

[H.A.S.C. No. 114-20]

HEARING  
ON  
NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2016  
AND  
OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS

BEFORE THE  
COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS  
FIRST SESSION

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FULL COMMITTEE HEARING  
ON  
**THE FISCAL YEAR 2016 NATIONAL  
DEFENSE AUTHORIZATION BUDGET  
REQUEST FROM THE MILITARY  
DEPARTMENTS**

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HEARING HELD  
MARCH 17, 2015



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ONE HUNDRED FOURTEENTH CONGRESS

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**THE FISCAL YEAR 2016 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE MILITARY DEPARTMENTS**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Tuesday, March 17, 2015.*

The committee met, pursuant to call, at 10:04 a.m., in room 2118, Rayburn House Office Building, Hon. William M. “Mac” Thornberry (chairman of the committee) presiding.

**OPENING STATEMENT OF HON. WILLIAM M. “MAC” THORNBERRY, A REPRESENTATIVE FROM TEXAS, CHAIRMAN, COMMITTEE ON ARMED SERVICES**

The CHAIRMAN. Committee will come to order.

Today, the full committee will examine the President’s budget request for the armed services of the United States.

I am pleased to welcome each of the service secretaries and most of the service chiefs today. On behalf of the committee and the people we represent, I want to thank each of you for your service to the Nation.

Since January, this committee has focused on understanding the strategic environment and many of the complex security challenges facing the United States. I believe that in order to fulfill our responsibilities under the Constitution, to raise and support, provide and maintain military forces that meet the President’s needs, it has been important for us to spend time understanding the specific challenges staring us in the face today as well as the longer term trends and where they are taking us.

So over the last 2 months, the committee has had a variety of closed and open, classified and unclassified sessions with government and nongovernment witnesses as well as foreign leaders.

We held the first-ever committee retreat with a number of distinguished speakers, including General Dempsey, and examined the past, the present, and the future.

We have had sessions on the worldwide threats facing us, the status and trends of Islamic extremism, state-based security challenges, threats in various geographic regions, the status of conflicts in various geographic regions, and technological superiority and the pace of change.

We have also received the recommendations of the compensation and retirement commission, heard from outside experts on the budget, and have studied ways to improve the Department’s acquisition of goods and services.

All of that work, I think, puts us in a better position to consider the administration’s proposed budget.

I am sure that members are going to have questions on specific programs that were included or left out of the administration's budget. I strongly believe that the job of the Congress under the Constitution and of this committee is to exercise independent judgment on how best to meet the Nation's security needs, giving a great deal of weight, of course, to the judgment of our military leaders, but not being a rubber stamp for any administration.

History has proven the wisdom of having a separate branch making independent decisions. But whatever the details of the individual programmatic decisions, I also believe we all need to look at the total resources we devote to defense, which is now about 15 percent of the Federal budget, and we also have to consider the consequences if Congress approves significantly less defense spending than the President has asked for.

And I would say to our distinguished witnesses, especially those in uniform, that this is the time to speak plainly. You know the dangers we face around the world. You know the damage that has already been done by a defense budget cut by one-fifth in real terms since 2010. And you know the difficult choices ahead of us even under the President's budget request.

Finally, as I have thanked each of our witnesses for their service, I want to express appreciation to all members of the committee on both sides of the aisle for all of your work so far this year. On both sides, members have asked—have done—have worked hard, asked very probing questions, trying to find the best answers for the security of the country, and I am proud to work with each of you.

As most of you know, Ranking Member Smith is dealing with health issues and is not able to be with us this week. And ably sitting in his chair is the distinguished lady from California, Ms. Sanchez, who I recognize at this point for any opening statement.

[The prepared statement of Mr. Thornberry can be found in the Appendix on page 65.]

**STATEMENT OF HON. LORETTA SANCHEZ, A REPRESENTATIVE  
FROM CALIFORNIA, COMMITTEE ON ARMED SERVICES**

Ms. SANCHEZ. Thank you, Mr. Chairman. And we do wish the quick return of Adam Smith.

Mr. Chairman, thank you, and thank you for acknowledging that this has been a very tough year, already. And that we have some very severe budget constraints that may be coming out of the budget committee with respect to our resources here and how we allocate them for our military.

And, you are right. It is in the purview of the Congress to make decisions about where we place the money. So this committee has a very difficult task ahead of it.

I wanted to also thank our witnesses today. It is rare that we have service chiefs and our secretaries all in one room, so thank you so much. Today is, I hope, a hearing for some very constructive discussion about how we move forward.

I also just want to acknowledge that it is also nice to see women on the panel. So, thank you for that. And we are thrilled to have you.

Sequestration, I think that that has become such a distraction for the Congress. Certainly, I believe that we have to look at smart-

er and more efficient ways in which we can invest and also save. We do not have the capacity as a country to hand anybody, even our military, a blank check.

So I hope that the Department, along with the Congress can work together to invest in resources that will give us the best value for our money. We have to invest in R&D [research and development]. We have to make sure that we don't have a hollow force. And we have to ensure that we can be an effective piece of what it takes to protect America and Americans.

And I hope today's hearing will not only focus on the threat of sequestration, but that we will have a discussion about our economic state, where we can invest, and where we must save.

And, again, I thank all of you for being before us. And I look forward to having a good discussion. And I am glad so many members have shown to this hearing.

I also request unanimous consent to place Mr. Smith's opening comments into the record, Mr. Chairman. And I yield back.

[The prepared statement of Mr. Smith can be found in the Appendix on page 67.]

The CHAIRMAN. Without objection, it is so ordered.

Again, let me welcome our distinguished panel of witnesses today. We have the Honorable John McHugh, the Secretary of the Army, a former member of this committee; General Ray Odierno, Chief of Staff of the Army; Honorable Ray Mabus, Secretary of the Navy; the CNO [Chief of Naval Operations], Admiral Greenert, had a family issue at the last minute, and so ably standing in for him is Admiral Michelle Howard, Vice Chief of Naval Operations; General Joseph Dunford, Commandant of the Marine Corps; Honorable Deborah Lee James, Secretary of the Air Force; and General Mark Welsh, the Chief of Staff of the Air Force.

Again, thank you all for being here. Without objection, your full written statements will be made part of the record.

And the only other comment I would make is when we get to questions, with this many members and witnesses, I am going to have to be careful about the clock. So if you want to spend 3 minutes asking your question, you are going to get a very abbreviated answer.

And I appreciate our witnesses as well as our members respecting the gavel as we try to give as many members as possible the chance to ask questions.

Again, thank you all for being here.

Secretary McHugh, the floor is yours.

**STATEMENT OF HON. JOHN M. McHUGH, SECRETARY OF THE ARMY, AND GEN RAYMOND T. ODIERNO, USA, CHIEF OF STAFF, U.S. ARMY**

Secretary MCHUGH. Mr. Chairman, thank you very much. Ms. Sanchez, good to be with all of you. Please pass our best wishes on to Mr. Smith, and his speedy recovery.

And to all of you, the distinguished members of the committee, I would say how much we appreciate the opportunity to be here today and to talk very frankly about the danger that lies ahead, should this budget not be enacted and sequestration allowed to return.

In short, it is amazing how much can change in a year. Over the last 12 months we have seen the geopolitical landscape morph at an astonishing pace, from renewed aggression by Russia and increased threats from North Korea to gains by radical terrorists in Iraq, Syria, and Yemen, not to mention the fight against Ebola, your Army has been managing to tackle contingencies around the world, even though they have grown at an alarming rate.

Far from being foreseeable, our requirements have been more unexpected, our enemies more unpredictable, and our ability to handle multiple, simultaneous operations more uncertain.

And yet, with such volatility, and instability around the world, America's Army is faced yet again with an enemy here at home, the return of sequestration, unprepared units, unmaintained equipment, untrained soldiers.

Ladies and gentlemen, our Army, your Army, faces a dark and dangerous future unless the Congress acts now to end these ill-conceived and inflexible budget cuts. Moreover—and I want to be very clear here—every installation, every component, and nearly every program will feel the brunt of these cuts.

Under sequestration, by 2019, we will reduce our end strength to unconscionable levels, likely losing another six BCTs [brigade combat teams] and potentially a division headquarters, not to mention the impact to associated enablers, contracts, facilities, and civilian personnel.

Let me share with you, if I may, some of the accomplishments of America's Army this past year. As Russian-backed forces rolled into Ukraine, annexed Crimea, and threatened regional stability, our soldiers rapidly deployed to Eastern Europe in a demonstration of U.S. commitment and resolve. From Latvia and Lithuania to Poland and Estonia, soldiers from the 173rd Airborne and the 1st Cavalry showed the world that America would stand with our NATO [North Atlantic Treaty Organization] allies and respond to unbridled aggression.

In West Africa, as thousands suffered from the scourge of Ebola, your Army acted. Elements of several units, led by the 101st Airborne, provided command and control, equipment, and expertise to support efforts to stop this deadly and destabilizing disease.

In response to rapid gains by ISIL [Islamic State of Iraq and the Levant], your soldiers quickly returned to Iraq to advise and assist security forces in turning the tide on this barbaric group of radical terrorists. In the Pacific, thousands of soldiers and civilians supported operations to strengthen our partnerships and increase our substantial presence.

Today, the headquarters of nine Active Army and two Guard divisions are committed to combatant commands [COCOMs] and some 143,000 soldiers are deployed, forward-stationed or committed, including over 19,000 mobilized reservists.

Moreover, we have done all of this while continuing to transform our formations to make them leaner, more agile, and far more lethal.

As all of you know so well, such extraordinary success comes at a price. For in the end, the young lieutenant leading his or her platoon, the sergeants training and mentoring their soldiers, the invaluable civilian workforce laboring countless hours to support

them, and the young family waiting patiently at home are all human.

The stress of war, multiple deployments, and unpredictable requirements doesn't change in the face of indiscriminate funding cuts. Through it all, we have and will remain committed to supporting the needs of our warriors, from programs to increase resilience and improve behavioral health to the prevention of sexual assault and the protection of victims from retaliation, we will keep faith with our soldiers.

But rest assured, the return of sequestration will directly impact critical installations and family programs, Army-wide. Simply put, we need the President's budget. Our \$126.5 billion request is, as you know, some \$6.0 billion over the potential sequester level and is specifically designed to preserve our modest gains in readiness over the last year and take care of our soldiers.

Moreover, this request seeks vital reform to compensation and force structure that will ensure the funding needed to support near-term readiness and help place the Army on a predictable path to balance. From modest changes to pay and allowances to our Aviation Restructuring Initiative, our reforms are both necessary and prudent to sustain the readiness of our forces and move the Army toward eventual balance.

I cannot emphasize enough how critical these funds and reforms are to ensuring that your Army has sufficiently trained and ready soldiers to protect our Nation. This is an historic moment. We need to stop talking and start acting. We need wisdom, not words; we need results, not rhetoric. And, as I said to this very committee last year, we need predictability, not politics.

As we face extreme instability around the world, we must have certainty here at home. I know you agree in what I am about to say: Your soldiers deserve no less. Their families deserve no less. We must have an end to sequestration this year, and we must have this budget.

So thank you for all of the amazing support that I know personally each and every one of you provide to our men and women in uniform, their families, our civilians. Thank you for the work that this great committee has done time and time again on behalf of the nearly 1.3 million men and women of America's Army, Active, Guard, Reserve, and civilian.

Thank you, Mr. Chairman. I look forward to the committee's questions.

[The joint prepared statement of Secretary McHugh and General Odierno can be found in the Appendix on page 68.]

The CHAIRMAN. Thank you, sir.

My understanding is that the opening statements are just going to be provided by the service secretaries.

So, Secretary Mabus.

**STATEMENT OF HON. RAY MAYBUS, SECRETARY OF THE NAVY;  
ADM MICHELLE HOWARD, USN, VICE CHIEF OF NAVAL OP-  
ERATIONS; AND GEN JOSEPH F. DUNFORD, USMC, COMMAN-  
DANT, U.S. MARINE CORPS**

Secretary MABUS. Thank you, Mr. Chairman, Ranking Member Sanchez, members of the committee, thank you so much for this opportunity to discuss the Department of the Navy.

With the Chief of Naval Operations, Jon Greenert, and the Commandant of the Marine Corps, Joe Dunford, I have the privilege of representing the sailors and marines who serve our Nation, the civilians who support them, and their families.

Admiral Greenert cannot be here due to a death in his family. But I am joined by the very able vice chief, as you pointed out, Mr. Chairman, Admiral Michelle Howard.

Uniquely, the Navy and Marine Corps provide presence around the globe, around the clock, the Nation's first line of defense. Presence means we respond faster, we remain on station longer, we carry everything we need with us, and we do whatever missions are assigned by our Nation's leaders without needing anyone else's permission.

We have always known America's success depends on an exceptional Navy and Marine Corps. Article I of our Constitution, which you quoted, Mr. Chairman, and is enshrined in this committee room, authorizes Congress to raise an army when needed but directs it to provide and maintain a navy.

From the first six frigates to our growing fleet of today, from Tripoli to Afghanistan, sailors and marines have proven the Founders' wisdom. American leaders across the political spectrum have understood the vital significance of seapower. We deploy in peace just as much as in war. And our role in securing sea lanes has boosted our own and the world's economy.

That is why our national defense strategy is clearly focused on the maritime domain and why investing in maritime assets provides the best value for peace, for prosperity, and for security.

And I want to join Secretary McHugh in thanking this committee, because you, through your actions, have shown that it shares the view of a strong defense and a strong Navy and Marine Corps. And thank you for your support for our sailors, our marines, and the things they need to get their job done.

The presence that our Navy and Marine Corps so uniquely deliver is built on four foundations: people, platforms, power, and partnerships. Our sailors and marines are well-known for their ability to exercise independent judgment and the flexibility to face changing circumstances. We remain committed to providing our sailors, our marines, and our civilians with the training and support they need to maintain that naval presence.

But our people, as good as they are, cannot do their job without platforms. Providing presence, being where we are needed when we are needed, requires those platforms. On September 11th, 2001, our fleet stood at 316 ships. By 2008, it had declined to 278 ships. Our focus on two ground wars only partly explains that decline.

In the 5 years before I became Secretary, our Navy contracted for only 27 ships, not enough to stop the slide in the size of the fleet.

In my first 5 years, we have contracted for 70 ships and have reversed that decline.

By the end of the decade, our fleet will once again be above 300 ships.

For the past few years, the Department of the Navy has attempted to minimize the impact of an uncertain budgetary environment, marked by numerous continuing resolutions, imposition of sequester-level funding, and the threat of the return of sequestration.

In this environment, cutting ships is the most damaging and least reversible course of action. I am committed to preserving our shipbuilding, following the Navy's watchword, "Don't give up the ship."

Fueling the platforms of our Navy and Marine Corps is a vital operational concern that enables our global presence. That is why Navy has a long history of energy innovation. By employing alternative fuels and being more efficient in fuel usage, we are working to bring competition, lessen the incredible volatility in fuel prices, and decrease our adversaries' ability to use fuel as a weapon.

Our ability to maintain presence and advance global security will also be augmented through partnerships. Cooperation makes us more effective.

Over all, the fiscal year 2016 President's budget balances current readiness needed to execute the assigned missions of today while rebuilding our highly capable fleet.

But it is the minimum that we must have to do that. Today's tough fiscal climate demands our most rigorous examination of every dollar that we spend. And we have and will continue to do just that.

But we are at the point where we can no longer do more or even the same with less. With less, we will be forced to do less.

When America has called, the Navy and Marine Corps have always answered. In order to ensure that we continue to provide the naval force our Nation's leaders and the American people expect.

We look forward to answering your questions, and to working together with this committee and with Congress to maintain our great Navy and Marine Corps.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Mabus can be found in the Appendix on page 98.]

The CHAIRMAN. Thank you.

And now to a former staff member of this committee. We will take credit for all sorts of you folks.

[Laughter.]

Secretary James.

**STATEMENT OF HON. DEBORAH LEE JAMES, SECRETARY OF THE AIR FORCE, AND GEN MARK A. WELSH, USAF, CHIEF OF STAFF, U.S. AIR FORCE**

Secretary JAMES. Thank you very much, Mr. Chairman, Congresswoman Sanchez. It is a pleasure to come before all of you today, to come home, in effect, where my roots began.

Also an honor to sit here with my colleagues from sister services. And always a pleasure to be with my wingman, General Mark Welsh.

Mr. Chairman, I am still the rookie among the service secretaries. I have now been in this seat for 15 months. And I would like to begin this morning by telling you all some of my key take-aways of the top things that I have learned in my 15 months as being the Secretary of the Air Force, the privilege of my professional lifetime.

The first thing I have learned, which was a shock to me when I first got in the seat, is that today's United States Air Force is the smallest Air Force that we have ever had since our inception as a separate service in the year 1947. We have literally been building down our Air Force for the better part of two decades. And today, we are the smallest we have even been in terms of people.

Secondly, I have learned that our aircraft are the oldest that they have ever been, with an average age of 27 years, but, of course, average is average. And that means quite a few of the fleets are substantially older than that.

Here is a shocking statistic, I think. More than half of our combat air forces are not sufficiently ready today for a high-end fight, meaning a fight where the enemy has the capacity to shoot back at you, to shoot you down, to interfere with you through integrated air defenses and the like. More than half of our forces are not sufficiently ready for such a fight.

We all know budgets are extremely tight. And, of course, I think we also realize that demand for what we do in the United States Air Force is at an all-time high all around the world. And this is certainly the most dangerous and complex and constantly changing world scene that I can ever remember, certainly in the 34 years that I have been an observer on the scene in defense.

Now, your Air Force is working very, very hard to meet the combatant commanders' most urgent requirements and needs. But I have to join with my colleagues and say that a budgetary trajectory that results in sequestration is not going to allow us to sustain this pace.

Let me now do my plain speaking. I believe sequestration is going to place American lives at greater risk, both at home and abroad, if we are forced to live with it. In fact, if sequestration remains the law of the land, we will not, in the United States Air Force, simultaneously be able to defeat an adversary in one part of the world, deny a second adversary the objectives they seek in a second part of the world, as well as defend the homeland. That, of course, is our national strategy. And I am telling you, we won't be able to do it under sequestration.

Mr. Chairman, you recently said at AEI [American Enterprise Institute] the problem with sequestration is whether we have the capability to do what the Nation needs and the times demand. It is also very much about the increased danger that comes to our people. And I couldn't agree with you more.

I think you are absolutely correct. And under sequestration, the Air Force cannot guarantee that we will meet the Nation's demands. And our people will definitely be in more danger. And I just think this is not acceptable. Something has got to give.

And we thank you and we thank other members of this committee, because we know you are pushing hard to try to get sequestration lifted permanently. Please, please keep it up.

Now, as you know, rather than living with this level of a budget, we are asking for a budget figure in fiscal year 2016 which is substantially closer to what we need in the United States Air Force. For us, the additional monies equate to about \$10 billion more in fiscal year 2016 than what sequestration-level funding would provide to the Air Force. And this \$10 billion more would provide both the forces that we need to do the most pressing combatant commander requirements, and it would also allow us to invest better, more appropriately in our top priorities. Which are, number one, taking care of people. And there is an awful lot in this budget related to people, but I want to call your attention to the number one priority that General Welsh and I have pinpointed. And that is, we have got to stop this downsizing.

As I mentioned, we are the smallest that we have ever been. In my opinion, I think we have even gone too far. And that is why this budget proposes a modest uptick for both our Active Duty, our National Guard, and our Reserve elements. We want to go up very slightly. And if we are allowed to do so, this will alleviate some operational strain that we are feeling in a number of areas, to include our nuclear enterprise, the world of cyber, and the world of maintenance, particularly across the combat air forces.

Turning to second priority, which is getting the right balance between our readiness of today and building a modern Air Force of tomorrow.

Both General Welsh and I consulted very closely as we built our budget, not only with the folks at this table, but also with our combatant commanders. And as a result, our budget is going to ramp up support to the most urgent needs that the combatant commanders identified to us, which basically equate to one thing: ISR [intelligence, surveillance, and reconnaissance]. ISR, ISR, ISR—that is what they tell us. They need more Air Force as the top priority.

So, as a result, we have got 60 steady-state ISR patrols in the budget, as well as we are extending the life of a U-2 and the AWACS [Airborne Warning and Control System] program in this budget.

We also need to support space programs, strengthen the nuclear enterprise, fund flying hours to the maximum executable level, invest in weapons system sustainment, and ensure combat exercises like Red and Green Flag programs remain strong. All of that is the readiness of today, but we also have to modernize for tomorrow. And so, when it comes to modernization, again, we have got some decent funding that I want to share with you.

The nuclear enterprise is our number one mission, and so we have redirected substantial resources towards that element. Moreover, we have our top three programs which will remain on track under this budget. The KC-46 tanker, the F-35, and the Long-Range Strike Bomber. And we will also be making important investments in modernization for space, our science and technology budget, as well as other areas.

And our third priority, Mr. Chairman—our number three goal is what we call “make every dollar count.” And this is because we precisely understand—we get it that the taxpayer dollar is precious, and we can’t afford to waste any of it. And so, we are constantly looking for efficiencies and ways to do things differently, to free up resources, and to give back to our people some of their precious time.

So, for example, we took an aggressive 20 percent reduction in our headquarters funding, which includes civilians and contractors and redirecting military personnel. We didn’t have to do it in 1 year, but we did, because we thought it was the right thing to do. We would be able to free up those resources more quickly to plow back into important things that we need to do. Not only that, but over the last 3 years, we have reduced our service contract workforce by \$7 billion.

So, we have reduced contractors substantially. And we are going to continue to scrub this as time goes by, both on the contractor workforce, the civilian workforce over the next several years.

We also are striving to institute service-wide efficiencies in our acquisition systems. We call it “bend the cost curve,” trying to keep weapons on track, building affordability into new systems right from the beginning. We are driving toward auditability of our books and we are looking to maximize energy savings. So all of this, I would submit, falls very much in line with your acquisition reform thrust, Mr. Chairman. And I want you to know we are on it. We are on this line as well.

Now there are plenty of tough choices in this budget as well. I don’t want to pick an overly—paint an overly rosy picture. We had hard choices to make because we couldn’t do everything. So for example, we are proposing, once again, to retire the A-10 fleet gradually over time and also to slow the growth in military compensation.

And we know these are not popular decisions, popular choices, but would ask you to keep in mind that if you don’t like these choices, hold on to your hats, because under sequestration, it gets uglier and uglier and uglier.

So for example, under sequestration, our Air Force would not only have to retire the A-10, as well as slow the growth in military compensation, but in addition, we would be facing the following actions. Divest the U-2, and the Global Hawk Block 40, and the KC-10 fleets.

