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THE 2014 QUADRENNIAL DEFENSE REVIEW

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

HEARING HELD
APRIL 3, 2014

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THE 2014 QUADRENNIAL DEFENSE REVIEW

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, April 3, 2014.

The committee met, pursuant to call, at 10:04 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

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

The CHAIRMAN. The committee will come to order.

Good morning, ladies and gentlemen. Before we begin, I want to express my condolences to the victims and families of the Fort Hood shooter. Though we do not yet know the motivation behind this horrific attack, it is a grim reminder that danger persists even when our troops come home.

Our thoughts and prayers are with the victims and their families from the Fort Hood community, and I would like to ask each of you if you would join me in a moment of silence for those families.

Thank you.

The committee meets today to receive testimony on the 2014 Quadrennial Defense Review [QDR]. Joining us today are Admiral Sandy Winnefeld, Vice Chairman of Joint Chiefs of Staff, and Ms. Christine Wormuth, Deputy Under Secretary of Defense for Strategy, Plans and Force Development.

Thank you both very much for being here today.

I have called the Department to rewrite and resubmit the QDR report, and I intend to include a provision in the upcoming NDAA [National Defense Authorization Act] to that effect.

I appreciate the work that has gone into this year's product, and I understand that past QDRs were less than perfect. However, I am concerned that these reports have grown less compliant with the law, and strayed further from the intent of Congress.

The QDR is meant to be a useful tool for Congress to understand the longer-term strategic challenges and opportunities facing the Department. It is meant to inform a thoughtful debate on our defense strategy and the resources needed to fulfill it.

We recognize that the QDR also drives a valuable internal process for the Department. But if it only leads to a justification of programs in the budget, then both the Department and Congress have lost a major opportunity to bring together key national security stakeholders and strategic thinkers to discuss and debate how we shape the longer-term direction of our forces, their missions, and their capabilities.

Instead, what we have before us this year is, in essence, a 5-year outlook of validation of a force structure that the services admit is driven by budget constraints, and a strategy that assumes increased risk to the force.

Moreover, we have before us a strategy that has not changed since the last one was issued in 2012. At the time, General Dempsey testified that if the military had to absorb more cuts, and I quote—"we have to adjust our strategy." Since then, the military has absorbed an additional $330 billion in cuts, not including sequestration that returns in fiscal year 2016. Yet, the strategy before us remains unchanged. It asks our men and women in uniform to fulfill all the same missions and requirements, but with a smaller force, less capabilities, and ultimately, increased risk to those who would go into harm's way.

The strategy sizes the force to simultaneously defeat one regional adversary, and deny another. However, in testimony we received from the combatant commanders and service chiefs, our military under the funding profile for defense currently in law can barely muster enough forces to execute even one major contingency operation.

While the QDR recognizes the world is growing more volatile, and in some cases, more threatening to the United States, it makes no adjustments to reflect that change. For example, Russia's invasion of Ukraine and its longer-term intentions should cause us to rethink the current QDR tenet that suggests cooperation and nuclear reductions will make us safer.

Strong U.S. leadership and influence must be matched by a strong military. This was a missed opportunity to communicate the linkage between strategy and resources, and the inflection point at which the United States finds itself.

I look forward to your testimony with regard to this issue.

Mr. Smith.

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

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

Mr. SMITH. Thank you, Mr. Chairman.

And I join the chairman in acknowledging and wishing the best for the victims of the shooting in Fort Hood. Our thoughts and prayers are with them and their families, as regrettably another child—another tragedy strikes that base. And this committee will work hard to try understand it better and figure out what we can do to prevent these in the future.

So, I thank you for the recognition of that and the moment of silence. And I thank our witnesses for being here today to talk about the QDR and to talk about our strategy.

And I think, you know, the largest problem with QDR—and I don't disagree with many of the chairman's comments about the fact that it is not as informative as it could be. But one of the biggest problems is, just in general with all QDRs, is the unpredictability of, gosh, 2, 3 years in the future, much less 15 or 20.

As the chairman and many others have pointed out, when it comes to predicting future national security threats and where we are going to have to go to war, we do not have a very good record. And I think the reason for that is, the world is unpredictable. Things change. Looking that far out into the future, the variables significantly outweigh the constants, and that makes it difficult to accurately predict.

I think this time, however, the QDR face the even greater challenge of the uncertain budget future. It would be one thing if we knew for certain that we were going to have 8 years of sequestration—that this was the budget, this was the number, and we had to take a step back and look at, okay, what are we going to do? I will tell you that that picture would be very, very scary in terms of the blow it would make to our national security, to our industrial base, and all manner of different pieces that are incredibly important to this committee. But we can't be certain.

We were—you know, we had sequestration until we didn't for 2015—for 2014 and 2015. So, if you are putting together a QDR, you are being asked to, you know, understand what the resources are, and you don't know what those resources are, that makes it a very, very difficult process.

And, of course, we have what seems like one of the more uncertain threat environments that we have had in a long time—with Iran and North Korea, you know, the metastasization of Al Qaeda and their ideology, with what Russia is doing in Eastern Europe. And it is a very uncertain time and it makes it very, very difficult to predict. So, for the most part, I think any limitations that the QDR face is simply because of the uncertainty of all of those factors making it difficult to make those predictions.

I will say that the one thing that I have always found unfortunate about the QDR is, it does not prioritize very well. It does a fairly decent job of weighing out what the threats are, and lists a whole lot of different things that we ought to be concerned about. But I have always felt, if you have 20 top priorities, then you have none. We have to be able to choose from among all of those things. And one of the things we look for from the QDR is to give us their best expert assumption as to out of these multiple different possible threats that we face, what are the ones we ought to be most worried about, and how should we respond?

We are not going to hold the folks who put the QDR to that, and say that you have to be right. We obviously will adjust as we go forward. But the QDR process would be incredibly useful if they would take it and say, "We are going to give you our best assumption, based on the facts we have, as to how you should prioritize," not just say, "Here is everything you ought to be worried about. Go ahead and worry." It is better if we can prioritize and figure out how to manage risk, which, as, you know, all the folks over at the Pentagon always tell us, is essentially their job.

You are not going to eliminate risk. You simply have to try figure out what it is and manage it as best as possible. And that is more easily done if we make some choices about how to prioritize the threats and concerns that we face.

With that, I look forward to the testimony. I welcome Admiral Winnefeld and Mrs. Wormuth here. I look forward to your expertise and to the questions and answers as we go forward.

I yield back, and I thank the chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 43.]

The CHAIRMAN. Who is going first?

Madam Secretary.

STATEMENT OF CHRISTINE E. WORMUTH, DEPUTY UNDER SECRETARY OF DEFENSE FOR STRATEGY, PLANS AND FORCE DEVELOPMENT, U.S. DEPARTMENT OF DEFENSE

Ms. WORMUTH. Thank you, Mr. Chairman.

Thank you, Representative Smith and members of the committee. It is my pleasure to talk with you this morning about the Department's 2014 Quadrennial Defense Review. And I will try to keep my opening statement pretty brief so we can get to questions.

The 2014 QDR is an evolution of our strategy. The updated defense strategy builds on the DSG [Defense Strategic Guidance] that the administration put out in 2012, and outlines what our joint force needs to be able to accomplish in the next 10 to 20 years.

We have tried to lay out our plan to responsibly rebalance the military, given changes in the security environment and the fiscal environment. We also tried to explain how the Department intends to rebalance internally to be more efficient to get greater buying power for our dollar and to control cost growth into the future.

The QDR is based on our assessment of the future security environment, and it is strategy-driven, as a result. We looked out 20 years, considering potential challenges, threats on the horizon, and for areas where we can work together with allies and partners to address common security issues.

We also believe we will continue to face a complex and uncertain world, one that presents opportunities, but also one that poses many threats to our interests, our forces, and our friends and allies around the world.

Based on our assessment of that security environment, the 2014 QDR builds on the priorities articulated in the 2012 Defense Strategic Guidance and incorporates them into a broader strategic framework.

The Department's updated strategy emphasizes three pillars: protecting the homeland, building security globally, and projecting power and winning decisively. These three pillars are interrelated and interdependent. We need all three of them to be able to successfully protect and advance our national interests.

To execute the strategy effectively, the joint force must be capable of conducting a broad range of activities at any given time. It is not enough to be capable of defeating an adversary and denying the objectives of another aggressor if deterrence fails. Our forces must also be able to protect the homeland, to assure and deter around the world in multiple regions, and conduct persistent counterterrorism operations. Our updated force planning construct in the QDR reflects the full breadth of these demands.

To ensure that we can execute our QDR strategy and the force planning construct, we are rebalancing the force, making tradeoffs among capability, capacity, and readiness.

Because of the readiness challenges we have had in the last few years, the Department has had to make especially tough choices balancing between capacity and capabilities.

Key decisions in the President's fiscal year 2015 budget proposal include reducing capacity in ground forces, reducing or eliminating capacity in single-mission aviation platforms, and undertaking some temporary ship layups. We are also protecting key investments, particularly in the areas of cyber capability, space, and special operations forces, to name a few.

Overall, the QDR puts forth an updated national defense strategy that we believe is right for the country. At the President's budget level, which does ask for more resources than if sequestration were to continue, we believe we can execute the strategy, although with increased risk in certain areas.

These risks would grow significantly, however, if we return to sequestration-level cuts in fiscal year 2016, if proposed reforms in the area of compensation, for example, are not accepted, or if uncertainty about budget levels continues. And the QDR report, as you know, outlines these potential risks in some detail.

Mr. Chairman, I thank you—Representative Smith—for the opportunity to talk with you today, and for the continued leadership of this committee. I look forward to your questions.

[The joint prepared statement of Ms. Wormuth and Admiral Winnefeld can be found in the Appendix on page 45.]

The CHAIRMAN. Thank you.

Admiral.

STATEMENT OF ADM JAMES A. "SANDY" WINNEFELD, JR., USN, VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF, U.S. DEPARTMENT OF DEFENSE

Admiral WINNEFELD. Chairman McKeon, Ranking Member Smith, distinguished members of the committee, thanks also for the opportunity to be with you today. I also thank you, sir, for your sentiments regarding the tragedy of Fort Hood yesterday afternoon. We are working very hard to take care of the victims and the families, and we will ultimately get to the bottom of what went wrong at Fort Hood yesterday. But thank you so much for your concern.

I would like to set the stage by saying that Chairman Dempsey and I believe that strategy, including QDR strategy, is mostly about balancing ends, ways, and means, and then assessing the resultant risk. We try very hard, the two of us, to keep this balance in mind.

We believe that the most fundamental "ends" of any national defense strategy boil down to our enduring national security interests. The chairman has derived those interests from the President's 2010 National Security Strategy. He has articulated them in his QDR endorsement. And he has used them as the structure of the Chairman's Risk Assessment. So, they are very useful.

It is our duty to protect those interests against the threats we foresee in the current and future security environment—threats that become more opaque as we look deeper into the future, but all

of which appear to be accelerating their employment of new technology.

The "ways" of our strategy are how we do our job. They are what we believe our force needs to be able to do, and that can be found at the macro level in the QDR's force planning construct.

Ways are also how we do our job, such as our operational plans and concepts, and, in fact, the ways we run the Department.

Regarding "means," Bernard Brodie said that strategy wears a dollar sign. The means of our strategy are the resources we are provided by the United States Congress, and how together, we invest those resources in the capability, capacity, and readiness of our forces and the structure that supports those forces.

Now, every strategy—every balanced combination of ends, ways, and means—lives inside a band of risk. Because assessing risk is as much art as it is science, it is imprecise, imperfect, and subjective, and is usually articulated in adjectives that are hard to describe.

A strategy that falls out of balance implies increased risk. If we want to retain the same ends, but our means decrease dramatically, then we have to try to restore strategic balance by either finding better ways, or trying to obtain more means, or we have to accept a bit more risk in our ends.

I believe all three are exactly what we are doing in this QDR. So, a key question is, exactly how much risk are we accepting? I would say that risk should be considered to a strategy in two layers.

The first layer is what I would call ends/ways risk. Whether our ends—our enduring national security interests—are adequately protected by the ways that we have constructed.

This QDR's ways—the what and how of our efforts in both peacetime and wartime—are based on the strategic defense guidance published in 2012. And if properly resourced, we believe they will protect our national security interest ends within that moderate risk band. There is always more we can do, but we believe we have this about right.

The next layer, I would say, is what I would call ways/means risk. Whether the ways of our strategy are executable within the means we are provided. During the Strategic Choices and Management Review last spring, we found that this strategy's ways are not executable at moderate risk at the Budget Control Act [BCA] level of funding. We simply won't have enough modernized and ready stuff in our force to get all the jobs done, both in the near and the long term. In short, we will be out of balance.

So, we had a choice. With reduced means, we could have downscoped the strategy's ways to align with BCA funding levels, and accepted a good deal more risk to our ends. But that really would be a purely budget-driven strategy, and none of us want that.

Instead, we submitted a QDR that says what we need to do and what that requires, and a budget request that, if resourced over the next 5 years, will provide the additional means we need to execute the ways that will protect our national security ends, thus keeping the strategy in balance, albeit at higher aggregate risk than the President's fiscal year 2014 budget request.

Mr. Chairman, as Chairman Dempsey says in his QDR endorsement, "If our elected leaders reversed the BCA cap soon, and if we can execute the promises"—meaning the ways—"of the QDR, then I believe we can deliver security to the nation at moderate risk."

To be candid, I would describe that higher aggregate ways/means risk as pushing very hard on the high edge of the moderate band. Certainly higher than in the President's 2014 budget request.

Now, just like my kids have an aggregate grade point average, but some of their grades are higher or lower than their average, QDR risk is low in some areas, and in other areas, it actually exceeds the moderate band.

There are four relevant points here. First, if the higher areas of risk were against a highly ranked national security interest—and remember, that is what the ends are—like protecting our homeland against catastrophic attacks, then we probably would have assessed the aggregate level of risk as being outside the moderate band. Fortunately, that is not the case. And we will soon provide our assessment—the chairman's assessment of risk—against specific national security interests in the classified Chairman's Risk Assessment.

