, recapitalization, and modernization (FSRM), as well as military construction and operations, is required to provide and maintain quality infrastructure for our future force. We request Congress' continued support for facilities sustainment and demolition, family housing, environmental management, energy conservation and essential MILCON funding to support critical programs, units, and institutions such as the Joint Strike Fighter, MV-22, Marine Corps Security Forces, Marine Corps University, Marine Cyber Forces, and the Townsend Bombing Range.

Equipment Modernization

In this austere fiscal environment, we are conducting only essential modernization, focusing especially on those areas that underpin our core competencies. We are mitigating costs by prioritizing and sequencing our equipment modernization and sustainment programs to maintain their readiness in a fiscally responsible manner. To maintain operational capabilities and readiness, modernization is critical in the areas of ground combat tactical vehicles (GCTV); aviation; amphibious and pre-positioning ships with their associated connectors; expeditionary energy; and intelligence, surveillance, and reconnaissance (ISR). Our modern expeditionary force will require fixed wing aircraft capable of flexible basing ashore or at sea in support of our Marine units. The Joint Strike Fighter is the best aircraft to provide that support today and well into the future. Likewise, a core capability of our expeditionary forces is the ability to project forces ashore from amphibious platforms and to maneuver once ashore. We remain committed to developing and fielding an Amphibious Combat Vehicle (ACV) that meets this critical need.

While we have not cancelled or extended any programs as a result of the FY13 budget decisions, the uncertainty associated with FY14 and out-year budgets will require us to continually review and adjust our program plans consistent with the changing fiscal environment. Decreasing budgets within ongoing acquisition programs would necessarily lead to a review of the programs' abilities to execute approved cost, schedule and performance parameters. Our heavy variant high mobility multipurpose wheeled vehicle (HMMWV), assault amphibious vehicle (AAV), light armored vehicle (LAV), and tank modification programs, all critical to maintaining the operational availability of these vehicles, would be slowed significantly. Yet they remain essential to our medium and long-term operational readiness. Critical survivability and mobility upgrades to the AAV and LAV fleets would also be delayed. These delays would ultimately impact our ability to support our forward and deployed Marines with ready, relevant and capable combat systems. We request Congress' continued support for modernization to maintain the high level of future readiness our Nation will need. Failure in any one of these pillars of readiness begins to set the conditions for an eventual hollowing of the force. We will do everything within our power to avoid this outcome and request your continued support.

Prepared to Support the Defense Strategic Guidance (DSG)

Last month, Secretary Hagel launched a Strategic Choices and Management Review (SCMR) to help define the major decisions that must be made in the decade ahead to preserve and adapt defense strategy and management under a range of future strategic and budgetary scenarios. We are confident the Navy-Marine Corps team and our inherent naval forward basing, crisis response and theater engagement capacities make us ideally suited to support the current strategic guidance and any future reiteration of it, particularly any focus on the Pacific Command region. The Marine Corps will rebalance its unit deployment program to 2001 levels during FY 13 and FY 14. Last year, a company of Marines from Hawaii deployed to Darwin, Australia on a rotational basis. Another company of Marines recently arrived in Darwin for a second rotational deployment. The intent in the coming years is to establish a rotational presence in Northern Australia of up to a 2,500 person MEU-sized Marine Air Ground Task Force, with associated units and equipment. Our rotational presence throughout Asia is a tangible demonstration of the sustained commitment of the United States to the region and will provide opportunities to engage in security cooperation activities, improve disaster relief response capabilities, and enhance the ability to respond to any crises in the region. The sea-basing capability provided by our MPSRONS provides the flexibility to deploy forces anywhere, without reliance on mature infrastructure such as ports and airfields.

Our pre-positioning programs are a unique strategic capability, giving us the ability to quickly respond to a wide scale of global crises and contingencies. The Maritime Prepositioning Ships Squadrons (MPSRONS) are an afloat asset capable of providing global support to operational forces across the entire spectrum of military operations. A MPSRON provides an increased sustainment capacity and also supports the establishment of a Marine Expeditionary Brigade (MEB). Increasing strategic flexibility, the MPSRONS provide near immediate closure of equipment and supplies to the combatant commander to meet any contingency from combat operations to humanitarian assistance and disaster relief. This strategic program will require continued Congressional support. For sea-basing to be effective, using both amphibious ships and MPSRONS, amphibious ship-to-shore connectors will also require modernization.

The Marine Corps Prepositioning Program – Norway consists of equipment and supplies prepositioned ashore in caves. While available for global employment, these are particularly important assets for use in the European and African theaters. In a cost-sharing partnership with the Norwegian Ministry of Defense, we have built a viable capability that has been used in recent years to support theater security cooperation as well as several humanitarian relief efforts. Originally designed to hold the equipment and supplies to support a MEB, we are reorganizing the program to maintain its relevancy. Of note, we are adding communications and ordnance assets not previously prepositioned.

Partnered With The Navy

Sea-based and forward deployed naval forces provide day to day engagement, crisis response, and assured access for the joint force in a contingency. Partnered with the Navy, we will continue to pursue innovative concepts for maritime expeditionary operations with platforms such as the Joint High Speed Vessel (JHSV) and the Mobile Landing Platform (MLP). As new maritime prepositioning force ships are integrated into the MPSRONS, they will provide additional operational benefits to the Combatant Commanders, such as an over-the-horizon surface connector capability and better selective access to equipment and supplies.

A critical component in building, training, and maintaining an expeditionary forward presence is the availability and readiness of amphibious ships. The combat readiness of our amphibious ships is a foundational requirement for expeditionary force presence, and when required, amphibious force projection. As such, the Navy has acknowledged that low amphibious ship availability and readiness can present a significant challenge to the training readiness of our Naval Expeditionary Forces and is addressing maintenance readiness shortfalls. Since 2010, the average deployment length for a West Coast and East Coast Amphibious Ready Group/Marine Expeditionary Unit has been 219 days and 292 days respectively. The increased duration of deployment combined with a high operational tempo, reduced ship inventory, and deferred/compressed maintenance periods demonstrates the imperative to maintain planned/scheduled maintenance cycles and to build to adequate inventory. This has a direct impact on the readiness of the amphibious fleet and on ensuring the ships reach their service life. Continued Congressional support for the Navy's shipbuilding and surface ship-to-shore connector plans is vital to the Nation's ability to retain and maintain an adequate fleet of modern combat-ready amphibious ships, to provide continuous naval expeditionary presence and project power across the globe, whenever and wherever needed.

Providing our Nation's leaders with "offshore options," naval aviation enables global reach and access. Through our partnership with the Navy, Marine Corps aviation continues to transition from 13 to 6 aircraft types with current deployed forces successfully utilizing transition aircraft: the MV-22, AH-1Z, and UH-1Y. Top priorities for naval aviation include investing in 5th generation strike fighter capability (F-35B/C); persistent multi-role intelligence, surveillance, and reconnaissance; supporting capabilities such as electronic attack and vertical lift; robust strike weapons programs; and targeted modernization of the force for relevance and sustainability.