We would have to reduce our combat air patrols, our Reapers, and our Predators, up to 10 orbits. We would defer 14 F-35s, which, of course, would drive up unit costs.

We would cancel the adaptive engine program and then we would have to, in some sort of not across-the-board equal percentage way, but in some fashion, we would also have to reduce our investments in space and cyber and nuclear and science and technology and readiness and people.

In other words, I think, everything is threatened, Mr. Chairman, under sequestration. And most of all, I fear that American lives would be at risk. So I ask you again, please continue your leadership to get sequestration lifted permanently. Please keep on pushing.

Thank you very much. And we all look forward to your questions. [The joint prepared statement of Secretary James and General Welsh can be found in the Appendix on page 141.]

The CHAIRMAN. Thank you. I am going to ask the staff to put me on the clock, because I have, really, one question directed to each of the service chiefs. At our retreat, General Dempsey said, and he said we could quote him, that “the budget request was the lower ragged edge of what it takes to defend the country.”

So if you were talking to my constituents or some of our colleagues who don't deal in this area every day and had 1 minute to describe what the consequences to the country would be for not approving the amount that the President or the administration has asked for, for Department of Defense [DOD] or for your service, how would you do that? Again, in 1 minute, in plain language. General.

General ODIERNO. Chairman, I would say unpreparedness, inability to react to the unknown, contingencies, and stress on the force would be increased significantly.

The CHAIRMAN. Admiral.

Admiral HOWARD. Thank you. Thank you, Mr. Secretary. I am more of a rookie than Secretary James. Strategic deterrence remains our number-one priority, so we would focus on that, but then the impact on the rest of the conventional force, our ships and submarines, would be tremendous. You are talking about impact on readiness, our ability to train people and our ability to forward deploy and be where we need to be. All of that would shrink. Our ability to respond to the Nation's needs would be greatly diminished. It is—it would be devastating.

The CHAIRMAN. General.

General DUNFORD. Chairman, I think I would use an anecdote. What you would expect out of the Marine Corps is that we are forward deployed, forward engaged, and ready to respond to crises in a moment's notice. And I think there are two models for that.

There is the model that we have seen over the past year where marines have immediately responded to evacuation operations in South Sudan, in Libya, in Yemen. And in those cases, we haven't heard much. It was in the news for about a day and then it moved on.

There was a case a few years ago in Benghazi when marines weren't forward postured, forward engaged, and ready to respond on a moment's notice and we heard about that particular incident now for years. I think that is the difference between funding the budget in support of marines and having us be forward deployed, forward engaged, and not be engaged. There are two models of crisis response and I would outline those for your constituents, Chairman, thank you.

The CHAIRMAN. General.

General WELSH. Chairman, I would agree with what the Commandant said and I would tell you that I believe the fundamental issue is going to be that the American people cannot expect their military to do what we have been asked to do in the past, if we stay at these funding levels.

The CHAIRMAN. Thank you. As you all were talking, I was thinking, too, some comments that were made by one of our committee

members earlier today that basically it means that lives are at greater risk and more lives are lost because that is what the bottom line to what we ask you and those who serve under you to do.

Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman. I actually have two questions. The first is for General Odierno and for the Admiral—Admiral Howard. Please feel free to answer the best you can. So I have a letter here both from General Odierno and Admiral Greenert sent to Secretary Hagel November of last year, indicating your concerns with essentially how much we are investing in missile defense and the growing challenges both that you see in terms of our capacity to continue to invest in missile defense at the current rate, considering the fiscal environment that we are in. The letter states “our present acquisition-based strategy is unsustainable in the current fiscal environment and favors forward deployment of assets in lieu of deterrence-based options to meet contingency demands.

“Now is the opportunity to develop a long-term approach that addresses homeland missile defense and regional missile defense priorities, a holistic approach that is more sustainable and cost effective, incorporating “left of launch” and other non-kinetic means of defense.” That is from your letter, General Odierno.

Can you expand on this letter, because I believe it is very important as we look at how we can get the best value for the taxpayers’ money. I have always argued that missile defense is only one approach to addressing the various threats that face us. And as indicated in your letter, could you expand on that, please?

General ODIERNO. So the basis of the letter was that we cannot sustain the rate of deployments of the current missile defense capability that we have. We simply are overstressing the force. We don’t have enough. We are not meeting all the requirements. So in our mind, we have to come up with a new concept that allows us to use an integrated air and missile defense capability that is shared among the services that allows us to deal with this growing threat, because the threat is growing.

So what we want is a study that enables us to come up with new techniques, new procedures, new capabilities that are able for us to provide proper defense for this Nation, using a variety of capabilities to include current missile defense assets, but other capabilities. You can—cyber and other things that have to be integrated into this that enables us to deal with these problems. We are on a path that we can’t sustain. And the threat, missile defense threat, is growing, so we have got to come up with a most cost-effective means of dealing with this issue and I think that was the basis of the letter.

Ms. SANCHEZ. So you would like a study? General, can we wait to put that in the NDAA [National Defense Authorization Act] and go through the whole funding process for a year or would you prefer that we try to get a study up on that as soon as possible?

General ODIERNO. I think we need to do it as soon as possible, ma’am.

Ms. SANCHEZ. Okay. My second question is in regards to where each service is in fully integrating women into the military. You know this has been a big deal from my standpoint for a long time.

There is about 15 percent of the military comprised of women. Over 200,000 women have dedicated their lives to serve our country, and have died while serving on the front lines. So, it is women's history month, and equality of women extends to the military. By September of this year, all gender-neutral occupation standards are to be set. And by next year, all positions should be open unless an exception to the policy is requested.

Are all the services on track to meeting those deadlines? And if not, why? And from what I can see on the current schedule, many occupations and units won't be open by January 1st, 2016, deadline. So, what is OSD [Office of the Secretary of Defense] doing to ensure service, and so, compliance with the original directive? And why are women in open specialties like communications, intelligence, and logistics still barred from serving in Marine Corps infantry battalions in any capacity, even though, for example, a male public affairs officer assigned to an infantry unit requires no infantry training beyond what all officers receive at the basic school, and women in these open specialties are not allowed in any capacity in infantry battalions?

So, can you please address where we are, where we are going? Are we going to meet what we need to do?

General ODIERNO. Ma'am, if I could, we are on track. We have—to make our recommendation to the Secretary. This year, we are on the—we are continuing to finish up the testing for all our MOSs [military occupational specialties]. Currently, we have infantry engineer, field artillery, and armor that are currently not yet open. We are running tests with women in these positions now. We have actually sent a note forward to Congress recommending the opening of combat engineers already. So, we have finished that.

We expect artillery to be done within the next month or so. And we expect armor and infantry—we will have—we will be prepared to provide a recommendation September, October timeframe. And that is the timeline we are on. We are comfortable with where we are in assessing. And I think you are aware that we are also doing a test right now in Ranger school, where, for the first time, females will participate in Ranger school.

The CHAIRMAN. If you all could just have—I—in fairness to her, I did not alert Ms. Sanchez that I was going to put us under the clock, too. But if the other services just have a really brief answer. And then I am sure we can expand.

Secretary MABUS. The Navy and the Marine Corps are absolutely on track to meet the deadlines. In the Navy, we have opened every single occupation and billet to women, including submarines, riverine. And the only one that remains closed today are the trigger pullers for the SEALs [Sea, Air, Land teams]. All the support things like intel and communications for the SEALs are open.

I will let General Dunford give you an update on exactly where the Marines are. But the one thing I would ask this committee—we don't have enough women in our service. And one of the reasons that we are having problems is, we do not have enough flexibility in how we manage our force. And more women leave than men. And we have some legislative proposals in to address that.

General DUNFORD. Congresswoman, thank you. And the Secretary outlines where we are. But I would just go back to your ex-

ample of public affairs officer. In fact, due to the Secretary of Defense lifting the co-location policy, there is no difference today in how we would assign a male and a female public affairs officer, to include in support of an infantry unit.

So, today, there are no restrictions. A commander can, due to lifting of the co-location policy, assign women anywhere in the battlefield where he or she believes it is necessary. And that has been in effect since Secretary Panetta signed his letter.

Secretary JAMES. And the vast majority of our positions in the Air Force are open. We have seven closed AFSCs [Air Force specialty codes] at present. We are on track to meet the deadlines. And I personally have received kind of an interim update about how it is all going. And I feel pretty good about it.

As you pointed out, Ms. Sanchez, we do need to work closely with the Special Operations Command. Our seven AFSCs pretty much relate to the world of special operations. And so, we are trying to work through that coordination now.

Ms. SANCHEZ. Mr. Chairman, thank you for your indulgence. I think it is an incredibly important issue. And I hope that our personnel committee, in particular, will continue to be on top of this. I just think it is so important.

The CHAIRMAN. They are on top of everything. They are good.

[Laughter.]

Ms. SANCHEZ [continuing]. They have done good jobs—

The CHAIRMAN. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman. General Dunford, if I could go back to the chairman's line of questioning about the impact of these budgets—you stated about as articulately as I have heard it stated a few weeks ago. As I understood you to state, you said this. That even if we were to get the full amount in the President's budget, that the best that could do for us would be to reset us to where the military was a decade ago. That it still would not enable us to begin to reconstitute to where we need to be to fight tomorrow's wars. And that if we did not get the amount in the President's budget, we couldn't even reset to where we were a decade ago—fighting wars a decade ago.

Is that an accurate statement?

General DUNFORD. Congressman, it is in many functional areas. And very briefly, why I say that is because we have learned that today, we must operate in a greatly distributed manner. That is both at sea and at shore. And that has implications for command and control systems. It has implications for fliers. It has implications for our organizational construct and our equipment strategy as a whole.

And currently, even at the President's budget, we are not making the kind of changes that facilitate and optimize distributed operations in a manner that I think is necessary for the current fight, as well as the future fight.

And I would just—you know, if you just look at the examples of our special-purpose Marine air-ground task forces today, the one that is in the Central Command is spread across six different countries. That is an organization now spread across six different countries. And when I was a lieutenant, I was trained in a unit of that

size. We would defend on about a 3,000-meter frontage and attack on about a 600-meter frontage.

So, you can get a sense of how time and space has changed over time, and the implications, again, for both organization and equipping. And I don't think we are making the kinds of changes to facilitate that as quickly as necessary.

And so, fundamentally, we really are building capabilities that are more applicable to yesterday than tomorrow right now as a result of the budgetary constraints.

Mr. FORBES. Admiral Howard, I won't ask you to comment on what the CNO would say, but I can say for the record that I heard him a few days after General Dunford made that statement. He quoted that statement, and said that he did agree with it, as well.

General Odierno, I asked you the same question. And I think your comment was that you agreed, as well. But I would just like for your thoughts on that.

General ODIERNO. I agree. I would say for the Army, actually, we don't even get reset for 5 more years. And so, it takes us to 2020 even to reset, as we are still trying to move to the future. And so, for us, the next 4 or 5 years, we have some significant issues in terms of readiness.

Mr. FORBES. Yes. General Welsh, I haven't had an opportunity to ask you that question, but what would you feel about the statement that General Dunford had made?

General WELSH. Congressman, the problem we have is if we don't invest in readiness today, we risk losing the fight today. If we don't invest in readiness and capability for the future, we risk losing the fight 10 to 20 years from now. That is the balance we are trying to walk.

It will take the Air Force 8 to 10 years to recover full-spectrum readiness. We haven't been investing in the infrastructure over the last 10 to 15 years. It gives us mission capability, training ranges, space launch capabilities, simulation infrastructure, black and white world test infrastructure, those kind of things. The entire nuclear infrastructure issue that you are familiar with, those things must be persistent, consistent investment for us or we will fail down the road. That is what we are lacking right now.

Mr. FORBES. Okay. And Secretary James, you gave a very good statement of where the Air Force is and your comments. As you know, the budget that the President sent over, however, even if we pass that budget, would not become law unless we also have legislation doing away with sequestration.

Are you aware of any proposal the President has sent over here that would do away with sequestration for national defense? And if not, if we were to pass such a piece of legislation that would do away with sequestration for national defense, do you have any indication that the White House would sign that legislation?

Secretary JAMES. Mr. Chairman, it has at least been my impression, but I want to go back and double-check what I am about to say here, is that the overall plan that the President set forth would involve the lifting of sequestration not only for defense, but for the whole of government. So my belief was that the President's plan did include the lifting of sequestration for all of us—

Mr. FORBES. And what I ask—

Secretary JAMES [continuing]. But please allow me to check that. Mr. FORBES [continuing]. I would ask for all three of our secretaries, if you could give us any indication that the President would be willing to sign a piece of legislation that would do away with sequestration at least related to national defense because, as I take your statement that we can't defend against an adversary in one part of the world and hold another one at bay and defend the homeland, unless we do that. I would hope the President wouldn't hold that hostage to money that he might want for the EPA [Environmental Protection Agency], IRS [Internal Revenue Service], or something else.

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

The CHAIRMAN. Appreciate it.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. Thank you all very much for being here, of course, for your service. Secretary Mabus, you mentioned just briefly—and you don't have to respond right now—that there are some authorities that you need in order to do a better job hiring women into the Navy, particularly? And if you could—I would look forward to seeing that, so that we can work on that in the upcoming NDAA.

I wanted to ask you, Secretary Mabus, and certainly to General Dunford, we know that sequestration will decrease readiness and place our personnel at risk. I wonder if you could speak more directly, though, to the fact that for the Marines, 60 percent are first enlistments.

And as we move forward with the environment that we have, the OPTEMPO [operations tempo] environment, the changes to future benefits, perhaps, what are we doing to ensure the quality and the high standards of the Marine Corps? Do you see that that could be affected by the way that we move forward today?

General DUNFORD. Congresswoman, thank you. Today, 60 percent, as you pointed out, of our forces, is first-termers. In terms of quality, we are absolutely recruiting and retaining high-quality marines today and I am confident of that.

However, something that we have spoken about is that I also believe that the demographics in the Marine Corps need to change to account for the increasingly complex security environment. So today we may have a 60 percent first-term force. But I don't believe that it should be that case in the future.

And we are in the process now of actually increasing the numbers of sergeants, staff sergeants, gunnery sergeants—those are the middle-grade enlisted ranks—and reducing the numbers of lance corporals, PFCs [privates first class], and privates, those are the bottom three enlisted grades. And that is in recognition, again, of technological developments with the F-35 cyber capabilities, as well as our infantry squad leaders who today have the responsibility, frankly, that were probably more in line with what a lieutenant was doing 15 or 20 years ago is now on the shoulders of a sergeant and I think that also requires some changes again in the demographics and the construct of the Marine Corps.

Mrs. DAVIS. Yes. So, the skill sets are all obviously important, in terms of how you do that. I think part of my question, and it has been raised—and the last few questions is, you know, it is maybe

not in your area of responsibility to look at non-defense impacts of sequestration. But when we talk about the young people that we are recruiting today, certainly, our domestic budget has an impact on that as well. And I know that, in the past, Admiral Mullen specifically comes to mind, but others have really spoken to the needs of whether it is in education, whether it is in fitness, whether it is in health, all those areas. So do you feel comfortable saying that, in fact, it does matter what we do in terms of sequestration and the non-defense budget, as well? Does that impact on our military? Does it impact on the young people who were going to be recruited?

Secretary MABUS. Congresswoman, I will give you a very specific example of how it has a tremendous impact on us. Seventy-five percent of young Americans 18–24 years old do not qualify to join the American military. It is either for—they lack the educational requirements that we have, they have a health problem, usually obesity, or they have a criminal record. So if you want to help us continue to recruit the very best that, that we believe we are the recruiting today, but we are drawing from a very small pool of Americans. You have to pay attention to education, you have to pay attention to health. You have to pay attention to the domestic side.

Mrs. DAVIS. Thank you. Anybody else want to comment briefly?

Secretary MCHUGH. I would be happy to, Mrs. Davis.

Obviously, the Army, all the services are laboring under the same one-in-four constraint that Secretary Mabus mentioned.

I can tell you both in talking to new recruits, but also those who have served some time in the United States Army that they are very mindful of the discussion on sequestration.

They are also very aware of the cuts that we in the Army have already had to take, of the loss of training opportunities that they have had to endure in other programs. And while they want to stick with us, it becomes more and more challenging for them to do that. They want to secure a future for their families and they are very worried about how this may turn out.

As for recruiting, similarly, recruits and their influencers, particularly parents, are mindful of these discussions and are questioning whether or not they want to send their child, number one, into a military service, where there is obviously great danger involved. But coupled with the fact of a totally uncertain fiscal future. So it is a very large challenge we are all dealing with right at the moment.

Mrs. DAVIS. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Chairman Miller.

Mr. MILLER. Thank you, Mr. Chairman. Thank you all for being here today. I want to go a little bit further out than the budget that we are discussing today, but talk a little bit about the audit. One of the things that absolutely shocked me was that when we started talking about auditing DOD a few years ago, we were told it would take years to get the agency into a posture that we, in fact, could audit them. So we have got a couple deadlines that are approaching. I think, 2017 is the first one to get ready, and then 2019, when the results have to be given to Congress.

But I want to talk a little about risk allocation, or hear from you, that may come from the DOD audit.

Two quick questions.

One is, I understand that the leadership is supporting the audit, but I am a little concerned about the SES [Senior Executive Service] levels and commitment to making this happen. So I want to know your feeling on the commitment from the senior level. And then any tweaks that you may have done since the November report that Congress received on the financial improvement and audit readiness plan.

Secretary MCHUGH. I can start, Mr. Miller. As to the larger question of the Army's posture in achieving the milestones that you described, I feel we are on track. We have gone through a series of both mock audits and outside examinations that have proven very, very positive unqualified findings in a number of areas. But equally, if not more important, they have shown us where we have weaknesses and need to do better.

As to your specific question on the SES's, I think we have buy-in. What we are challenged with is helping people operate under the new paradigm and getting away from business as usual. So, what we have done in response to that, where we witnessed it through our mock audits and our other examinations, is to go back in and to reemphasize training. And to the extent we have been able to measure that to this point, we think we are on the right path.

But this is an incredibly complex endeavor, as you noted, particularly for the United States Army, but we have made great progress and we feel we are moving forward as you would want us to.

General ODIERNO. If I could just add one comment to that it would be, the Vice Chief of Staff of the Army and the Under Secretary of the Army quarterly are doing VTCs [video teleconferences] with all subordinate MACOMs [major commands] of the Army specifically on this issue so they all understand the importance they play in moving forward with this. And that is starting—that is really helping us to move this along.

Secretary MABUS. As a former State auditor, I don't take anything more seriously. As you know, the Marine Corps got a clean audit on their statement of budgetary accounts for fiscal year 2012. They are almost finished with the fiscal year 2013 audit. Navy has its first statement of budgetary account audit under contract now, and moving forward.

I believe in particular SES is understanding the importance of it and of moving forward. The concern that I have, very frankly, is that there is at least one area that we don't control that could have an impact on whether we get the audit. The Defense Finance and Accounting Service [DFAS] that writes our checks, that we pay, the Navy and the Marine Corps, \$300 million to last year to write those checks, 9 out of their 10 internal controls have been found to be inadequate.

The numbers that we receive from them that we are dependent on cannot be validated. And so the Navy and Marine Corps are absolutely on track to do it. Again, I am concerned about that that is outside of our control.

Secretary JAMES. And Congressman Miller, I first of all want to agree with my colleague, Ray Mabus, on that last point about DFAS. But on behalf of the Air Force, I would say again we are fully committed to the audit. In fact, I mentioned that in my opening statement. I come out of the business world and so I personally am devoting time to this as well.

I do monthly meetings just to keep my finger on the pulse of how we are doing. We are underway with the schedule of budgetary activity, which of course is the precursor to doing the audit. And we have a new accounting environment, which we call DEAMS [Defense Enterprise Accounting and Management System] in the Air Force, which a year or two ago was quite messy and not going well. But it is doing much better now, and that is going to help us get there from here.

So on balance, I am cautiously optimistic, but with several of these caveats that you heard, that we are on track to meet the goals that are laid out in the law now, of September of 2017 specifically, to reach the full financial statement audit.

The CHAIRMAN. I thank the gentlemen.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

I want to thank all of our witnesses for being here today, for your testimony, and of course, your enduring service to our Nation.

Secretary Mabus, if I could start with you. First of all, I want to thank you. Recently, you were in Rhode Island for the keel-laying ceremony for the USS *Colorado*, along with your daughter, the ship sponsor, and your family. You honored our State, as well as the State of Colorado and the workforce, the men and women of Quonset Point Electric Boat, for your presence there, and I thank you for that.

On the *Virginia*-class program, along with the *Virginia* Payload Module and then the *Ohio* replacement, as we face significant budget challenges, Secretary, can you tell us how is your ability to keep those programs on track at the President's budget level, or if we have to drop back to BCA [Budget Control Act] levels or even worse, how is the impact if sequestration goes into effect to keep those programs on track, especially given the challenges that we face as our submarine force is declining if we don't keep those programs on track at just at the same time our adversaries, in particular China, are increasing the size of their submarine fleet?

Secretary MABUS. Thank you, Congressman.

The *Virginia*-class program is a model program. We, as you know, signed a 10-year—a 10-boat, multiyear where we got 10 submarines for the price of 9 because of this committee's support in allowing us to do the multiyear.

To break a multiyear because of lack of funds, that is possible with sequestration, means you would pay more money and get fewer ships, which is just a bizarre outcome.

On the *Virginia* Payload Module, the first one of those is scheduled to go into one boat in 2019. We are looking to see if we can move that up because of the need we have for that strike capability that will go away when our SSGNs, our guided missile submarines, retire in the mid-2020s.

And finally, the *Ohio*-class replacement program, the first boat will have to begin in 2021. This is the most survivable leg of the—of our deterrence triad. We cannot extend the life of the *Ohio* class any longer. And this is a program that if Navy shipbuilding is asked to bear the entire burden of it, would take more than half of our shipbuilding budget for 12 years, which would have serious implications to our submarine fleet and all the rest of our fleet, and to the entire Navy.

So, I appreciate Congress setting up the fund for the *Ohio*-class replacement, and I think that this debate has to continue as to how we fund this because it is a national program and needs national support for it.

And there is history behind it in the first time we did deterrent submarines, “41 for Freedom” in the late 1950s, early 1960s, and in the *Ohio* class, both times significant amounts were added to Navy shipbuilding to allow that deterrent to be met.

Mr. LANGEVIN. Thank you.

And Secretary, I would like to point out a sentence in your statement that resonated with me. And that was the mention of the Navy and Marine Corps being those services that perform most often far from home, in addition to the Army. What are the current dwell ratios? And would a reduced budget negatively affect the current ratios in a way that might threaten the morale and efficiency of our Army, Navy, and Marine Corps?