Second, readiness risk in the near term is higher than moderate, because we are still recovering from the effects of the precipitous drop in funding we experienced last year, due to sequester, as well as the fact that we need to reset from two wars.

You have probably heard from our combatant commanders on this, because the near term is where they live.

The BBA—Budget—or the Bipartisan Budget Act—is simply not enough in fiscal year 2015 to get us back on track as fast as we think we should. And the Opportunity, Growth, and Security Initiative would certainly be helpful in repairing that. But in the QDR 20-year long term, we believe that we will eventually be able to match readiness to the eventual size of our force.

Third, the future risk level associated with our budget submission depends on Congress approving the combination of capabilities, capacities, and readiness we have requested, as well as the important proposals we are making for efficiencies and compensation. This budget is fragile. As more items are changed, the impact will ripple through and distort our force, and could quickly push us out of the QDR moderate risk band.

And fourth, our ability to continue to innovate technically, tactically, and in our business practices, will be an important factor that helps keep us inside the moderate band. This has to occur across many different areas deeply and quickly, and will require us to be more willing to reward risk-taking and promote creative leadership.

Finally, I want to mention that one of the most important themes that I think distinguishes this QDR from others, as the chairman and I see it, is that of rebalance. And I am not just talking about rebalance to the Pacific. This is about rebalance across the entire Department in six key areas, including rebalancing the wars for which we prepare and how we do that; rebalancing our efforts regionally; rebalancing capability, capacity, and readiness within our force, which is out of balance now; rebalancing tooth

and tail; rebalancing Active and Reserve; and rebalancing compensation.

We are going to need considerable help from Congress to make these rebalance initiatives happy. And I am happy to discuss them as need be, either here or in private.

As always, thank you for your enduring support to the men and women we have serving in uniform. And thank you again for the opportunity to speak this morning, and I do look forward to your questions.

Thank you, sir.

[The joint prepared statement of Admiral Winnefeld and Ms. Wormuth can be found in the Appendix on page 45.]

The CHAIRMAN. Thank you very much.

One of the things that has been a little perplexing to me is when the Secretary and the chairman came up and presented the budget, they presented it in a way, I think, that leads to confusion. In other words, they said that if sequestration kicks back in—no, they said the budget will take us down to 440,000 to 450,000 in the Army, and down to 175,000 the Marines—or 184,000 the Marines, unless sequestration comes back. And then in that case, it would go down to 420,000, 400, and 175,000 for the Marines.

And to me, I think, you know, we deal with this all the time here, so we kind of understand all the nuances and so forth, but I don't think the American public gets it. I think the media ran stories immediately that the Army was going to be taken down to 440,000 or 450,000.

No. My understanding is, sequestration is the law. As much as I dislike it, it is the law. And it does kick back in again in 2016. And unless we face the fact of how dire that will be, there is very little chance of changing it. And so, when we say 440,000, 450,000, instead of the reality of the 420,000 or the 175,000, and taking down a carrier, taking down cruisers—all of this—I think we—I don't understand why we don't lay out the reality, as dire as it is right now, to try to get the American people to understand how serious this is.

Can you explain to me that strategy?

Admiral WINNEFELD. No, I think you are on to something. You are exactly correct that it is important that the American people understand the difference between Budget Control Act levels and the levels at which we submitted. They are significant. We intentionally crafted this so that we could point out what that difference is.

I can rattle them off by memory, most of them. The difference between those two levels is 50,000 to 60,000 ground—Army ground troops, both Active and Reserve. It is about 7,000 Marines difference. It is a large number of ships that we will not be able to purchase. It is an additional F–35 squadron. We have to get rid of all the KC–10s in the near term.

We will lose 10 ISR [intelligence, surveillance, and reconnaissance] orbits, which is about 30 platforms, to make up those 10 orbits. We will lose significant amounts of research, development, and engineering to promote our future force. We are going to lose a bunch of readiness. And that, taken in the aggregate, if removed

from this submission, will definitely kick us out of the moderate risk band that this QDR portrays.

So, it is stark. It is real. And, Mr. Chairman, the BCA level is not enough to execute this strategy. The ways/means risk that I described falls out of the band.

The CHAIRMAN. It just seemed to me that would have been less confusing if that were just—if it were just the budget as it is, because this is something that the House, the Senate, agreed to. We actually got back to regular order somewhat, where they had a conference, and they came up with a final solution, signed it. Sent it to the President. He signed it. And it is the law going forward. And it gave us 2 years, which brought a little—a little certainty, and put a little money back into defense from sequestration levels.

If the budget had just been presented, that this is the way it is, and it is going to take us down to 420,000—it is going to take all of those reductions that you have mentioned—I think people could focus on that. But the way it was presented, it was just kind of like, this is the way it will be unless we follow the law. And I just don't think they get those nuances. And I was a little disappointed in that, and will continue to try to talk about those differences.

Building just a little on what Ranking Member Smith talked about—if you have 20 priorities, you know—I think your statement was, if you have 20, you don't have any priorities. So, to me, there is one overriding issue that really is bothering me. I would like to know, as the two of you went through this process—and, Admiral, you have been doing this for a long time now. And you look at—if you were to say what is the greatest risk in potential loss of life, casualties, that confronts us today, where would you say that is in the world?

Admiral WINNEFELD. That is a good question, Mr. Chairman. We tend to think in terms, first, of risk to interests. And then specific areas of the world that affect those interests. So, clearly, the highest national security interest the chairman and I believe we have is the survival of our Nation, followed by prevention of catastrophic attacks—read terrorist attacks like 9/11, or a nuclear missile coming from a rogue state, or something like that.

So, in terms of the highest risk to American people that is out there in the world, it would be one of those two high national security interests that would be threatened. But we also feel that the capabilities and the capacities we have in place and that we have programmed keep that risk very manageable.

We are working very hard, as you know, on missile defense. We have a very strong nuclear deterrent that we are maintaining. We have got some work to do there, as some of the members are very well familiar with those issues. But I think we are okay there.

So, you start to work into other areas where we have interests, such as secure, confident, reliable allies and partners. There are a lot of places in this world where those are threatened—where our allies are threatened. We have just seen it happen with our NATO [North Atlantic Treaty Organization] allies, who are now nervous about what is going on in Eastern Europe. There is the constant threat in the Pacific, and the Korean Peninsula and the like.

So, that is sort of the middle strategic interests for us that are constantly at risk.

In terms of American lives, though, we have always prioritized defending the homeland. I think we are in a pretty good moderate risk band there. I hope that helps.

The CHAIRMAN. The thing I am most concerned about right now is the Korean Peninsula. Because I think—you know, we had the briefing this week with General Scaparrotti. And I have been to Korea a few times. And I just—I see the unstableness there. Plus, how many people, both Koreans and Americans, live very close to the DMZ [demilitarized zone], and are under—they are targeted right now by all of their artillery, let alone the other tools that they have. And if something blew up there, I would think the loss of life in hours and days would be so high, compared to any other threat that I see around the world right now. That is just something that is really bothering me.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. Just a couple comments on, you know, part of the challenge of what you have put together there, and, you know, the notion of why didn't you just budget to sequestration.

Well, two answers to that. First of all, yes, sequestration from 2016 forward is the law of the land. But sequestration for 2014 and 2015 was the law of the land, as well, until it wasn't. So, if you budget all that and then you got to reverse back around—so, you guys are sort of trying to guess as to what it is that we are going to send you in terms of the budget, and I don't think you are going to win either way. Because the other thing that I will point out is the thing that I have consistently heard from the other side of the aisle in this committee is harsh criticism of you in the Pentagon for letting the budget drive your strategy. And, you know, if you had come out and said, "Well, sequestration is the law of the land. Therefore, here is what we are going to do," I can only imagine that the volume of that criticism would be even greater than it is. You know, "How dare you put out a budget, you know, that does not protect our national security," and "Admit that you did it only because that is what the budget required."

So, you are kind of damned if you do and damned if you don't. So, I have a little bit of sympathy for you trying to figure out which way to go on that front. And, frankly, what you did, I think, is fairly logical. Which is to say that you put out a budget that said, "Okay, this is the amount of money we have, and we know that. But here is the amount of money that we feel we need to hit our strategy." That was reflected both in the $28 billion in additional defense spending that was put into fiscal year—well, it was requested for fiscal year 2015 with offsets, and then also in FYDP [Future Years Defense Plan]—I think $150 billion—I could be off on the number—over 5 years, saying—you basically were saying, "Look, we know that the amount of money that Congress is allowing us means that we will not be able to meet our strategy. And the budget will drive it. It is not our decision to have the budget drive that, it is Congress' decision. And if you want to give us the amount of money to meet our strategy, here it is."

Why everyone in the media and everyone is so perplexed by that is beyond me. I think it is perfectly logical what you did and why you did it. And we don't know what is going to happen. You know,

the chairman and I and a lot of others are going to fight very hard and try to make sure that sequestration doesn't happen for 2016 going forward. And you have to be prepared as best as you can for those eventualities. And that is part of what has made the last 4 years so very difficult at the Pentagon, is from one week to the next, from one month to the next, you don't have any idea how much money you are going to have.

So, hopefully, we can get you some consistency on that. But I think what has come out has—you know, has made sense in what is a chaotic environment.

The one question I wanted to ask about in terms of the QDR's vision of the future is dealing with the terrorist threat, and specifically with the various offshoots of Al Qaeda. And I think we all, you know, the narrative is pretty clear now that the good news is Al Qaeda's senior leadership, some of them are centralized organizations, when we have been able to successfully target and significantly degrade their ability to plan transnational terrorist attacks.

And I don't think that should be disputed. The bad news is that the ideology that they propose has metastasized in a whole bunch of different places. Certainly in North Africa, you know, Mali, and Libya is falling apart. We are seeing it in Syria and Iraq and elsewhere.

And in each one of these areas it is hard to know exactly what the threat is. We know that there are groups there that are sympathetic to an ideology that threatens us. We do not in many cases know how strong they are.

Are they locally focused primarily trying to drive that ideology to control a given country or a given part of that country, or are they transnationally focused? We have seen this come out of Syria. There are all kinds of speculation that the Al Qaeda affiliated groups or Al Qaeda-like groups in Syria are potentially planning transnational threats, but we don't know.

How does the QDR reflect what our best strategy is for confronting that? Because I still believe that is the greatest threat that we face. I am worried about North Korea. I am worried about Iran. I am worried about Russia.

But right now there is only one group out there that has still actively declared war and declared their intention to bring direct harm to U.S. citizens and our interests, and that is Al Qaeda and their affiliates.

So what is our best strategy going forward to confront that metastasizing threat?

Ms. WORMUTH. Congressman, I think we very much share the assessment that you just laid out of the terrorist threat and the fact that it is spreading and that it is not a one-size-fits-all challenge in different regions.

We have an approach that has sort of a couple of elements I would say. First, we will of course continue to have the capacity, the capabilities to conduct direct action where we need to. And that is an important part of our strategy. We are continuing to make investments to ensure our capability to do that.

It is one of the reasons why we protected and continue to allow some growth in our special operations forces almost up to 70,000. But another important piece of that is working with partners in

places like Yemen, for example, to try to build up their own organic capability to do more themselves to fight the terrorist threat in their country.

So part of what we are doing, and it is I think consistent with the rebalance theme that the admiral laid out, is to rebalance a little towards putting more emphasis on building partnership capacity than we have in the last 10 years.

I also would say part of what Admiral McRaven's vision is, is as we draw down out of Afghanistan and bring back some of our special operations forces, we will be able to distribute them around the world again very much to focus on being able to again try to draw down the threats in places like North Africa for example and build partnership capacity with countries.

So that is an important part of our strategy. And Admiral McRaven works very closely with combatant commanders like General Rodriguez in AFRICOM [U.S. Africa Command], for example, to have sort of a comprehensive strategic approach to that.

Mr. SMITH. And for my part, I think that building partner capacity is perhaps the most important part of this, is finding allies in regions as we have successfully done in the Horn of Africa with Ethiopia, Uganda, Kenya. They have been very, very helpful to us. And having a local face on security is obviously far better than having U.S. presence and is also cost effective for us as well.

I would say the one piece of that that we really need to emphasize is building a cooperative model in each of these countries between—and I think SOCOM [U.S. Special Operations Command] is going to be the lead in a lot of this. I think the MLEs [Military Liaison Elements] that they send out there have the potential—they have been very effective in some places.

I think they have the potential to be even more effective. The key to that effectiveness is building a meaningful partnership with the State Department and with intel. And I have been to a lot—some countries like Yemen, perfect. Well, perfect is a strong word. It works well. You know, the ambassadors bought in. The chief of stations bought in and they are all working together.

I have been to other countries where, you know, the chief of mission looks at the MLE and the SOCOM presence like, I don't know who these people are. I don't know what they are doing in my country and I am not happy about it.

So building a better partnership between those three elements I think can give us a very low-cost, light footprint, locally driven way to contain this very significant threat.

Thank you very much. I appreciate your testimony. I yield back.

The CHAIRMAN. Thank you.

Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman. Admiral, I have been around for all the QDRs so far and I have become increasingly skeptical that there is any value in this exercise. If we were to have a provision that repealed the statutory requirement for QDR, what would your advice be about whether that would be a good or bad thing?

Admiral WINNEFELD. Obviously it would create a lot less work in the Department. But I think, as Chairman McKeon rightly pointed

out, this is a valuable process for the Department. It is valuable I think for any new administration to go through.

It is a good forcing function for us as a Department to have to congeal our thinking, our intellectual power into one place. So I would not want to suggest that you just repeal the need for a QDR at all. It is a very useful document. And we have found, I think as you know, we have a saying in the military. It is not the plan. It is the planning.

The Strategic Choices and Management Review that laid down so much of the groundwork for this QDR was an incredibly valuable process. Ash Carter was right and Secretary Hagel was right to ask us to do that last spring. So I wouldn't encourage deleting the requirement.

Mr. THORNBERRY. And you think that planning would not occur otherwise?