Additional Commitments

In addition to providing the Nation well-trained, forward-deployed, and forward-engaged units of Marines, the Marine Corps continues to support other national imperatives. In Indian Head, Maryland, the Marine Corps maintains a nationally engaged and pre-eminent Chemical Biological Incident Response Force (CBIRF) capable of responding to chemical, biological, radiological, nuclear, or high-yield explosive incidents.

Around the clock, our Marine Corps Security Forces Regiment (MCSFR) Marines guard a substantial portion of America's strategic arsenal. Marine Security Forces also encompass the deployment of Fleet Antiterrorism Support Teams (FAST) to the commanders of Pacific Command, European Command and Central Command. These teams serve as a crisis-response force and guard high value American assets.

We are reshaping organizations, capabilities, and capacities to increase aggregate utility and flexibility across the range of military operations, to include enhanced support to U.S. Special Operations and Cyber Commands. We now have 759 Marine Special Operators and 549 Marine Critical Skills Special Operators out of the 3,171 total active force Marines, Sailors and civilians serving at Marine Corps Forces Special Operations Command (MARSOC), United States Special Operations Command (USSOCOM). We will continue to complete our build of MARSOC, reaching full operating capability in Fiscal Year 16 with an active-duty end strength of 3,113. Additionally, we have 308 Marines assigned to Headquarters, USSOCOM and its subordinate joint commands. From training, command and control and operational employment, all of these Marines provide a critical role in realizing tempo requirements in support of our National Security Strategy.

At Cyber Command, we have created Company L with the mission of planning and executing cyberspace operations to support joint and Marine Corps requirements. Company L is planned to grow significantly to meet MARFORCYBER requirements by 2016.

Finally, Marine Corps Embassy Security Guards support 152 U.S. Embassies and consulates around the globe and our FY 2014 budget request funds 1,635 Marines for this program. As requested by Congress, we are working with the Department of State to determine the appropriate number of Marines and will report to Congress by October 1, 2013.

Summary

On behalf of the Marines and Sailors who provide this Nation with its versatile, reliable, middleweight force in readiness, we thank Congress for your continued support and constant interest in and recognition of our challenges. Readiness contains a temporal aspect and with 32,000 to 38,000 new regular accessions a year, currency in our readiness is a state we continuously strive to maintain. Without the ability to transfer money among accounts and the restricted ability to make choices regarding where to take cuts, the impact of reduced funding could disproportionately affect our five pillars of readiness. Your continued support is requested to provide a balance across the five readiness pillars, so we may maintain our institutional readiness and, as you charged more than 60 years ago, "be most ready when our nation is least ready."

Official Biography: Lieutenant General Richard T. Tryon



Lieutenant General Richard T. Tryon

Deputy Commandant for Plans, Policies, and Operations

Lieutenant General Tryon enlisted in the Navy in 1970 and was commissioned a second lieutenant in the Marine Corps in 1975 upon graduating from the Naval Academy.

Following The Basic School, he held various assignments in 3d Battalion, 5th Marines, served as Aide-de-Camp to the Commanding General I MAF/1st Marine Division, and completed a tour as the Headquarters Company Commander, 4th Marines in Okinawa in 1980.

After a tour at Recruiting Station New York, he attended Amphibious Warfare School in 1983. He then joined 2d Battalion, 5th Marines where he served as company commander and operations officer. He attended the U.S. Army Command and General Staff College in 1987, concurrently earning a Masters Degree in Management from Webster University.



In 1988, he transferred to the Special Operations Command, Europe. He deployed in support of Operations DESERT SHIELD/DESERT STORM serving with the Joint Special Operations Task Force, JTF Proven Force. Following Desert Storm, he deployed with Joint Special Operations Task Force PROVIDE COMFORT operating in Northern Iraq and Southern Turkey.

In 1991, he reported to the Special Operations Training Group, II MEF as director of the Special Missions Branch. From 1993 to 1995, he commanded 2d Battalion, 8th Marines. He was then assigned to the Pentagon as Deputy Executive Assistant to the Vice Chairman of the Joint Chiefs of Staff until 1997. He attended The Johns Hopkins University School of Advanced International Studies and received a Master of Arts Degree in International Public Policy in 1998.

Lieutenant General Tryon served as Commanding Officer, 24th MEU (SOC) from 1998 to 2000 and as Commanding Officer, Marine Barracks, Washington D.C. from 2000 until 2002. From 2002 until 2004, he served as Executive Officer to the Supreme Allied Commander, Europe/Commander, U.S. European Command.

In 2004, he was assigned as Commanding General of Marine Corps Recruit Depot Parris Island and the Eastern Recruiting Region and as Commanding General of Marine Corps Recruiting Command, Quantico, Virginia in June 2006.

In June 2008, he assumed command of 2d Marine Division, Camp Lejeune, NC. One month later he further assumed the duties as Commanding General, II Marine Expeditionary Force (Forward). Upon deployment to Iraq in January 2009, he was designated as the Commanding General, Multinational Force-West. In January 2010, he returned to Camp Lejeune relinquishing command of II Marine Expeditionary Force (Forward) in February 2010 and 2d Marine Division in July 2010. Lieutenant General Tryon assumed duties as Deputy Commandant for Plans, Policies and Operations in October 2010.

Lieutenant General Tryon's personal decorations include: Defense Superior Service Medal with oak leaf cluster; the Legion of Merit with gold star; the Defense Meritorious Service Medal; the Meritorious Service Medal with gold star; the Navy and Marine Corps Commendation Medal; and the Navy and Marine Corps Achievement Medal.



Lieutenant General William M. Faulkner **Deputy Commandant for Installations and** **Logistics**

Lieutenant General Faulkner was commissioned in 1982. Following completion of the Basic School and the Infantry Officer's Course in 1983, he was assigned to First Battalion, Sixth Marines where he served as a Rifle and Weapons Platoon Commander, Company Executive Officer, Battalion Adjutant and Assistant S-4 Officer. He was augmented into the regular Marine Corps in 1985 and received a directed lateral move to the logistics occupational field.

From 1986-1989 he served with 1st Marine Expeditionary Brigade as S-4 Officer with Marine Air Base 24 then as Assistant S-4 Officer with Marine Aircraft Group 24.



Lieutenant General Faulkner was a distinguished graduate from the Amphibious Warfare School in Quantico, Virginia in 1990. From 1990-1992, he served with Brigade Service Support Group 4 as Assistant S-3 Operations Officer, participating in Operation DESERT SHIELD/DESERT STORM. Lieutenant General Faulkner later served as the S-3 Operations Officer and was assigned to the United Nations High Commissioner for Refugees in the former Yugoslavia, where he participated in Operation PROVIDE PROMISE, coordinating the delivery of humanitarian relief into Bosnia and throughout Serbia.

From 1993-1995 Lieutenant General Faulkner was assigned to Headquarters Marine Corps, serving as an action officer in the Logistics Plans, Policies and Strategic Mobility Division of the Installations and Logistics Department. Following Headquarters Marine Corps, he attended Air Command and Staff College in Montgomery Alabama, graduating with distinction in 1997.

From 1997-1999 Lieutenant General Faulkner was assigned to United States Central Command where he worked in the J4/Logistics Directorate. During this tour, he participated in Operations SOUTHERN WATCH, DESERT FOX and NOBLE RESPONSE.