Secretary MABUS. Our Marine Corps right now is a little bit less than 1:2, dwell to deployment. We today have more than 30,000 marines on deployment around the world. And 1:2 is, to use the chairman’s term, the “ragged edge” of how much you can ask someone to deploy without their effectiveness being—suffering.

On the Navy side, our deployments are getting longer. They are getting less predictable. And we are trying to get into a thing called the Optimized Fleet Response Plan, which will make deployments more predictable, which will make maintenance more predictable, which will make training more predictable. All that would be seriously jeopardized and scuttled by sequestration.

Mr. LANGEVIN. Thank you.

The CHAIRMAN. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

I would like to thank each of you for being here today. I know first-hand your commitment, how military families, service members, veterans truly appreciate your service.

In fact, our family’s joint service cover each of you. Thanks to my wife, I give her all the credit, we have had three sons in the Army National Guard; have a son in the Navy. We have a nephew in the Air Force. My late brother-in-law and father-in-law were proud marines. So first-hand, I know of your commitment and how military families are putting so much trust in you.

I also want to point out the context to where we are today. Somebody that we all respect, I believe it is universal, bipartisan, Dr. Henry Kissinger, testified recently, “the United States has not faced a more diverse and complex array of crises since the end of the Second World War.”

And Secretary James, I appreciate in particular you pointed out how the reduction of our air capability is putting the American people at risk and we want to work with you.

Additionally, though, we need to recognize according to Bob Woodward in his book, "The Price of Politics," that it was the President who came up with defense sequestration. I am very grateful that House Republicans have voted twice to replace defense sequestration. Sadly, neither one of our initiatives were taken up by the former Senate, but hope springs eternal that this can be addressed.

In regard to a question, General Odierno, I will always be very grateful visiting you in Baghdad. I have had two sons serve in Iraq, so I know again of your insight. And I would like your insight into what milestones we will be looking at in Afghanistan before there is a further drawdown.

General ODIERNO. Congressman, I would say that the important thing in Afghanistan is twofold. One is we have to make sure that the Afghan security forces continue to improve, they continue to be able to do the institutional things that are necessary for a long-term sustainment of their military. And I think that is critical.

And so in order for that to happen, I believe we have to stay the course with them and we have to continue to help them as they continue to fight the challenges that they face. And they are doing an incredible job doing that, but it is important we stay with them and that we have a conditions-based capability with a commander over there that allows him to make judgments in order to make sure we continue the support that is necessary for them to have sustained—sustainable outcomes that will last a long time.

Mr. WILSON. And I share the concern of the President. One of my sons served also in Afghanistan. And that is that the stability of Afghanistan is very important for the stability of nuclear-equipped Pakistan. And so I appreciate the President recognizing that. And every step should be made for stability so that they are not safe havens to attack the United States.

An issue that really has come before us, cyber threat to our country. And in particular, I am keenly interested, Secretary McHugh, in regard to Cyber Command. What is the latest on how we are going to be facing it? And if other branches would like to address, this is such a key issue to the American people.

Secretary MCHUGH. It is. And as many far smarter than I have declared, it is clearly the critical challenge of the future, and a threat to not just the military, but to the homeland writ large. Like all of the services, we are working through Cyber Command as a joint commander to ensure that we are coordinated across all of the military departments in a way that provides the most robust and most effective cyber team.

In the Army, in the Active Component, we are in the process of standing up 41 cyber protection teams; 24 of those are currently at initial operation capability. And by the end of 2016, we expect all 41 to be up and operating. We are very mindful of the fact that, particularly in the Guard and Reserve, there is a wealth of experience. Many of these individuals have employment outside of their military jobs that have much to do with cyber systems.

As such, the Guard is setting up 11 cyber protection teams. The Reserve Component will have 10. And as I said, we are working

very hard to coordinate that writ large. We have instituted a series of benefits, of programs and bonuses to try to compete for these highly technical individuals. And through the Army Center of Excellence, Cyber Center of Excellence at Fort Gordon, which we have announced, I think we are making progress. But as I think any expert would readily admit, there are challenges that remain and a ways to go.

Mr. WILSON. Thank you very much.

The CHAIRMAN. Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

And thank you to all of our service secretaries and chiefs. I want to commend all of you for sharing with this committee the dangers of sequestration and the devastating impact it can have on our military readiness. And I hope that Congress will have the political will to eliminate sequestration entirely. I urge you to continue your efforts.

General Dunford, in 2012, the U.S. and Japanese governments agreed to de-link the relocation of marines from Okinawa to Guam, from progress on the Futenma replacement facility. General, last week during your testimony to the Senate Armed Services Committee, you stated, "We have to have the Futenma replacement facility in order for us to leave our current Futenma Air Station, and then back the redeployment to Guam as well and properly support the marines that are in the area."

I am concerned, General, that we may have given the impression that Futenma and Guam relocation are again linked. So can you clarify this point? And also quickly, can you comment on the progress of implementing the distributed laydown in the Asia-Pacific region?

General DUNFORD. Congressman, thanks very much for giving me the chance to clarify. I was speaking in response to a question that said what are the issues that Congress should pay attention to with regard to the implementation of DPRI [Defense Policy Review Initiative]. And so, I did not link the Futenma replacement facility to the move to Guam. In fact, in the President's budget for 2016, we have funds for training ranges and we are proceeding apace for the move to Guam in 2021, 2022. So, that is absolutely on track.

And so I would just say overall, our progress for DPRI is on path. However, one of the second-order effects of sequestration would certainly be to have an impact on DPRI. And I find it hard to imagine it would be able to sustain the plan we have right now were we to go below the President's budget.

Ms. BORDALLO. Thank you very much for clarifying that.

Admiral Howard, I have a three-part question here, so if you could be brief in your answers. Pacific Fleet has stated, "the restoration of a dry-docking capability on Guam remains a strategic requirement and operational necessity." Last year, a submarine tender was sent from Guam back to the West Coast for the overhaul which was costly. What are the costs and the impacts on fleet readiness imposed by sending ships from their Western Pacific area of responsibilities back to the U.S. mainland for dry-docking?

And further, 2 years ago, MSC [Military Sealift Command] indicated in a letter to the Governor of Guam that it would pursue dry-

docking availabilities as a follow-on contracting action. I reluctantly agreed to this strategy, but expected the Navy to follow through on its commitment. To date, that has not occurred. So can you get an update on this situation and when will a request for information be released for chartering a dry-dock on Guam?

Admiral HOWARD. Congresswoman, thank you for that question. And obviously, the repair and maintenance of our ships in Guam is a strategic priority for us, and our ability to be forward-deployed particularly with the Pacific rebalance.

In regards to the specific cost of sending ships back, I would have to get to you the dollar cost. Clearly, sending ships back stateside has a responsiveness cost for our forces. We are still looking at the economic feasibility of getting a dry dock into Guam and we owe you an answer shortly on that.

Ms. BORDALLO. Thank you, Admiral.

Mr. WILSON [presiding]. Thank you, Congresswoman Bordallo of Guam.

We now proceed to Congressman Frank LoBiondo of New Jersey.

Mr. LOBIONDO. I join with my colleagues in thanking all of you for being here and your service to our country.

General Welsh, I have a question. What are the—actually two—what are the Air Force's plans to address the urgent operational need for radar upgrades for F-16 Block 30 aircraft currently conducting their aerospace control alert mission?

General WELSH. Congressman, we need to develop an AESA [active electronically scanned array] radar plan for our F-16s who are conducting the homeland defense mission in particular. Our entire fleet—Active, Guard, and Reserve—none of them have been upgraded with that radar.

The RDT&E [research, development, test, and evaluation] money we have in the budget for this year, hopefully we can move forward with this effort. It is about \$25 million to do RDT&E on a radar that just is integrated with the air-to-air mission for those F-16s. We would prefer to spend about \$75 million if we can find the funding, to do the RDT&E to build a fully integrated AESA radar.

The cost of one versus the other to actually procure for the air-planes is relatively close. It is about \$2.8 million for the non-integrated radar and about \$3.2 million for aircraft for the integrated radar. So we think that is the way to go. We are looking now at how we can do that as we move forward.

Part of the problem is that the CAPES [combat avionics programmed extension suite] program to develop F-16 upgrades was part of the BCA cuts to modernization that we were forced to take when we cut about 50 percent of our modernization programs. So we have got to solve this problem for a lot of reasons operationally.

Mr. LOBIONDO. Do you have any plans to revisit the CAPES program?

General WELSH. Certainly not at this time, Congressman. We just simply don't have the money to fund CAPES for all our entire F-16 fleet.

Mr. LOBIONDO. Yes, I am sure you know the arguments that are laid out with the tight budget constraints that you are working under, that all of us are working under. What the Air Guard pro-

vides in terms of bang for the buck is really incredible. The statistics are staggering in a positive way.

And not to have these F-16 Air Guard units be able to fully integrate I think would be a terrible tragedy. And I appreciate all you are doing to try to make that happen.

And I yield back.

Mr. WILSON. Thank you, Congressman LoBiondo.

We now proceed to Congressman Courtney of Connecticut.

Mr. COURTNEY. Thank you, Mr. Chairman.

I want to thank all the witnesses for being here and the important messages. This is a critical week in terms of the budget resolution being put together, and frankly, you know, we are forewarned by you all being here, and that is really important.

Secretary Mabus, I want to again acknowledge the fact that your testimony on page 16 points out that during your tenure, the shipbuilding trajectory is on an upward angle, contrary to some of the noise that is out there. And also want to make sure, you know, to note that you are doing this with every public forum you have that opportunity.

This morning's Wall Street Journal article, which I just had a chance to read through, again points out the fact that compared to 2009, we have actually turned the direction in terms of shipbuilding—military shipbuilding under your leadership. And it is going to have a benefit for decades to come.

The question of the day, though, of course, is sequestration and the budget control caps, which I actually think is a better way to make sure people understand this. And just if you could briefly talk about if the Department is sort of left with the BCA caps, you know, what does that mean in terms of trying to, again, grow the size of the fleet?

Secretary MABUS. Thank you, Congressman. If we go back to BCA, sequester, however you want to phrase it, I have said that I am going to protect shipbuilding as much as humanly possible. I believe the phrase I used, which evidently nobody outside Mississippi understood much, was I will protect shipbuilding until the last dog dies.

But if we do that, something else is going to break because our maintenance—we are already behind on our maintenance because of sequestration in 2013. It is going to take us until 2018 to catch up on our maintenance on our ships. It will take us until 2020 to catch up on our maintenance on our aircraft; that is at the President's budget level.

Our bases—we are already falling below the sustainment rate that we believe we need. Our training—the last sequestration, we had air wings that had to go down to a hard deck, which meant the very minimum training. Our marines—training at home station, the ones next to deploy and the ones after that, all have suffered under the first sequestration. And it would be a—I think a fair word is devastating in terms of the Navy's ability to respond to crisis, to surge, to meet a near-peer adversary. To do the things that America has come to expect, and should expect from its Navy and Marine Corps.

Mr. WILSON. Thank you, Mr. Courtney.

And we now proceed to Congressman Mike Turner of Ohio.

Mr. TURNER. Thank you, Mr. Chairman.

Secretary McHugh, Secretary James, thank you for your articulation of the issue of the threat of sequestration. As you are all aware today, the House Budget Committee will unveil its budget, and it will be funding the Department of Defense at the sequestration number, which I oppose, and I think most people in this room oppose. And I appreciate your articulation of what happens.

But I have had this conversation with most of you of—that—you know, the more we talk in this room about the effects of sequestration, the less we win, right? Because we are all on the same page, but we have got to get the message outside of this room. And unfortunately, in this room, when we talk about sequestration, we use words like “readiness,” “risk,” “capability,” “mission.”

General Odierno, I am going to ask you to help give us some clarity beyond words of “readiness,” “risk,” “capability,” and “mission.”

You testified last week that only 33 percent of our brigades are ready, when our sustained readiness rate should be closer to 70 percent. This number is disturbing, both because its significance to our military, but the effects of it.

When a brigade combat team, or BCT—which is the essential building block of the Army’s combat power—isn’t ready, and the Army isn’t ready to fight, but they go to fight, General Odierno, could you describe to us—and doesn’t this mean that more people will get injured or killed? It is not just an issue of readiness, risk, capability, or mission. It is that more people will get injured or killed. Is that correct?

General ODIERNO. That is absolutely right, Congressman. It means it will take us longer to do our mission. It will cost us in lives. It will cost us in injuries. And it potentially could cost us in achieving the goals that we are attempting to achieve, as well.

Mr. TURNER. All right. So, the translation we need is, we can lose, people will die, and people will be injured?

General ODIERNO. That is correct, sir.

Mr. TURNER. Now, General, if we go to the full sequestration for fiscal year 2016—and that is an issue that—it is beyond just what the budget is—your goal of taking our brigades to 70 percent of readiness—how do you accomplish that?

General ODIERNO. We will not. What we will do is, as you mentioned, we are 33 percent ready now. That will go down with sequestration probably to somewhere around 25 percent to 20 percent. We will have to focus all our resources on a small part of the force just to meet everyday requirements that we have in the Army. The rest of the force will go untrained. And that means that if they are needed, they will not be able to do the job that we expect them to do. And our sons and daughters will be asked to do things without the proper training or readiness of their equipment.

Mr. TURNER. Which again means that more people will be injured or killed?

General ODIERNO. That is correct, sir.

Mr. TURNER. General, you also testified that the number of Active Duty soldiers in the Army has fallen by 80,000 over the past 3 years. And it will fall another 70,000 if full sequestration comes into effect. With only 420,000 troops remaining, the Army would be

substantially smaller than it was on 9/11. And we all know how it is—the world is not a safer place today than it was then.

Secretary McHugh, could you please describe how that loss of manpower translates into risk to our troops, of injury and people being killed?

Secretary MCHUGH. Well, it means, as the chief said, that with fewer soldiers to go out to do missions, we continue to run the risk, as we say, of sending an unprepared soldier into a very dangerous environment. We are doing everything we can to try to minimize that. But at 420,000, our judgment is very clearly that we would not be able to meet the Defense Strategic Guidance. That that would leave us absolutely no room to respond to the kinds of unforeseen contingencies that we have seen just in the past 18 months, whether it is Russia and Ukraine or whether it is Ebola in West Africa, or ISIL in Syria and Iraq. And I don't think that the American people are really postured to accept a United States military that can't answer the bell wherever the challenge may rise.

But, again, it comes back to risk means people dying. Risk means greater injuries. Risk means people don't come home.

Mr. TURNER. Secretary James, if sequestration-level funding goes into effect, what is the most difficult strategic decision you are going to have to make?

Secretary JAMES. I worry about the very things that you said—that we will have airmen who will needlessly die and become injured. I worry that we will be slower to respond. Right now, our hallmark is, we are ready to fight tonight. Sequestration could endanger that.

As you have heard my colleagues say, ultimately, we could lose in trying to reach our objective. Our national security strategy requires that we be able to do three very important things in a near simultaneous fashion. We cannot do them in that sort of fashion under sequestration. That is our best military advice.

Mr. TURNER. Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. Thank you.

Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

Sequestration assumes that the Nation's debt is out of control, and so, therefore, we must cut spending. We cannot increase tax revenues. We must cut spending. And if that is true, then I am glad that both defense and non-defense spending are included in sequestration.

I myself do not accept that premise. But if I am wrong and if it is true, then I am glad defense and non-defense spending are covered by sequestration. That is one point I want to make.

The other point I want to make is sequestration is the wrong way to cut spending, both in the defense and in the non-defense sectors of our budget. Why? It is because sequestration is just a blunt force instrument cutting across the board regardless of whether or not it is sensible enough to do so.

It is true that fraud, waste, and abuse exists in both the defense and non-defense sectors. It is true. But it is also true that there are some sectors that we are doing some excellent cutting-edge necessary spending that does not need to be cut. And that is why se-

questration needs to go away. It needs to go away for both defense and non-defense.

Moreover, I think we need to come up off of this attitude that we can never increase taxes because we know that some folks—some corporations don't pay any taxes. We know that the middle class—middle-income and working people pay taxes. We know that the tax code is riddled with tax loopholes that enable others who should be paying and can afford to pay, not to pay.

And so, they are riding—they are getting a free ride. Talking about entitled—entitlement—talking about an entitlement mentality, we got so many folks that can afford to pay that are not paying. And I think it is obscene that they would create the conditions under which we are here today, which is a hollowing out of our defense spending. Providing and protecting and promoting the common defense of this country is something that we must do. And we have had a lot of unforeseen incidents or unforeseen developments that have occurred. And you all have related to them. ISIL, Russian aggression.

Just if each one of you—well, I will ask anyone who wants to respond—describe the key security environment challenges and threats that you are most concerned about, and the ability of your service to address them. What challenges have emerged in the last year that the defense strategy of your service's budget request does not adequately address? And similarly, in what areas have you recommended reduced—a reduced funding level? And for the secretaries, I will ask that question.

Secretary MCHUGH. Congressman Johnson, I guess I can start.

As I mentioned just previously, we can't pick and choose the things we worry about most. We have to be equally prepared to respond to wherever our national command authorities send us. Wherever the commanders believe there is a need, whether it is ISIL, where we have Army forces in Iraq, or whether it was in West Africa with Ebola, special operations—Army special operation forces throughout Africa, responding to a variety of emerging terrorist threats there.

We have—again, as I mentioned in my opening comment—forces in Estonia, Lithuania, forces in Poland, teaming with those nations. And they are a very important part of our new posture on the European Continent.

We have some 20,000 soldiers, which we have used a long-standing mission on the Korean Peninsula. Certainly, with the threat of nuclear weapons there, that is a critical challenge. And I could go on and on, as I am sure the other services could, as well.

Mr. JOHNSON. Thank you.

My time is expired.

The CHAIRMAN. Thank you.

Chairman Kline.

Mr. KLINE. Thank you, Mr. Chairman. Thank you, ladies and gentlemen, for being here and for your service.

I think we have picked up the thread here that all of you and the witnesses would like to see us spend more than the sequestration level—the President's budget or greater. And I think all of us know that we are trying to find a way here in Congress to make sure that we get to a number like that.

I share your concerns about readiness. General Odierno, you are very clear about it. I have, obviously, some personal concerns about the Army readiness with my family. And we should all be concerned. But sometimes, we have issues that really aren't about money. And I know that the Commandant and I had a discussion on the phone the other day. And, General, I am sorry, I am going to go back there to that issue.

Secretary McHugh, you talked about we send our young men and women into, "a very dangerous environment." Well, some couple of weeks ago, we had apparently a very dangerous environment in Yemen. It was so dangerous that we sent extra marines in there. And then it was so dangerous that we evacuated all the Americans—closed the embassy, took the ambassador out, evacuated all the Americans. And in that process, even though we had an MEU [Marine expeditionary unit] on standby not far offshore, somebody made a decision—I want to work to that here on the record—somebody made a decision to destroy all of the crew-served weapons and have the marines, who were there to provide protection in this very dangerous environment, turn over their weapons, their individual weapons.

And it is my opinion that that is an intolerable position for our Americans, particularly our men and women in uniform, whether marines or soldiers or sailors or airmen, to be in a very dangerous situation and depend upon trusting the very people who have put us in that very dangerous situation to not do us any harm while we turn over all our weapons.

So, General Dunford, we just need to get for the record, that is my account of that—roughly what happened.

And the marines, when they got on that civilian aircraft, contract aircraft, were totally unarmed. Is that correct?

General DUNFORD. That is correct, Congressman.

Mr. KLINE. Thank you.

Now, somebody made—who—let me, for the record—who gave the senior marine there the order to do that?

General DUNFORD. The senior marine was under the United States Central Command [CENTCOM] chain of command, Congressman.

Mr. KLINE. So the commander of CENTCOM gave the order to the senior marine on the ground in Yemen to disarm?

General DUNFORD. The senior CENTCOM officer on the ground gave that order, Congressman.

Mr. KLINE. Okay.

And the decision, as well as you can relay it here for the record—the decision to do that was made where by whom?

General DUNFORD. The ambassador and the commander of CENTCOM approved the plan, and my understanding is that went back to Washington, DC, at the policy level.

Mr. KLINE. Okay.

And then also for the record, I think it is not classified that there were Navy-Marine Corps assets not far offshore. Is that correct?

General DUNFORD. There were, Congressman.

Mr. KLINE. Well, I know General Dunford, he already knows how I feel about this, but I think that is intolerable.

If that can happen to marines, General Odierno, it can happen to soldiers, it can anybody to be in a very dangerous place and be ordered to turn in their weapons while they are still in a very dangerous place when they are there to be part of the Armed Forces. I would hope that senior leaders sitting at this table, we would do everything—you would do everything in your power to see that that does not happen again. That is an outrageous situation.

So thank you very much, General. I just wanted to get that on the record. We had the assets, we had the trained people where they were on the ground in a very dangerous place, and they were disarmed, put on a civilian airplane and sent home.

I yield back.

The CHAIRMAN. Mr. Veasey.

Mr. VEASEY. Thank you, Mr. Chairman.

I wanted to just get some more clarification on the type of role that sequestration is playing in terms of us wanting to, you know, I guess, sustain our superiority that we have when it comes to areas like readiness, technology, combat gear, you know, versus other powers that are also trying to stay ahead when it comes to the cutting edge in these areas.

Secretary MABUS. I will speak for the Navy and Marine Corps.

We have to stay ahead in terms of platforms, in terms of weapons, in terms of ordnance, in terms of systems, in terms of surveillance, in terms of any number of things.

The danger that sequestration poses is that we will not be able to surge Navy ships, because they won't be maintained and we won't have the trained—we will not have done the training to get them ready to go.

Same thing with the Marines. We will have Navy ships forward. We will have marines forward. It is the next to go. It is the ability to surge.

Looking further out into the future, our technological edge is one of the crucial things that we have.

Maintaining the money for research and development, for science and technology, and bringing those scientific advances to the warfighter in the field, those things are at risk, particularly on anti-access/area denial, that adversaries may try to force us out, to push us further and further afield.

The weapons that we need, the ordnance that we need, the numbers that we need to do that will be at risk.

The new technologies to meet some of the threats that we are facing now and that we are going to be facing in the not-too-distant future, they go—that research goes down, that science and technology goes down. As much as we try to protect it, we simply cannot do that. So to use the language that other service secretaries and the service chiefs have used, the risks that we take is that we will get there later than we should, more Americans will die or be wounded, and we take a chance of losing.

Secretary MCHUGH. Congressman, if I might add, for the Army—and I am sure the Marine Corps feels the very same way, but the reason we have been so superior on the battlefield is that young man or woman who picks up a rifle and goes into very dangerous situations.

But it is because of that young warrior that we need to do everything we can to ensure that the weaponry we provide them, the platforms that support them have a superiority edge over whom ever is our competitor at the moment.