Admiral WINNEFELD. I think it would, sir. We go through this every year in our budget process and that sort of thing. But it does force us into a little longer look. It is a little bit more of a joint process. So again, we may at the committee's and certainly on the other House of Congress look at ways to improve it. That is a potential project. I don't have any great thoughts on that, but I do think that it is a valuable process to do every 4 years.

Mr. THORNBERRY. The statute says that the QDR has to identify the budget plan to provide sufficient resources to execute the full range of missions at a low to moderate level of risk. And you have said several times that we barely stay within the moderate range of risk.

I wrote—this phrase was great. Pushing hard on the high edge of moderate, you said. How is that not just playing word games to fit within a statute? Because pushing hard on the high edge of moderate——

Admiral WINNEFELD. I think that gets to the definition of risk. And one of the things I think we can do better as a team here, Congress and DOD [Department of Defense], is to define what we mean by risk. Because as I said earlier in my remark, the words we use, the adjectives we use are ill-defined. They are hard to understand and hard to articulate.

We do have definitions for those terms, and I do believe we are at the edge of moderate risk, but we are in moderate risk right now. It is not going to take too much. Certainly going down to the BCA level of funding would kick us out of that band fairly quickly.

Mr. THORNBERRY. I think the point about we use the word risk a lot and it is kind of a vague term that doesn't have much meaning is exactly right. Would you say that we took some—what level of risk would you say we took as far as Russia returning to a more aggressive policy in invading one of its neighbors?

Admiral WINNEFELD. It is hard to define that. We do have the rebalance that we have talked about where we maintain our emphasis in the Middle East and shift a little bit more intellectual and force posture emphasis to the Pacific. But remember, we are calling that a rebalance, not a pivot. I very pointedly want to make sure we call it a rebalance.

Pivot implies turning your back on your former partner, what have you. We have a strong partnership in NATO. It is a good alli-

ance. There is a lot of good military capability in that alliance. We are still very much committed to that alliance. And as you I am sure know, we have paid very close attention to the situation in Ukraine and what it means for all of Europe.

So yes, I think it fits in the strategy. It was a surprise. It is something that has caused us to think hard about this, but we are still committed in the long term. Again, a 20-year term that you look through a QDR lens at. Russia is relatively weak economically and demographically and other ways. There are—you know, China on the other hand in the Pacific is rising economically and in other ways. And so I think in that long-term lens we are still in the right place.

Mr. THORNBERRY. Well, you may have just answered my last question. My question is would you expect that we would have written—you all would have written this QDR differently if the Russian invasion of Crimea had happened sooner?

Admiral WINNEFELD. I think it would be disingenuous to say nothing would have changed in the QDR. I think global current events clearly shape the words that we put into a QDR. I would not deny that. I don't know that it would change anything fundamentally in the QDR, but it might change some of the tone. I would leave that to one of the principal authors to elaborate on. But I think we generally have that right, but it was certainly an unwelcome event at the time we were publishing this document.

Mr. THORNBERRY. Thank you, Chairman.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. Thank you both for being here. And Ms. Wormuth, why don't I let you follow up on that quickly in terms of the piece with Russia and the extent to which we—we certainly weren't looking at Europe as an area of crisis as much as a link with NATO and other allies.

Ms. WORMUTH. Thank you, Congresswoman. I would agree with Admiral Winnefeld that while we probably would have added some additional sentences to talk more pointedly about the situation with Russia, fundamentally I don't think we would have changed the strategy. And I would argue that our strategy is cast in a way that allows us to be able to deal with the emerging situation in Europe.

We do talk in the QDR about the importance of the Europeans and NATO, the alliance, as one of our fundamental partners in global security, and we talk about our bedrock commitment to Euro-Atlantic stability.

And I think, you know, as we monitor the situation and make decisions about what steps we may need to take going forward, we are able to do that I think within the framework that we have outlined in the QDR. And I think it is very important to underscore that we do talk about our strategic approach to Asia as a rebalance because we are not taking our eye off the ball. As a global power, we can't afford to focus solely on one area.

Mrs. DAVIS. Thank you. And actually Admiral, I wanted to follow up with the rebalance. And I understand that—the difference between that and pivot, but I also think—and if we think about a rebalance to the Pacific, you raise a certain amount of expectations.

And my sense is that in many ways we may not have been—we may not always be able to follow up on what that expectation is.

And the rebalance itself suggests to those in the region that maybe they have to do something different, that we are—so, could you talk a little bit more specifically about that? Because sometimes I think we may be signaling without necessarily wanting to create a counterpoint.

Admiral WINNEFELD. Sure, there——

Mrs. DAVIS. China, obviously thinks so.

Admiral WINNEFELD. A whole host of thoughts come to mind when you ask that very good question. One of the things we hear from our ASEAN [Association of Southeast Asian Nations] friends, and I have dinner with their ambassadors on a quarterly basis, just because it is kind of a special project, is we really like having you there. Just don't start anything.

And they really—the whole region really values American presence and integrity, as it were, in the western Pacific, because it does bring stability to that region. I even think the Chinese value having us there to a certain degree.

You know, they don't want us too close, but they—I think they, to a certain degree, value having the United States in that region.

Nothing that I know of in our budget submission is changing our commitment to the rebalance to the Pacific. We still have a lot of projects going on there, and we are still committed to our allies in the region. And that is why Secretary Hagel is in Hawaii right now, talking to the ASEAN ministers. The President is traveling in the region twice this year.

So I think that intellectual and posture commitment is still there.

Mrs. DAVIS. Okay. Well, I would encourage sometimes, perhaps—I don't know if there is a another way of talking about that, but sometimes it feels like we can be perceived differently if we are not able to follow through with our commitments.

Going back to the QDR for a second, and the cost savings, because we are obviously very concerned about personnel issues here. BRAC [Base Closure and Realignment] is important. And I know that there are assumptions in the QDR about those issues moving forward to some degree, and whatever that may be.

So where do they really address the deficiencies that you would like to see in terms of resources? Can you be more specific about how that comes together and where—you know, where does that—if those assumptions are not met, where does the risk grow?

Ms. WORMUTH. Congresswoman, I think that is a great question.

For example, built into the President's budget over the FYDP, over the 5-year period, are about $30 billion in compensation savings, for example. And there is about—while there are upfront costs associated with BRAC, if Congress gives us that authority, eventually we will save about $2 billion annually with the base closure process.

So if we are not able to gain support for either the package of compensation reforms or to get BRAC authority, we would then have to find those savings elsewhere because they are built into the budget.

And essentially that would mean we would either have to go back into readiness, which, again, I think is something we are very much trying to protect; capacity, further reducing the size of the joint force beyond what we have already put forward in the President's budget; or in terms of our capabilities, our modernization programs, our investments to try to counter anti-access/area denial to us, for example.

So we are very concerned. And I think Admiral Winnefeld mentioned that in his opening statement, that this is sort of a delicate package we have put together and if we don't get all of the pieces, we will have to go in and start moving things around, which will have ripple effects that are negative.

Mrs. DAVIS. Great. Thank you.

My time is up.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Madam Secretary, thank you for being here. We know that you are one of the principal authors of this QDR and we appreciate your insight.

Help me understand what in the world this document is, because the Secretary of Defense, in his letter that he sends to us on this says it was to help the military to prepare for the strategic challenges and opportunities we face in the years ahead.

My question, is that what it is? Or is it to prepare for the strategic challenges and opportunities we face in the years ahead the best we can, based on the BCA and sequestration, the current law?

Or is it to prepare for the strategic challenges and opportunities we face in the years ahead the best we can, based on the President's proposed budget?

Which of those three is it?

Ms. WORMUTH. Congressman, I would say we were trying to put forward in the QDR, first and foremost, a strategy-driven assessment of what we need. And that is——

Mr. FORBES [continuing]. Then you were not in the QDR limiting it based on either the BCA and sequestration or based on the President's budget?

Ms. WORMUTH. I would say it was strategy driven, but resource informed.

So what we tried to do was look out, completely—you know, just look at the security environment and what we saw there, and then look at our national interests and what objectives, what ends we are trying to achieve.

Our assessment was that to meet the strategy that we think is appropriate for us as a global leader and a global power, we needed to have more resources than what we would have under the BCA. And that is why, at the President's budget level, which is $115 billion above the BCA, we think that at that level we could execute the strategy. We——

Mr. FORBES. So you feel that the President's budget would help you implement the strategy you think would be best for this country to meet its challenges and the opportunities we face in the years ahead?

Ms. WORMUTH. Yes.

Mr. FORBES. Okay.

Now, Admiral, here is my question to you: You read a statement from Chairman Dempsey about the QDR, but I know you didn't have time to read the first paragraph. And this is what the Chairman of the Joint Chiefs says about this QDR.

He says, it is gonna give us a smaller, less-capable military, which makes meeting these obligations more difficult. Most of our platforms and equipment will be older. Our advantages in some of the domains will have eroded. Our loss of depth across the force could reduce our ability to intimidate opponents from escalating conflicts.

Nations and nonstate actors who have become accustomed to our presence could begin to act differently, often in harmful ways. Many of our most capable allies will lose key capabilities.

The situation will be exasperated given our current readiness concerns, which will worsen over the next 3 to 4 years.

How in the world, given that assessment by the Chairman of the Joint Chiefs of Staff, can we say this QDR is the best we can have to meet the strategic challenges and opportunities we face as a nation?

Admiral WINNEFELD. For the—there is a difference between ends, ways, and means, as I mentioned earlier, and——

Mr. FORBES. Yes, but that is not what the Secretary just said. She said that this is supposed to be the document that tells us our strategy.

Admiral WINNEFELD. Right.

Mr. FORBES. If it is constrained simply by the BCA and sequestration, tell us that. If it is constrained by the President, tell us that.

But that is not what she just said. She said this is the document that is primarily designed to address the strategic challenges and opportunities we face in the years ahead, how to meet it.

So tell me how we can ever say that is the right QDR, given that conclusion by the chairman of our Joint Chiefs of Staff.

Admiral WINNEFELD. Right. So the QDR strategy, the ends, ways, and means,—the ends and ways we talked about—were carefully looked at. We looked at them during the Strategic Choices and Management Review last spring. And we came to the very clear conclusion that at the BCA level, it wasn't going to work.

Mr. FORBES. I understand that. The President had an—he had a chalkboard he could write anything he wanted on.

Admiral WINNEFELD. Yes. And so, what happened was, that is what really drove that assessment. The QDR strategy is here. The ends and ways of the strategy are here——

Mr. FORBES. So you are saying——

Admiral WINNEFELD. We don't have enough money to do it.

Mr. FORBES. So you are saying the BCA and sequestration drove this strategy?

Admiral WINNEFELD. I am saying that the strategy actually drove the amount of money that we are submitting in this budget.

Mr. FORBES. Well, if it did that, Admiral, why didn't the President include the 11th carrier in there? He had an opportunity to do that, because he wasn't restrained on his budget. That is the

law. Every single contingency operation plan we have calls for that. Why didn't he put a carrier in there?

Admiral WINNEFELD. The carrier is intended to—we are gonna fix that, basically, on the next budget——

Mr. FORBES [continuing]. Admiral, how do you fix that——

Admiral WINNEFELD. Sir, when we came to this conclusion, it was a fairly end-game thing when we said, you know, we are just not gonna be able to get this done at the BCA level and we decided——

Mr. FORBES. Admiral, I am not talking about the BCA—I am talking about the President's budget. Why didn't he include it in his budget?

He had no constraints. And he not only didn't include it, he took it out of the FYDP. He took it out of the money that had been allocated and appropriated. And he didn't even give the materials to do it this year.

Why, when he was unrestrained?

Admiral WINNEFELD. Because it was an end-game problem, and moving all that money around in the end-game of all the line items it affected, and I would have to go to the Comptroller's to get you the best answer on that, but the bottom line, Congressman, is if we are funded to the President's budget level this year, that carrier will be back in in the 2016 budget.

Mr. FORBES. Admiral, that is not true, because he didn't include it in his budget.

Admiral WINNEFELD. It will be in the——

Mr. FORBES. With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mr. Enyart.

Mr. ENYART. Thank you, Mr. Chairman.

Good morning, Admiral, Madam Secretary. Good to see you all this morning.

You know, we have seen, over the last several decades, a drawdown in our forces in Europe of about 85 percent. I think that was a good thing. Saved us a lot of money. And it really reflected a reduction in tensions in Europe and, indeed, worldwide, with the collapse of the Warsaw Pact and the Soviet Union.

We have seen a reduction and a drawdown of our forces in Korea of about 80 percent. And I think it is probably due to greater capability and that sort of thing.

You know, it is—but what concerns me is that what we—with what we have seen in Crimea and the Ukraine over the last several months and when I was training the Polish military and worked with NATO folks, my mantra was that when there is peace in Central Europe, there is peace in the world.

So with the drawdown that we have seen, do we currently have the capacity, the ability, to rapidly move folks back in and equipment back into Europe if that need would arise?

Admiral WINNEFELD. We do have the capacity to move forces back into Europe. The challenge we are facing at the moment is a readiness challenge. And that is because of the sequester last year, a really precipitous drop in funding. The Army is certainly digging out from that right now. It is gonna be a multiyear challenge for them to recover that readiness as they also come down in size.

But, you know, if we had to do it, and we have a pretty good understanding, particularly sharpened by the most recent crisis, of what it would take to move our forces, requisite forces, back to Europe if we needed to.

Mr. ENYART. Well, I think this last crisis brings another maxim—I was glad to hear you cite the maxim that it is not the plan, it is the planning. And, again, when I was training young officers, when I was training foreign military personnel, they would get wrapped up in the plan. And it is really not about the plan, it is about the planning.

And so, I think that is what we in Congress need to remember is that it is really the process of planning, so that we understand that process. But I think particularly what this last crisis has shown us is that our opponent gets a vote. And sometimes we have to respond very rapidly to contingencies that certainly weren't in the plan.

Can you tell me, Admiral, or Madam Secretary, to what extent and in what ways have our interests or the global strategic environment changed in the last 2 years and to have modified the plan or that we need to be looking at?