From 2000-2002 Lieutenant General Faulkner served with 2d Force Service Support Group as the G-3 Current Operations Officer before assuming command of MEU Service Support Group 26, 26th Marine Expeditionary Unit. With the 26th MEU, he deployed to Afghanistan and participated in Operation ENDURING FREEDOM as part of Task

Force 58. Lieutenant General Faulkner graduated from the Industrial College of the Armed Forces at National Defense University in 2003.

From 2003-2005 he was assigned to the Joint Chiefs of Staff at the Pentagon in the J4 Directorate, where he worked as a Logistics Operations Officer in the National Military Command Center then as Section Head, Logistics Programs and Policy Division.

In 2005 he was assigned to 2d Force Service Support Group as the Assistant Chief of Staff G-3. In May of 2006 he activated and assumed command of Combat Logistics Regiment 27.

In November 2006 he was assigned duty as the Chief of Staff of 2d Marine Logistics Group (Forward) in support of Operation IRAQI FREEDOM 06-08 in Al Anbar Province, Iraq. He returned from Iraq early 2008 and assumed command of 2d Marine Logistics Group in April. He turned over command of 2d Marine Logistics Group in late May 2008 and reported to III MEF where he commanded 3d Marine Logistics Group from May 2008 to June 2010.

From June 2010 until August 2012 Lieutenant General Faulkner served as Vice Director, J-4, Joint Staff. He is currently assigned as the Deputy Commandant for Installations and Logistics

Lieutenant General Faulkner graduated from East Carolina University Class of 1982 receiving a Bachelor of Science degree in Business. He holds a Masters degree in Business from Chaminade University and a Master of Science in National Resource Strategy from the Industrial College of the Armed Forces.

DOCUMENTS SUBMITTED FOR THE RECORD

APRIL 26, 2013

President's Budget for Fiscal Year 2014

U.S. Navy Projected Battle Force Inventory (FY 14–FY 43)

Acronyms and Ship Hull Classification Symbols

AFSB (I): Afloat Forward Staging Base, Interim
AS: Submarine Tender
CG (47): *Ticonderoga* Class Aegis Guided Missile Cruiser
CLF: Combat Logistics Force
CVN: Aircraft Carrier
DDG-1000: *Zumwalt* Class Guided Missile Destroyer
DDG-51: *Arleigh Burke* Class Aegis Guided Missile Destroyer
FFG: Frigate
JHSV: Joint High-Speed Vessel
LCS: Littoral Combat Ship
LHA/LHD: Amphibious Assault Ship
LPD: Amphibious Transport Dock Ship
LSC: Large Surface Combatant
LX (R): Dock Landing Ship Replacement
MCM: Mine Countermeasures Ship
MHC: Coastal Mine Hunter
MLP: Mobile Landing Platform
MPS: Maritime Prepositioning Ship
SSBN: Nuclear Ballistic Missile Submarine
SSC: Small Surface Combatant
SSGN: Nuclear Guided Missile Submarine
SSN: Nuclear Attack Submarine
T-AE: Ammunition Ship
T-AGOS: Ocean Surveillance Ship
T-AKE: Dry Cargo/Ammunition Ship
T-AO: Fleet Replenishment Oiler
T-AOE: Fast Combat Support Ship
T-ARS: Rescue and Salvage Ship
T-ATF: Fleet Ocean Tug

| | | | | | | | | | | | |
|------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| CVN | CVN | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 |
| | Total | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 |
| LSC | CG (47) | 22 | 15 | 15 | 15 | 15 | 15 | 15 | 14 | 11 | 9 |
| | DDG-51 | 62 | 62 | 65 | 66 | 66 | 68 | 69 | 71 | 73 | 75 |
| | DDG-1000 | 1 | 1 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| | Total | 85 | 78 | 82 | 83 | 84 | 86 | 87 | 88 | 87 | 87 |
| SSC | FFG | 10 | 3 | 3 | 1 | 1 | 1 | | | | |
| | LCS | 4 | 8 | 12 | 16 | 20 | 25 | 27 | 30 | 33 | 36 |
| | MHC/MCM | 12 | 12 | 12 | 12 | 12 | 12 | 10 | 7 | 6 | 2 |
| | Total | 26 | 23 | 27 | 29 | 33 | 38 | 37 | 37 | 39 | 38 |
| SSN | SSN | 55 | 55 | 53 | 50 | 52 | 52 | 49 | 49 | 48 | 48 |
| | Total | 55 | 55 | 53 | 50 | 52 | 52 | 49 | 49 | 48 | 48 |
| SSGN | SSGN | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Total | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| SSBN | SSBN | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| | Total | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Amphib | LHA/LHD | 10 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 |
| | LPD | 9 | 9 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| | LX (R) | 12 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| | Total | 31 | 28 | 29 | 30 | 31 | 31 | 31 | 31 | 31 | 31 |
| CLF | T-AO | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| | T-AOE | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | T-AE | 1 | | | | | | | | | |
| | T-AKE | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| | Total | 31 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Cmd & Supp | T-ARS | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 |
| | AS | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | T-AGOS | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| | T-ATF | 4 | 4 | 4 | 4 | 4 | 6 | 4 | 4 | 4 | 4 |
| | Command | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | JHSV | 4 | 6 | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| | MPS T-AKE/MLP | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | AFSB (I) | 1 | 1 | 1 | | | | | | | |
| | MLP/AFSB | | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | Total | 26 | 29 | 31 | 33 | 33 | 35 | 33 | 33 | 33 | 34 |
| Total | | 282 | 270 | 280 | 283 | 291 | 300 | 295 | 296 | 297 | 297 |

| | | | | | | | | | | | |
|------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |
| CVN | CVN | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| | Total | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| LSC | CG (47) | 7 | 4 | 4 | 3 | | | | | | |
| | DDG-51 | 79 | 81 | 82 | 85 | 87 | 85 | 83 | 79 | 78 | 78 |
| | DDG-1000 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| | Total | 89 | 88 | 89 | 91 | 90 | 88 | 86 | 82 | 81 | 81 |
| SSC | FFG | | | | | | | | | | |
| | LCS | 39 | 42 | 45 | 48 | 51 | 52 | 52 | 52 | 52 | 52 |
| | MHC/MCM | 1 | | | | | | | | | |
| | Total | 40 | 42 | 45 | 48 | 51 | 52 | 52 | 52 | 52 | 52 |
| SSN | SSN | 48 | 47 | 46 | 45 | 43 | 42 | 43 | 44 | 45 | 46 |
| | Total | 48 | 47 | 46 | 45 | 43 | 42 | 43 | 44 | 45 | 46 |
| SSGN | SSGN | 4 | 4 | 2 | 1 | | | | | | |
| | Total | 4 | 4 | 2 | 1 | | | | | | |
| SSBN | SSBN | 14 | 14 | 14 | 13 | 12 | 11 | 11 | 11 | 10 | 10 |
| | Total | 14 | 14 | 14 | 13 | 12 | 11 | 11 | 11 | 10 | 10 |
| Amphib | LHA/LHD | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| | LPD | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| | LX (R) | 10 | 12 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 11 |
| | Total | 32 | 34 | 33 | 33 | 33 | 33 | 32 | 32 | 32 | 33 |
| CLF | T-AO | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| | T-AOE | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | T-AE | | | | | | | | | | |
| | T-AKE | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| | Total | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Cmd & Supp | T-ARS | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | AS | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | T-AGOS | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| | T-ATF | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Command | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | JHSV | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 |
| | MPS T-AKE/MLP | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | AFSB (I) | | | | | | | | | | |
| | MLP/AFSB | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 34 | 34 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 34 | |
| Total | | 302 | 303 | 302 | 304 | 302 | 299 | 297 | 294 | 294 | 296 |

| | | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 |
|------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| CVN | CVN | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 |
| | Total | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 |
| LSC | CG (47) | | | | | | | | | | |
| | DDG-51 | 77 | 79 | 81 | 83 | 85 | 87 | 87 | 87 | 85 | 85 |
| | DDG-1000 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| | Total | 80 | 82 | 84 | 86 | 88 | 90 | 90 | 90 | 88 | 88 |
| SSC | FFG | | | | | | | | | | |
| | LCS | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| | MHC/MCM | | | | | | | | | | |
| | Total | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| SSN | SSN | 47 | 48 | 50 | 51 | 50 | 50 | 50 | 49 | 51 | 51 |
| | Total | 47 | 48 | 50 | 51 | 50 | 50 | 50 | 49 | 51 | 51 |
| SSGN | SSGN | | | | | | | | | | |
| | Total | | | | | | | | | | |
| SSBN | SSBN | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 12 | 12 |
| | Total | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 12 | 12 |
| Amphib | LHA/LHD | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 11 | 10 | 9 |
| | LPD | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| | LX (R) | 12 | 11 | 11 | 12 | 11 | 11 | 11 | 11 | 11 | 11 |
| | Total | 34 | 33 | 33 | 34 | 33 | 33 | 32 | 33 | 32 | 31 |
| CLF | T-AO | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| | T-AOE | 1 | | | | | | | | | |
| | T-AE | | | | | | | | | | |
| | T-AKE | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| | Total | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Cmd & Supp | T-ARS | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | AS | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | T-AGOS | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| | T-ATF | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | Command | 2 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 2 |
| | JHSV | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| | MPS T-AKE/MLP | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| | AFSB (I) | | | | | | | | | | |
| | MLP/AFSB | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | Total | 34 | 34 | 34 | 33 | 34 | 33 | 33 | 33 | 33 | 33 |
| Total | | 297 | 299 | 303 | 306 | 307 | 308 | 306 | 307 | 307 | 306 |

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

APRIL 26, 2013

RESPONSES TO QUESTIONS SUBMITTED BY MR. WITTMAN

Admiral BURKE and Admiral CULLOM. Energy is necessary for every Navy platform, installation, and asset and its judicious use is central in ensuring the success of our operational mission. We are working diligently to reduce consumption and improve security for our energy resources, become more resilient and effective warfighters, and thereby enhance our combat capability. Each of our energy initiatives reduce our total ownership cost, improve our energy security, and critically enhance our combat capability.

Examples of Operational Energy Initiatives:

- Ship Energy Dashboard: Ship-wide monitoring system that will, in real-time, compute the power usage and operating conditions of numerous energy-consuming systems on the ship and display this information for decision-makers, both in port and underway.
- Stern Flaps (Amphibious ships): Develop and install stern flaps on LHD 1 and LSD 41/49 class ships for improved hydrodynamics, improved fuel economy, and greater endurance.
- Aviation Simulator Upgrades: Simulator fidelity improvements and capacity expansion, in combination with Fleet optimization of simulator contribution, reduces flight hours while maintaining sufficient levels of training and readiness.
- DDG-51 Hybrid Electric Drive R&D: An electric motor attached to main reduction gear allows for electric propulsion mode at slower speeds resulting in improved fuel economy and endurance.
- Aviation Energy Conservation R&D: Identifies, evaluates, validates energy savings initiatives for legacy and emerging Naval aircraft such as F-35 Block 5+ engine fuel economy, improved mission planning software to incorporate energy considerations, and T-56 engine maintenance refinement to increase energy performance, reduce tanking requirements, and improve range/endurance.
- Variable Cycle Advanced Engine Technology: Identify and mature critical technologies for next generation carrier-based aircraft that combine the high performance of a military engine and the fuel efficiency of a commercial core into a single versatile propulsion system.

Examples of Facility Energy Initiatives:

- Energy Efficiency: To reduce energy demand and consumption, Navy is conducting energy audits, installing high-efficiency building components (HVACs/energy control systems/lighting/window film) and optimizing utility systems.
- Renewable Energy: Evaluate and pursue renewable energy projects where economically viable. The Secretary of the Navy has established the IGW task force to identify, develop and execute utility scale renewable energy projects on/around Naval installations.
- Energy Security Ashore: Conducting audits and developing mitigation strategies to ensure critical assets have a resilient energy supply.

Navy is not only relying on technological solutions to energy consumption reduction, but also pursuing culture change initiatives through education and working to reform the acquisition process to ensure energy considerations are considered early in the process. Navy has already established programs to affect culture change, such as the Master's program and Executive Education Course at Naval Postgraduate School, which focus on energy efficiency as a combat enabler and incorporate energy conservation practices in a component of the coveted Battle 'E'.

I will defer to the Marine Corps to address their operational and facilities energy reduction efforts. [See page 35.]

General TRYON. [The information was not available at the time of printing.] [See page 35.]

General FAULKNER. [The information was not available at the time of printing.] [See page 35.]

RESPONSE TO QUESTION SUBMITTED BY MR. COURTNEY

Admiral BURKE. USS PROVIDENCE (SSN 719) will be conducting submarine operations for the remainder of Fiscal Year 2013 (FY13). USS PROVIDENCE (SSN 719) FY13 docking availability is scheduled to be executed with a period of performance from 15 December 2013 to 17 April 2014. [See page 21.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

APRIL 26, 2013

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. In light of the existing shortfalls in the FY13 O&M accounts, what are your greatest concerns about the Navy's readiness? And, what is the impact it will have on the future?

Admiral BURKE and Admiral CULLOM. Our greatest concerns regarding Navy readiness, in light of the shortfalls in the FY13 O&M accounts, are the potential loss of eight planned surface ship maintenance depot availabilities and the backlog of work in our maintenance depots (ship and aviation) due to mitigation actions required by the FY13 sequestration. After Congress completes its consideration of the Department's proposed reprogramming for FY13, we are hopeful that funding will be available to complete the eight unfunded availabilities. However, as a result of overtime restrictions, a hiring freeze, and furloughs, there will be delays in completion of required maintenance in our ship and aviation depots.

If maintenance work scheduled for FY13 is pushed into FY14, additional resources will be required above those currently budgeted to execute that work. If additional mitigations are required due to sequestration in FY14, the effects will be compounded and will quickly drive readiness shortfalls with a longer recovery period.

Mr. WITTMAN. How do you define "readiness"? And, ready for what? And, will the forces be "ready" in both FY13 and FY14?

Admiral BURKE and Admiral CULLOM. The processes and certifications for Navy readiness and force generation are defined in Fleet instructions. In general, Navy measures readiness against resources (personnel, equipment, supply, training and ordnance) and mission areas (and their associated Navy Mission Essential Tasks), and operationally certifies units/groups using outside observers in both live and virtual training environments. Our goal is to certify all deploying forces for the full range of major combat operations for which our Navy's multi-mission platforms are designed.