And as Secretary Mabus just very accurately noted, for all the services, certainly for the Army, that research and development, the R&D that is so critical to develop the weapons, the systems, the protection programs of the future, has been cut, just since 2012, by a third.

We are fencing off S&T [science and technology], because we feel that is the core of tomorrow's technology. But overall, our ability to look into the future and ensure that over 10 years it generally takes to develop some of these next-generation platforms, we have it available.

And with this funding level, we will not. The Army will not have a major developmental modernization program until the next decade.

So sequestration only makes that worse.

General WELSH. Congressman, we wrote the blueprint for how you build the world's greatest Air Force. We have other countries who have seen it, and they are now pursuing the same blueprint.

And the capability gap is clearly closing. There is no question about that. And the trick over time, as budgets are more constrained, is how you manage that gap.

I use a NASCAR analogy a lot when I talk to airmen. If the car trailing you has been behind for a couple of laps but is consistently slowing, eventually, they are going to get to a point where although they are still behind you, you cannot keep them from passing. And that is what we worry about in trying to manage this balance.

When you hear terms like "high-risk" or "significant risk" come from a military leader, you should translate that as "not guaranteed success," because that is what it means to us.

Mr. VEASEY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman, and thank all of you for being here and for your service to our country.

Secretary McHugh, good to have you back in the old stomping grounds.

I wanted to ask you again—I am going to stay on sequestration and its impact to our military—the members of this committee understand its implications and how adversely it is affecting our readiness and our ability to meet our challenges that Secretary James made reference to in our three objectives as a military.

And in fact, I can talk about specific parochial examples of its impact on my district, as any member up here can.

I have got Anniston Army Depot laying off 190 workers right now. I got part of Maxwell Air Force Base. They could talk about specific examples. I have got part of Fort Benning. They could talk about specific examples.

And that is just parochial. We hear from y'all regularly about its impact on our readiness and our capabilities.

Our colleagues don't understand, and you uniquely have been here, and you understand how difficult it is for us to convey to members who are focused on tax policy or Medicare or telecommunications what we are concerned about.

So we really count on y'all—that is a Southern term, by the way—we count on you to help us communicate that message.

And I have shared it with Chairman Dempsey that is—we have this need for members to understand. In fact, some in our leadership think this is working out pretty well for the military, because they are not hearing squealing or they are not hearing, “the sky is falling,” from some of y'all.

So I am curious. Why do you think it has been difficult for those of you in the leadership in the military to convey specific examples of how this is very detrimental to our ability to protect this country?

Secretary MCHUGH. You are asking me?

Mr. ROGERS. We will start with you, please.

Secretary MCHUGH. Okay.

Well, part of the reason why I think this opportunity, this moment is important is we tend to talk in code—“risk” and other such words that don't convey to the average citizen, understandably, what that really means, loss of life, et cetera.

The other is, frankly, one of opportunity. All of us go out and give speeches, talk to think tanks, try to engage in a way that gets the word out as to the reality of the challenges we are facing. But obviously, we have to do a lot more.

The last point I would make before I turn over to my colleagues, I have said before that in part, we are victims of our own success. We came to this Congress before sequestration passed and predicted the effects. And thereafter, most of those effects weren't seen or felt, because I think, against the odds, all the services managed the unmanageable.

We have been moving money. We have been putting off necessary programs. We have been delaying modernization. But those cuts, those delays, those “we will do it next year” have run out. And why the return of sequestration added already to the cuts we have taken will be such a backbreaker for this United States Army, certainly—and I would argue the military writ large.

General ODIERNO. If I could just add, you know, I define it as, we are mortgaging the future to barely meet today's needs.

And that is really my concern, is we are doing everything we can just to meet the commitments we have today, which are not overwhelming commitments. They are just basic commitments that we have to sustain normal security.

Yes, we have an operation in Iraq. Yes, we have a small operation in Afghanistan. Yes, we have presence in Korea. Yes, we are doing some small things. But those aren't big operations; that is just day-to-day commitments, and we are struggling to meet those commitments.

We are mortgaging our modernization. We are mortgaging our readiness just to meet these commitments that we have now. So if something bigger happens, we will not be able to respond in the way people are used to us responding.

And that is the problem.

Mr. ROGERS. The thing that I am after is to get you all to help us by giving some specific examples. That is a very good example, but also some specific—sometimes parochial examples of platforms that you may have to give up; troop end strength you may have to reduce; installations you may have to close. Whatever, so that we can help them understand.

Because it is difficult. I mean, generally, we have got 30 to 45 seconds of a member's attention on the floor before they have moved on and are thinking about something different; that is a challenge.

Briefly, Secretary James, before my time runs out.

Secretary JAMES. So, Congressman Rogers, we do have a list of specific things to include. In addition to the retirements in the President's budget, we would have to retire the U-2, the Global Hawk Block 40. We would reduce our combat air patrols. We would divest seven AWACs; KC-10 fleet, gone.

So all of these things would go away. Plus, we would have to touch literally every part of our Air Force to come up with that differential in money. It would be enormous.

And we would be willing to go anywhere, talk to anybody. Maybe you could help us set something up with leadership so that we could give some of these threat briefings, things that you know and that we know, but perhaps they don't know as well. And I just hope and pray it doesn't take a catastrophe in this country to wake up.

Mr. ROGERS. Excellent. Thank you.

The CHAIRMAN. So do we all.

Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman.

And I would like to begin by thanking each of you for your service, and through each of you, I would like to thank the men and women who serve under you for their service to our country.

I would like to begin with General Odierno, and ask you the following series of questions. As I understand it today in Iraq and Syria, the ground forces arrayed against ISIS [Islamic State of Iraq and Syria] are the Iraqi national army, the Kurdish Peshmerga, Iranian-sponsored Shiite militias, and to the degree that they exist, the moderate Syrian opposition forces, which we are helping to train and equip.

Will those ground forces be sufficient to meet the President's objective of degrading, defeating, and destroying ISIS?

General ODIERNO. It is yet to be understood. What I would say is depending on how well the Iraqi security forces do; Kurdish Peshmerga are performing incredibly well. Iraqi security forces are still being trained; not sure. I have great concern about Shia militias. I don't know who they work for. I am not sure who they are loyal to. I am not sure what they are trying to accomplish, so I have some concerns about their participation.

We are working to train the moderate Syrian opposition. And so I think it is still time will tell. I think we have halted the movement of ISIL. I think we have had some initial, with the great work of the Air Force and the Navy and the Marine Corps Air, but I think we also have to wait and see how well these ground forces do. And we simply don't know yet.

Mr. O'ROURKE. Has any other country anywhere in the world, but especially in the Middle East, pledged ground forces to this effort?

General ODIERNO. There are special operations forces from other countries that are participating in supporting and training the Iraqi security force and the Kurdish Peshmerga, as well as we begin to train the Sunni moderates.

Mr. O'ROURKE. And including those forces both on the ground and pledged for the future, does your assessment still stand that too soon to tell whether those—

General ODIERNO. That is correct.

Mr. O'ROURKE. Okay. And so I would assume that if we are going to achieve the President's stated objective of defeating and destroying ISIS, it is very possible that we will need additional ground forces. And it is very possible that we as a Congress will have to make a decision about funding and supporting our ground forces in that country—in those two countries.

And I guess my question for you and for Secretary McHugh is: Does the budget that you are proposing today, the President's budget, have sufficient resources to ensure that we are training our soldiers, that their readiness is at the level that is necessary, and that we can support them through the following budget year to the degree that we need to ensure that they can prevail? And that we don't unnecessarily put them in harm's way due to lack of training, readiness or equipment?

General ODIERNO. If we had to—the President's budget allows us to sustain where we are at in readiness, maybe increase it a little bit. If we get into a sustained conflict, that is years, we would need more dollars in order to develop the proper readiness for us to repeatedly redeploy our soldiers into harm's way. We do not have that level in the budget today.

Mr. O'ROURKE. In this budget?

General ODIERNO. In this budget.

Mr. O'ROURKE. Okay.

Secretary MCHUGH. I would fully agree. I would note, of course, there is always an option to ask us to stop doing the things we are doing right now. Given the missions that all the services are arrayed against, I can't imagine what that would be. But short of a very dramatic, probably unpalatable decision point such as that, we would not be able to meet that.

Mr. O'ROURKE. Let me ask you a related question. Secretary James talked about even more difficult choices if we continue with the budget caps and the sequester. And I think that should extend to political choices, diplomatic choices, and choices that our allies make.

You mentioned that in response to Russian aggression in Ukraine, we have deployed additional forces to Estonia, to Latvia, to Lithuania, to Poland. But when you look at those countries' defense budgets, what they spend as a percentage of their GDP [gross domestic product] compared to what we spend is insufficient. What more do we need to do to force other countries to make the difficult decisions to get their taxpayers to support these missions that are arguably more in their national interest than they are in ours?

Secretary MCHUGH. Well, that is a—it is a big challenge and a moving target, and one that Secretaries of Defense, certainly going back in my time to Secretary Gates, have tried to press upon largely our European allies. Only 4 of the 28 NATO nations currently meet the 2 percent requirement. I might add, Estonia is one of them.

But as you noted, when it comes to Russia and the concerns that we see driving out of Ukraine, all of us would like to work more closely with our European allies.

Mr. O'ROURKE. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Conaway—Chairman Conaway?

Mr. CONAWAY. Thank you, Chairman.

And I thank the folks for being here today.

I am encouraged that whenever it has been my experience, and Secretary McHugh knows this too, that when a question rises to the top level of the committee up there, that it is—we are gaining some traction. And so I want to follow up on Mr. Miller's comments about auditing. That probably doesn't shock anybody.

One quick anecdote. I shared this with Secretary Mabus the other day. I was touring the USS *Texas*, a submarine, and we were having an impromptu town hall meeting in the galley with some young sailors. And one of the kids asked me during the question-and-answer period: How is that audit thing coming, with auditing the Department of Defense?

So, I don't know if that was a plant, Secretary Mabus, or—

Secretary MABUS. How about those sailors?

Mr. CONAWAY [continuing]. A really smart, really smart—or just sucking up to a member of the House Armed Services Committee.

Does—and taking off the chairman's kind of model, each of you respond. Does the President's budget fully fund or properly fund the continued efforts at reaching the goal that all of us want to get to, and that is audited financial statements for the Department of Defense?

Secretary MCHUGH. We assess the funding available to the Army initiative within the President's budget as sufficient to carry us forward and meet those milestones.

Secretary MABUS. Mr. Chairman, the President's budget is sufficient for the Navy and Marine Corps to meet the milestones. I would like to circle back around, though. There are some things that we don't control that worry me a lot about whether we are going to meet this audit. And not in terms of funding, but in terms of assurance of numbers.

Secretary JAMES. And yes, for the Air Force, but with that same caveat.

Mr. CONAWAY. I think for a second, I did brag on the Marine Corps. You guys led the way on auditing. We have moved from getting ready to audit, to auditing. And all the services are now doing that, and it is a better learning experience, so the Marine Corps led the way again.

General Dunford, a little bit before your time when that got started, but you are keeping it forward.

So, Secretary Mabus and others, I think you are making reference to other agencies that are an integral part to your financial

statements, they themselves are not audited. Do you sense that the commitment at the—whoever is in charge of that effort, rivals your own? Or do we need to harass them more?

Secretary MABUS. Well, our sense is that we are sharing our concerns, and to use a military term, in a robust way, with those—particularly with Defense Finance and Accounting Service. That is the one that concerns us. That is the one that does not have the internal controls that we need to have some assurance about the numbers that they give us.

Mr. CONAWAY. Right. The other secretaries? Ms. James, same to you.

Secretary JAMES. Likewise. We have communicated our concerns. Certainly the top leaders of the Department of Defense, they are aware that we are concerned about this; the comptroller, to whom the DFAS reports. So I think everybody is working collaboratively to try to get there from here.

Secretary MCHUGH. As I believe DFAS's largest customer, the Army has equally extended our concerns to the appropriate departmental authorities. Part of the problem I think DFAS faces, quite frankly, is that like the rest of us, their customer base is coming down. They are going to write fewer checks as end strength decreases. Their business flow will decrease. And I know, Mr. Conaway, you understand the realities of that kind of trend line more than anyone else perhaps in this room.

But I haven't yet seen a commensurate amount of response from DFAS to accommodate what seems to most of us to be an inescapable reality. I don't want to ascribe motivation to that, but as my colleagues have said, it will affect our ability to receive a clean audit, given the relationship amongst all of us with that organization.

Mr. CONAWAY. Well, let me just finish up by telling you—thanking you for your service across the—all of your responsibilities, but also thanking each of you for what I perceive to be full-throated commitment to getting this important deal done. We are talking about budgeting and spending, and the American taxpayer obviously would love to have audited financial statements as kind of the Good Housekeeping Seal of Approval that is out there. And I appreciate each of your commitments to doing that in the face of sequestration and budget cuts and all the other things that are going on. I thank you for your efforts on getting that done.

And I yield back. Thank you.

The CHAIRMAN. We are going to have the comptroller here with us tomorrow. And it will be another opportunity to raise this issue. Because I do agree with the gentleman. This is really important. If we are going to make the case to increase defense spending, there has to be accountability that goes with it. And so this carries big implications.

Mr. Gallego.

Mr. GALLEGO. Thank you, Mr. Chairman. This question is directed at Secretary James. I am a beneficiary of close air support [CAS] from the A-10, so I am disturbed to hear that it is back on the chopping block.

So one, I would just like to, you know, point out, and maybe you could comment on this, too, that in the era where we seem to be

more engaged in the type of combat where an A-10 close air support would actually be more useful, is it really wise to be putting it on the chopping block?

And two, if it is on the chopping block, then what is the weapon system platform that is going to be replacing it, that is going to be able to provide the same type of close air support to your infantrymen?

Secretary JAMES. So Congressman, please let me start and then I want of course General Welsh to chip in—

Mr. GALLEGO. Sure.

Secretary JAMES [continuing]. Because he is a former A-10 pilot actually, so he is extremely knowledgeable.

I will tell you that the A-10 ended up on this list to reduce with the greatest of reluctance. It was a budgetary matter, and it literally after reviewing all of the different alternatives about how we could come up with the budgetary savings this one, because of the single-purpose nature, and because we do have other aircraft in the inventory that can do close air support. So that is how we got to where we are today.

In terms of what are the next aircraft that will bridge the gap, so to speak, of course we do have our other aircraft that are currently flying some of these missions to include the F-15Es, the F-16s, and so forth, so they will be with us for years to come, as will eventually come into play the F-35. So that one is of course on the horizon. It is not with us yet, but will be coming online in the next few years.

Mr. GALLEGO. To that point, before we move on, the platforms you just mentioned, what type of rotary gun do they have, and are they 30-millimeter mortar—I am sorry, 30-millimeter guns, and are they going to be capable—just as capable as the A-10 Warthog in terms of support?

General WELSH. Well, Congressman, it depends on the scenario. No, none of them carry a 30-millimeter gun. They carry 25 in the case of the F-35 and 20-millimeter guns in the F-15E and the F-16.

The issue isn't the A-10, Congressman; the issue is the Budget Control Act caused us to make some really tough prioritization decisions. And when we talked to the combatant commanders and asked them where they preferred that we take the cuts and where they preferred we prioritize our funding they gave us real clear answers, and the A-10 was not one of them.

We have done the operational analysis on this. We would love to show you the impact on the battlespace, low threat through high threat. This is just the front edge of a lot of very ugly decisions that are going to have to be made if we stay at BCA-level funding.

The workhorse of our CAS fleet has been the F-16, not the A-10, for the last 8 years. It has flown thousands more CAS sorties than the A-10.

Are there scenarios where you would prefer an A-10 to be there? Absolutely. And there are some you would prefer a B-1 with 32 JDAMs [Joint Direct Attack Munitions] at night, above the weather. And there are some you would prefer an AC-130.

And my Marine infantry officer son would prefer a Marine Corps F/A-18. The scenarios change that requirement.

But the issue here is not any particular platform. CAS is a mission priority for us. It is part of our fabric. We are going to be doing CAS 10, 20, 50 years from now. And the A-10 is not going to be doing it then.

So we have got to look at how we transition to a future capability that will work on both a low threat and a high threat battlefield, and that is what we are trying to do, and we are doing this collaboratively with the Marine Corps, with the Navy, with the Army, and we are working this in terms of weapon systems. We are working at weapons themselves that we could put on different platforms.

There is no question about our commitment to this mission, and we have got about 140,000 data points from the last 7 years to prove it.

Mr. GALLEGO. Mr. Chair—I apologize. I lost track of your name, sir. What was your name again?

General WELSH. Mark Welsh, sir.

Mr. GALLEGO. Thank you.

I would love to see the studies, just because at least from what—my understanding the past efforts to replace the A-10 back in the 1980s and 1990s were pretty much duds and didn't end up doing the same kind of effectiveness that the A-10 did.

So if you could share any of those studies to—you know, especially just to put me at ease, I mean, it really did save me in the pinch, and I think a lot of us infantrymen—former, current, and in the future—would love to still have that assurance that that kind of close air support would be available.

General WELSH. Yes, sir. So would us former pilots. Unfortunately, money precludes that.

We would love to come talk to you about this and give you the whole story.

Mr. GALLEGO. Thank you, Mr. Chair. I yield back my time.

The CHAIRMAN. Thank you.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. Ladies and gentlemen of the panel, thank you so much for your service to our Nation. We deeply appreciate that, especially your commitment during these challenging times.

I want to follow up from some comments that were made earlier. We all know the devastating effects of sequestration. But there are some that look at efficiencies within the Pentagon, and you have heard the chairman speak about it.

Some of the questions are about the acquisition and procurement process, and the chairman, as well as others of us, have looked at how we can fix that to actually empower decision making within the Pentagon to make sure we are indeed as efficient as possible in spending those precious dollars that get to the Pentagon.

I think the question is this, is give us your perspective on where the current obstacles are in the acquisition process. Is there a need for additional acquisition authorities, and what can we do to fix and reform the acquisition and procurement process to make sure that it is indeed as efficient as possible and that we can demonstrate that every penny that goes to the Pentagon is getting to the right place and that we are doing the best job possible in making those decisions?

Secretary MABUS. I will start very briefly.

Here is a chart of what we have to do to buy anything but particularly a major weapon system. It takes forever. It is costly.

The thing you could do for us is cut out a lot of this.

And we will be happy to give you details. I know that we have been over here doing that, but I think all of the services agree that the current system of just requirement after requirement after requirement after requirement, which—many of which don't add anything to the end value of the weapon, just needs to be pruned back pretty dramatically.

General ODIERNO. If I could just add, I would like to see an increased role of the service chiefs, which was significantly reduced in 1986 with Goldwater-Nichols. I think it is important to have their experience, as we are going through this, with some authority.

I would also tell you, I think there are—I agree with the bureaucracy—the number of people who can say no to our systems is significant. That increases the time sometimes it takes.

In the Army specifically, I would tell you—the Army has a lot of small programs, and I would like to see the limit raise from \$1 billion to \$10 billion those that require specific DOD oversight. And a program under \$10 billion, I would like to see the Army have the responsibility and have the accountability to ensure that those programs are capable.

And I think that would enable to speed up the processes that we have, and I think there are many others that we could give.

Secretary MCHUGH. Mr. Wittman, if I could just add a little math to my good friend Ray Mabus's chartology, I will give you one example of the complex bureaucracy.

PIM [Paladin Integrated Management], our new artillery system, the Milestone C decision was reached by the Army in October of 2013. That one milestone required 3,185 pages of primary documentation and took 1,742 calendar days just to develop the documents and to get through the process—1,800 days to approve it.

Not all of that is bad. All of that is, in part, I think, necessary. But there is overlap, and as Chairman Thornberry and I know Chairman McCain in the other House and many of all of you are focused upon, I think we could save a lot of time, which in acquisition means money, without giving up the kinds of assurances that all of us, I think, believe are really, really important.

Mr. WITTMAN. Very good.

Secretary James.

Secretary JAMES. And I don't have a cool prop. That was pretty slick, Mr. Secretary Mabus. Yeah, I like that.

[Laughter.]

But I certainly agree with trying to, as best as you can, streamline some of the reporting requirements, some of the processes.

I know the tendency, when things go wrong, is put more process and more oversight. But actually, again, from a business perspective, the less in this case, the better. Trust people and hold them accountable when things go wrong.

In terms of the service chief involvement, I am not exactly sure how everybody else handles it across the board, but my service chief and I, we do pretty much everything together, so we are al-

ready heavily doing program reviews and watching over our programs as best as we can.

Mr. WITTMAN. Very good.

General Dunford, your perspective?

General DUNFORD. Thanks, Congressman.

I don't really have anything to add. I would associate myself with General Odierno's comment about the service chiefs, though.

Today, we are actually responsible for requirements and resources and not outcome, and I think that is where I would zero in on, is the service chiefs' responsibilities for outcome as well.

Mr. WITTMAN. Admiral Howard.

Admiral HOWARD. Besides the simplification, there is also a sense of agility to all of this. So as time unfolds and programs change and requirements change in terms of cost and scheduling and then what is appropriate to keep, what is appropriate to enhance, I think the service chiefs would appreciate an opportunity to have a voice in that process.

Mr. WITTMAN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

And Admiral, I think that agility point is a key one that we don't spend enough time talking about. In a volatile world that we live in, being able to be agile in response is just essential.

Ms. Graham.

Ms. GRAHAM. Thank you very much, Mr. Chairman, and thanks to each of you for your service to our country.

First, I would like to offer my condolences to the families of the seven marines and the four soldiers who lost their lives in a training exercise in the Gulf of Mexico last week. Anything that I can do in the Second Congressional District to help you all, please do not hesitate to call upon me or anyone on my team.

My first question is for Secretary McHugh, Secretary Mabus, and Secretary James.

As the Congress debates a new authorization for use of military force, one of my priorities is knowing that should we engage militarily in current or future conflicts, our service members go into the fight with confidence that this country will take care of them when they return home.

In 2007, the Dole-Shalala Commission recommended the establishment of recovery-care coordinators at both DOD and the VA [Department of Veterans Affairs] to care for wounded warriors.

If, God forbid, service members should become severely injured or ill while serving our country, I want to make sure that they know we will do everything in our power to get them the care they need when they return home.

So I would like to learn what are your service branches doing to ensure the transition from active service to the VA for our most wounded, injured, and ill service members, and what more can we do to make sure that we identify every discharged service member who qualifies for VA's Federal recovery care?

And I have one more question following this one. I appreciate your answers.

Secretary MCHUGH. Well, if I may start, it is a critically important question and one that I tried to at least allude to in my opening comments. We have, I think, a legal responsibility but even

more importantly, a moral responsibility to ensure that those who return home in the first instance get the medical care that they deserve.