Admiral WINNEFELD. I will give you a little bit of an opening structure, then I am going to turn it over to Under Secretary. We think that a lot of the glue has come undone in the last few years. You know, this is a transition QDR. The last QDR was our war fight. And you know, were in the middle of two tough war fights in Iraq and Afghanistan. This is a transition QDR. The geopolitical environment has changed significantly. The ways wars are fought is changing every day, and it is accelerating and the fiscal environment is changing. So everything is different in the ends, ways, and means equation for us. But I would turn it over to Christine for some more specifics.

Ms. WORMUTH. Thank you. And I would just say I am not yet under secretary—still deputy under secretary. A couple of things I would highlight, I think, in terms of changes in the strategic environment. I think, one, obviously, the Arab awakening and the ongoing political transitions in the Middle East are developments that are fairly significant in the last couple of years. The fact that we are working and getting close to the transition of security responsibility in Afghanistan.

And then I think on the technology front, there have been some significant developments in terms of the growing investments in anti-access and area denial capabilities that we see both in the Asia-Pacific, but also in the Middle East, and just the sort of continuing implements of the proliferation of advanced technologies and the spread of information technologies are some of the things that I would highlight that we saw as changing. We also obviously were seeing changes in terms of the fiscal environment that were significant that the Department had to take a look at.

Mr. ENYART. I see that my time has expired, and I will yield back.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman. And Admiral, Secretary, thank you very much for being here today and on these very impor-

tant issues. Given the changes in the global security landscape and fiscal realities, how would the integration of Active and Reserve Components and the balance of roles and responsibilities further evolve? For example, the planned changes in aircraft between Active and Guard and Reserve. What are the most important criteria in considering the refining of the total force mix, in order to ensure that the Active and Reserve Components best complement each other in support of the defense strategy? And I, as a former Guard member myself, I am really so pleased. And I have seen extraordinary success of where the Guard and Reserve are virtually interchangeable with Active Duty. It has just been very positive. And for each of you, if you could respond.

Ms. WORMUTH. Sure. Congressman, I would say I am very aware and have worked for a while on National Guard and Reserve Component issues. And I think, you know, it has been remarkable the experience that we have had with the Reserve Component in the last decade. And we have just seen the Reserve Component, the National Guard and the Reserves, play a very important operational role. And we couldn't have done what we have done in both Iraq and Afghanistan without the contributions of our Reserve Component.

And I think going forward, we continue to see the role of the Reserve Component [RC] as being very important, being a complement to the Active Component, being a source of trained personnel and units that we can draw on to augment the Active forces when we need them. There are also obviously very specialized skills that we see in both the Guard and Reserves that we can make use of.

And I think particularly for more predictable deployments around the world, that is another place where, again, where we can predict out and be able to give our civilian soldiers some predictability for their employers and be able to sort of allow them to plan for deployments. That is, I think, one of the criteria that we think about in terms of how to use the RC. But we see them continuing to be an important part of what we are doing.

And in terms of the—just going to the aviation restructure, you know, that has been an opportunity to both gain some efficiency in terms of going from five types of helicopters to three. But we see the restructure that the Army has proposed as being beneficial, because we will be able to allow more Black Hawks to go into the Guard. And those helicopters, in particular, have a very important role to play for Governors in terms of supporting civil authorities in the event of natural disasters and things like that. We think the plan makes sense.

Mr. WILSON. Admiral.

Admiral WINNEFELD. Sir, I think that when you consider the three pillars of the strategy, the Guard and Reserve play an essential—absolutely essential role in each one of them. And I don't even need to talk about homeland defense or homeland security. That is obvious. When you look at building security across the globe, I can point to the State Partnership Program, for example, as being one of the most effective and high-leverage programs that we have in the entire government for building those kinds of partnerships. And it goes without saying that when we get into winning deci-

sively in combat, that the Reserves play an absolutely essential role.

So that is why, if you go all the way back to pre-9/11 days, the amount of decrease that we are going to see across the Active and Reserve is about—proportionally about the same. If you go from the wartime high of particularly the Army, it is very disproportionate in how much the Active is coming down, compared to the Guard, and understandably so.

But I think what is lost in all those numbers is the tremendous help we got from the Congress in bringing the Guard up in its capability and readiness across this last decade, and we want it to stay that way. And I think General Odierno and General Welsh, in particular, are committed to doing that and that is involved in some of this calculus. And I will give you some time back for another question, if that works.

Mr. WILSON. Well, this is really important. And as a military family, I am very grateful. And all the credit to my wife, we have had four sons serve, two in Iraq, another in Egypt with Bright Star, and then our youngest son just returned from serving in Afghanistan. And so I know the Guard and Reserve members themselves and their families are just so grateful for the privilege and opportunity of serving.

And Admiral, you touched on the problem that we have. The QDR states—experience gaps in training and maintenance are a problem, in terms of readiness challenge. How is that going to be addressed?

Admiral WINNEFELD. The gaps in training and maintenance?

Mr. WILSON. Yes.

Admiral WINNEFELD. We are going to recover our readiness gradually. And that is as good as it gets right now, with the funding levels that we are seeing. The Army and Marine Corps, in particular, have tremendous work to just absorb the equipment management that they are going to have to do with the end of the war in Afghanistan. That is going to take tremendous amount of resources and it is going to take time to resolve.

We are going to have to continue to recruit, train, and retain the best possible people we can from this country, in order to do the wrench-turning and the maintenance and getting these forces ready for combat. So it is a multi-dimensional, multi-disciplinary problem, that I have a lot of faith in the leadership in the Army and the Marine Corps, in particular, that are mostly affected by this, in getting it right. But it is a real challenge for them, under the readiness funding that we have got right now.

Mr. WILSON. Thank you very much.

The CHAIRMAN. Thank you.

Mr. Kilmer.

Mr. KILMER. Thank you, Mr. Chairman. My first question is for Ms. Wormuth. A respected military strategist once wrote, "no major proposal required for war can be worked out of ignorance of political factors." I think the QDR briefing that is provided to the committee, included a statement that said sequestration-level cuts in fiscal year 2016 or beyond would leave us unable to adjust the force in the balanced way envisioned in the strategy. I wasn't here for the passage of the Budget Control Act. I think sequestration is

a Latin word for stupid. But it is the law we have now and it is what we have to work with.

And on top of that, the fiscal year 2015 authorization and appropriations cycle is going to be the last time in the foreseeable future that we have money to make strategic investments. So given that, given this burden and the fact the Department is already gearing up for the fiscal year 2016 POM [program objective memorandum] cycle, how are we going to meet that challenge? How is this QDR putting us on a glide path that we need to maximize our investments in a realistic way, given our budget situation?

Ms. WORMUTH. Thank you, Congressman. I think what we are trying to do in this QDR is do the best job we can to try to make clear why we need those additional resources that we have asked for in the President's budget. I think what we are essentially trying to say is if we want to remain a global leader, if we want to do what we think we need to do around the world, through our defense strategy and its three pillars, we need to have additional resources. And a lot of what we tried to do in the QDR was to spell out in some detail that if we aren't able to gain those additional resources, we are trying to make clear the real effects that would have on our ability to execute our strategy and on our ability to do what we need to do. So I think we are trying to make our case as effectively as possible for what we need and to work with Congress to try to gain those resources.

I think if we don't do that, we will be looking at a substantial amount of risk to our strategy.

Mr. KILMER. My second question, Admiral, the fiscal year 2014 QDR highlights the need for innovation and reform and advocates for rebalancing the DOD enterprise in order to control internal cost growth. Could you help me understand how we simultaneously maintain the strength of our All-Volunteer Force, while reducing compensation costs? From a budgeting perspective, I understand the math. However, I am interested in knowing how the Department studied the potential impact of implementing personnel pay and benefit reductions, and what, if any, differences such a study demonstrated on both the officer and enlisted populations of both the Active and Reserve forces?

Admiral WINNEFELD. Thank you, because we spent a tremendous amount of time on this particular question. We really wanted to understand with our service leadership, our service and enlisted leadership. And some of the considerable expertise that the Department has grown over the years for modeling and understanding the challenge of both recruiting, training, and retaining the best possible young men and women this country has to offer. At the same time, we get the best value for the American taxpayer in terms of capability, capacity, and readiness of our force.

And so there are a number of models we use. One of the ones that we pay attention to that don't rely exclusively on is the percentile of compensation, the equivalent of a similarly educated, experienced person in the military would receive out in the civilian workforce. Previous studies have said we ought to be at the about the 70 percentile which would mean every single person in that, you know, same ilk in the military would be paid at the 70 percentile of the rest of the workforce in the country. We are actually

up around 90 right now, 90 percent for some of our—for most of our disciplines. That is probably a little too high, but I think 70 is a little too low. So, where—we pay attention to that as we design this, but it is really, what does it take to train and recruit and retain the best possible people we can?

We believe that in the 1990s, our force was grossly underpaid, and we saw the effects of that in all manner of different metrics that you can use.

Thanks to the Congress and help from this body, we dramatically increased the trajectory of that compensation glide slope upward in order to correct that redress. And we have done that. And, in fact, we probably overshot a little bit in the early years of this century, but we were in the middle of a war, so we didn't mess with that. It is probably the time now to lower that trajectory back down, to adjust it to what we think is the right sustainable level for the military, again, in the interest of getting the best value for the taxpayer.

So, it is sensible, it is gradual, it is compassionate, and the impact is not that great. And I look forward to being able to discuss that with the committee at some point.

Mr. KILMER. Thank you, Admiral.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman. And I will thank the witnesses for being here and their preparation.

Admiral Winnefeld, in the fiscal year 2014 budget cycle, the Nuclear Weapons Council, including then-acting Administrator Neil Miller, agreed to a multi-year, multi-billion-dollar set of efficiencies at the NNSA [National Nuclear Security Agency], in order to make these savings available for modernization efforts.

As a member of that council, did you review those proposed efficiencies, and did you support them in the fiscal year 2014 budget request and in the out-year plan?

Admiral WINNEFELD. We did review those in close coordination on the Nuclear Weapons Council with NNSA. We did support them. We did say, as the Nuclear Weapons Council, I think, in our certification letter that there was some risk associated with those efficiencies as to whether they were executable or not, but we were definitely hoping we would get them.

Mr. ROGERS. And why is that?

Admiral WINNEFELD. It was going to help NNSA manage its resources to help us both with the life extension programs [LEPs] for our nuclear weapons, and also for some vital work on their infrastructure.

Mr. ROGERS. What is the status of those efficiencies?

Admiral WINNEFELD. Most of those efficiencies were not realized. We are still working with NNSA to see if we can't gain some of those efficiencies back.

Mr. ROGERS. Why do you think they weren't realized?

Admiral WINNEFELD. Again, part of them were higher-risk efficiencies that the NNSA just did not feel comfortable implementing. So, I would have to defer to the actual Energy Department in terms of a precise answer of why they did not actually implement

them. We were a little disappointed. And we will continue to work with the NNSA to try to get as much efficiency in there because we are a stakeholder here.

As you know, DOD provides money each year on top of the NNSA program to take care of our LEPs and the like, so we do have an interest in this.

Mr. ROGERS. Well, my perspective is, they didn't try. I don't think they were really motivated. And they need some help in that department. But that is just my opinion.

Ms. Wormuth, in the QDR, it states, quote—"We, the U.S., will pursue further negotiated reductions with Russia." Given Russia's illegal annexation of Crimea, and the massing forces on the Ukrainian borders, do you support today new negotiations with Russia to reduce nuclear forces?

Ms. WORMUTH. Oh, pardon me.

Congressman, I would say Russia has not, frankly, indicated interest in pursuing further reductions in the last couple of years, so I think at this point, we are not actively in discussion with them, and don't see that happening in the foreseeable future.

Mr. ROGERS. So, this language was in there—just put in months ago, and nobody just bothered to take it out?

Ms. WORMUTH. Congressman, I don't have the language at my fingertips, but I think what we were saying was that we would like to, at some point, be able to pursue further reductions, and we would do that only in concert with Russia. However, they have not demonstrated interest in it, so——

Mr. ROGERS. In fact, to the contrary, they have said flatly they have no interest in doing anything beyond New START [Strategic Arms Reduction Treaty]. Vladimir Putin's words exactly. So, I don't think we ought to even be considering it.

It is also in public knowledge that State Department has confronted Russia about likely violations of the INF [Intermediate Range Nuclear Forces] Treaty. This morning, the New York Times reports that General Breedlove described Russia's violation as, quote—"a military significant development," close quote. And the media reports indicate the U.S. has known about the likely violations for years, and didn't even tell our NATO allies. Did this factor into these statements in the QDR about negotiations with Russia's—for treaties with Russia?

Ms. WORMUTH. I think, Congressman, if the Russians were interested in pursuing further reductions, we would look at that because we think that it would be in, potentially, in our national interest to have lower levels of nuclear weapons in both parties. We are aware of the potential violation of the INF Treaty and are very concerned about it, and have made that concern very plain to the Russians, and continue to address that with them.

Mr. ROGERS. Okay. Do you believe that they should be in complete confirmable compliance with all existing treaties before we negotiate any further reductions?

Ms. WORMUTH. We would like to see them be in compliance——

Mr. ROGERS. That is a yes or no question——

Ms. WORMUTH [continuing]. With the INF Treaty.

Mr. ROGERS [continuing]. Whether they should be in compliance or not. I think anybody—a reasonable person would agree that be-

fore we agree to negotiate further reductions, the party should be in compliance with existing treaties.

Ms. WORMUTH. I think we would look very seriously at that, if we were actively considering further reductions.

Mr. ROGERS. That is a lawyerly response.

With that, I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. I want to thank our witnesses for your testimony today.

And, Admiral Winnefeld, I will start with you. And first of all, I want to thank you for the attention that you paid to cyber. You and I have had the opportunity to talk about this issue in the past. And on that point, the QDR notes that deterrence in cyberspace requires a strong coalition across the whole-of-government and the private sector. But the very concept of deterrence in cyberspace is tenuous at best, even if you assume a nation-state aggressor, and even more so when defense is dependent on a network of actors who may or may not even have authorities to act.

So, there are any number of variables at play, most of which I would say are outside of DOD's control. So, my question is, do we have a clear enough, articulable enough vision of what deterrence looks like in cyberspace? And does that even matter for the Department's purposes?