In FY13, Navy has prioritized resources to ensure Forward-Deployed Naval Forces and rotationally deploying forces are ready. Navy will take the same approach in FY14, but in case of a continuing resolution and/or sequestration in FY14, this will again come at the cost of readiness of our non-deployed forces. This will impact our surge capacity and ability to support additional requests for forces by the Combatant Commanders.

Mr. WITTMAN. In the absence of the OCO budget for consideration before the Congress at this time, can you please describe the impact of OCO funding on your ability to provide "ready" and trained forces? And, how will you sustain that in the long run as OCO funds begin to diminish?

Admiral BURKE and Admiral CULLOM. OCO funding has been essential to Navy's ability to provide 'ready' and trained forces during the conflicts in Iraq and Afghanistan over the past 12 years. The operations and sustainment of our Navy expeditionary combat support forces most directly involved in the operations have been highly leveraged with OCO funding. Sustaining this long warfight has also worn upon the material condition of our ships and OCO funding has become a critical component of our ship maintenance program. Supplemental funding above the baseline will likely be required for some time to restore the readiness of our ships. The Ship Operations, Aviation Depot Maintenance and Flying Hour Programs also receive OCO and cannot sustain their present level of operations without it. Navy remains concerned that, although ground combat operations will end in Afghanistan, Navy operations are likely to continue at their current pace or even increase in the coming years.

Current Navy force structure and our current level of operations are not sustainable with the baseline budget.

Mr. WITTMAN. In light of the fact that the Navy has spent the last 6 years operating a significant part of the force above a long-term sustainable tempo level, as the DOD draws down in Afghanistan and rebalances to the Pacific, a predominantly maritime environment, will the Navy be able to sustain its operations and meet enduring GFMAP requirements with base funding? And, by doing so, what risk will you assume?

Admiral BURKE and Admiral CULLOM. Current base funding does not fully sustain our current force structure and ongoing level of operations. The Ship Maintenance account is highly leveraged with OCO, and the Ship Operations, Aviation Depot Maintenance and Flying Hour Programs cannot support a level of operations equivalent to that today without supplemental funding. Attempting to sustain operations within baseline funding will quickly degrade the material condition and readiness of the force, create conditions that will make it challenging to retain our best personnel, and move the Navy towards a hollow force.

Mr. WITTMAN. How do you ensure you do not create a “hollow force” and that you continue to preserve the short- and long-term ability to provide ready forces to the combatant commanders—particularly in light of the impacts to operations, training and maintenance due to sequestration?

Admiral BURKE and Admiral CULLOM. Navy requires a long-term budgetary and strategic framework in order to properly align resourcing decisions that will sustain Fleet readiness and provide ready forces, with the right capabilities, to the Combatant Commanders. In the present environment of year-to-year sequestration, we are attempting to preserve the reversibility of budget decisions until it is clear what that framework may be. Our priority remains to provide ready forces to the Combatant Commanders. This will become increasingly difficult as training is compressed and maintenance/modernization is deferred. Repeated budget sequesters, as opposed to a long-term plan that balances fiscal constraints with a strategic vision for the force, results in the compounding of negative readiness impacts from year to year and will ultimately result in a hollow force.

Mr. WITTMAN. What are the operational impacts of civilian furloughs on maintenance activities particularly in light of civilian hiring freezes and reduction to overtime work?

Admiral BURKE and Admiral CULLOM. Furloughs, combined with the ongoing hiring freeze and overtime restrictions, will have an extended impact on Fleet maintenance capacity.

For example, the combination of the civilian hiring freeze, overtime restrictions, and 11 furlough days at the aviation depots is expected to delay the delivery of approximately 66 aircraft and 370 engines and modules from FY13 into FY14. This equates to 80% of a carrier air wing, and will result in fewer aircraft ready for tasking and a commensurate reduction in flight hours for non-deployed units. Recovery of the delayed work will drive additional unbudgeted costs. The Naval Shipyards have been exempted from the furlough and were recently granted a hiring freeze waiver. This waiver, approved on 18 June 2013, allows the Naval Shipyards to hire to replace 100% of attrition and up to 25% of programmed growth for FY14. While the furlough exemption and hiring freeze waiver mitigate much of the impact to the shipyards, the cumulative effects of overtime restrictions and the hiring freeze to date have impacted FY13 capacity resulting in a corresponding delay in the completion of maintenance availabilities. The final number of availabilities impacted and magnitude of delays will depend on several factors, including the length of time the remaining overtime and hiring restrictions are in effect, the amount of workforce attrition and corresponding loss of experience, and the ability of the shipyards to hire to the maximum extent allowed by the waiver.

Mr. WITTMAN. The Navy was about to turn a corner on reversing its trend of degraded surface fleet maintenance. What will be the short- and long-term impacts to the fleet of the FY13 funding impacts and sequestration? And, if given additional money, is there any ability to recover the availabilities in the same timeframe?

Admiral BURKE and Admiral CULLOM. As reflected in our initial FY13 budget, Navy remains committed to performing the necessary ship depot maintenance to sustain the readiness of the Fleet. While sequestration has had a significant impact on surface ship maintenance funding, we have been able to execute all but eight of the FY13 availabilities to minimize the short-term impact to the Fleet. Those eight private-sector availabilities remain a top priority for Navy and we are pursuing options to fund them this year. In the public-sector, some availabilities will be extended in the short-term due to capacity reductions as a result of FY13 sequestration actions such as the hiring freeze and overtime restrictions.

If Navy is able to fund the remaining FY13 availabilities and sequestration is limited to FY13, we do not expect long-term impacts to surface fleet readiness. If sequestration continues into FY14, funding for private-sector availabilities will be at risk that would reduce the capacity utilization of public sector yards. The result would be an increase in the backlog of surface ship maintenance, erasing the hard-earned gains made in recent years toward improving surface ship material readiness.

The Navy's FY14 Budget is based on the assumption that all FY13 work is completed as planned. Any work deferred from FY13 will either displace planned FY14

work or require additional funding. Even with additional funding in FY13, the Navy will not be able to recover all eight availabilities in the same timeframe as originally planned. While these delays will impact near term readiness, Navy should be able to reschedule the availabilities to ensure long-term surface fleet readiness.

Mr. WITTMAN. What is the current requirement for amphibious lift? What level are we currently providing? What is the plan to close the shortfall?

Admiral BURKE and Admiral CULLOM. • The Navy remains committed to the 38 amphibious ship requirements, fiscally constrained to 33, to meet naval amphibious lift demand. This number was validated through a Force Structure Assessment (FSA) based on defense strategy guidance. The assessment addressed the operational demands and requirements and took into account the importance of maintaining an adequate national shipbuilding design and industrial base.