And all of us that set up wounded warrior care facilities, where we are reconfiguring ours now, both to respond to the realities of the diminishing budgets but also the phasing out of wartime activities that we have endured for the last 13 years, but also to ensure that we are providing care in the most effective, efficient manner possible.

The story of transitioning from active service over to VA care has been one of challenges and successes. And thanks, in no small measure, to the Congress and their focus on that, all of us have come a long way toward ensuring through the, what is known as the IDES [Integrated Disability Evaluation System] process, the process by which the medically retired are moved over to the VA has improved.

For the Army, a much different story than it was in recent years where we are meeting all the current timeframes as to the development of the case file, the scheduling of the—of physicals and such. And I have provided a dashboard whereby all soldiers can go up and see exactly where they are in that process.

The source of frustration in the past was they didn't know where they were, didn't know what their next appointment was. We have provided that visibility.

We are meeting, as I said, all the standards that DOD has. There are still challenges between the VA and the United States military, DOD, and we are supporting the VA to help them meet those objectives as well. It has been something of a moving target, but I understand the VA now thinks they will be in compliance with the processing, hopefully—I believe, it is by the start of next year.

Ms. GRAHAM. Thank you, Secretary McHugh.

Secretary MABUS. What Secretary McHugh said, we have no higher, greater responsibility than to care for those who have borne the battle. And through the experience that we have had—Secretary McHugh very well described some of these things that—the Marines have the Wounded Warrior battalions. Navy has a program called Safe Harbor, and it is to aid in the medical care, the reintegration, either back into the military or into civilian life, of those who have been wounded and to give each of them an advocate to help them through the process, to make appointments for them, to tell them what benefits are available, and to do it for them and for their caregivers, for their family members or friends who have assumed the burden of caring for them.

And we are also meeting and exceeding the requirements in terms of time. But I would say that even though we are doing that, we can do better.

The CHAIRMAN. If the gentlelady—if the other witnesses want to add, if you would please do so in writing—

Ms. GRAHAM. That is fine.

The CHAIRMAN [continuing]. So we can move along.

Ms. GRAHAM. I am sorry.

The CHAIRMAN. Appreciate it.

Ms. GRAHAM. I look forward to reading whatever you have to add.

Secretary JAMES. Will do. Thank you.

Ms. GRAHAM. Thank you.

The CHAIRMAN. Thank you, ma'am.

Ms. GRAHAM. One more question? Is that—

The CHAIRMAN. Sorry. Gentlelady's time has expired, although you are certainly welcome to submit additional questions in writing to the witnesses.

Ms. GRAHAM. Okay. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Dr. Fleming.

Dr. FLEMING. Thank you, Mr. Chairman.

And I want to thank and congratulate our panel of service chiefs and secretaries today. Thank you for your service at this critical time in history and all the great work that you are doing.

I want to particularly cite Secretary James and General—Chairman Walsh as well, because—Welsh, I am sorry—because that you have put our nuclear triad and our nuclear enterprise at such a high priority level. That is so important. And I am very concerned about our bombers, our B-52s, and the fact that you have the Long-Range Strike Bomber in your sights. I really appreciate that. That is so important.

I am going to ask a general question, and I am not sure who is best qualified to answer this, and this really may more be a chairman question for the Budget Committee. But we are talking about OCO [overseas contingency operations] used to supplement and get us beyond those caps.

The question many of us have is how much of that, or in what way can that be used in useful ways beyond just the underlying purpose of OCO?

Secretary McHugh.

Secretary MCHUGH. I don't claim any particular expertise, but I can provide a response at least from the Army perspective. Based on some of the articles I have read and discussions that I have been in, I believe for the Army, the committees are looking at placing the cost of our end strength above 450 [thousand] into OCO, which by most standards would be an allowable OCO utilization.

That would provide the Army, a rough estimate here, about \$4.2 billion in relief of the \$6 billion that the President's budget would provide over sequestration. That is a far better outcome than sequestration. There is no argument about that. I do think we have to be mindful—for the Army right now, we have about \$5.5 billion in our current OCO accounts that really should be in the base. And that is a factor of many things that happened in recent years in theater.

So, we have got to move that money over at some point. That is a challenge. To add to that, it is just I think important for everyone to understand, will add to the challenge of getting into the base budget at some point in the future those un-supportable funds that are currently residing in OCO.

Dr. FLEMING. So, I appreciate your answer. So you are saying that in terms of end strength, that it is useful for that purpose. And I am very concerned. Fort Polk is in my district. There have been huge amounts of investments. We have grown the training area by 40,000 acres. There have been huge investments in mili-

tary construction. And yet we could see the strength go from 10,000 down to as low as 2,000 troops. That would be a huge waste of money going forward. And you know just how key that base is for training for overseas operations.

Now, for the Air Force, how does that using OCO money plusing-up with that, how does that affect what you do? Are there some limitations in how you can use that usefully?

Secretary JAMES. Well, I would say that under the rules of what is allowable to go into OCO, we, too, have constraints similar to what you heard Secretary McHugh talk about. And I don't pretend to be an absolute expert in all of this, but the basic rule is that the overseas operations are what are funded through OCO.

And I am sure that we—I couldn't quote you the figures—but we also have at present certain things in OCO which probably more specifically belong—rightfully belong in the base budget.

My plea to you would simply be I don't exactly know how to fix this, but if the use of OCO, if it is allowable or if you can find a way to make it allowable, and if that gets over this hump, I am all in favor of getting over this hump because we are all very much needing it.

General WELSH. Congressman, I would just add that the real issue for us, because we are really in a dire place as far as needing to recapitalize and modernize the Air Force. Secretary James talked about fleet ages, et cetera. The problem with OCO funding is that you can't count on it over time for a long-term investment in modernization, which is one of the problems we have. So anything is better than nothing, however.

Dr. FLEMING. Right. Well, and I appreciate that fact. The problem, as you well know, is if we take those caps off, the other caps come off, and then, you know, we begin a downward spiral in our budget. So this is being creative by using OCO funds to plus-up our military. But considering all the parties involved, that seems the best approach to take.

So with that, I yield back. Thank you.

The CHAIRMAN. I thank the gentleman.

Mr. Moulton.

Mr. MOULTON. Thank you, Mr. Chairman.

One of the things that comes up in the midst of these challenging budget discussions, when we all have to make tradeoffs, are some of the political obstacles that members of this committee or even the larger of the Congress put in front of you.

And I would like to just take a minute to try to bring some of those to the surface. I mean, we have heard talk about cuts you want to make that are painful, like cutting the A-10 or making changes in the compensation system. But if each of you could explicate for us a few—in greater detail—a few of these challenges that you see from us when you are trying to make sure that you do your jobs under, you know, the constraints that we put before you.

General ODIERNO. So, if you want specific examples, so the specific example for us is end strength. So, you know, we have taken 80,000 out of the Active Component. Even under the President's budget, we are going to take 100—it will be a total of 120,000 out of the Active Component; 20,000 out of the National Guard; and

about 10,000 out of the U.S. Army Reserve. So that—we have significantly reduced our size and ability to respond.

But in addition to that, we still have about a 4- to 5-year readiness problem because we still don't have enough money, even as we go down to those levels, to sustain a level of readiness until about 2020. So we have about a 5-year significant risk window. We have already canceled our infantry fighting vehicle, which we desperately need.

Mr. MOULTON. Right. But General Odierno, I am not asking for examples of cuts you don't want to make. I am asking for examples of cuts you do want to make, but for political reasons in the Congress, you are not able to make them.

General ODIERNO. Yes, so I think, okay. Thank you. What I would say is, first, first and foremost, is BRAC [Base Realignment and Closure]. We have a billion dollars, half-a-billion dollars a year of excess infrastructure in the Army as we downsize. We have to address that issue. If we don't, we are going to have to pay for that.

Pay and compensation and Army Aviation Restructuring Initiative is—both of those combine to be \$6 billion. So if we don't get those reforms, we are going to have to find \$6 billion and we are going to have to find another half-billion for BRAC, because that is what it costs every year of our excess infrastructure. So if we don't get those things, we are going to have to find that money somewhere.

Mr. MOULTON. Great. Thank you.

Mr. Secretary.

Secretary MABUS. For Navy and Marine Corps, it is slowing down the growth of pay and compensation. We simply have to do that. We are at the point where we are choosing between keeping people or getting them the tools that they need to do their job. And I think the proposals that have been put forward are reasonable. They are sound.

And from talking to sailors and marines around the world, they are—the thing that concerns them the most is certainty, and the concern about sequester and whether they will have the tools to do the job that they joined the Navy and Marine Corps to do.

Secretary JAMES. And Congressman, in addition, you heard me of course say the A-10 and the compensation reforms. I certainly agree with BRAC. I would add just a couple of other examples. Over the last year or two, we have a series of aging platforms where we have proposed retiring some of them in order to free up money to modernize the rest of them and to go to the next generation. And those sorts of actions have tended to be blocked. So I am thinking of the JSTARS [Joint Surveillance Target Attack Radar System] last year. And there is a series of them in that regard.

One other that I will give you, which, you know, it is difficult to work through, and I am an alumni of this committee, so I understand this. But nonetheless, these are tough choices. We have too many overall C-130s in our fleet. For all the shortages we have, that is the one platform that leaps to mind that we probably have too many of them. So we are trying to reduce the overall numbers. We are trying to modernize. We are trying to upgrade some of the older ones we are going to keep.

So we have got all of this going on at once, and we are trying also to shift them around the country to get better efficiencies and also to provide certain coverage of certain areas because we don't have the authority to do a BRAC.

Well, that whole movement, that entire plan has been put on hold. And so we can't do it until, you know, we provide additional information, more reports and the like. So those would be some additional examples I would offer up.

Admiral HOWARD. Congressman, if I may, we appreciate the work with the Congress on our cruiser modernization program, the original sustainment, modernization, and operational fund. If we could get back to the original intent of that fund and remove those restraints, that would be helpful.

Mr. MOULTON. Thank you very much. I think the key point here is that sometimes when we are protecting jobs back here at home, we are putting lives at risk overseas. And it is really your decision to make those tradeoffs. If you have anything to add in writing, I would appreciate it.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Gibson.

Mr. GIBSON. Thanks, Mr. Chairman.

And I appreciate the panelists. And I, for one, have been listening very carefully these many months, indeed years. And I think that the services have provided great detail about the impacts—negative impacts of sequester.

In 2012, I voted for a bipartisan budget that would have completely replaced the sequester. Unfortunately, it only got 38 votes that day. And then I voted for Ryan-Murray that at least gave us reprieve for 2 years.

So I hope that in the Congress we have the wisdom and the will, we summon it up to replace hopefully in total the sequester, but at least for a period of time to give some stability for the services going forward.

Mr. Chairman, you mentioned agility just a few moments ago. That is where I want to go with this. Two different types of threats—we deal with nation-states, we deal with transnational actors. Focus on the former in this question. With nation-states, so much of the world's actions can be explained by this concept of deterrence. And deterrence roughly assembled through capability and will.

And particularly, I am interested in delving into strategic maneuver and our ability to strengthen the hands of diplomats by restoring the Global Response Force capability. So I am interested from each of the services, starting with the Air Force, your commitment to the Global Response Force with budgetary detail. And you can also include modeling and simulation and exercises towards that end.

To the Air Force first.

General WELSH. Congressman, I believe I will be the same as the other service chiefs. We are committed to the Global Response Force. The problem we have is filling the Global Response Force when all our assets are being used in operations everywhere else.

We are—the Air Force’s issue with force structure is that we have a limited capacity now in certain key areas.

We have got ISR, mobility, air refueling, and command and control in demand on all parts of the globe. And as a result, we cannot meet the combatant commanders’ requirements today in those areas. We just don’t have enough of it anymore.

And as you have heard us discuss already today, BCA levels of funding will make us decrease more—take more capacity out of those areas. The problem is going to get worse.

So while we are committed to the Global Response Force, the problem is the assets required to fill it are already doing something.

Mr. GIBSON. And before we go on to the other services, Mr. Chairman, I would just say that one of the things I think our committee should be doing is documenting this risk and just how critical I think it is in terms of—to what degree we talk about everyday about Russia, we talk about Iran, we talk about North Korea, but we haven’t really talked about our role in restoring this capability.

Let me go to the other services.

General DUNFORD. Congressman, thanks.

And our situation is much like General Welsh. I mean, we are committed to the Global Response Force. We are meeting our requirements in the Global Response Force right now, which is a fairly small commitment.

But more broadly, it is the forces that are back at home station, currently about 50 percent of them that have training, personnel, and equipment shortfalls that really are the concern, and so it is our ability to deal with the unexpected that really is the issue more broadly than the Global Response Force.

Admiral HOWARD. Thank you, Congressman.

So, in fact, I was at Fleet Forces Command when we sequestered in 2013, and the first thing that happened is we ended up eliminating some deployments, and we ended up reducing flying hours and steaming hours and getting that next set of deployers ready to go, and we ended up delaying the deployment of a carrier.

And so when you talk about the Global Response Force, our ability to train our folks and our ability to have that next set ready is very much tied to the budgetary topline.

Right now, we are—we have two carriers ready to go. We always have two ARGs [amphibious ready groups] ready to go. We are building back up to a larger surge capacity. But clearly, with sequestration, our ability to maintain that projection force generation is significantly challenged.

General ODIERNO. Sir, we have a designated Global Response Force under the 82nd Airborne Division with enablers that is ready to go and prepared to go.

What I would say, though, is because of the fact that we have less forward-stationed capability out of the Army now, the importance of Global Response Force has increased significantly.

And unfortunately, I think it goes beyond now just the ability of the 82nd Airborne Division to do forced-entry operations anywhere in the world.

I go back to—I agree with General Dunford. It really is about the total force being able to respond very quickly in a variety of different directions, both medium and heavy, and I worry about the readiness levels, as we have stated earlier, of units having the ability and capability to do that at the level we expect them to be able to do that.

Mr. GIBSON. I appreciate those responses.

And then putting the joint DOD piece on this is modeling, simulating—and then how we work together as a team. And I think we have a long way to go. Chairman, thank you very much for the responses.

The CHAIRMAN. Mr. Ashford.

Mr. ASHFORD. Thank you, Mr. Chairman, and thank you.

You know, from a parochial perspective, my district is Omaha and Sarpy County, Nebraska, STRATCOM [Strategic Command], and the 55th Air Wing. And as a sort of historic tweak, my father flew B-26 bombers in World War II, and the plane was actually built at the Martin Bomber Plant, which is, I guess, now scheduled to be eventually now demolished, finally, after all these years—1943, it was built.

Obviously, we are very proud of Offut [Air Force Base] and its history and STRATCOM, and thank you for all your support there.

Congressman O'Rourke—there have been a number of questions asked regarding this question, but I really still don't have an answer. It is not because of you; it just seems so dynamic.

Congressman O'Rourke asked the question about what—the situation in the Mideast, where we were—obviously, we have talked about that, is dynamic.

And it seems to me that if the—we don't do something about sequestration, those problems are going to continue to exist, and they are, in some sense, imponderable. I mean, we don't know what is coming next.

So I hate to be redundant, but I would just ask one more time, what do you see in the next year to two years, maybe, through 2016, possibly, with the possibility of this situation in the Middle East becoming more difficult or even just the level it is at now?

General ODIERNO. Well, I think we understand for sure, as a minimum, we know we are going to have to continue to train Iraqi security forces, advise them, as well as the Syrian moderate resistance. We know that for sure.

We know that we are going to have to have the air support necessary to support us as we do that. That is the minimum.

But we also—that requires response forces in case our troops get into trouble that are there advising. So we have to have forces that are readily available in Kuwait and other places. That is the minimum.

It we decide that is not working and the President makes a decision that we have to do reassessment and we decide to use more forces, then we will have to be prepared to do that. And that is the concern. Are we prepared to do that, and do we have the readiness to accomplish that mission if necessary.

Mr. ASHFORD. If you would, just get from your perspectives, I know—

General DUNFORD. Congressman, you know, I guess the only thing I would add is—I mean, there are two trends that really—when you talk about dynamic, is the Shia-Sunni issue and then violent extremism in the region. So this is—it is a dynamic environment, and we do know what we are trying to do in Iraq and Syria specifically. What we don't is what is going to happen even into 2016, which makes our readiness to deal with the unexpected all the more important.

General WELSH. Congressman, I think the—as you mentioned, the problems are dynamic, and I think that is what we expect: more instability, more uncertainty, new groups arising, just like ISIS kind of surprised most Americans as it appeared.

I think that will lead to frustration here in the U.S. It will lead to frustration on the ground and with the folks doing the air campaign. And I think that will lead to more debate on the best approach to take as the situation changes again.

And so I think this will be an ongoing discussion. I think that Ray was exactly right in saying that we are going to have to continue the operations we are executing now, we have to continue to execute them well, and they have to be done in a manner that allows us options as this dynamic situation develops.

Mr. ASHFORD. It is just to see—to observe what is going on, and the exceptionalism of the team over there is beyond anything. So thank you very much.

The CHAIRMAN. Mr. Brooks.

Mr. BROOKS. Thank you, Mr. Chairman.

Thirty minutes before this hearing began, the embargo on Congressman Price's proposed House budget was lifted. It was embargoed until 9:30 a.m. this morning.

And I have got some preliminary questions, and Secretary McHugh, I hope you can assist me with those.

First, what does the President request as his base budget for national defense?

Secretary MCHUGH. How about I give you the Army number?

Mr. BROOKS. Does someone here have the total number for national defense from the President, his budget?

Secretary MCHUGH. It is \$571 billion—\$561 billion.

Mr. BROOKS. \$561 billion is the base. And then how much for overseas contingency operations?

Secretary MCHUGH. Well, again, for the Army, it is \$20 billion.

General ODIERNO. I think it is very close to \$50 billion.

Secretary MCHUGH. \$50 billion.

General ODIERNO. About \$48 billion, I believe, is the number.

Mr. BROOKS. Okay, I have got it as \$51 billion. Does that sound about right?

General ODIERNO. Sounds about right.

Mr. BROOKS. And that would give us a total, then, of \$612 billion. Does that sound about right for OCO and President's base budget request?

Now, the Budget Control Act has a limitation on base of \$523 billion, so the President's proposing a budget that is, if my math in my head is correct, about \$38 billion more than what the Budget Control Act says is permissible.

Does anyone have any explanation for how he can do that, how he can just disregard the Budget Control Act of 2011 and throw out a budget that is \$38 billion more than its limitation?

No one?

Secretary MCHUGH. I won't speak to the law. You directed—you asked if I could perhaps help on this.

I can tell you in discussions at OSD level, the President believes the sequestration level is so irresponsible that it cannot—

Mr. BROOKS. Secretary McHugh, if I could interject, because I have very limited time.

Secretary MCHUGH. Sure.

Mr. BROOKS. I am looking for the legal explanation, not the policy explanation.

No—I didn't hear anyone come up with a legal explanation.

Secretary MCHUGH. Well. I am a title 10 authority, I don't have legal responsibility from the Department of Defense.

Mr. BROOKS. All right. Let me move on then to Congressman Price's proposed House budget.

He starts, according to page 40 of his news release, graph S5. I don't know if you have had a chance to review it. He has got the basic \$523 billion, but then he has \$94 billion for OCO in order to go beyond what the President has requested for national defense and that OCO is defined as "global war on terrorism."

Of that \$94 billion for OCO, \$20.5 billion is some amorphous thing called Reserve, which we may or may not ever see. So it might actually be \$70-some odd billion that is in OCO as opposed to the \$94 billion that is in these graphs for a rough total of around \$617 billion.

Now, my question is kind of akin to what Congressman Fleming was asking. Does it make any difference to the Department of Defense if the money comes to the Department of Defense via the base versus overseas contingency operations?

How does that affect your ability to do what needs to be done? Would anyone like to respond to that?

Secretary MCHUGH. I think I addressed that earlier when I said that for the Army receiving relief through our end-strength provisions above 450 [thousand] provides us \$4.2 billion in 1-year relief.

Mr. BROOKS. Can you do—

Secretary MCHUGH. I am trying to explain—

Mr. BROOKS. Okay. Well, I have got only a minute and 10 seconds left, so let me move onto something more specific.

Littoral Combat Ships that are being built in the State of Alabama, Secretary Mabus, can that be built out of OCO funds?

Secretary MABUS. Under the current rules, I don't believe that any new construction can be. We can do repair.

Mr. BROOKS. So we can't use them for that purpose. Not as good as base money in that instance then? Is that a fair statement.

Secretary MABUS. I believe that is correct.

Mr. BROOKS. Let's look at Redstone Arsenal. We do a lot of missile defense. Can you do missile defense out of OCO moneys?

General Odierno, do you know?

General ODIERNO. As far as I know, we are not able to do that. It depends, but right now, we do not have the flexibility.

It is about flexibility in the OCO budget. We would have to have enough flexibility to do that, and we don't know how it is defined, so it would be difficult to give an answer.

Mr. BROOKS. Is it fair, then, for me to conclude that, as I am looking at the proposed House budget, that it is a whole lot better for the money to be in base as opposed to OCO. And to the extent it is in OCO, it does have some adverse effect on our national security capabilities.

Would you agree with that, Secretary McHugh?

Secretary MCHUGH. Yes, sir. I did earlier. It presents some challenges.

Mr. BROOKS. Secretary Mabus, would you agree with that?

Secretary MABUS. Yes, I would. It would be better to be in base.

Mr. BROOKS. And Secretary James, would you agree with that?

Secretary JAMES. Yes.

Mr. BROOKS. Does anyone have a judgment as to how much worse our national security would be if it is in OCO as opposed to base?

Secretary JAMES. The worst of all is if we don't get this fixed through some mechanism.

Mr. BROOKS. Right. Thank you, ma'am.

Thank you, Mr. Chairman.

The CHAIRMAN. Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

Secretary Mabus, I was really happily surprised to see you devote so much time to power and energy initiatives in your written testimony. Your comment about fuel being used as a weapon particularly struck out to me. I have always felt that there is a strategic imperative to energy use in the Department of Defense.

In fact, in 2003 and 2007, DOD put out numbers that said that 80 percent of all supply trucks on the road in Iraq and Afghanistan were conveying fuel. In that same time period, over 3,000 Americans, troops and contractors, were killed in fuel supply convoys.

Every time we talk about energy initiatives within DOD, somehow what gets lost in the conversation are the national security implications of what you and other services are trying to do.

It is not about—just about going green or trying to achieve some larger environmental goal. It is actually about developing technologies that will lighten the loads of our soldiers and marines. It is about developing technologies that will allow a platoon of soldiers and marines to push further to bring the fight into the enemy territory because they are not dependent on huge logistical tails.