Admiral WINNEFELD. That is a very, very good lead-in. I think we do have a good sense for deterrence. If you look at deterrence in classical terms, one where you are trying to deny an adversary's objectives, another where you would impose costs on them for potential aggressive action, and the third where you make yourself as resilient as possible—it is almost a mirror image of nuclear deterrence in cyberspace.

So, we are working very hard to be able to—for the latter—to be as resilient as we can possibly be in our networks if something untoward happens to them. To certainly deny an adversary's objectives is a principal function of what CYBERCOM [U.S. Cyber Command] is about, is to deny an adversary's ability to penetrate, exploit our own DOD networks, and to assist civil authorities in the same for civil networks.

And then, of course, we retain the ability to impose costs on an adversary, whether it be in cyberspace, or some other method, for something that they might—that adversary might do to us.

Mr. LANGEVIN. Do you feel our adversaries, at this point, understand what those red lines are? Have we, as a country yet, done a sufficient job of conveying to potential adversaries what those red lines would be, and what our response would look like?

Admiral WINNEFELD. I think they have a general understanding, if not a fear, of what they feel we can do to both prevent and potentially impose costs for an untoward action in cyberspace. Is it clear? Is it very, very clear to them what would happen? I would say probably not. And I think there may be some benefit in ambiguity in terms—in an adversary's mind as to exactly what you would do to retaliate. But as long as they know we have the capability to do some major work either in cyberspace or outside cyberspace, I think that would serve as a deterrent.

Mr. LANGEVIN. Thank you. Thank you.

On another subject, Admiral, the QDR highlights the importance of a safe and secure deterrent. And I have been disturbed to read press reports that the Department may not comply with provisions in the omnibus spending bill and the fiscal year 2014 NDAA that allow the Department to use funds and the bill to—and I quote—"prepare for such reductions needed to implement the New START Arms Reduction Treaty." In this case, the environmental assessment to assess the cost and feasibility of reducing the number of ICBM [intercontinental ballistic missile] silos.

I, for one, would feel much better knowing that decisions made regarding what constitutes a safe, secure, and effective deterrent triad is informed by the best judgment of our uniformed leaders about how to balance a deterrent, rather than shaping the Nation's nuclear force based on parochial interests.

So, my question is, what would your recommendation be on what reductions should be made to comply with the New START Treaty and maintain an optimal nuclear deterrent, including maintaining the survivability and flexibility you need? And can you describe for us the follow-on effects of any restrictions on your ability to assess options for reductions to one leg of the triad versus another?

Admiral WINNEFELD. We have looked at this problem very, very hard over the last year, Congressman. It is a vexing challenge to look at all of the factors involved and the relative advantages and disadvantages of decreasing ICBM silos and decreasing SLBM [submarine-launched ballistic missile] tubes on submarines.

We are close, as a Department, to providing our recommendation on the new START force structure. I am not able to reveal that in this hearing, unfortunately, today. It has been a spirited discussion. We would like to have been able to conduct environmental assessments on the ICBM silos, if not for this decision, for future decisions, just so that we have the information in hand. But we may not be able to do that because of the law.

But in any case, I believe the Secretary will very soon be making a recommendation to the President on what the New START force structure would look like. And I would look forward to that becoming available to the committee as soon as possible thereafter.

The CHAIRMAN. Thank you very much.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. Admiral Winnefeld, Ms. Wormuth, thank you so much for joining us today. Thank you for your service to our Nation.

Admiral Winnefeld, in looking at the QDR, it identifies, as you pointed out, a near-term budget constraint force structure. And the QDR defines the planned end strength in force structure through 2019. The law, though, says that QDR should define force structure and end strength for a 20-year period of time.

Can you tell us what the projection is past 2019, and maybe why it was left out of the QDR?

Admiral WINNEFELD. I don't—in terms of why it was left out of the QDR, it may be a matter of language in there. Most of—as we said, you are looking through a glass darkly 20 years out. We have no idea what the budget environment is going to be like or the geopolitical environment.

But my sense is that in the force structure that we would have at the end of a 10-year period is essentially—would essentially remain constant across the following 10-year period.

Now, we know that is not going to be completely true. There are going to be changes in technologies and threats, and even our operational plans, that would—you know, new ideas come up, that sort of thing, where we would change that force structure.

But, knowing what we know right now, this year, the following 10 years would look a lot like what we see out at the end of that first 10-year period.

Mr. WITTMAN. Very good.

Secretary Wormuth.

Ms. WORMUTH. I would just add and say I think the QDR process allows us to be more precise in the near- to mid-term. And certainly, as you know, the Department programs—plans and programs for a 5-year period to have the most precision in terms of how we are able to see our force structure at the end of the FYDP.

We do in the QDR, however, look out 20 years, both in terms of the security environment, but also in terms of trying to think about what kinds of capabilities, what kinds of investments we need for that 20-year period.

And I think in terms of those broad capabilities and the broad directions, we try to look out 20 years. And I think it acknowledged that some of the capabilities that may go onto—the platforms may still be in place, but some of the capabilities may be new.

And we talk about certainly in terms of things like unmanned undersea vehicles, for example, or other technologies of that sort.

I think we try to point to those, but the far term is more aspirational, and, hence doesn't have the same level——

Mr. WITTMAN. No, remember my comment was specifically about end-strength and force structures. So that is where I was really focusing.

Admiral Winnefeld, let me go back to you.

And in the QDR risk assessment, Chairman Dempsey stated that "the chiefs and I are working with the Secretary of Defense to refine and prioritize U.S. military objectives to align with the size and capabilities of our programmed force."

Can you tell me, how are U.S. military objectives currently misaligned and as it relates to our current size and capabilities of the programmed force in the QDR?

So that alludes to there being a misalignment. Can you define what that is?

Admiral WINNEFELD. I can give you an example, because it is a really good question.

The current force as we have it is sized and shaped to fight a counterinsurgency operation in Afghanistan and, you know, not too long ago, it was Iraq and Afghanistan.

That causes the Army to grow considerably in size. And, in fact, a lot of that force structure growth was in OCO, in overseas contingency operations funding, because we knew it was going to be temporary.

And so, realigning that force back into a shape that is in adherence with the strategic precepts of the QDR is, I think, what they are really talking about in that statement.

So what is the kind of force that we need to have configured to fight all fights that we can't see yet, but that we can anticipate, as opposed to the one that we have been in for the last 10 years.

Mr. WITTMAN. One of my concerns is that if we are talking about a misalignment and trying to bring it back to what we project as the threats may be, just as you pointed out, that is a very dynamic environment.

The concern is, if you are doing a realignment, is you realign too conservatively and then cut our force structure back to where you don't have the ability to respond to a major contingency operation, if one were to break out.

So I have a deep concern about that.

Let me ask a question about readiness. It is point out in the QDR, too, it says we will continue to experience gaps in training and maintenance over the near term. Very significantly concerning to me.

What is the Department's assessment, then, on the longer term? If the projection is that we are gonna try to close those readiness gaps in the short term, what is the projection in the longer term as far as meeting these readiness needs, as far as training and maintenance?

And, as you know, today, there is significant gaps in the short term, and we can't just press the button and get readiness back a year from now or 2 years from now.

Admiral WINNEFELD. And you are exactly correct.

When you have a very precipitous drop, such as we had in the last year or two, you have to grab cash wherever you can. That is what Ash Carter said.

And it is hard to get that cash out of force structure, because we just can't get people out fast enough. There are things we have to do in order to shape and to be fair to our young men and women and that sort of thing.

So the place you grab cash quickest is readiness. The second place you can grab it quickest is in modernization. Just cancel programs or cut back on the size of programs.

And readiness is obviously a ripe target there. I have a saying that readiness has no constituency. If you have an F–15 squadron in your district, you know, it is I want that F–15 squadron, and I don't care if it is flying or not.

And so, what time allows us to do is to gradually bring the force back down to where it needs to be and to gradually recover its readiness so that you are taking less of the hit out of the readiness money and you are able to more thoughtfully shape the profile of capability, capacity, and readiness.

So that is why we think we will recover readiness over the long term, once we get the force size under control. But it is gonna take some time. You are exactly correct.

The CHAIRMAN. Thank you very much.

Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman.

And I want to thank Madam Secretary and the Admiral for being here today.

You heard Congressman Wilson talk about his family. Obviously, we are kind of vested in the same way. I have three sons that currently serve this Nation and are proud to do that.

But when we talk about the Army, and there has obviously been a lot of discussion about the right way to rightsize the Army. And, you know, there is one idea floating around, and I would like to get your input on it, but it is really about to establish an independent commission, similar to what the Air Force recently did, to evaluate the needs and mission of the Army and to make recommendations on appropriate force structure for all three components.

Over the span of the QDR, why shouldn't we take the 9 to 12 months to conduct a comprehensive study of the proper AC/RC [Active Component/Reserve Component] force mix and how the structure would be best tailored to fulfill the mission requirements that are consistent with the available resources that we have?

I would like to hear from both of you on that.

Admiral WINNEFELD. I don't necessarily personally believe we should do a new commission. I think we have the analytical power and wherewithal inside the Department, and then certainly in working with the committee, to come up with reasonable answers to the problems that we face, in terms of sizing and shaping all of the services, including the Army.

I worry that a commission can be a way of kicking the problem down the road a little bit, when we actually have the information we need in order to make these decisions.

So we are not overly supportive, frankly, of a new commission.

If the legislation is, then we will obey the law, and we will support the commission. But we don't think we need one right now, sir.

Mr. NUGENT. Okay.

Madam Secretary.

Ms. WORMUTH. The only thing I would add is that I think both during the Strategic Choices and Management Review and also during the QDR process, I was impressed, frankly, with the quality and intensity of the dialogue, particularly inside of the Army.

You know, General Odierno, General Grass, the head of the Army Reserve, had very extensive, I think direct and honest discussions.

And, in addition I think to having a lot of internal analytic capability, I think the professionalism and level of the dialogue has been very, very good. And the Army has struggled with some difficult issues and some difficult trade-offs, but I think has done that with a lot of integrity.

Mr. NUGENT. Well, I know that some of the—there were some other recommendations made, particularly by the National Guard Bureau in regards to how to restructure, as it relates to the National Guard. And I was—it just seems like their recommendations were kind of overlooked, I think, as a way to continue to do what they need to do and also work within the budgetary considerations that are forced on them.

I worry about, obviously, from the National Guard perspective from the State of Florida, you know, we are looking at restructuring the National Guard with the loss of lift capabilities by—we don't have Apaches, but we have—we do have Black Hawks, and

that we are being told that we are gonna lose some of those Black Hawks to—I guess to backfill other areas within this force restructuring.

That is going to put, you know, Floridians at risk, particularly during, you know, a time of emergency, and we do tend to live on a peninsula which is exposed to those types of things with hurricanes.

So I guess, so, you know, from my perspective, I don't have any military bases in my district. I do have some National Guard assets. But end of the day, I worry about the State of Florida and having the availability of those lift capabilities that are going to be reduced, at least what we are being told in the State of Florida.

How do we reconcile that? How do we—we are taking resources away from a State that is dependent upon that for a recovery.

Ms. WORMUTH. Congressman, I am not aware of the specific decisions or conversations about which States may be losing or gaining helicopters, for example, so I just want to be clear that while I am not aware of the specifics, I do know that the Department has been working closely with States and the Guard Bureau to try to look at force structure on a State-by-State basis in terms of how it relates to the ability of States to meet their civil support needs.

So I know we have been trying to look at that. We have done some studies that have been looking at sort of historical disaster patterns and how that relates to the type of structure.

So I think, as we go forward, to try to evaluate where we may be making some adjustments, we will certainly try to inform those decisions with that analysis that looks at specifically the kinds of natural disaster needs that coastal States, like Florida, have.

Mr. NUGENT. You know, I am just hearing from our National Guard——

The CHAIRMAN. The gentleman's time expired.

Mr. NUGENT. I am sorry. I yield back.

Thank you very much.

The CHAIRMAN. Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

Thank all of you for being here.

Admiral, I always want to make a special statement of gratitude to people like you who have worn the uniform for so long and have made it more possible to walk in the light of freedom some day. And I really am grateful to you.

And I was especially impressed by the tone and tenor and the substance of your opening statement. I think it certainly points out the failure on our part related to this sequester.

And, if it means anything to you, I apologize. I mean, some of us didn't support it, as you know, but it was something that I think we have really put the military and those who give everything for us in a very bad situation.

And I know you are doing the best you can. But it is a difficult situation.

So, with that, Ms. Wormuth, thank you for being here as well.

And, I guess, let me begin by suggesting to you that events in the world began to overtake some of our thoughts. And more and more we see what looks to be like increasing danger in the world.

North Korea is not only now able to have a nuclear weapons capability, but their missile technology is advancing in a very ominous way. And with Iran on the potential phase of a breakout, if they wanted to be, over time, I think it is a very sobering time.

With that in mind, the only thing that this administration had to really dissuade the Iranians early on was this third site in Poland, as far as devaluing any nuclear weapons program or missile program they might have. And they canceled that.

And, if the QDR recognizes that the top of our three pillars is to protect the homeland, and that is certainly fundamental, then how did that strategy bring this administration to a budget that has the smallest level of missile defense funding since we have had—since the Clinton administration?

How did that happen?

And I direct the question to you, Ms. Wormuth.

Ms. WORMUTH. Thank you, Congressman.

I think we share the concerns that you have about North Korea and about Iran, that is part of the reason why we put such an emphasis on protecting the homeland in the strategy, and it is part of the reason why we put such an emphasis on making sure that we are keeping pace with the missile threats posed by those countries.

Mr. FRANKS. Forgive me, Ms. Wormuth, I have got to start here again. I mean, then how does that translate to the lowest missile defense budget since the Clinton administration?

Ms. WORMUTH. What we have tried to do, Congressman, is to make sure that we are applying money to the parts—to our missile defense program where it makes sense and where it works.

So that is why we added the 14 additional GBIs [ground-based interceptors], for example. It is why we——

Mr. FRANKS. Forgive me—forgive me. You didn't add them. They were taken out, and you put them back at a much higher cost. And I mean, I am just trying to—you are in a bad situation, because you have to defend, in my judgment, what is an indefensible position.