- 33 ships ensure 30 are operationally available to meet operational timelines and will optimally be comprised of 11 LHA/D, 11 LPD 17 and 11 LSD/LX(R).
 - 11 LHA/D will be achieved in FY22 with delivery of LHA 8.
 - 11 LPD 17 will be achieved in FY17 with the delivery of LPD 27.
 - 11 LSDs can be achieved in FY25 once the first LX (R) is delivered.
- In the short term, we are accepting risk to aviation and vehicle lift. We may be able to reduce the risk by relying more heavily on carrier tactical aviation for close air support and by delivering additional support vehicles via Mobile Landing Platform (MLP) and/or Joint High Speed Vessel (JHSV) to support ground maneuver.
- Our proposed delivery/decommissioning profile will meet historical sourcing for Amphibious Ready Groups. However, with an emphasis to PACOM, we must accept some risk to geographic Combatant Commander's demand for independent deployers to source activities such as Partnership Stations and rely more on other platforms such as MLPs and/or JHSVs to support these independent operations.

Mr. WITTMAN. If requested amphibious ship retirements go forward, what is the Navy's assessment of the increased risk assumed by the Marine Corps?

Admiral BURKE and Admiral CULLOM. • In the short term, we are accepting risk to aviation and vehicle lift. We may be able to reduce the risk by relying more heavily on carrier tactical aviation for close air support and by delivering additional support vehicles via Mobile Landing Platform (MLP) and/or Joint High Speed Vessel (JHSV) to support ground maneuver.

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Mr. WITTMAN. How do you define "readiness"? And, ready for what? And, will the forces be "ready" in both FY13 and FY14?

General TRYON and General FAULKNER. The Marine Corps uses a framework to manage its readiness as an institution. Known as the Five Pillars of Institutional Readiness, this framework seeks to ensure that Service-wide activities lead to a proper balance among five categories pillars that underpin the readiness of the Marine Corps. These pillars capture the Marine Corps' approach for generating ready forces today and informing an investment strategy that will ensure the future readiness of the Marine Corps and enable it to meet the tenets of the Defense Strategic Guidance. Maintaining balance across these pillars is critical to achieving and sustaining the Nation's expeditionary force-in-readiness for today and tomorrow. The five pillars are:

- High Quality People (Recruiting, training, educating, and retaining high quality people plays a key role in maintaining our high state of readiness).
- Unit Readiness (Maintaining readiness of the operating forces and reserves, including appropriate operation and maintenance funding to train to core missions and maintain equipment).
- Capacity versus Requirements (Force-sizing and naval capabilities to meet Geographic Combatant Commander requirements with the right mix of capacity and capability).
- Infrastructure Sustainment (Investing in real property, maintenance, and infrastructure).

- Equipment Modernization (Ensuring ground and aviation equipment matches the needs of the emerging security environment).

During the development of the FY13 budget, the Marine Corps worked to build a comprehensive program that achieved balance between these pillars. The passing of HR 933 enables the Marine Corps to meet near-term readiness commitments for deployed and next-to-deploy forces; continue to rebalance to the Pacific; and support the Marine Rotational Force Darwin and the Unit Deployment Program in FY13. While the Marine Corps is capable of meeting near-term readiness commitments in FY13, we are taking risk in our long-term infrastructure sustainment and the unit readiness of our home station units due to sequestration. We cannot continue to sustain these levels of reductions in FY14, without impacts to our non-deployed crisis response forces at home.

Mr. WITTMAN. In the absence of the OCO budget for consideration before the Congress at this time, can you please describe the impact of OCO funding on your ability to provide “ready” and trained forces? And, how will you sustain that in the long run as OCO funds begin to diminish?

General TRYON and General FAULKNER. The Marine Corps’ readiness remains heavily dependent on the Overseas Contingency Operations (OCO) budget as it provides funding to sustain the manpower, operations, and equipment repair and replacement in support of Operation Enduring Freedom (OEF). The Department’s strategic guidance emphasizes a smaller and leaner force that will no longer be sized to support long-term stability operations that have dominated the past decade. The enduring active duty end strength required for the Marine Corps to support the new strategy is 182,100 Marines. With the move to the new strategy and the Marine Corps’ commensurate reduction to 182,100 Marines, end strength above 182,100 is now considered to be temporary end strength and as such, has been requested in the OCO budget. This overstrength must be maintained through the end of FY16 to allow the Marine Corps to simultaneously support its forward presence mission, combat operations in support of OEF, Combatant Commander requirements, and ensure that it keeps faith with its Marines.

The reset of our equipment after more than a decade of combat requires an unprecedented level of effort, and our depots stand ready to meet the challenge. Reset is composed of strategic and operational reset; our fiscal year 2013 near term, operational reset cost is \$0.9 billion and is included in the Overseas Contingency Operations request. Strategic reset costs will not be finalized until OEF operations have ceased and reset will occur over a two to three year period following the return of our equipment from Afghanistan. Last year, our reset liability was approximately \$3.2 billion. We estimate it will be something less, however; we are unsure exactly what that number is until we can get a better picture on both the totality of the costs associated with returning our equipment from Afghanistan and the detailed costs associated with resetting our gear after 10 years of combat.

Mr. WITTMAN. How do you ensure you do not create a “hollow force” and that you continue to preserve the short- and long-term ability to provide ready forces to the combatant commanders—particularly in light of the impacts to operations, training and maintenance due to sequestration?

General TRYON and General FAULKNER. The Marine Corps balances the long-term health and readiness of its force by balancing resources across five broad pillars: high quality people, unit readiness, capability and capacity to meet requirements, infrastructure sustainment, and equipment modernization. Maintaining balance across all five of pillars is critical to achieving and sustaining Marine Corps readiness. Given the impacts of sequestration, the Corps is being forced to take actions to ensure its short-term readiness, such as transferring facilities sustainment funding to support operations and equipment maintenance. These actions create an imbalance across these pillars that result in both near- and far-term readiness shortfalls and concomitant impacts with respect to long-term readiness. The Marine Corps has a strategic trajectory to reconstitute to a ready force by FY 17. Its reconstitution efforts will restore and upgrade combat capability, ensure units are ready for operations across the range of military operations, and sustain home station readiness so that units are ready to deploy on short notice. Unit training is rebalancing to encompass capabilities across the range of military operations, with a renewed emphasis on core expeditionary and amphibious capabilities. Marine Expeditionary Force and Marine Expeditionary Brigade readiness will continue to improve with larger-scale exercises that emphasize shifts to conducting maneuver and amphibious operations.

America’s “Force in Readiness” must maintain a high state of readiness at all times to respond to contingencies and commitments throughout the globe. Despite the constrained funding resulting from sequestration, the passing of HR 933 will mitigate most of this year’s near-term operational impacts from sequestration. The

Marine Corps will meet near-term commitments for deployed and next-to-deploy forces. It will continue to rebalance to the Pacific and support the Marine Rotational Force Darwin and the Unit Deployment Program. The funding levels for ground depot maintenance allow for the continuation of planned reset activities. HR 933 supports recruiting, advertising, and restores funding for tuition assistance programs.

In FY 14 and beyond, sequestration would negatively impact future readiness. Facilities sustainment reductions would be unsustainable and would degrade training range sustainment and quality of life for Marines and their families. The curtailment of training and maintenance would degrade the readiness of non-deployed crisis response forces. Nearly half of Marine Corps ground units and one-third of Marine Corps aviation combat units would remain below acceptable readiness levels. Sequestration would also adversely impact operations and exercises in FY 14 and beyond. Sequestration will decrease training opportunities as the Corps reduces its scale, scope, and participation in operations and exercises for each geographic combatant commander. The Corps will need to invest in ranges and facilities to maintain readiness, particularly as it rebalances to the Pacific. Sufficient O&M funding is needed for steady state operations and to maintain equipment. Sufficient O&M is also essential in the Pacific to support the Unit Deployment Program, provide rotational forces in Guam and Australia, and train and engage within the region.