It is also about enabling greater persistence range, endurance, and time on station for vehicles shipped in airplanes. It is about being able to project greater and more lethal power. Anything that enables us to do that, I am all for, and I think it should be embraced.

Mr. Secretary, could you outline some of the innovative energy initiatives the Navy is undertaking specifically touching on what they will enable the Navy to do in tactical and strategic terms?

Secretary MABUS. Thank you so much. And I couldn't be more articulate than you just were on that. But some of the specific things that we are doing in energy efficiency, we are doing everything from hull coatings to changing the light bulbs to doing voyage plan-

ning, to putting electric drives on some of our larger ships for slower speeds, to building an all-electric ship.

The Marines, as always, are leading the way here. And your statistic about we were losing a marine killed or wounded in Afghanistan for every 50 fuel trucks that were brought in. That is just too high a price to pay.

We have got SEAL teams now in the field that are pretty much net-zero in terms of energy. They make their energy where they are and they make their water where they are. For a Marine company, by using solar power to power radios, GPSs [Global Positioning Systems], they save 700 pounds of batteries per company. And they don't have to be resupplied with that.

In a larger, more strategic scale, the ability to use fuel as a weapon and the volatility of fuel prices that go up dramatically and down dramatically, creates immense problems for us in terms of being able to pay for that fuel and being able to plan for how much that fuel is.

And we are moving to non-fossil fuel sources to provide some competition in the fuel market, but also to smooth out that volatility and to create American jobs, and to have a home-grown source of fuel.

Ms. DUCKWORTH. Thank you.

Secretary McHugh, can you talk a little bit about some of the Army initiatives? I would think that if you could have an LSA [Logistics Support Area] that could produce some of its own fuel on base and keep, you know, a convoy or two of soldiers out there running fuel for the generators to run air conditioners at Balad or someplace, that would be a good thing. Is there—can you talk about some of the Army initiatives?

Secretary MCHUGH. Well, thank you very much, Congresswoman. As we have discussed before this committee in the past, it really is, as you so accurately put, a matter of soldiers' lives. And that is particularly true with respect to our operational energy programs.

We have constricted our energy utilization by about 17 percent in recent years. The frustrating thing is the cost of that energy nevertheless continues to rise. But having said that, we think we have a responsibility to our soldiers, as again you noted, to lighten their load.

Like our friends in the Marine Corps, we have reduced weights in necessary equipment for battery usage. We have solar blankets that can be used in just about any climate, to charge various radios, to charge our battery supplies, significantly lessening the load.

And we have also, through the use of more efficient engines, caused our need to resupply for fuel while forward much less demanding, much fewer occasions.

Again, to the strategic aspects of this, as Secretary Mabus said, this is a matter of, yes, the environment, but it is also of saving dollars. And I would be happy to provide you additional information on how we have done that back home.

Ms. DUCKWORTH. I would appreciate that. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman.

I appreciate this panel being here today. Obviously, it is always good to see all of you. I appreciate your service.

But this question is directed to Secretary James. It is in reference to the CHAMP [Counter-electronics High Power Microwave Advanced Missile Project] system. Congress directed the Air Force to develop CHAMP system on a cruise missile in the fiscal year 2014 NDAA, and added \$10 million to the fiscal year 2015 Omnibus Appropriations for the Air Force to build the system.

The capability the COCOMs have asked for—asked this committee for and right now it is a cost-effective way, and you talked about affordability, obviously, and we are looking to save money in areas that we can. But it is very cost-effective for us and very expensive for our adversaries to try to defeat.

America is leading the world in technology at the moment, but near-peer nations are catching up, you know, at a time when we really don't need that, and we certainly shouldn't deploy or delay deployment of this particular weapon system.

Despite the obvious benefits and the low-cost timeliness of the closing of the technology gap and authorization, appropriation, and outright encouragement by this Congress, and I was briefed earlier this year that the Air Force is not fully committed to building CHAMP by 2016.

And this is not a limitation on technology, authority, or funding. So please tell this committee, myself, if there is any reason the Air Force can't deliver CHAMP in 2016.

Secretary JAMES. So Mr. Nugent, I am going to yield to the chief because I am going to admit I do not know a great deal about this program, but it is one that I am going to look into more, you know, based on your bringing this to our attention. But I will yield to the chief on this.

General WELSH. [inaudible]—in fiscal year 2015 NDAA to look at a new way of moving this thing on a—of moving this—of using this weapon on a platform that is actually going to be survivable and operational beyond the COCOM.

The second thing we wanted to do is do more tech maturation on the technology. We want it to have a longer range. We want it to be more efficient. We want it to be more effective and more survivable.

So that is the near-term focus. We want to produce a family of electromagnetic weapons. So the idea of walking away from this concept is just simply not true.

One of the problems we have had that has made us inefficient in getting started on this program, and this is Mark offering an opinion to you now, sir, is that we have built weapons and electronic warfare capabilities in two separate capability portfolios.

So, what our A5/8 on the Air Staff has done, recognizing this problem several months ago, he directed a cross-functional study to bring our electronic warfare folks and our weapons producers together, which is where CHAMPs has to work, and tasked them to give him a study on the future of this weapons approach. And it is due this summer.

So we will be informed this summer on this, but to your specific question: Do we plan to produce this weapon by fiscal year 2016? No, sir, we can't get there from here.

Mr. NUGENT. What is amazing to me, General, with all due respect, is that this system has been tested and works on a current system that we have—the cruise missile. And we have some in inventory because we had to—because of the INF [Intermediate-Range Nuclear Forces] Treaty, you know, and it works.

Now, they have also increased the capability of the system. And obviously, we are not in a classified setting to talk about that increase to it, but the COCOMs have indicated that to get it out in the field today is better than, you know, while yes, it would be great to have a reusable platform in the future, and I think the Air Force should continue on that venture, but to get it out into the field in a relatively short period of time, at a relatively low cost by using existing platforms, it is a stop-gap.

I mean, it is something that you fit in knowing full well that the long-term is you need to have a long-term approach, but today it would give the warfighters, the Navy and the Army and those that will need that capability right now. And right now, I mean in terms of within a year or two versus 10 years out kind of development.

General WELSH. Congressman, munitions in general are a major issue for us right now. The funding that we have put against munitions is prioritized with precision weapons that we have been using for the last 15 years on the battlefield. And our stocks are depleted markedly.

So that is where the priority has been. I would love to have the folks on my staff who are working this issue come sit and talk to you and get your view of this problem and how you see the future for it. And then sit and tell you exactly where we are in this study effort. Would that be fair?

Mr. NUGENT. That would be fair. Thank you.

I yield back.

The CHAIRMAN. Mr. Byrne.

Mr. BYRNE. Thank you, Mr. Chairman.

My questions today are directed to Secretary Mabus and Admiral Howard. I appreciate the time both of you have spent in my district. Admiral Howard, your remarks at the christening of the *Montgomery* were just fabulous. Thank you.

Secretary Mabus, what are the likely impacts to the Littoral Combat Ship [LCS] program of slowing or breaking production in fiscal year 2016, 2017, and 2018, as we move toward implementing the design upgrades in fiscal year 2019?

Secretary MABUS. We have a block buy, as you know, on the Littoral Combat Ships, and they are in full serial production now. We have driven the cost down because of that, from a beginning cost per hull of about \$800 million, now to the ones coming off the line of about \$350 million. If you break that serial production, if you break that block buy, you, number one, lose some very skilled craftsmen that it is very hard to get that back. The industrial base impacts are enormous.

Number two, you end the economies of scale that we have now, and the ability to do these ships one after the other.

Number three, after the small surface combatant task force looked at how to make these ships more lethal, more survivable, they have come up with a package after an exhaustive look at every possible type ship, every possible type upgrade, that for about \$75 million a ship, it is going to be far more lethal, far more survivable, and you can fit it onto this hull.

But to keep that—those dollars, both for the hull costs and for the upgrade costs in those bounds at all, you have to keep this serial production going. You have a production break, you are going to be looking again at a first of a ship class, far more expensive. You are going to be looking at job training that you will have to do because you will have lost so many of these tradesmen. It would be not only for the LCS and its follow-on, the frigate, that will be the same ship, just upgraded.

I cannot overemphasize how devastating it would be to break production for economic reasons, because you are going to end up getting fewer ships at a much higher cost, so any economies that you might think you were getting would just disappear.

It is—I think I used the term, it is a bizarre way to approach shipbuilding.

Mr. BYRNE. Thank you.

Admiral HOWARD. There is also warfighting and operational aspect. When you slow down the build rate of the ships, we are producing these ships to replace our aging mine countermeasure capability. They will replace the frigates, and the last of our frigates are being decommissioned this year.

That ship right now coupled with the Fire Scout, tremendous, you know, ISR capability potential. She is going to bring flexibility and agility to some of our mission sets, and the longer we stretch out that gap as the frigates go away, the less we can offer up to the COCOMs' needs.

Secretary MABUS. Finally, Congressman, we have a need, a demonstrated need for 52 of these small surface combatants. We will not get there under the current budget, under the current bill plan until 2028. So to Admiral Howard's point, we will be low in terms of these for the next more than a decade.

Mr. BYRNE. There has been some comment about the fact that it had this redesign coming from the task force that looked at it. Isn't it par for the course that we change ships as we understand new circumstances, Admiral, that—for example, on both our DDGs [guided-missile destroyers] and *Virginia*-class submarine we have had to make some redesigns and changes, because we have learned new things and there are new circumstances out there. So is it any different with regard to the redesign of the LCS to become a frigate? Is it just our responding to the new circumstances we have discovered?

Admiral HOWARD. So you are quite right, that is the very essence of modernization for all of our services. And then for capital ships that certainly takes an amount of time.

The genius of LCS was to create the mission packages, the weapons systems, separate from the platform, so that we could more quickly adjust to emerging threats.

Mr. BYRNE. Well, I just want to thank you both, because I know how hard you have worked for the fleet in general, but my par-

ticular concern has been the LCS, and I appreciate your leadership on that, and you will have the continued support of this Congressman as you do so.

And I yield back.

The CHAIRMAN. Ms. Stefanik.

Ms. STEFANIK. Thank you, Mr. Chairman, and thank you to all of the witnesses here today. I want to direct my question to Secretary McHugh. Today and recently at a Senate hearing, you said "Because of sequestration, the Army will reduce its end strength to unconscionable levels by 2019, likely losing another six brigade combat teams and potentially a division headquarters along with associated effects to support infrastructure."

As you know very well, Fort Drum is home to the 10th Mountain Division which I am privileged to represent, and you for so many years represented with great honor and an exceptional record. It is extremely unique in terms of its training capabilities, power projection, and regional location in order to support our Armed Forces.

This installation has already experienced these devastating cuts first-hand, with the deactivation of one of its brigades, dilapidated World War II-era buildings still being used, and the potential loss of 16,000 soldier and civilian jobs due to another round of sequestration in the BCA. These cuts, as you know, would have a huge economic impact on New York and the Northeast as a whole.

Fort Drum is a training hub for all service branches and houses the Army's most deployed division since 1990.

Because of the potential cuts to training facilities and troop count due to sequestration, would you be able to give us your thoughts on how these cuts to Fort Drum and other installations like it would impact the Army's current and future missions overseas?

Secretary MCHUGH. Thank you, Congresswoman, and best wishes representing a place I obviously think is pretty special.

As I said in my opening comments, the reality of sequestration is simply this. Virtually every post, every camp, every station, every program that the Army conducts will see significant reductions. Mathematically it is inescapable. And that includes Fort Drum.

We are blessed as an Army to have a great plethora, if you will, of amazing bases that in places like the north country, in your district, support and provide an incredibly effective training ground and a very welcoming home.

But what we are faced with as all of us have said here today are the realities of the numbers that the budget would provide. And at 420,000, as you know, we are currently looking at possible reductions for our major military installations of up to 16,000. So that is in play.

I think there is an irony here. I went through three base closure rounds, and I understand how painful they are. And I lost a base in Plattsburgh, New York. Thanks to the great efforts of the community, that part of the world came back, but it wasn't easy and it took a lot of hard work. So I recognize and fully understand the hesitancy of many members.

But here is the reality: without the support of a base closure round we are forced, rather than to take excess infrastructure where we believe it exists, and spread these cuts almost in a pea-

nut butter kind of fashion, across all bases, across all installations, and it is not just a matter of end strength, it is to the point that you made our ability, or inability really, to keep up the facilities that our soldiers and their families rely upon and call home.

So this is a very dangerous spiral in which we find ourselves, and while ultimately as a military, we are most concerned with meeting the Nation's defense needs, where at sequestration, as the chief and I have both testified, we feel we can't meet the Defense Strategic Guidance, but it is also a question of the inability at sequestration levels of providing a good home and adequate training facilities, like we currently enjoy in places such as Fort Drum.

Ms. STEFANIK. I agree with your concerns about sequestration. I have been a strong voice against the sequester in terms of the long-term impact on our readiness. And frankly, I believe it puts our troops' lives at risk.

So thank you very much for your service, both to the north country, but to this country. Thanks.

Secretary MCHUGH. And thank you for yours.

The CHAIRMAN. Ms. McSally.

Ms. MCSALLY. Thank you, Mr. Chairman. And thanks all of you for your testimony. I think it has been a long day, but I appreciate your patience.

General Odierno, I would like to ask you, you have said in the past, "Our soldiers are very confident in the A-10." Is that still true? Just yes or no, I have got a lot of questions if you don't mind.

General ODIERNO. They are confident in the A-10, yes.

Ms. MCSALLY. And you have also said, "that your soldiers prefer the A-10." Is that still true, yes or no?

General ODIERNO. It depends on the environment.

Ms. MCSALLY. Okay, thank you, sir.

And you have also said that, "the A-10 is the best close air-support platform we have today." Do you still believe that to be true?

General ODIERNO. In Iraq and Afghanistan.

Ms. MCSALLY. Okay, thank you, sir.

And I just want to do a shoutout to the A-10 units right now that are deployed in the fight against ISIS, and also the 354th Fighter Squadron which I commanded is deployed over to the EUCOM [European Command] theater right now to ensure and train our allies with Russia's increased aggression.

So, Secretary James, you know, just given General Odierno's statements that he just reaffirmed, is the decision to mothball the A-10 a budget-based decision only?

Secretary JAMES. It is driven by the budget, Yes.

Ms. MCSALLY. Just by the budget.

So if you had more money, you would keep the A-10 in the inventory?

Secretary JAMES. I would, yes.

Ms. MCSALLY. Okay, great. So I think you think your budget request is about, what, \$10 billion over the sequester number? Or what is—

Secretary JAMES. Ten billion, and I have to add that we would need dollars above the President's budget level.

Ms. MCSALLY. That is what I am getting at. So how much more money would you need above the President's budget request in order to not mothball any A-10s.

Secretary JAMES. I think the 1-year cost would be on the order of between \$400 and \$500 million, but please let me check that to be sure. But if you look over the 5-year period of time, it is closer to \$4 billion.

Ms. MCSALLY. Got it. I have heard you say \$4.2 billion, but just for next year, would you guys get back to me what that cost would be? And I am assuming there may be—are there other unfunded mandates, or other unfunded requests above that, or if we were able to get you another \$400 million, \$500 million, would you keep the A-10 in the inventory?

Secretary JAMES. I would like to yield to the chief on that.

Ms. MCSALLY. How much more money do you need to keep the A-10?

General WELSH. We would have to go look at it, because it is beyond the A-10. We have to look at where we develop manpower now, for new maintenance for new airplanes that are being fielded. So it is beyond just the cost of the A-10. But the A-10 cost is \$4.2 billion for the FYDP [Future Years Defense Program]. It \$520 million or so this year.

Ms. MCSALLY. Yes, great. Thank you.

And I noticed in the discussion last year, and this is a very important one, because we are talking men and women on the ground under fire in harm's way, and making sure they have the best capability overhead, especially when they are in close proximity with enemies and friendlies where they need long loiter time and firepower and survivability in that environment, and that is where the A-10 brings the best capability overhead. So this is really important.

I know in the past there has been a discussion, it has been said the A-10 is old, the A-10 is aging, and we need new capabilities. But I noticed in your testimony you highlighted that your youngest B-52 is 53 years old, and you would like to keep it in the inventory until 2040, which by my math, that would mean your youngest B-52 would be 78 years old in 2040, and so you are keeping an aging airplane that certainly can't survive in a high air-defense environment, like the B-52, but we have heard the argument in the past that the A-10 is old. We have invested over a billion dollars in it to rebuild its wings, in the A-10C, and its avionics and the capabilities.

So those two things seem to be sort of contradictory. So I just want a comment on that.

General WELSH. We don't have the B-52 in the inventory by choice. If you will recall, the B-2 was supposed to replace a large part of that fleet, but that buy was stopped at 20 aircraft.

So that is why we are building the Long-Range Strike Bomber now, because we need 80 to 100 bombers.

The same thing is true with the A-10. We don't want the A-10 to be flying this mission when it is 50, 60, 70 years old. That is not fair to the sons and daughters of America.

Ms. MCSALLY. Right. So, okay, the B-52 is still flying because we don't yet have a capability to replace it. But the A-10 is being

asked to be mothballed but we don't have a capability yet to replace it, even though it can fly until at least 2028 and 2030. So how does that—

General WELSH. The A-10 is being retired because of the Budget Control Act.

Ms. MCSALLY. Okay, got it. So right now—

Secretary JAMES. Of course we do have the other aircraft that can cover the mission of close air support. That is the other reason—

Ms. MCSALLY. Not under those circumstances that I mentioned, having flown the A-10 in combat. There are unique circumstances where only the A-10 can save lives. Would you not agree with that, Secretary James?

General WELSH. I do not agree with that. I think there are circumstances where you would prefer to have an A-10. We have priced ourselves out of that game.

Ms. MCSALLY. Okay, so it is a budget issue.

General WELSH [continuing]. Every option available—

Ms. MCSALLY. If we had the funds and with the current wings rebuilding the A-10C, is it 2028 still where it could fly until before it needs to be retired?

General WELSH. 2028.

Ms. MCSALLY. 2028? Okay, great. And right now, the plan is to replace the A-10 eventually with the F-35, is that true?

General WELSH. The F-35 will be the high-threat CAS platform of the future.

Ms. MCSALLY. Okay, so the A-10 will be replaced by the F-35?

General WELSH. The F-35 will take the place of the A-10 and the F-16 eventually. But in the CAS arena, we will replace the A-10 capability more near term with F-16s and F-15Es, and we will augment that with the B-1 when the scenario allows us to, even the B-52, the AC-130, et cetera, but we will eventually have the F-35 as the high-end CAS platform.

Ms. MCSALLY. Yes, sir. Got it. My time has expired. I know we have talked about this before, but I don't believe the F-35 replaces the A-10 and the capabilities it brings to the fight for General Odierno's troops to make sure that they live to fight another day and get home to their troops.

I love the F-35. It is a great airplane, but it doesn't replace those capabilities.

General WELSH. I love your pin.

But the A-10 also cannot operate in a high-threat environment and provide close air support. He might need an—

Ms. MCSALLY. Absolutely, we need all of those capabilities.

Thank you, Mr. Chairman, I appreciate it—

The CHAIRMAN. Okay, you all aren't going to decide this now, but I appreciate the discussion.

Ms. MCSALLY. We are going to do this outside, and—

The CHAIRMAN. Thank you all for your patience. I think maybe we just have a couple more.

Mr. Jones.

Mr. JONES. Mr. Chairman, thank you very much. And really appreciate your service, your leadership, and both the appointees by the administration, as well as the service chiefs here today.

And I think if nothing else comes from your financial stress, the stress to our military, is the fact that we are going to have to start having different debates on the foreign policy that you have nothing directly to do with.

I looked at this week—and I heard Mr. Rogers, and I want to bring this up very quickly, and I want to ask a very simple question that you might or might not be able to answer.

These are articles this past week: “between casualties and desertions, Afghan military is shrinking fast”; “Afghan officials sanction murder, torture, rape, says report.” This past week in the New York Times, “CIA [Central Intelligence Agency] cash ended up in coffers of Al Qaeda.” That is what is the problem for Congress to help you get the proper funding for your military. That is not your doing or your fault. That is the fault of the administration and of Congress itself. Because you follow orders in uniform, and you are there because the President selected you to be the service chief, and he has confidence in you.

That is the problem, is that we continue to find absolute millions and billions of dollars to spend in Afghanistan. And yet we get these articles. You didn’t write the articles—you can’t help it. But this is the problem that the American people have, because they do read the articles. That does not take away from their respect of you and your services. Not one—not at all.

But when you cannot sell them—I heard General Welsh—and I agree with you, sir, you said, we haven’t done much to help with the infrastructure—to build the infrastructure of the Air Force. We can’t build the infrastructure of America, but yet we are spending billions of dollars so Afghanistan can build its infrastructure. That is the contradiction that is presenting the problem with this debate about whether we have sequestration or we don’t have sequestration.

I asked General Campbell last week, a very impressive Army general who now oversees the military action, I guess, in Afghanistan. And I was a little bit taken back by his answer when I asked him this question—and I am going to get to you in just 1 second.

Do you ever get a chance to tell whomever you answer to that 9 more years in Afghanistan of spending roughly \$25 to \$50 billion a year is worthwhile? Do you get a chance to say, well, I think maybe in 3 years, we give them benchmarks, and if they can’t reach those benchmarks, then we say, we are out. And his answer was fine. In fact, I got copies of it. He said that he is—his hope is, and that he believes that this would be the star of Central Asia. Well, every history book I ever read said, you ain’t going to change it no matter what you do.

I want to know, in informal settings, do you, in the military, who are here today, in uniform, get a chance once a month or once a week to sit down with General Dempsey, take off your ties, relax, have a beer or a glass of wine or whiskey, and talk about where we are going in this country and how it is impacting our military?

To the service chiefs—and I have got 1 minute. The service chiefs, do you get the same thing with Secretary Carter, of whether you get together in a relaxed session and talk about the foreign policy of America and how our military is falling apart because they are overworked, they are tired, and the equipment is overworked

and tired? Do you all ever get that opportunity? Whoever with the military will go first, and then one of the service chiefs, please.

General ODIERNO. Mr. Jones, we meet with the chairman schedulally twice a week, Monday or Friday, usually at least once every week. We have formal briefings, but at the end we have executive session; we discuss all of these issues in detail.

Mr. JONES. Thank you.

One of the service chiefs—

General WELSH. Sir I would offer that Secretary Carter is bringing together all of the service chiefs, all the combatant commanders, and all of the service secretaries, along with his Department of Defense senior leadership this Friday, to have exactly the discussion you are talking about—how do we best inform the debates on what is best for national security in this country.

The CHAIRMAN. Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman.

Thank you all for your service to our country and thank you for your patience today in handling all these questions. And I guess I will be finishing up or helping to finish up, and I would like to ask about directed energy and missile defense.