Unfortunately, you are the only one in front of me. So there is nothing personal here, but the fundamental proof of the administration's commitment to homeland protection has to be at least a strong emphasis on missile defense.

And the lowest missile defense budget since the Clinton administration? That doesn't translate. And it really concerns me. It is not—I realize it is a partisan election year, but this is something that some of us have been raving about since we have been in diapers, and it gets more and more concerning.

So I am hoping—I know your guy is gonna give you a note here. So I will let him give you a chance to—let you, give you a chance to reflect what he might say.

Go ahead.

Ms. WORMUTH. I would just say, Congressman, we are obviously having to make difficult choices inside of the Defense Department between capacity, capability, and readiness.

That said, we are funding the missile defense system in a way that we think gives us the protection we need. In addition to, again, putting more towards the GBIs, we are also putting money

and looking at a redesign of the kill vehicle. We are putting more money into the sensor system, into the discrimination for the radar system.

So we are making investments to make sure that we have a system that can give us the protection we need.

Mr. FRANKS. Well, fundamentally I have to respectfully disagree that the emphasis is as it should be. And Admiral, I will give you a chance if you want to try to clean this up for me a little bit.

Admiral WINNEFELD. One of the things I would like to do is sit down and talk, if we can, about the European Phased Adaptive Approach, because my predecessor——

Mr. FRANKS. I am very familiar with it. So I know what you are saying. And I understand.

Admiral WINNEFELD [continuing]. He did some good work on that. And the other thing I would say is, a good chunk of the money that has come out of the budget is in regional missile defense, where we are gonna expect our partners to do more. We are gonna expect them to buy systems from us to help themselves while we maintain our focus on the homeland with the potential East Coast site, sensor improvements, and the like——

Mr. FRANKS. Well, we all know that a nuclear missile can ruin our whole day, so I hope we keep that in mind. Thank you.

The CHAIRMAN. Thank you.

Mr. Gibson.

Mr. GIBSON. Well, thanks, Mr. Chairman.

I thank the panelists for being here as well.

I apologize for being late, coming from the Ag [Agriculture] Committee, but the first question is really just a point of clarification. And that is, at one point there was discussion of establishing a base in Australia.

I guess, ostensibly, it was part of the pivot to the Pacific, and some kind of counter to China. And I am just looking for clarification, consequent to the QDR, is that still the plan?

Ms. WORMUTH. Yes, Congressman, we are continuing our plan to put Marines at Darwin, eventually building up to 2,500. So we are on track to do that and are in discussions right now with Australia about some adjustments we would like to make to our access agreement to support that.

Admiral WINNEFELD. And I would just add, if I could, that we aren't technically calling that a base. We are calling them rotational deployments out of respect for the Australians and their sovereignty concerns. And we have an extremely good relationship, obviously, on the defense side with Australia, but it is a rotational presence.

Mr. GIBSON. In the QDR discussions, did it ever surface or become a point of analysis and discussion that, you know, at the same time that we are establishing a new base, that we are gonna request authority to reduce the number of bases here in the United States and, you know, how from a rationale perspective that could be defended. Did that point ever come up?

Admiral WINNEFELD. I don't know that we are expending a great deal of military construction funding to support a rotational presence. We would probably help the Australians a little bit, and we can take that for the record to give you the exact numbers.

[The information referred to can be found in the Appendix on page 57.]

Admiral WINNEFELD. But, this was a very high leverage thing for us to be able to cooperate with our Australian partners, to have Marines further out, away from the United States, closer to potential problems, and the opportunity to train in wonderful training space with a tremendous partner.

So I think it really wasn't a great consideration that we would be—because we are not building a base there. I think there are other places in the world where that is more a factor.

Mr. GIBSON. So the second question has to do with your deliberations and conclusions as relates to anti-access, strategic maneuver, and ultimately where we are now in terms of the Global Response Force.

Admiral WINNEFELD. In terms of the status of the Global Response Force?

Mr. GIBSON. Yes, how it now fits in to how we are gonna proceed over the next 10, 20 years. Talk to me in terms of what the analysis was, and where we are now in terms of commitment to the Global Response Force, in relation to the challenges.

Admiral WINNEFELD. Sure. We are gonna maintain the Global Response Force. It is a very robust force. Currently the 82nd Airborne is the Army element attached to that, but it is a very—you know, a lot of different forces that are part of that. And we have used it in the past. We used it in Haiti, for example, when we needed to deploy a headquarters and some folks on the ground there very quickly and they were very responsive and did a great job.

So we have to be agile as a force. So I would argue not only should we maintain a Global Response Force, but we need to look across our force at ways that we can move more quickly, because events unfold more quickly in this world than they ever have before and we have gotta be able to get there fast.

Mr. GIBSON. Appreciate the comments, Admiral, and agree with you on that. I was actually the 82nd Commander for that operation. That was my last deployment before I retired. And I agree, I think our service men and women really did a fabulous job.

I did come away from it and certainly am understanding of the larger picture in terms of our commitments to Afghanistan and other places, but it was my perception that, you know, the Global Response Force in early 2010 was at very high risk in terms of the way that we had capabilities that we could—and resources that we could bring to bear.

I am still realistic, to this day, obviously, about what we can do at the moment, but one of the suggestions I have is that when it—as it relates to the war plans, and as it relates to resourcing and the QDR being a piece of this, that my sense is we need to do more modeling and simulation to understand not only the vertical task list, but then when you turn it horizontal, what that means in terms of sequencing forces, where the gaps are in terms of resources are, and that, you know, that is one way of measuring risk.

And I suspect that we do have pretty high risk, which I am not sure that my colleagues fully understand. And I think that we could do more on that score because it is a joint requirement and

everything in terms of jamming, fighter bomber escort, C–17 accompaniment, and the concept of how you do vertical or amphibious envelopment that brings on early arriving forces, campaign forces, and behind it, command and control, sustainment, all of this and then post-hostilities.

I don't sense that we have a full understanding of where we are. We don't see ourselves very well in terms of where we are in terms of that CONOP [concept of operations] if you will, and then for my colleagues to understand the risk associated with that.

Ms. WORMUTH. Congressman, I would just add that I think during the QDR process and frankly, sort of just on a regular basis, we do try to look at all of those types of issues, we use scenarios, we use modeling, to try to get at all of those different types of things. We look at a real breadth of scenarios to try to understand where we have risks, where we may have gaps, to try to help guide our force development efforts in the future.

So, that is certainly not a perfect process, but we do have a fairly robust set of analysis that we conduct in support of reviews like the QDR to try to get at that.

Mr. GIBSON. Well, and my time is up. I am going to have to yield back in a second. I certainly look forward to, and I will have my staff reach out to you. I would like to learn more about all that process. And, you know, we certainly did a lot of on the ground—we did actual training, but we would have to complement that with modeling and simulation.

And I yield back. Thank you for your patience, Mr. Chairman.

The CHAIRMAN. Thank you very much. There are just a couple more things that the force planning construct is used to size the force. And the QDR still talks about being able to fight a major contingency and then—and hold on another one. I thought we had backed off from that, is that where we are right now?

Admiral WINNEFELD. We are not using the term "hold" as a term of art anymore. It is a different——

The CHAIRMAN. We used to say——

Admiral WINNEFELD. "Win, hold, win," or whatever it was?

The CHAIRMAN. First two were, fight, then fight. We can do two majors. We pulled back from that to where we would fight and hold. Now, I think the wording in the QDR is defeat and deny, which I guess would be the same as fight and hold.

Admiral WINNEFELD. We had—there was a seminal meeting we had where we were talking about this a couple years ago. And Ash Carter and I were sitting at the end of the table, and the discussion was about how far apart do you have to pry two big contingencies in order to be able to do them?

And we sort of turned and looked at each other and said, you know this is, you know, this is not the right way to look at this because the adversary has a vote.

And you might find yourself doing something simultaneously. And so we really need to ask ourselves, What can we do simultaneously? What should we be able to do simultaneously? With the understanding that you might be fortunate and that they would be spread apart by some amount of time that we don't control. So we decided that——

The CHAIRMAN. Without getting too down into the two, because there is still two in the QDR, but we have testimony from General Odierno, from General Amos, as we finish these posture hearings, that they were going to be very hard-pressed to fight one, and that is why I wonder why we still have two in the QDR.

Let me just—you know, in listening to all of the questions and all of the testimony, and all of the work that has gone into this, all of these models, and all of these people putting in all of this time, do you have any idea what—how long it took to put the QDR together?

Ms. WORMUTH. Congressman, this time, this was a shorter QDR than past QDRs. We had about 6 months. We really kicked it off in September.

The CHAIRMAN. So, 6 months to do this.

Ms. WORMUTH. But I would add we build—we had a good, strong basis in the work that was done.

The CHAIRMAN. Any idea of—as to cost?

Ms. WORMUTH. I don't have a precise cost figure for you, sir. I think we can take that for the record and work on it.

[The information referred to can be found in the Appendix on page 57.]

The CHAIRMAN. Within hundreds of thousands or million?

Ms. WORMUTH. Well, it is primarily—it is really man-hours that is the largest cost.

The CHAIRMAN. But that is cost, right?

I mean, if they are working on this, they are not working on something else.

Ms. WORMUTH. That is correct. And there are a large number of folks in the Pentagon, in OSD, in the——

The CHAIRMAN. As I have been listening here, I go back to Mr. Thornberry's question and I am—I know that there is nobody that does more planning than the military.

I know you have plans for every contingency on contingency, and this is just to my way of thinking after going through this process and seeing it now for a number of years, we have had more discussion about the process or about why you didn't do this or didn't do this in the planning than what we have actually talked about as to what your recommendations or things were, and how it differed from what the budget was.

So, I think this is something we are going to have to look at going forward if this is one of the things that we do in setting up bureaucracy is put more and more effort on the bureaucracy and build up bureaucracy instead of putting that time then, to actually getting something done that we probably would get more benefit out of.

Anyway, a lot of work. I appreciate your efforts, appreciate the things that you have done. Appreciate you being here today and your patience as we have gone through this.

Thank you very much.

This committee stands adjourned.

[Whereupon, at 11:51 a.m., the committee was adjourned.]

A P P E N D I X

April 3, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

April 3, 2014

Opening Statement of Chairman Howard P. "Buck" McKeon

HEARING ON

The 2014 Quadrennial Defense Review

April 3, 2014

Good morning ladies and gentlemen. Before we begin, I want to express my condolences to the victims and families of the Ft. Hood shooter. Though we do not yet know the motivation behind this horrific attack, it is a grim reminder that danger persists even when our troops come home. Our thoughts and prayers are with the Ft. Hood community.

The committee meets to receive testimony on the 2014 Quadrennial Defense Review (QDR). Joining us today are Admiral Sandy Winnefeld, Vice Chairman of the Joint Chiefs of Staff; and Ms. Christine Wormuth, Deputy Under Secretary of Defense for Strategy, Plans and Force Development.

I have called for the Department to re-write and re-submit the QDR report, and I intend to include a provision in the upcoming NDAA to that effect. I appreciate the work that has gone into this year's product, and I understand that past QDRs were less than perfect. However, I am concerned that these reports have grown less compliant with the law and strayed further from the intent of Congress. The QDR is meant to be a useful tool for Congress to understand the longer-term strategic challenges and opportunities facing the Department. It is meant to inform a thoughtful debate on our defense strategy and the resources needed to fulfill it.

We recognize that the QDR also drives a valuable internal process for Department. But if it only leads to a justification of programs in the budget, then both the Department and Congress have lost a major opportunity to bring together key national security stakeholders and strategic thinkers to discuss and debate how we shape the longer-term direction of our forces, their missions, and their capabilities.

Instead, what we have before us this year is, in essence, a five-year outlook, a validation of a force structure that the services admit is driven by budget constraints, and a strategy that assumes increased risk to the force.

Moreover, we have before us a strategy that has not changed since the last one was issued in 2012. At the time, General Dempsey testified that if the military had to absorb more cuts, We have got to… adjust our strategy. Since then, the military has absorbed an additional $330 billion in cuts, not including sequestration that returns in FY16, yet the strategy before us remains unchanged. It asks our men and women in uniform to fulfill all the same missions and requirements, but with a smaller force, less capabilities, and ultimately, increased risk to those who would go into harm's way.

The strategy sizes the force to simultaneously defeat one regional adversary and deny another. However, in testimony we received from the combatant commanders and service chiefs, our military—under the funding profile for defense currently in law—can barely muster enough forces to execute even one major contingency operation.

While the QDR recognizes the world is growing more volatile and, in some cases, more threatening to the United States, it makes no adjustments to reflect that change. For example, Russia's invasion of Ukraine and its longer-term intentions should cause us to rethink the current QDR tenet that suggests cooperation and nuclear reductions will make us safer.

Strong U.S. leadership and influence must be matched by a strong military. This was a missed opportunity to communicate the linkage between strategy and resources, and the inflection point at which the United States finds itself.

Statement of Ranking Member Adam Smith

HEARING ON

The 2014 Quadrennial Defense Review

April 3, 2014

Thank you Mr. Chairman. Before I make my opening statement, I would like to take a moment to address the shooting at Ft. Hood yesterday. Today, we are saddened by the news of another deadly shooting at Ft. Hood. Our thoughts and prayers are with the families, friends and loved ones of those who were killed or injured. As a society, we continue to struggle to understand how and why events like this take place and how we can prevent them in the future. We must get a grasp on this problem. We should also take a moment to recognize the brave Military Police officer who confronted the shooter. Without her, other lives would have been lost.

Admiral Winnefeld, Deputy Under Secretary Wormuth. Welcome, both of you. Admiral, it is good to see you again. Ms. Wormuth, although I addressed you as Deputy Under Secretary, I would be remiss if I didn't note that you have been nominated to be the Under Secretary of Defense for Policy and that your nomination was recently reported out by our colleagues on the Senate Armed Services Committee. Congratulations on that accomplishment, and we all look forward to the next time you appear before this committee, hopefully in your new position.