Equipment shortages are the biggest readiness detractors for the Corps' operating forces and sequestration will exacerbate that problem. The full impact of sequestration on depots has yet to be determined. Sequestration related delays in modifications, critical survivability and mobility upgrades, and modernization programs for equipment will adversely impact materiel condition and the Corps' ability to provide Marines with ready, relevant, and capable combat systems.

Sequestration's impacts on the availability of amphibious and maritime prepositioning ships are a concern for reconstituting the force. The combat readiness of these ships is a foundational requirement for training to and executing expeditionary force presence and amphibious force projection. As such, the Navy acknowledged that low amphibious ship availability and readiness could present a significant challenge to the training readiness of Naval Expeditionary Forces and it is actively addressing maintenance readiness shortfalls. Continued Congressional support for the Navy's shipbuilding and surface ship-to-shore connector programs is vital to retain and maintain an adequate fleet of modern combat-ready amphibious ships, which provide continuous naval expeditionary presence and projects power across the globe.

The linkage between resources and readiness is immediate and visible, and fiscal restraints have caused the Corps to pay keen attention to its priorities. To guide the Marine Corps as it optimizes investments and readiness in the force, its priorities are:

- Provide the best trained and equipped Marine units to Afghanistan
- Protect the readiness of forward-deployed rotational forces within the means available
- Reset and reconstitute the operating forces as Marines and equipment return from more than a decade of combat
- Modernize the force through investments in human capital and by replacing aging combat systems
- Keep faith with Marines, Sailors and families

Mr. WITTMAN. What are the operational impacts of civilian furloughs on maintenance activities particularly in light of civilian hiring freezes and reduction to overtime work?

General TRYON and General FAULKNER. Despite the fact that the Marine Corps has not instituted a civilian hiring freeze at this time, Marine Corps operational readiness will be impacted by depot maintenance workforce furloughs. Marine Depot Maintenance Command (MDMC) is the primary source for repairing and resetting the Marine Corps' ground weapons systems. The 11-day furlough will have negative impacts on maintaining depot productivity necessary to complete the FY13 scheduled workload. Approximately 240,000 direct labor hours will be lost and, as a result, a commensurate level of FY13 workload will be carried over into FY14. Historically, MDMC has maintained an overtime rate of approximately 25%. MDMC plans to maintain that overtime rate during the furlough period without violating overtime guidance from DON.

Mr. WITTMAN. How will the Marine Corps absorb additional missions like the MAGTF in Spain without impacting training or other missions? How would the Marine Corps' ability to absorb future mission growth be hampered by a full implementation of sequestration?

General TRYON and General FAULKNER. U.S. Marine Corps leadership recognized two significant events were on the horizon; warfighting efforts in the USCENTCOM region were approaching conclusion, and U.S. economic recovery would be a prolonged event; and embarked upon a route which reviewed the structure of the Marine Corps (Force Structure Review Group—FSRG) and how that structure could be best utilized (Force Optimization Review Group—FORG) to remain as the Nation's premiere Force In Readiness. These efforts re-shaped the U.S. Marine Corps and reduced overall end-strength from 202k to 181.1K, and eliminated redundancies and duplicative efforts across the U.S. Marine Corps. These fiscal offsets permitted the U.S. Marine Corps to maintain regionally aligned forward postured Special Purpose Marine Air Ground Task Force (SPMAGTF), rotational Amphibious Ready Group(ARG)/Marine Expeditionary Units(MEU) and reconstitution of III MEF forces in the Pacific; as well as introduction of SPMAGTF-Crisis Response (CR) in response to the New Norm.

Previous fiscal off-sets notwithstanding, the U.S. Marine Corps continues to review all Geographical Combatant Command (GCC) rotational force demands to determine if efficiencies can be gained to reduce overall operating, employment and sustainment cost. The U.S. Marine Corps currently has three SPMAGTF's forward postured in the European Area Of Responsibility (AOR). Each are deployed to provide specific capabilities to the supported GCC's (CDR USAFRICOM/CDR USEUCOM); yet the U.S. Marine Corps recognized resourcing challenges (i.e. fiscal, manpower, material, equipment, etc.) associated with forming, organizing, training, equipping, sustaining and reconstituting these SPMAGTF's; and employed an "economy of force" methodology where each SPMAGTF performs a wider array of missions/task beyond their core purpose. These additional missions/task are inclusive of Crisis Response (CR), Theater Security Cooperation (TSC) and Security Force Assistance (SFA); thereby negating a requirement to generate upwards of 90 additional stand-alone Mobile Training Teams (MTT), Subject Matter Expertise Exchange (SMME) Teams, and PTDO SECFOR elements; resulting in employment/operating cost efficiencies which provide sufficient fiscal offsets to maintain the current force posture. The U.S. Marine Corps continues to address efficiencies by closely reviewing SPMAGTF-AFRICOM, SPMAGTF-CR and SPMAGTF-Black Sea Rotational Force (BSRF) After Action Reports (AAR) and official Lesson Learned in order to revise force generation, force employment and force reconstitution actions.

A broader review of U.S. Marine Corps structure, roles/responsibilities, core competencies and operational imperatives may be required to determine feasibility to maintain our current forward-deployed operational posture. However, in the interim, the U.S. Marine Corps has employed a broad review of Global Force Management (GFM) requirements with the intent to closely analyze existing GCC force demands, mission/task and depth of U.S. Marine Corps resources in an effort to determine level of effort required to maintain current SPMAGTF posture. This analysis reflected no immediate off-ramps or curtailments were required, providing economy of force efforts (as previously noted in question 10) were permitted to continue, with options to economize in other functional areas (i.e. logistics, maintenance, sustainment, etc), permitting greater flexibility to both the Service and supported GCC. However, as previously noted, FULL sequestration will require a more detailed analysis of all allocated SPMAGTF's, their specified and implied missions/task, and U.S. Marine Corps fiscal posture across all functional and operational areas. It is anticipated that such analysis will require consideration of further economy of force actions under a FULL sequester, whereas potential curtailment (less than 1.0 presence), or de-scoping actions (SPMAGTF mergers: SPMAGTF-AFRICA and SPMAGTF-CR) may be required in order to reduce C2, logistics and aviation redundancies. The U.S. Marine Corps continues to plan to meet HIGH priority and emergent CCDR requirements, with potential lesser priority GFM offsets as required.

Mr. WITTMAN. What are the impacts associated with delaying or de-scoping the reset and reconstitution of the Marine Corps? How does your reset plan support the new strategic guidance's directed role for the Marine Corps? How will reset be impacted by sequestration? How long will it take to recover?