Now the Navy has operationally deployed the LaWS system [Laser Weapon System], I think on the *Ponce*, a directed energy weapon which can be used against a variety of threats. I believe that directed energy has turned a corner, and is one of the keys to our asymmetrical advantage using our technology for future security, but I am not sure the other branches are as up to date on this as the Navy is. Is anyone other than the Navy leaning forward on directed energy?

General ODIERNO. We just put \$5 million out to—specifically on laser technology in order to have a competition that will allow us to downsize the laser in such a way that we can use it against UAVs [unmanned aerial vehicles], mortars, rockets. We think there is a great application there and we are into that process. Plus for us it is about getting it small enough and enough directed energy in order to meet our needs and it is absolutely essential, we think, to our future and we just recently invested in that.

Mr. LAMBORN. That is great to hear. And Air Force?

Secretary JAMES. We too have a program. I can't quote you the dollar figures. We could get you that for the record. But for example, I was just out at Kirtland Air Force Base in New Mexico. Air Force Research Laboratory is doing work out there with lasers and directed energy.

Furthermore we are testing an aircraft defensive system which would have lasers involved and a laser communication system. So we have quite an active program as well.

Mr. LAMBORN. That is really good to hear. And I have been to the Air Force lab also, and they are doing wonderful work.

Now on missile defense, I am concerned that some of the services may not be taking missile defense capability as seriously as I think we have to. For example, the Navy is cutting—you thought I was going to let you off the hook there, the Navy—is cutting missile defense capable ships from its budget. Are each of you—starting with the Navy—are each of you committed to missile defense?

Secretary MABUS. Absolutely, Congressman. And we cut the modernization of some of our Aegis destroyers to make them ballistic missile defense capable, and we did it purely as a budgetary thing. It was one of the hard choices you had to make. We need a certain number of ballistic missile defense capable ships. And we can meet most of the requirements today. We have 4 that will be permanently homeported in Rota, Spain, that take the place of about 16 back here because they are permanently homeported.

We are continuing to modernize the Aegis system on our cruisers and our destroyers, but not as fast as we would like to, and it is all because of the, of the budget situation.

Mr. LAMBORN. Would anyone else like to jump in on that?

Secretary MCHUGH. I can add. Obviously the Army with that and Patriot is all in with respect to missile defense. It is one of, if not the most high-demand low-density assets we have. The chief spoke earlier today about the incredible amount of deployments we have, and even at that we are still not meeting combatant commanders' requirements.

We would be less than honest if we said that we haven't already, through the budget cuts we have experienced in recent years, particularly in our S&T programs, not had challenges to date. Our Patriot modernization program, our PAC-3 MSE [Missile Segment Enhancement] initiative, although continuous progress, is not going forward as quickly as we like. We had funds in 2014 to receive 92 missiles. We will begin to take delivery on those later this year. But as we look across the broad range of threats, again, as the chief mentioned earlier, we see that demand only increasing.

Mr. LAMBORN. Thank you. And Air Force?

General WELSH. Congressman, I would add that the Air Force is heavily involved in command and control for both theater ballistic missile defense, national missile defense, missile warning architecture, obviously is something we have been responsible for, for quite some time.

We have an awful lot of people who are involved in the collection, analysis, and distribution against indications and warning, collection targets for missile defense, and then one of the four pillars of missile defense of course is offensive operations. And our precision global strike capability is fundamental to that ability when we get tired of being a catcher's mitt.

Mr. LAMBORN. Thank you all very much.

The CHAIRMAN. Thank you all for today, for your responsiveness to this committee every day, and, again, for your service to the country. With that, the hearing stands adjourned.

[Whereupon, at 1:13 p.m., the committee was adjourned.]

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**A P P E N D I X**

MARCH 17, 2015

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 17, 2015

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**Opening Statement of Chairman William M. "Mac" Thornberry**  
**HEARING ON**  
**The Fiscal Year 2016 National Defense Authorization Budget Request from the**  
**Military Departments**  
**March 17, 2015**

Tomorrow the House Armed Services Committee will hold a hearing entitled, "The Fiscal Year 2016 National Defense Authorization Budget Request from the Military Departments". Witnesses can be found on the committee website. It is a committee first to have the Service Secretaries and Chiefs testify together in this manner.

Looking ahead to the hearing, Rep. Mac Thornberry (R-TX), Chairman of the Armed Services Committee, said: "Tomorrow, the full committee will examine the President's budget request for the Armed Services. I am pleased to welcome each of the Service Secretaries and most of the Service Chiefs. On behalf of the Committee and the people we represent, I want to thank each of you for your service to the nation.

Since January, this Committee has focused on understanding the strategic environment and the many complex security challenges facing the United States. I believe that in order to fulfill our responsibilities under the Constitution, to 'raise and support' and 'provide and maintain' military forces to meet the nation's needs, we must spend time understanding the specific challenges staring us in the face, as well as the longer term trends and where they are taking us.

So, over the last two months the full committee has held a variety of closed and open, classified and unclassified sessions with government and non-government witnesses, as well as foreign leaders. We held the first ever committee retreat with distinguished speakers, including General Dempsey, who helped us look back at the past, as well as think about the present and the future. Among the topics we have examined in various sessions are:

- The world-wide threats facing us,
- The status and trends of Islamic extremism,
- State-based security challenges,
- Threats in various geographic regions,
- The status of conflicts in various regions, and
- Technological superiority and the pace of technological change.

We have also received the recommendations of the Compensation and Retirement Commission, and of outside experts on the defense budget, and we have studied ways to improve the Department's acquisition of goods and services.

All of that work puts us in a better position, I think, to consider the Administration's proposed defense budget.

I am sure that Members will have questions on specific programs that were included or were left out of the Administration's request. I believe strongly that the job of the Congress under the Constitution and of this Committee is to exercise independent judgment on how best to meet the nation's security needs, giving a great deal of weight, of course, to the judgment of our military leaders, but not being a rubber stamp for any Administration. History has proven the wisdom of having a separate branch making independent decisions.

But whatever the details of the individual programmatic decisions, I also believe that we all need to look at the total resources devoted to defense, which is now about 15% of the federal budget, and to consider what the consequences would be if Congress approves significantly less in defense spending than the President has asked for.

I would say to our distinguished witnesses, especially those in uniform, this is the time to speak plainly.

You know the dangers we face around the world; you know the damage already done by a defense budget cut by one-fifth in real terms since 2010; you know the difficult choices ahead of us even with the President's request."

**Statement of Ranking Member Adam Smith**  
**HEARING ON**  
**The Fiscal Year 2016 National Defense Authorization Budget Request from the**  
**Military Departments**  
**March 17, 2015**

I believe the President should be congratulated for proposing a responsible defense budget. The Administration has acknowledged that we cannot achieve our current defense strategy with sequestration funding levels, and now it is up to Congress to make its own determination. However, I am extremely disturbed by press reports that suggest the House Budget Committee under Republican leadership may set the defense spending caps in line with the BCA's post-sequester spending caps. These levels would be substantially below the President's budget request and would, in my view, be fundamentally irresponsible in this time of crisis and conflict.

Some of the chiefs of service here have, in discussions with members and staff, laid out the kind of hard choices they would have to make if we provided them with funding levels below those of the President's budget request. I think many of my colleagues found those discussions illuminating and often disturbing. It is my hope that we can have that conversation again in public, along with an explanation of how harmful sequestration has been in the past, and what the effects would be moving forward. In turn, I hope we can use that conversation to build support among members to support bipartisan, common sense solutions to our current budget dilemma. We should no longer allow the threat of sequestration to hang over the Department of Defense, and the entire Federal government. It is long past time for us to work seriously on our budget problems. We in Congress imposed the Budget Control Act and all its damage on the Department, and it is only a lack of Congressional leadership that keeps the BCA in place.

At this point, I will once again reiterate my call for making recommended reforms within the Department of Defense that will free up funding for the future. It is irresponsible of us to simultaneously deny the Administration's request for additional funds for the Department of Defense and reject the Department's pleas for additional flexibility to eliminate excess bases, retire old platforms, and make changes to the pay and benefits structure. Chairman Thornberry is admirably working on acquisition reform, which will hopefully free up some resources, but much more can be done. We should probably do these things anyway, in the interests of ensuring that America's tax dollars are well spent, but if we are not going to remove the threat of sequestration, the case is even more compelling.

Again, I would like to thank our witnesses for joining us today. And I would like to thank you, Mr. Chairman, for your continued focus on this important issue.

RECORD VERSION

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH  
SECRETARY OF THE ARMY

AND

GENERAL RAYMOND T. ODIERNO  
CHIEF OF STAFF  
UNITED STATES ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES

FIRST SESSION, 114<sup>TH</sup> CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY

MARCH 17, 2015

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES

**STATEMENT BY  
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SECRETARY OF THE ARMY  
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**EXECUTIVE SUMMARY**

Now more than ever, in today's uncertain and dynamic security environment, we must be prepared to meet multiple, wide-ranging requirements across the globe simultaneously while retaining the ability to react to the unknown. The velocity of instability around the world has increased, and the Army is now operating on multiple continents simultaneously in ways unforeseen a year ago. In short, our Army is busy. We are fully engaged and our operational tempo will not subside for the foreseeable future. In the wake of Russia's intervention in Ukraine, the Army deployed forces to Eastern Europe in a demonstration of U.S. commitment and resolve. In West Africa, the Army provided support for the U.S. Agency for International Development's humanitarian mission to stem the tide of the Ebola virus. In response to regional instability in the Middle East, Army forces have recommitted to advise and assist Iraqi government forces and the Kurdish *Peshmerga*. Across the Pacific, thousands of Army forces are supporting operations to strengthen our partnerships and alliances as part of Pacific Pathways in places like Thailand, the Philippines, Malaysia, Australia, Indonesia and the Republic of Korea. We remain committed to protecting the enduring Armistice on the Korean Peninsula. Our Soldiers remain on point in Afghanistan, even as we draw down our forces there. Currently, nine of ten Regular Army and two Army National Guard division headquarters are committed in support of Combatant Commands, with more than 143,000 Soldiers deployed, forward stationed, or committed and 19,000 Reserve Soldiers mobilized.

Last year, we testified that the minimum force necessary to execute the defense strategy was a force floor of 450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve – a total of 980,000 Soldiers. That assessment has not changed and is based on certain planning assumptions regarding the duration, number and size of future missions. When determining these assessed force levels, we also made clear that risks at this level would grow if our underlying assumptions proved inaccurate. Although we still believe we can meet the primary missions of the Defense Strategic Guidance (DSG) today, our ability to do so has become tenuous. There is a growing divide between the Budget Control Act's (BCA) arbitrary funding mechanism –

that has seen the Army budget drop in nominal terms every year since enacted in 2011 – and the emerging geopolitical realities confronting us now across Europe, the Middle East, Africa and the Pacific, along with the growing threats to our homeland. Risk thereby increases to our force, our national security and our Nation. As the Army approaches a Total Army end strength of 980,000 Soldiers by FY18, we must constantly assess the operational tempo and its impacts on the health and viability of the force. We must ensure we have both the capability to respond to unforeseen demands and the capacity to sustain high levels of readiness.

So, as the Army looks to the future and continues to downsize, we have developed a new Army Operating Concept, “Win in a Complex World.” The foundation of the Army Operating Concept is our ability to conduct joint combined arms maneuver. The Army Operating Concept endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept sets the foundation upon which our leaders can focus our efforts and resources to maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously – in all phases of military operations – to prevent conflict, shape the security environment and win wars now and in the future.

Nevertheless, fiscal challenges brought on by the BCA strain our ability to bring into balance readiness, modernization and end strength. The BCA puts at significant risk the Army’s ability to meet the Army’s obligations within the DSG and fulfill its national security requirements. Even as demand for Army forces is growing, budget cuts are forcing us to reduce end strength to dangerously low levels. We face an “ends” and “means” mismatch between requirements and resources available.

The BCA and sequestration have already had a detrimental impact on readiness and modernization. Budget constraints have significantly impacted every Army modernization program, forcing the delay of critical investments in next generation capabilities, to include training support and power projection capabilities across Army installations. Although the Bipartisan Budget Agreement (BBA) provided fiscal relief to the Army in FY14, in FY15 the Army budget decreased by \$6B. We now face a FY16 defense spending cap insufficient for operating in an unstable global security environment that presents the Army with a number of urgent, complex and challenging missions. The FY16 spending cap – set almost four years ago – has not kept pace with the geopolitical reality unfolding around the world.

We know we must strike a balance between resources and capacity. The Army fully supports fiscal responsibility and has worked diligently and consistently to be a good steward of

taxpayer dollars. In that regard, we have made many tough choices. There are critical cost-saving measures that allow the Army to further reallocate scarce resources to ensure Army forces remain as trained and ready as possible. These include compensation reform, sustainable energy and resource initiatives, a new round of Base Realignment and Closure (BRAC) and the Aviation Restructure Initiative (ARI). We ask Congress to support these initiatives because without the flexibility to manage our budgets to achieve the greatest capability possible, we will be forced to make reductions to manpower, modernization and training that are larger, less efficient and longer-standing in the damage they inflict on the Army.

We also need consistent and predictable funding. The use of Continuing Resolutions wreaks havoc with Army readiness, modernization and end strength. It makes long term planning difficult, especially with the uncertainties that exist if we return to sequestration in FY16. As a result, we are forced to train intermittently and the materiel and equipment we buy costs more and takes longer to acquire. This ongoing budgetary unpredictability is neither militarily nor fiscally responsible. To maintain an appropriate level of readiness, the Army must receive consistent funding for training each year. Unless Congress eases the BCA defense caps, the Army will experience degraded readiness coupled with increased risk, making it more difficult for us to provide for the common defense. Each passing year, the BCA increases risk for sending insufficiently trained and equipped Soldiers into harm's way, and that is not a risk our Nation should accept.

Lastly, our profession is built on trust. In holding true to that trust, our Nation expects our competence, commitment and character to reflect our Army values. To that end, we are working to reduce and, in the future, eliminate sexual assault and sexual harassment, which destroys good order and discipline and is contrary to our core values. We are also increasing opportunities for women and opening positions based on standards free on any gender bias. Finally, our programs like Soldier for Life and the Ready and Resilient Campaign are demonstrating our sacred commitment to care for our Soldiers, our Civilians and their Families who selflessly sacrifice so much. These are actions we have taken because it is the right thing to do.

**INTRODUCTION**

Last year, we testified before Congress that the minimum end strength the Army requires to execute the 2012 Defense Strategic Guidance is 980,000 Soldiers – 450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve. We described how the Army moved to implement the 2014 Quadrennial Defense Review (QDR) guidance by shaping the force while supporting the fight in Afghanistan and deploying forces to address several unexpected challenges around the world. In contrast to the projections outlined in the defense strategy, the regional security and stability in Europe, Africa, the Middle East and the Pacific have deteriorated over the past 12-24 months in ways we did not anticipate. These growing and emerging threats to the global security environment compel us to rethink our assessment of the drawdown. For the next three years, as we restructure to operate as a smaller force, the Army faces readiness challenges and extensive modernization delays. Under the President's Budget, we will begin to regain balance between end strength, modernization and readiness beyond FY17. Although we still believe we can meet the fundamental requirements of the DSG at 980,000 Regular, Guard and Reserve Soldiers, it is a tenuous balance. The risk to our national security and our force itself continues to increase with rising instability and uncertainty across Europe, the Middle East, Africa and the Pacific, along with a growing threat to the homeland. Any force reductions below 980,000 Soldiers will render our Army unable to meet all elements of the DSG, and we will not be able to meet the multiple challenges to U.S. national interests without incurring an imprudent level of risk to our Nation's security.

**INCREASING VELOCITY OF GLOBAL INSTABILITY**

The accelerating insecurity and instability across Europe, the Middle East, Africa and the Pacific, coupled with the continued threat to the homeland and our ongoing operations in Afghanistan, remain a significant concern to the Army. The Islamic State in Iraq and the Levant's (ISIL) unforeseen expansion and the rapid disintegration of order in Iraq and Syria have dramatically escalated conflict in the region. Order within Yemen is splintering; the al Qaeda insurgency and Houthi expansion continues there; and the country is quickly approaching a civil war. In North and West Africa, anarchy, extremism and terrorism continue to threaten the interests of the United States, as well as our allies and partners. In Europe, Russia's intervention in Ukraine challenges the resolve of the European Union. Across the Asia-Pacific, China's lack of transparency regarding its military modernization efforts raise concerns with the United States and our allies, and the continuing development of North Korea's nuclear and missile programs contributes to instability. The rate of humanitarian and disaster

relief missions, such as the recent threat of Ebola, heightens the level of uncertainty we face around the world, along with constantly evolving threats to the homeland. With the velocity of instability increasing around the world, continuing unrest in the Middle East, and the threat of terrorism growing rather than receding—witness the recent tragedies in Paris and Nigeria—now is not the time to drastically reduce capability and capacity.

The Army, as part of the Joint Force, operates globally in environments characterized by growing urbanization, the potential for the proliferation of weapons of mass destruction, malicious cyber and information operations, humanitarian crises and the deleterious effects of climate change. Sectarian violence exploited by state and non-state actors, irredentism and terrorist activities are driving conflict around the world. The corrosive effects of drug and human trafficking by transnational criminal organizations undermine state authority and trigger a destabilizing level of violence in places such as Central and South America. These combined factors lead to vulnerable populations and threats that appear across multiple domains, the sum of which will continue to challenge global security and cooperation in ways that are difficult to anticipate.

No single strategic challenger is likely to gain overall superiority over U.S. military capabilities in the near future. Even so, competitors of the U.S. seek to negate our strengths, exploit our vulnerabilities and gain temporary or local superiority in one or more capability areas. It is unlikely any of these challengers will choose traditional force-on-force confrontation with American forces. Instead, potential adversaries are likely to pursue and emphasize indirect and asymmetric techniques. Their strategies may include employing anti-access/area denial capabilities, using surrogates, subverting our allies, using cyber and information operations, staying under our threshold for combat or simply prolonging conflict to test our resolve.

One of the most important global security bulwarks is the U.S. network of security alliances and partners. This valuable asset to U.S. national security and global stability is entering a period of transition. Traditional allies in Europe face significant economic and demographic burdens that exert downward pressure on defense budgets. As a consequence, allies and partners who have joined us in past coalition operations may be less apt to do so in the future. Building the security capacity necessary for regional stability requires sustained and focused engagement. Active engagement with allies, friends and partners is resource-intensive, but will be essential to sustaining global multilateral security. This combination of threats and conditions creates an increasingly dangerous and unpredictable operational environment and underscores the need for a U.S. Army that is agile, responsive and regionally engaged.

**DEMAND FOR A GLOBALLY RESPONSIVE AND REGIONALLY ENGAGED ARMY**

It is imperative we maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously – in all phases of military operations – to prevent conflicts, shape the security environment and, when necessary, win in support of U.S. policy objectives. The Army is and will continue to be the backbone of the Joint Force, providing fundamental capabilities to each of the Combatant Commanders such as command and control, logistics, intelligence and communications support to set the theater, as well as providing ground combat forces, Special Operations Forces and Joint Task Force headquarters. Demand for Army capabilities and presence continues to increase across Combatant Commands in response to emerging contingencies. The Army has sent rotational forces to Europe, Kuwait and the Republic of Korea, and established JTF Headquarters in Iraq, Afghanistan, Honduras, the Horn of Africa and Jordan. In multiple Areas of Responsibility, the Army is meeting simultaneous requirements based on our ten primary DSG missions. As part of the Joint Force, we support Combatant Commanders and work with interagency partners and our allies to enhance security cooperation, provide foreign humanitarian assistance, build partner capacity and participate in multi-lateral exercises.

We are making the Army more agile, adaptable and expeditionary than ever before. For example, there is an infantry battalion forward-deployed in Djibouti, and units in Kuwait positioned to quickly respond anywhere in the Middle East. Even as we reduce our presence in Afghanistan, the global demand for Brigade Combat Teams (BCTs), the Army's basic warfighting units, is projected to decrease by only one before 2016. Combatant Commanders' demand for Patriot missile battalions and Terminal High Altitude Air Defense (THAAD) batteries exceeds our capacity, significantly limiting options in emerging crises, and exceeding the Army's ability to meet Department of Defense (DoD) deployment-to-dwell rotation goals for these units. In FY16, we expect Combatant Command and Interagency demand for Army forces will increase further in areas such as logistics, intelligence, cyber, space, air and missile defense, signal, aviation, Special Operations Forces and mission command.

Demand for Army division headquarters is already high and we expect this trend to continue. Combatant Commanders rely upon the proven mission-command capabilities of our division headquarters and the essential shaping effects of Army enabler units including Intelligence, Surveillance and Reconnaissance (ISR) platforms. In the last year, we deployed the 1<sup>st</sup> Infantry Division headquarters to U.S. Central Command in support of the multinational effort to defeat ISIL, and we delivered the 101st Airborne Division (Air Assault) headquarters to synchronize national and international efforts to counter the Ebola virus in West Africa.

Additionally, 1<sup>st</sup> Armored Division Headquarters conducts operations in Jordan; 2<sup>nd</sup> Infantry Division protects the Republic of Korea; 3<sup>rd</sup> Infantry Division advises and assists in Afghanistan; and 4<sup>th</sup> Infantry Division assures our allies in Europe. All told, elements of nine out of ten Regular Army division headquarters and two Army National Guard division headquarters, including the Global Response Force, are currently deployed or prepared to deploy around the globe supporting commitments to the Pacific Theater and the Republic of Korea; Afghanistan, Jordan, Iraq and Kuwait; Africa; Eastern Europe, and the homeland.

Consequently, we must size and shape the Army for the world in which we live. First, through the Army, and the presence it provides, we will fulfill our collective security obligations, defend our citizens and protect our national interests when the Nation calls upon us. Second, a robust Army provides Combatant Commanders with essential capacity to more fully engage allies and shape the security environment across their areas of responsibility. Finally, appropriate Army force levels reduce the risk of being “too wrong” in our assumptions about the future.

Unlike previous eras and conflicts, today's fast-paced world simply does not allow us the time to regenerate capabilities after a crisis erupts. Faced with a national crisis, we will fight with the Army we have, but there will be consequences. Generating the Army is a complex endeavor that requires policy decisions, dollars, Soldiers, infrastructure and, most importantly, time. It takes approximately 30 months to generate a fully manned and trained Regular Army BCT once the Army decides to expand the force. Senior command and control headquarters, such as divisions and corps, take even longer to generate and train to be effective given the skill sets and training required of Soldiers manning these formations. Overall, we must acknowledge that today's highly-technological, All-Volunteer Force is much different than the industrial age armies of the past.