There has been much criticism leveled at this, and prior, Quadrennial Defense Reviews. Members believe that the reviews are overly constrained by resources, that the reports do not fully meet the congressional intent, and that no QDR has really presented a 20 year strategy as required by law.

To some extent, I believe some of these criticisms are unfair. All strategies, for example, are constrained by resources to some degree. Many of the congressional critics of the current QDR suggest that it was constrained by the President's defense budget, but fail to note that Congress already imposed severe budgetary limits, limits which this institution seems to have no interest in repealing. The authors of the QDR and the developers of the President's Defense Budget actually deserve credit for pushing back on these limits, by explicitly noting the dangers to the defense strategy of sequestration and for requesting

additional funds to carry out the defense strategy outlined by the QDR—$26 Billion more this year and another $115 Billion across the FYDP above the levels contained Budget Control Act and Bipartisan Budget Act .

Other criticisms are technically more accurate. While the QDR, we are told, looked at threats and security trends likely to occur over the next 20 years, the report does not contain a defense program for that far into the future. Similarly, the public QDR report does not explicitly address each of the elements required by law. Frankly, the problems here seem more likely to be with the law requiring the QDR and the report than with the drafters. Technology and events have been changing far too fast to allow anyone to draft a 20 year defense program with any useful specificity. And the legal requirement for the report contains 17 elements, some of which are so far down in the weeds as be neither a significant part of any defense strategy nor a particularly useful way to make the Department spend its time.

None of this is to suggest that the QDR, either the process or the report is perfect. In fact, like all of its predecessors, it is flawed. For example, I would hope that a defense strategy would give us a better sense of prioritization among military missions. The Defense Strategic Guidance (DSG) contained a list of priorities, but without real order or weighting. The QDR contains even less. Some sense of the Department's view of priorities and how they are valued would contribute much to the discussion of how we defend our nation and out interests.

Members today will, and should discuss their criticisms and concerns with the QDR. But I hope that we do not lose sight of what the QDR represents and what we should be discussing—an effort to build a viable defense strategy for this country and the best way to do that. I hope all members leave here both with an understanding of the QDR and some sense of ways we can make this process better in the future.

Again, I would like to thank the witnesses for appearing here today. Thank you, Mr. Chairman.

PREPARED STATEMENT

OF

MS. CHRISTINE E. WORMUTH

DEPUTY UNDER SECRETARY OF DEFENSE

STRATEGY, PLANS & FORCES

AND

ADMIRAL JAMES A. WINNEFELD, JR, USN

VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

APRIL 3, 2014

Chairman McKeon, Ranking Member Smith, and members of the Committee, we appreciate the opportunity to discuss DoD's 2014 Quadrennial Defense Review. Building on the 2012 Defense Strategic Guidance and 2013 Strategic Choices Management Review, the Secretary used the QDR to articulate his vision and describe the Department's updated defense strategy, which builds on and incorporates many of the strategic priorities outlined in the 2012 Defense Strategic Guidance. This updated strategy will inform DoD's long-term efforts to structure, prepare, and posture our future Joint Force to support U.S. global leadership and our national interests.

The 2014 QDR was a strategy-driven and resource-informed process that focused on preparing the Department for the future, and prioritizing our efforts in a period of fiscal constraint. In the first phase of the QDR, the Department conducted an assessment of the security environment, looking two decades into the future. Informed by this assessment, senior leadership identified objectives the Department will need to be able to accomplish in support of U.S. national security interests, and assessed the sufficiency and proficiency of the Joint Force to meet these demands. The results of these assessments guided development of the Department's force planning construct and informed the President's FY2015 budget request. Throughout the QDR, the Department worked closely with our partners in the interagency and the National Security Council, to ensure the core concepts in the 2014 QDR were consistent with and complementary to other national strategic guidance under development.

The United States faces a rapidly changing security environment. Challenges to our many allies and partners around the globe remain dynamic and unpredictable, particularly from regimes in North Korea and Iran. Unrest and violence persist in other parts of the world as well, creating a fertile environment for violent extremism and sectarian conflict, especially in fragile states, stretching from the Sahel to South Asia. Meanwhile, modern warfare is evolving rapidly, leading to increasingly contested battlespace in the air, sea, and space domains – as well as cyberspace – in which our forces enjoyed dominance in our most recent conflicts.

Our sustained attention and engagement will be important in shaping emerging global trends, both positive and negative. Unprecedented levels of global connectedness provide common incentives for international cooperation and shared norms of behavior, and the growing capacity of some regional partners provides an opportunity for countries to play greater and even leading roles in advancing mutual security interests in their respective regions. In addressing the changing strategic environment, the United States will rely on our many comparative advantages, including the strength of our economy, our strong network of alliances and partnerships, and our military's human capital and technological edge. Doing so will require exceptional agility in how we shape, prepare, and posture the Joint Force.

The Department of Defense is also facing a changing and equally uncertain fiscal environment. Beginning with the FY2012 appropriations, the Department began absorbing significant impacts from the $487 billion, ten-year cut in spending due to caps instituted by the Budget Control Act (BCA) of 2011. The BCA also instituted a sequestration mechanism requiring cuts of about $50 billion annually. The Bipartisan Budget Act of 2013 provided modest immediate relief from sequestration, but unless Congress acts, annual sequestration cuts are set to resume in FY2016. To protect the security interests of the United States most effectively while recognizing the fiscal imperative of deficit reduction, the President's FY2015 Budget reduces projected defense

budgets by about $113 billion over five years compared to levels requested in the FY2014 Budget. The President's Budget provides a balanced and responsible path forward given continuing fiscal uncertainty. It reflects the strict constraints on discretionary funding required by the Bipartisan Budget Act in FY2015, but it does not accept sequestration levels thereafter, funding the Department at about $115 billion more than projected sequestration levels through 2019.

Given this dynamic environment, the 2014 QDR is principally focused on preparing for the future by rebalancing our defense efforts in a period of increasing fiscal constraint. The 2014 QDR advances three important initiatives. First, it builds on the Defense Strategic Guidance, published in 2012, by outlining an updated defense strategy that protects and advances U.S. interests and sustains U.S. leadership. Second, the QDR describes how the Department is responsibly and realistically taking steps to rebalance major elements of the Joint Force given the changing environment. Third, the QDR demonstrates our intent to rebalance the Department itself as part of our effort to control internal cost growth that is threatening to erode our combat power in this period of fiscal austerity. We will protect the health of the All-Volunteer Force as we undertake these reforms.

The QDR makes clear that this updated national defense strategy is right for the Nation, sustaining the global leadership role of the United States and providing the basis for decisions that will help bring our military into balance over the next decade and responsibly position us for an era of both strategic and fiscal uncertainty. The FY2015 funding levels requested by the President will allow the military to protect and advance U.S. interests and execute the updated defense strategy – but with increased levels of risk for some missions. Overall, the Department can manage these risks under the President's FY2015 Budget plan, but the risks would grow significantly if sequester-level cuts return in FY2016, if proposed reforms are not accepted, or if uncertainty over budget levels continues. It is essential that we work closely with Congress to ensure that, as we put our Nation's fiscal house in order, we provide sufficient resources to preserve our national security.

Building on the Defense Strategic Guidance

The United States exercises global leadership in support of our interests: U.S. security and that of our allies and partners; a strong economy in an open economic system; respect for universal values; and an international order that promotes peace, security, and opportunity through cooperation. Protecting and advancing these interests, consistent with the National Security Strategy, the 2014 QDR embodies the 21st century defense priorities outlined in the 2012 Defense Strategic Guidance. The 2014 QDR builds on these priorities and incorporates them into a broader strategic framework. The Department's defense strategy emphasizes three pillars:

- *Protect the homeland*, to deter and defeat attacks on the United States and to support civil authorities in mitigating the effects of potential attacks and natural disasters.
- *Build security globally*, in order to preserve regional stability, deter adversaries, support allies and partners, and cooperate with others to address common security challenges.

- *Project power and win decisively*, to defeat aggression, disrupt and destroy terrorist networks, and provide humanitarian assistance and disaster relief.

These pillars are mutually reinforcing and interdependent, and all of the military Services play important roles in each.

Across each of the three pillars of the updated defense strategy, the Department is committed to finding creative, effective, and efficient ways to achieve our goals and assist in making strategic choices. Innovation – within our own Department and in our interagency and international partnerships – is a central line of effort. We are identifying new presence paradigms with the intention of maximizing effects while minimizing costs. With our allies and partners, we will make greater efforts to coordinate our planning to optimize their contributions to their own security and to our many combined activities. Our actions to increase energy and water security, including investments in energy efficiency, new technologies, and renewable energy sources, will increase the resiliency of our installations and help mitigate these effects.

Reflecting the requirements of this updated defense strategy, the U.S. Armed Forces will be capable of simultaneously defending the homeland; conducting sustained, distributed counterterrorist operations; and in multiple regions, deterring aggression and assuring allies through forward presence and engagement. If deterrence fails at any given time, U.S. forces will be capable of defeating a regional adversary in a large-scale multi-phased campaign, and denying the objectives of – or imposing unacceptable costs on – a second aggressor in another region. The President's Budget provides the resources to build and sustain the capabilities to conduct these operations, although at increased levels of risk for some missions. With the President's Budget, our military will be able to defeat or deny any aggressor. Budget reductions inevitably reduce the military's margin of error in dealing with risks, and a smaller force strains our ability to simultaneously respond to more than one major contingency at a time. The Department can manage these risks under the President's FY2015 Budget plan, but the risks would grow significantly if sequester-level cuts return in FY2016, if proposed reforms are not accepted, or if uncertainty over budget levels continues.

Rebalancing for the 21st Century

Given major changes in our nation's security environment – including geopolitical changes, changes in modern warfare, and changes in the fiscal environment – our updated defense strategy requires that the Department rebalance the Joint Force in several key areas to prepare most effectively for the future.

The U.S. military will shift focus in terms of what kinds of conflicts it prepares for in the future, moving toward greater emphasis on the full spectrum of possible operations. Although our forces will no longer be sized to conduct large-scale prolonged stability operations, we will preserve the expertise gained during the past ten years of counterinsurgency and stability operations in Iraq and Afghanistan. We will also protect the ability to regenerate capabilities that might be needed to meet future demands.

The Joint Force must also be prepared to battle increasingly sophisticated adversaries who could employ advanced warfighting capabilities while simultaneously attempting to deny U.S. forces the advantages they currently enjoy in space and cyberspace. The Department of Defense will rebalance our counterterrorism efforts toward greater emphasis on building partnership capacity, especially in fragile states, while retaining robust capability for direct action, including intelligence, persistent surveillance, precision strike, and Special Operations Forces. We will remain focused on countering WMD, which undermine global security. We will sustain efforts to strengthen key alliances and partnerships, placing more focus on deepening existing cooperation as well as building new and innovative partnerships. Finally, Combatant Commanders will invigorate their efforts to adjust contingency planning to reflect more closely the changing strategic environment.

In striving to achieve our three strategic objectives, the Department will also continue to rebalance and sustain our global posture. We will continue our contributions to the U.S. rebalance to the Asia-Pacific region, seeking to preserve peace and stability in a region that is increasingly central to U.S. political, economic, and security interests. The United States also has enduring interests in the Middle East, and we will remain fully committed to the security of our partners in the region. Given our deep and abiding interests in maintaining and expanding European security and prosperity, we will continue our work with allies and partners to promote regional stability and Euro-Atlantic integration, as well as to improve capacity, interoperability, and strategic access for coalition operations. Across the globe, we will ensure the access needed to surge forces rapidly in the event of a crisis.

After more than twelve years of conflict and amid ongoing budget reductions, the Joint Force is currently out of balance. Readiness further suffered due to the implementation of sequestration in FY2013, and the force has not kept pace with the need to modernize. We will need time and funding to reset and reconstitute the Joint Force as we transition from operations in Afghanistan. The President's FY2015 Budget proposal outlines a range of realistic and responsible adjustments in specific areas the Department believes must be made in the near term to restore balance in the Joint Force. The force will become smaller in the next five years but will gradually become more modern as well, with readiness improving over time. Taking the prudent steps outlined in this QDR in the near term will improve the Department's ability to meet our national security needs should the fiscal outlook not improve. The longer critical decisions are delayed in the hope that budget caps will be raised, the more difficult and painful those decisions will be to implement, and the more damaging they will be to our ability to execute the strategy if no additional resources are made available.

Key end strength and force structure decisions in this QDR include:

- Maintaining an Air Force with global power projection capabilities crucial for this updated defense strategy. We will modernize next-generation Air Force combat equipment and reduce or eliminate capacity in some single-mission aviation platforms. If sequestration-level cuts are imposed in FY2016 and beyond, the Air Force would have to retire 80 more aircraft, slow down purchases of the Joint Strike Fighter, and make other difficult adjustments.

- Sustaining a world-class Army capable of conducting the full range of operations on land by maintaining a force structure that we can man, train, equip, and keep ready. To sustain this force, the Department will rebalance within the Army, across the Active, Guard, and Reserves. If sequestration-level cuts are imposed in FY2016 and beyond, all components of the Army would be further reduced.
- Preserving Naval capacity to build security globally and respond to crises. Through an aggressive effort to reduce acquisition costs and temporary ship lay-ups, the Navy will modernize its fleets of surface ships, aircraft, and submarines to meet 21st century threats. If sequestration-level cuts are imposed in FY2016 and beyond, the USS George Washington aircraft carrier would need to be retired before scheduled refueling and overhaul.
- Maintaining the role of the Marine Corps as a vital crisis response force, protecting its most important modernization priorities and ensuring readiness, but planning for a smaller end strength of active Marines, including Marines protecting U.S. interests and installations abroad. If sequestration-level cuts are imposed in FY2016 and beyond, the Marines would continue to drawdown forces even farther.

In addition to these adjustments to the Joint Force, the QDR outlines how the Department will protect key capability areas in support of our strategy – for example cyber, special operations forces, precision strike and ISR – so that the Joint Force remains modern, capable, and ready.