General TRYON and General FAULKNER. There is a significant risk to the long term health of the force associated with delaying or de-scoping reset and reconstitution. As previously documented in CMC Congressional testimony, the Marine Corps delayed the reset of a significant amount of the Iraq equipment set to support the 2009 surge into Afghanistan. As a result, reversing the accelerated degradation of our ground equipment, including most of the medium and heavy transportation assets and almost all the Marine Corps fleet of MRAPs, is critical to increasing home station unit readiness and reconstituting the force. On average, fifteen percent of our mission essential equipment remains in Afghanistan and up to thirty percent

for some items such as critical low density radar and satellite communications suites, heavy engineering equipment and our medium and heavy tactical vehicle fleet. Significant reset workload exists at our Depots and maintenance facilities today. We returned over 40,000 items to date to those facilities with over 11,700 (28%) reset and returned to the operating forces thanks to the funding support from the Congress. To complete reset and realize force reconstitution by FY2017, the Marine Corps will continue to require OCO funding support from Congress for approximately two to three years after the last Marine leaves theater.

Our Reset funding Strategy fully supports Marine Corps' strategic guidance to maintain a global crisis response capability that ensures readiness of ground equipment in support of amphibious operations shipping and maritime positioning ships worldwide. Although the purpose of the Reset Strategy is to create unity of effort across the enterprise with respect to reset planning and execution from Afghanistan, it similarly supports our Commandant's direction to quickly re-establish presence in the Pacific, and to ensure reset and reconstitution actions are balanced to protect the long-term health and readiness of our most precious asset, the warfighter. The long-term impact of sequestration is deferred maintenance. The Marine Corps will have to closely scrutinize and determine equipment maintenance priorities, assume risk in mission-essential weapon system readiness, delay normal depot sustainment, and potentially delay reset operations. Our efforts to maintain the readiness of the deployed force and correct the readiness imbalance of the non-deployed forces could be further exacerbated by sequestration if our Operations and Maintenance (O&M) accounts are diminished. While we anticipate being able to remain on schedule with our reset plan for the remainder of FY2013, sequestration in FY2014 and beyond would hinder the Marine Corps' ability to "reset and reconstitute in-stride" by FY2017 and ultimately impact equipment readiness.

Mr. WITTMAN. What is the current requirement for amphibious lift? What level are we currently providing? What is the plan to close the shortfall?

General TRYON and General FAULKNER. Per a shipbuilding agreement document dated 7 Jan 09 (sent to Congress), CNO, CMC, and SECNAV agreed that the validated requirement for amphibious warships is 38. This requirement is based on the ability to deploy a 2.0 MEB Assault Echelon in support of major contingency operations. Due to fiscal constraints, the CNO, CMC, and SECNAV agreed that the Navy will sustain an inventory of 33 amphibious ships. The Navy and Marine Corps assumed risk in this shortfall, but have deemed it as acceptable. The inventory of 33 amphibious ships, when applied to a planned operational availability rate of 90%, provides 30 operationally available ships.

There are currently 30 amphibious warships in the Navy inventory. The Annual Report to Congress on Long-Range Plan for Construction of Naval Vessels for FY2014 (dated May 2013) reflects the Navy's plan to achieve the agreed-upon requirement of amphibious ships that provide the lift capacity for a 2.0 MEB Assault Echelon. This plan will achieve an amphibious warship inventory of 34 ships in FY25, and maintain an inventory of 33 ships through FY29. This plan includes the early decommissioning of two Whidbey Island-class ships, at approximately half of their estimated service life, in FY15.

Mr. WITTMAN. How would you characterize this increased risk? How would these reductions change Marine operations? If this or other constraints push the Corps to more distributed MEU operations, are there increased operational support costs? If so, does the FY 2014 budget support those increased costs?

General TRYON and General FAULKNER. The security environment across the global commons is tenuous and mandates ready, responsive and forward postured forces to protect vital U.S. strategic interest, facilities and personnel. The loss of SPMAGTF's crisis response capabilities increases strategic and operational security risk to potentially unacceptable levels. Full sequestration will impact many different functional and operational areas across the U.S. Marine Corps; inclusive of end-strength structure, operating budgets and programmatic/modernization; resulting in creating an intricate balance between maintaining critical forward postured crisis response capabilities, affecting full recovery/reconstitution from a decade of wartime efforts, and modernizing the force to meet more agile, technologically advanced and complex threats. At higher risk is DOD's ability to protect U.S. strategic interest, facilities and personnel without benefit of forward postured immediate response SPMAGTF capabilities. Regardless of Service sourcing, FULL sequestration will degrade DOD's ability to provide adequate protection and immediate response to counter a continuously eroding security environment.

Full sequestration will have a debilitating impact across the U.S. Marine Corps to maintain crisis response capabilities across the global commons. Actual operations will likely not change because of the nature of today's specified and implied threats. However, Marine Corps force structure and programmatic/modernization

offsets may afford only minor fiscal maneuver space, permitting sustainment of CR capabilities in HIGH risk areas. The mid to long term impacts are anticipated to be the gradual degradation of U.S. Marine Corps available inventory, inability to surge forces when the security environment erodes further, and reduction of Marine Corps and Navy maritime agility to operate seamlessly across air, land and sea domains.

Distributed and Split-ARG operations are common operational imperatives today, and are not envisioned to change in the mid to long term environment. The ARG/MEU offers a unique capability that is not bound by political agendas, host nation agreements, basing permissions or ground maneuver space. As such, the Navy/Marine Corps team embarked upon development of doctrinal changes in which the ARG/MEU forms, organizes, trains and embarks Naval forces in a manner which permits both distributed and split-ARG operations. Although when distributed, the ARG/MEU represents a lesser capability than when fully aggregated, even this degraded capability presents SECDEF and GCC's an option for employment which is seamless in transition from one GCC AOR to another, and provides a response option to most any type security/threat environment. Associated operating cost increased accordingly as sustainment and logistics hubs are expanded to cover multiple GCC AORs. The Navy/Marine Corps teams continually looks toward economy of force opportunities, leveraging logistics/sustainment and throughput hubs provided by ground based SPMAGTF's, CVN Task Forces and other Services in order to minimize unprogrammed cost impacts.

Although the ARG/MEU presents the most versatile capability in the DOD inventory, the amphibious shipping inventory has gradually decreased over the past decade (60 amphibious ships pre-9/11 to ~30 ships 2013), rendering this unique capability limited in capacity to a point where no more than 2 X ARG/MEU's can be forward-deployed at any time. The Naval 30 year shipbuilding plan does not offer reprieve to today's current shortfalls as the projected end-state is 33 ships, with 28 anticipated to be operationally ready/available for tasking.

Efficiencies gained through execution of economy of force efforts, in conjunctions with U.S. Marine Corps FSRG/FORG structural reductions and risk to delay programmatic/modernization actions; provide limited fiscal maneuver space. Each global threat or event requiring a heightened security posture, resulting in unprogrammed deployment of forces, potentially consumes any fiscal agility that may have been previously gained. Additionally, decreases in Overseas Contingency Operations (OCO) funding significantly increases pressure on Service level baseline budgets. Since the POM and GFM cycles are not fully synchronized, these process compete against each other versus being complimentary. Until such time that the POM and GFM cycles are aligned, the Services will be unable to create a "contingency" funding posture which would permit surging forces when required, without degrading the operating budget of those already allocated for specified mission/task.