Finally, the Department itself will rebalance internally to control cost growth and generate greater efficiencies in order to prioritize spending on combat power. Key ongoing activities include reducing the Department's major headquarters budgets by 20 percent, making selected cutbacks in civilian personnel and contractors to hold down costs, seeking to slow growth in military health care expenses, and improving its financial management, in part to achieve auditable financial statements. We are also continuing to implement acquisition reform efforts, most notably through the Better Buying Power initiative.

Substantial long-term savings will be realized if the Department is permitted to eliminate unneeded infrastructure. We estimate that we already have more infrastructure than we need, and this will grow as we reduce end strength. The only effective way to eliminate unneeded infrastructure in the United States is through the Base Realignment and Closure (BRAC) process. The Department's requests for another BRAC in each of the past two years were not approved. If the Department is to make more effective use of taxpayer dollars, it is imperative that Congress authorize another BRAC round in 2017.

Maintaining the Strength of the All-Volunteer Force and Implementing New Reforms

As we restore balance to the Joint Force and the Department, the United States will maintain its two-fold sacred contract with U.S. Service members: to properly compensate and care for our men and women in uniform and their families both during and after their service, and to provide our Service members the best training and equipment possible so they can safely accomplish their missions.

Service members will be treated fairly and equally, on and off the battlefield. Eliminating sexual assault is one of the Department of Defense's highest priorities, requiring an absolute and sustained commitment to improving the Department's prevention and response programs – ensuring that we provide a safe environment free from threats to our military personnel. For those returning from combat ill or wounded, and for those who require hospitalization or rehabilitation, we will continue to provide the best possible care. And the Department of Defense will continue working with the Departments of Veterans Affairs and Labor to provide the best possible assistance to Service members transitioning into private life.

In a constrained fiscal environment, the Department cannot afford to sustain the rate of growth in military pay and benefits that we experienced over the last decade. The Department is proposing prudent and responsible changes that will ensure we can continue to offer a competitive compensation package to recruit and retain our Joint Force of the future. If implemented fully, these proposals would save approximately $12 billion over the next five years and considerably more by the end of ten years.

Without support from Congress and the American people for reforms to slow the rate of growth in military compensation, the Department will be left with no choice but to take resources away from its ability to field the future Joint Force we need. The Secretary of Defense, the Secretaries of the Military Departments and Service Chiefs, the Senior Enlisted Advisers, and the Department's senior leadership team support this comprehensive approach to reform and will work in partnership with Congress and the American public to continue to sustain the world's finest military.

Implications of Sequestration-Level Cuts

The FY2015 funding levels requested by the President will allow the military to protect and advance U.S. interests and fulfill the updated defense strategy – but with increased levels of risk for some missions. In the near term, U.S. forces will remain actively engaged in building partnerships and enhancing stability in key regions, but our engagement will be even more tailored and selective. We will continue to sustain a heightened alert posture in regions like the Middle East and North Africa. At requested budget levels, we can sustain adequate readiness and modernization that is most relevant to strategic priorities over the near term. Moreover, the President's "Opportunity, Growth, and Security" Initiative would fund an additional $26 billion in FY2015 defense investments, helping the Department to make faster progress toward restoring readiness, investing in weapons modernization, and making needed facilities improvements. The development of advanced capabilities and sophisticated weapons systems by global rivals and potential adversaries will inevitably pose more risks to our forces and our security. The Department can manage these risks under the President's FY2015 Budget plan, but the risks would grow significantly if sequester-level cuts return in FY2016, if proposed reforms are not accepted, or if uncertainty over budget levels continues.

If the modest, immediate relief that the Bipartisan Budget Act provides from sequestration – more so in FY2014 and less so in FY2015 – is followed by the return of annual reductions to the sequestration level, the Department would be unable to adjust the size and shape of the Joint Force in the more balanced way envisioned in the President's Budget submission. Our ability to

implement the defense strategy would be significantly reduced over the entire BCA period. The Department's readiness challenges, particularly in the near term, would greatly reduce both our ability to conduct steady state activities and to respond quickly in a crisis. Critical modernization programs would be slowed or truncated, creating deficiencies in the technological capability of our forces. The United States would likely need to count more on allied and partner contributions in future confrontations and conflicts, assuming they would be willing and able to act in support of shared interests. Reductions in capacity and capability would significantly challenge our ability to respond to strategic surprise, particularly those requiring large numbers of modern forces.

Left unaddressed, continuing sequestration-level cuts would greatly affect what the U.S. military can and cannot do over the next ten years. The American people would have to accept that the level of risk in conducting military operations would rise substantially. Our military would be unbalanced and eventually too small to meet the needs of our strategy fully, leading to greater risk of longer wars with potentially higher casualties for the United States and for our allies and partners in the event of a conflict. Ultimately, continued resourcing at sequestration level would likely embolden our adversaries and undermine the confidence of our allies and partners, which in turn could lead to an even more challenging security environment than we already face.

Conclusion

The United States remains committed to protecting its interests, sustaining U.S. leadership, and preserving global stability, security, and peace. Recognizing current fiscal realities, the Department has made a number of decisions to ensure the Joint Force remains as balanced as possible over time, even as it must begin force structure reductions due to fiscal constraints. We will prepare the Department of Defense for the future and preserve the health of the All-Volunteer Force as we implement reforms.

The President's FY2015 Budget provides a realistic alternative to sequester-level cuts, supporting the Department's ability to achieve our updated defense strategy and beginning an efficient transition to a smaller force over time. Resumption of sequestration-level cuts would lead to more immediate and severe risks to the strategy. Ultimately, with sequestration-level cuts, by 2021 the Joint Force would be too small and too outdated to fully implement our defense strategy. As a global leader, the United States requires a robust national defense strategy to protect and advance its interests and to ensure the security of its allies and partners with a military and civilian workforce that can implement that strategy effectively. This can only be achieved by the strategic balance of reforms and reductions that the Department is presenting to Congress and will require Congress to partner with the Department of Defense in making politically difficult choices.

Christine E Wormuth

Deputy Under Secretary of Defense for Strategy, Plans and Force Development

Ms. Christine Wormuth was appointed as the Deputy Under Secretary of Defense for Strategy, Plans and Force Development in August 2012. Ms. Wormuth is responsible for advising the Under Secretary of Defense for Policy (USD[P]) and the Secretary of Defense on all matters pertaining to the development of U.S. national security and defense strategy. She oversees the strategic guidance development, review, and assessment for military contingency plans and the plans for the day-to-day military activities of Combatant Commanders. In addition, Ms. Wormuth leads Policy's efforts to provide strategic guidance and implementation oversight to the Department's planning, programming, and budgeting process as well as various force development, force management, and corporate support processes. This includes the integrated assessment of U.S. military posture, force structure, and associated defense activities and capabilities.

Prior to joining the Office of USD(P), Ms. Wormuth was a Special Assistant to the President and Senior Director for Defense Policy and Strategy on the National Security Staff (NSS). As the Senior Director for Defense Policy and Strategy, Ms. Wormuth oversaw the Defense directorate and was responsible for providing NSS expertise on global, functional, and regional defense, military and political-military issues.

Before her assignment to the NSS, Ms. Wormuth was the Principal Deputy Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs. As Principal Deputy, she advised the Assistant Secretary of Defense on the homeland defense activities of the Department and regional security matters for the countries of the Western Hemisphere. In addition, she was responsible for management of the Department's participation in interagency activities concerning homeland security and relations with the Department of Homeland Security.

Before returning to the Department of Defense as a political appointee in early 2009, Ms Wormuth was a Senior Fellow in the International Security Program with the Center for Strategic and International Studies (CSIS). Ms. Wormuth worked on defense and homeland security issues, including emergency response and preparedness matters, homeland security policy development, defense strategy and resources, and the capabilities and readiness of the U.S. military. In 2007, she served as the Staff Director for the Independent Commission on the Security Forces of Iraq, also known as "The Jones Commission." As Staff Director, she traveled with the Commission to Iraq, focusing on the readiness of Iraqi police forces.

Prior to joining CSIS, Ms Wormuth was a Principal at DFI Government Services, a defense consulting firm, where she developed and managed a wide range of projects for government clients within the Department of Defense and the Department of Homeland Security.

Ms. Wormuth began her public service career in the Policy Office of the Office of the Secretary of Defense from 1996 through 2002. She served as the French desk officer during and after the September 11 attacks and, from 2000-2001, was the Special Assistant to the Under Secretary for Policy, focusing on defense program and legislative issues. Ms. Wormuth spent more than two years in the Strategy office, where she focused on defense strategy, the 1997 Quadrennial Defense Review process and a range of European issues. She entered government as a Presidential Management Intern and received a Masters of Public Policy from the University of Maryland. She holds a Bachelor of Arts in political science and fine art from Williams College.

United States Navy
Biography

Admiral James A. "Sandy" Winnefeld, Jr.
Vice Chairman of the Joint Chiefs of Staff

Adm. Winnefeld serves as the ninth Vice Chairman of the Joint Chiefs of Staff. In this capacity, he is a member of the Joint Chiefs of Staff and the nation's second highest-ranking military officer.

Winnefeld graduated from the Georgia Institute of Technology and received his commission through the Naval Reserve Officers Training Corps program. He subsequently served with three fighter squadrons flying the F-14 Tomcat, and as an instructor at the Navy Fighter Weapons School.

Winnefeld's unit commands at sea include Fighter Squadron 211, USS *Cleveland* (LPD 7), and USS *Enterprise* (CVN 65). He led "Big E" through her 18th deployment, which included combat operations in Afghanistan in support of Operation *Enduring Freedom* immediately after the terrorist acts of Sept. 11, 2001. As Commander, Carrier Strike Group Two/*Theodore Roosevelt* Carrier Strike Group, he led Task Forces 50, 152, and 58 in support of Operation *Iraqi Freedom* and maritime interception operations in the Arabian Gulf. He also served as commander, United States 6th Fleet; commander NATO Allied Joint Command, Lisbon; and, commander, Striking and Support Forces NATO.

His shore tours include service in the Joint Staff Operations Directorate (J-3), as senior aide to the Chairman of the Joint Chiefs of Staff, and as executive assistant to the Vice Chief of Naval Operations. As a flag officer, he served ashore as director, Warfare Programs and Transformational Concepts, United States Fleet Forces Command; as director of Joint Innovation and Experimentation at United States Joint Forces Command; and, as the director for Strategic Plans and Policy (J-5) on the Joint Staff. He most recently served as the commander of North American Aerospace Defense Command (NORAD) and U.S. Northern Command (USNORTHCOM).

Winnefeld's awards include the Defense Distinguished Service Medal, Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, the Bronze Star, the Defense Meritorious Service Medal, the Meritorious Service Medal, the Air Medal, and five Battle Efficiency awards.

Updated: 14 August 2011

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

April 3, 2014

RESPONSE TO QUESTION SUBMITTED BY MR. MCKEON

Ms. WORMUTH. Estimating precise costs to complete the 2014 QDR is difficult. The Department conducted the 2014 QDR over a shorter time period than prior QDRs, roughly from late August 2013 to early March 2014. During this intensive Review, OSD, the Joint Staff, Services, and Combatant Commands incurred staffing costs and commissioned studies to provide analytical support. In all, our best estimate is that the QDR cost almost $16 million. Approximately 80 percent of this was manpower—over 140,000 hours—which is also largely an opportunity cost for the Department. Analytic studies comprised less than 20% of the total cost of the 2014 QDR. The Department also obligated $1.5 million in support of the National Defense Panel. [See page 35.]

RESPONSE TO QUESTION SUBMITTED BY MR. GIBSON

Admiral WINNEFELD. The United States is not building bases in Australia. The goal remains to establish a USMC and USAF rotational presence in Australia as jointly announced by the President of the United States and the Prime Minister of Australia on November 16, 2011. We are currently involved in negotiations with the Government of Australia on a legally binding government-to-government agreement that will form the foundation necessary to fully mature these force posture initiatives. The agreement is intended to establish access and use of mutually determined facilities, as well as equitable cost-sharing principles. Detailed cost estimates will not be made until after negotiations are completed and specific facilities have been identified. The Department of State is the lead for negotiations, with support from the Department of Defense. [See page 33.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

April 3, 2014

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. General Dempsey states that his "greatest concern is that we will not innovate quickly enough or deeply enough to be prepared for the future, for the world we will face two decades from now." I could not agree more. The question for you, then, is what more can DOD do to ensure innovation and the acquisition of technologies that will provide a decisive advantage in warfare in the 2020s and 2030s? Do we have enough investment in R&D and are we applying that investment properly?

Admiral WINNEFELD. Given the pace of advances in technology, and in a fiscally constrained environment, we have to ensure we focus our investments to maintain our battlefield edge. We must seek technologies that enable our forces to be more agile and embrace new ways of operating, even if they depart from the familiar.

The FY 2015 President's Budget puts us on this path. It provides stability for research and development, maintaining a healthy Science and Technology (S&T) program of $11.5 billion to invest in future technologies, and an overall Research, Development, Test and Evaluation (RDT&E) Portfolio of $63.5 billion, an increase of $0.7 billion over the FY 2014 enacted levels. The procurement portfolio of $90.4 billion, a decrease of $2.0 billion from FY 2014 enacted levels, reflects the hard choices that were necessary in the current fiscal climate but continues to fund the critical weapons systems needed to enhance our highest priority warfighting capabilities.

I am confident that the investment levels and the placement of those investments in the FY 2015 President's Budget are sufficient to meet the needs of our forces. However, if sequestration-level funding returns in FY 2016, the risks inherent within the Department's approach to satisfy our strategy will grow significantly. The reductions would affect all appropriations, including RDT&E, severely curtailing the Department's ability to develop new technologies. Compared to the FY 2015 President's Budget, investment (Procurement and RDT&E) would grow at a slower rate under sequestration-level funding. Moreover, investment would account for nearly 60 percent of the total reduction at sequestration-level funding, further eroding the Department's ability to modernize and improve our joint force.

I also believe the Department should be given more latitude, and some associated funding, to pursue rapid acquisition of capabilities based on emerging opportunities or needs, which tend to not fit conveniently inside our budget cycle. We tend to not submit these in our budget because, unfortunately, they are so vulnerable to marks.

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