Finally, with flexibility to balance structure, modernization and readiness within budgetary authority, we can best mitigate the risk imposed by budget reductions and end strength reductions to adapt to a rapidly-changing operating environment. Achieving this balance will enhance our ability to redesign the force for the future, experiment with new, innovative operational concepts and rebuild critical collective skills, all while taking care of our Soldiers and their Families in a manner consistent with their service and sacrifice.

#### **Army Operating Concept: Win in a Complex World**

Even as the Army confronts the many challenges wrought by sequestration, we continue to seek efficiencies while adapting to the complexities of an evolving and unstable security environment. It is imperative that our Army adapts to the future joint operating environment, one

that consists of diverse enemies that employ traditional, irregular and hybrid strategies which threaten U.S. security and vital interests. In October of last year, we introduced the new Army Operating Concept, "Win in a Complex World." The foundation of this concept is our ability to conduct joint combined arms maneuver. It endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept reinforces our five strategic priorities:

1. Develop adaptive Army leaders for a complex world;
2. Build a globally responsive and regionally engaged Army;
3. Provide a ready and modern Army;
4. Strengthen our commitment to our Army profession; and
5. Sustain the premier All-Volunteer Army.

The Army Operating Concept also describes the Army's contribution to globally integrated operations. Army forces provide foundational capabilities required by the Combat Commanders to synchronize and integrate effects across land and from land into the air, maritime, space and cyberspace domains. The Army Operating Concept ensures that we are prepared to lead Joint, interorganizational and multinational teams in complex security environments.

Through a dedicated "Campaign of Learning" under Force 2025 Maneuvers, we will assess new capabilities, design and doctrine. This enables future innovation of our expeditionary capabilities and enhanced agility. We are assessing key capabilities such as manned-unmanned teaming, operational energy and expeditionary command posts. We are focusing our innovation efforts in this Campaign of Learning to ensure we address the 20 Army Warfighting Challenges. The Army Warfighting Challenges are the enduring first-order problems, and solving them will improve combat effectiveness. These challenges range from shaping the Security Environment, to countering Weapons of Mass Destruction, to conducting Space and Cyber Operations, to Integrating and Delivering Fires to Exercising Mission Command. The Army Operating Concept represents a long-term, cost-effective way to enhance readiness, improve interoperability and modernize the force. It is also a cost-effective way to assess and demonstrate Joint and multinational interoperability and readiness. We must continue to learn and apply what we learn as we rethink how the Army operates to "Win in a Complex World."

**President's Budget Request**

This year, the President's Budget requests \$126.5B for the Army base budget. This budget request is about \$5.4B above what the Congress enacted in FY15. The President's Budget requests \$6B more than an expected sequester-level budget. This additional \$6B will be invested in readiness and procurement:

- \$3.4B for training, sustainment and installation programs directly supporting combat readiness; and,
- \$2.6B for Research and Development, and Acquisition accounts in order to equip Soldiers across the Regular, Guard and Reserve forces, sustain critical parts of the industrial base and invest in innovation supporting the Army Operating Concept.

These increases are critical to achieving sustainable readiness needed to meet the demands of today's complex environment, while preserving manpower needed to prevent hollowness in our formations.

As Congress reviews our budget for this year, we ask that you compare our funding levels to what we asked for and executed in FY13 and FY14, rather than to the near-sequestration level funding enacted in FY15. With the support of Congress, the Army executed \$125B in FY14 to begin rebuilding readiness lost in FY13 due to sequestration. The FY15-enacted level of \$121B is challenging commanders across the Army to sustain readiness while reorganizing formations to operate as smaller forces. In FY15, we are significantly reducing key installation and family services, individual training events and modernization to such an extent as to jeopardize future readiness and quality of life. The Army's budget request for FY16 continues to focus on building near term readiness through predictability and continuity in funding levels.

One critical assumption in the President's Budget request is that Congress will enact necessary compensation and force restructuring. We fully support modest reforms to pay raises, health care and other benefits that have been proposed. Without these reforms, savings assumptions we have included in our planning will not be realized, placing increasing pressure on further end strength reductions and reducing funding needed to sustain readiness. The President is proposing over \$25B in compensation reforms including slowing the growth of Basic Allowance for Housing, changing TRICARE, reducing the commissary subsidy and slowing the growth in basic pay. Should Congress fail to enact these reforms, the effects of budget shortfalls in programs and services throughout the force will wreak havoc on our formations. We will have to make decisions at every Army installation that will impact the quality

of life, morale and readiness of our Soldiers. Without appropriate compensation reform, the Army would need an additional \$10.4B across the program years to meet our basic requirements. To the extent Congress does not approve the extra topline or the reforms, we would have to find another \$2-3B per year in reductions, thereby further diminishing the size and capability of our fighting force. None of these reforms are easy, but all are necessary.

One of our most important reforms is the Aviation Restructuring Initiative (ARI), which we continued in FY15. Our current aviation structure is unaffordable, so the Army's plan avoids \$12B in costs and saves an additional \$1B annually if we fully implement ARI. We simply cannot afford to maintain our current aviation structure and sustain modernization while providing trained and ready aviation units across all three components. Our comprehensive approach through ARI will ultimately allow us to eliminate obsolete airframes, sustain a modernized fleet, and reduce sustainment costs.

Through ARI, we will eliminate nearly 700 aircraft and three Combat Aviation Brigades from the Active Component, while only reducing 111 airframes from the Reserve Component. ARI eliminates and reorganizes structure, while increasing capabilities in order to minimize risk to meeting operational requirements within the capacity of remaining aviation units across all components. If the Army does not execute ARI, we will incur additional costs associated with buying additional aircraft and structure at the expense of modernizing current and future aviation systems in the total force.

Although we disagree with the need for a Commission on the Future of the Army, as directed in the National Defense Authorization Act, we will fully support the Commission as it examines and assesses the force structure and force mix decisions the Army has proposed for Active and Reserve Components.

#### **Impacts of Sequestration**

In support of the President's FY15 budget request, which reflected the outcomes of the Secretary of Defense's 2013 Strategic Choices and Management Review (SCMR) and the 2014 QDR, we emphasized that the updated defense strategy, combined with reduced Army force levels, had increased the risk level to "significant," and would become manageable only after the Army achieved balance between end strength, readiness and modernization. At force levels driven by affordability under full sequestration, the Army cannot fully implement its role in the defense strategy. Sequestration would require the Army to further reduce our Total Army end strength to at least 920,000, or 60,000 below the 980,000 currently reflected in the President's Budget request.

Global demands for the Army are increasing, but end strength, readiness and modernization cuts greatly reduce our ability to respond at a time when the instability is accelerating worldwide. As a result, we are faced with an ends and means disparity between what is required of us and what we are resourced to accomplish. This has real impacts for our national security. Long-term fiscal predictability will allow the Army to balance force structure, end strength, modernization and readiness, while providing the Nation a trained and ready force prepared to win in a complex world. Without this investment, we will see immediate degradations in recruiting, manning, training, equipping and sustaining Army readiness during a time of great uncertainty and growing worldwide instability.

Although we are already expecting a decline in the overall readiness of our forces in FY15, it pales in comparison to the decrease of readiness under expected sequester levels in FY16. Sequestration measures will not only dissipate the modest gains we achieved, but will leave the Army in a hollow and precarious state. The impact of sequestration on the Army's FY16 funding levels would cause an abrupt and immediate degradation of training, readiness and modernization. Relief from full sequester-levels in FY14 provided some predictability and allowed for partial recovery from FY13's low readiness levels. However, the Army demonstrated a need for funding above the enacted \$121B topline in FY15, as savings from drawing down end strength are manifesting as rapidly as possible. Current funding levels afforded just over a third of our BCTs the training necessary to conduct decisive action. This year, we face significant challenges to sustain even that level of readiness in our dynamic operating environment.

If sequestration remains unchanged, the consequences for our Army will be dramatic. Another round of cuts will render our force unable to meet all elements of the DSG without creating additional risk to our soldiers. Reductions in end strength brought on by sequestration will limit our ability to provide strategic options to the President and pose unacceptable risk by placing into question our capacity to execute even one prolonged, multi-phased major contingency operation. We will experience significant degradations in readiness and modernization, which will extend adverse impacts well into the next decade, exacerbating the time the Army requires to regain full readiness. The Nation cannot afford the impacts of sequestration. Our national security is at stake.

#### **Achieving End Strength Reductions**

By the end of FY15, we will have reduced the Regular Army by over 80,000 Soldiers, 8,000 in the Army National Guard and 7,000 in the Army Reserve. Commensurate with these reductions, the Army will achieve an end strength by the end of FY15 of 490,000 Regular Army,

350,000 Army National Guard and 202,000 Army Reserve. Consistent with available budget resources, the 2014 Quadrennial Defense Review and the DSG, the Army will continue to reduce its end strength in FY16 as follows: the Regular Army will shrink by 15,000 (3.1%) to 475,000; the Army National Guard will shrink by 8,000 (2.3%) to 342,000; and the Army Reserve will shrink by 4,000 (2%) to 198,000.

To achieve required end strength reductions, we will need to separate Soldiers who have served their nation honorably. Cumulatively, we will have reduced our Regular Army end strength from a wartime high of 570,000 to 475,000 by the end of 2016 (17% reduction), while our Army National Guard will have reduced its end strength from a wartime high of 358,000 to 342,000 (4.5% reduction) and the Army Reserve will have reduced its end strength from a wartime high of 205,000 to 198,000 (3.4% reduction). These reductions put the Army on a glide path to meet the targeted force of 980,000 in FY18. For all components of the Army, this end strength is smaller than the pre-2001 force structure.

Although we are making reductions in the overall end strength of the Army National Guard and U.S. Army Reserve, we have continued to invest in higher Full Time Support levels, including Active Guard and Reserve, Military Technicians and Civilians. This budget supports 82,720 Full Time Support positions in FY16 as compared to 68,000 in FY01. This level of Full Time Support constitutes a 20% increase since 2001.

In the Army Civilian workforce, we have reduced Department of the Army Civilians from the wartime high levels of 285,000 and will continue to reduce appropriately over the coming years. While necessary, these reductions in the Civilian workforce have and will continue to adversely impact capabilities such as medical treatment, training, depot and range maintenance, installation emergency services, physical security and select intelligence functions. In all of the reductions across the Total Army, we are taking prudent measures to ensure we balance requirements and capacity.

To achieve planned end strength reductions, the Army expects to use various types of separation authorities across all elements of the Total Force. The FY12 and FY13 National Defense Authorization Acts provided several authorities to help the Army shape the force over the drawdown period, along with the flexibility to apply them to meet specific grade and skill requirements. Under normal loss rates, we would not be able to reach our end strength goal during the FY15-FY17 period. There is no single force-shaping method among the choices of accession, retention and separation that allows the Army to achieve its end strength goals; inevitably, we will have to involuntarily separate quality Soldiers. Closely managing accession

levels, selectively promoting and following more stringent retention standards will help shape the force over time.

Although the Army expects to lose combat-seasoned Soldiers and leaders, throughout this process, our focus will be on retaining individuals with the greatest potential for future service in the right grades and skills. As Soldiers depart the Regular Army, we are committed to assisting them and their Families as they reintegrate into civilian communities. Leaders across the Army are engaged in "Soldier for Life," a continuum of service concept that facilitates transition to civilian employment, educational opportunities and service in the Reserve Components.

#### **ENSURING A READY ARMY**

During this period of drawdown, the Army is reorganizing, realigning and restructuring forces. The Brigade Combat Team reorganization enhances brigade combat power by adding a third maneuver battalion to 38 BCTs by the end of FY15 and reducing the total number of BCTs to 60 (32 Regular Army and 28 Army National Guard) in the Total Force.

Since May 2014, we have been developing a sustainable force generation and readiness model to account for the new, volatile, strategic operating environment; the need to remain regionally-engaged and budgetary and force sizing realities. The Sustainable Readiness Model will provide force generation policies and processes that optimize the readiness of the force and balance the Army's steady state missions, contingency response capability and available resources. We cannot predict the specific events that will cause the next demand for Army forces, but history suggests it will come sooner than we expect. All components of the Army must remain sized and postured as essential members of the Joint Force to protect the Nation and its interests.

Even with funding relief from sequestration in FY14, in FY15 we returned to near-sequestration level funding, resulting in just a third of our BCTs trained in their core mission capabilities in decisive action. The President's Budget request increases readiness funding above FY15 levels, which is critical to sustaining and improving readiness of the force. In FY14, the Army completed 19 rotations at the Combat Training Centers (CTCs), including six rotations for deploying BCTs and 13 decisive action training rotations (12 Regular Army and one Army National Guard). FY15 funding levels challenge Army commanders to sustain continuity in readiness across the force; however, we remain committed to CTC rotations to build leader and unit readiness. FY15 plans fund 19 CTC rotations, with 15 Regular Army and two Army National Guard decisive action rotations, with FY16 continuing this level of CTC exercises. We are improving Training Support Systems to enable more realistic home station training, increase

collective training proficiency and enhance operational readiness for contingencies across the globe; however, funding constraints in FY15 impede our ability to maximize home station training goals. The President's Budget request for FY16 allows the Army to increase training readiness to battalion-level across the Active Component force and to platoon-level in the Reserves. Lower funding levels will not allow us to achieve this balanced readiness.

Although the Army attempts to mitigate the impacts on training readiness, we must continue to implement the Contingency Force model of FY15 in order to maintain readiness for the 24 of 60 BCTs that will receive sufficient funding to conduct training at CTCs and home station. Funding shortages will limit the remaining 36 BCTs to minimum Individual/Crew/Squad resourcing levels through sufficient Training Support Systems (TSS). In short, sequestration forces the Army to ration readiness. Regardless of funding levels, we are committed to keeping CTCs a priority.

Our aim is to provide tough, realistic multi-echelon home station training using a mix of live, virtual and constructive methods that efficiently and effectively build Soldier, leader and unit competency over time, contributing to the effectiveness of the current and future forces. Training will integrate the unique capabilities of the Light, Medium and Heavy forces, as well as the capabilities of Conventional and Special Operations Forces. Furthermore, we are optimizing the use of existing training capacity and leveraging other opportunities such as CTCs, exercises and operational deployments to maximize the training benefits of fixed overhead and operational costs. Training centers such as Joint Multinational Readiness Center will increase our interoperability with Allies. Our goal is to increase readiness from 33% to 70% of our Regular Army BCTs, allowing the Army to balance Combatant Command force requirements while maintaining surge capability – but we need consistent resources to get there. We are also increasing funding for our individual and institutional training. Funding increases focus on leader development, entry-level training and flight training. This allows the Army to develop its future leaders, prepare its Soldiers to operate in today's dynamic combat environment and provide trained and ready Soldiers to meet Combatant Commanders' requirements.

The Army continues to make progress in integrating the unique capabilities of each of its components to support the needs of the Combatant Commanders. As part of the Army's Total Force Policy, the U.S. Army Forces Command is leading the way by partnering every Guard and Reserve division and brigade with a Regular Army peer unit. The Army is also piloting a program to assign Guard and Reserve personnel directly to each Regular Army corps and division headquarters. For example, the Reserve Component rapidly provided support

capabilities in support of Operation United Assistance in Liberia to augment and replace elements of the initial Active Component response.

As we transition from combat operations in Afghanistan, our Army is focused on our ability to rapidly deploy forces around the world in order to meet the needs of our Combatant Commanders. To do this, we enhanced prepositioned equipment sets and created activity sets to support operations in Europe, the Pacific and around the world. Activity sets are prepositioned sets of equipment that enable U.S. regionally-aligned forces and multinational partners in Europe to train and operate. We have also reinvigorated our Emergency Deployment Readiness Exercise program and enhanced the en route mission command capability of our Global Response Force. The President's Budget request provides sufficient capability to respond in each Geographical Combatant Command's area of responsibility.

The Army continues to be a good steward of the resources appropriated for replacement, recapitalization and repair of materiel returning from operations conducted in Afghanistan. In 2014, the Army efficiently synchronized equipment retrograde out of theater. Redeployment and retrograde operations remain on schedule; however, the Army continues to forecast a need for reset funding for three years after redeployment of the last piece of equipment from theater. A steady, responsible drawdown of personnel and equipment demonstrates good stewardship of resources while facilitating transition to the post-2014 Resolute Support Mission in Afghanistan. In addition, we identified almost \$2B of potential requirement reductions in Contractor Logistics and Training Support, and took advantage of our wartime reset program to reduce Depot Maintenance by over \$1.3B over five years. These changes allowed the Army to increase the capability of its prepositioned stocks program without an increase in the associated costs.

The proliferation of information and communications technologies increases the momentum of human interaction, creating a constantly shifting geopolitical landscape. An Army that is globally engaged and regionally aligned requires access at the point of need, robust network capacity and capability that is tailorable and scalable. The Army's strategy is to effectively leverage joint networks, transition to cloud-based solutions and services, reduce the culture of controlling network resources and divest legacy systems to make way for resources to build network modernization. Over time, this will significantly boost information technology operational efficiency, improve mission effectiveness and posture the Army to more quickly adapt and innovate.

The Army continually seeks incremental improvements to its institutional organizations, processes and business systems in order to provide ready forces in the most fiscally

responsible way for the Nation. The Army is expanding its efforts to control the cost of business operations by reducing the size of headquarters units, which we view as a fiscal imperative. Progressive fielding of Enterprise Resource Planning systems is enhancing accountability, changing business processes and enabling the retirement of legacy systems that will ultimately reduce our overall costs. Our workforce is adapting to new systems and processes inherent in increased internal controls and enterprise connectivity across business domains. Army leaders are actively engaged in change management and committed to meeting audit readiness goals and the September 2017 audit assertion of our financial statements. We continue to challenge the status quo, enabling the institutional Army to perform its activities smarter, faster and at reduced cost to provide more resources for readiness.

#### **ENSURING A MODERN ARMY**

##### **Modernization**

Decreases to the Army budget over the past several years have had significant impacts on Army modernization and threaten our ability to retain overmatch through the next decade. Since 2011, the Army has ended 20 programs, delayed 125 and restructured 124. Between 2011 and 2015, Research and Development and Acquisition accounts plunged 35% from \$31B to \$20B. Procurement alone dropped from \$21.3B to \$13.9B. We estimate sequestration will affect over 80 Army programs. Major impacts include delays in equipping to support expeditionary forces, delays in combat vehicle and aviation modernization, increases in sustainment costs to fix older equipment and increases in capability gaps.

Our intent is to modernize and equip Soldiers with effective, affordable and sustainable equipment that is ready and tailorable to support the full range of Combatant Command requirements. The President's Budget request would provide over \$2B to address the growing gaps in our modernization accounts. Even with this additional funding, modernization remains more than \$3B short of the historical average as a percentage of the Army's budget.

The Army will continue to protect Science and Technology (S&T) investments critical to identifying, developing and demonstrating technology options that inform and enable affordable capabilities for the Soldier. S&T efforts will foster innovation, maturation and demonstration of technology-enabled capabilities, maximizing the potential of emergent game-changing landpower technologies. Key investments include Joint Multi-Role Helicopter, the foundation for the Army's Future Vertical Lift capability; combat vehicle prototyping; assured Position, Navigation and Timing and enhancing cyber operations and network protections. We continue to explore the possibilities of cyber, high-energy laser, materials, human performance and quantum science technologies for a variety of applications.

The centerpiece of the Army's Modernization Strategy continues to be the Soldier and the squad. The Army's objective is to rapidly integrate technologies and applications that empower, protect and unburden the Soldier and our formations, thus providing the Soldier with the right equipment, at the right time, to accomplish the assigned mission. The Army will support this priority by investing in technologies that provide the Soldier and squad with advanced war fighting capabilities such as enhanced weapon effects, next generation optics and night vision devices, advanced body armor and individual protective equipment, unmanned aerial systems, ground based robots and Soldier power systems.

Improvements to mission command will facilitate the decision-making of leaders and Soldiers across all tactical echelons for Unified Land Operations in support of the Joint Force and allies. The Army will develop and field a robust, integrated tactical mission command network linking command posts, and extending out to the tactical edge and across platforms. We will build enhanced mission command capabilities and platform integration by fielding software applications for the Common Operating Environment, while working to converge operations and intelligence networks. Based on the current and projected demands for ISR, the Army adjusted the Gray Eagle unmanned aerial system program's fielding schedule to make more assets available to strategic and operational commanders this year. The Army also expanded the Aerial Intelligence Brigade with an additional 18 Gray Eagles for a total of 36 aircraft, and an increase from 48 to 165 soldiers per company.

With respect to combat platforms, and those desired to enable greater protected mobility, the Army's objective is to consider the most stressing contingency operations and make its fleets more capable. In addition to the Apache AH-64E and Blackhawk UH-60M investments, which support the Army's Aviation Restructure Initiative, the Army will continue development of the Armored Multi-Purpose Vehicle to replace the obsolete M113 family of vehicles and begin to produce the Joint Light Tactical family of vehicles. The Army will also continue to make improvements to the survivability, lethality, mobility and protection of the Abrams tank, Bradley Infantry Fighting Vehicle and Paladin self-propelled howitzer fleets. While resource constraints will force the Army to delay new system development and investment in the next generation of capabilities, we will execute incremental upgrades to increase capabilities and modernize existing systems.

Few choices remain if modernization accounts continue to bear the brunt of sequestration. Most programs are already at minimum economic sustaining levels, and further reductions will rapidly increase the number of cancellations. Those programs remaining will have higher unit costs and extended acquisition schedules. Sequestration will create severe

reductions in buying power and further delays filling capability gaps, forcing the Army to tier modernization – creating a situation of “haves and have nots” in the force. Rapid regeneration to fill modernization gaps and the ability to ensure interoperable, networked formations will come at a premium in cost and time. Most complex systems in production now take 24-36 months to deliver once Congress appropriates funding, while new starts or re-starts take even longer. To address the steep reductions in modernization accounts, the Army emphasizes early affordability reviews, establishing cost caps (funding and procurement objectives), synchronizing multiple processes and divesting older equipment quickly.

#### **Organic and Commercial Industrial Base**

The Army's Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. We are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility and meets the manufacturing and repair materiel demands of the Joint Force. In the Commercial Industrial Base, prime suppliers have increased their role as integrators, and delegated key innovation and development roles to a vast and complex network of sub-tier suppliers. Sub-tier suppliers have responded with their own complex network of suppliers, some of which are small, highly skilled and defense dependent firms – these small and specialized firms serve as the warning indicator that gauges the health of the overall industrial base. In FY14, the Army identified those commercial sector industrial capabilities vital to our national defense and sustainment of a credible and capable smaller force. We must continue to protect these capabilities.

#### **Cyber**

Network dominance and defense is an integral part of our national security, and the Army is focused on proactively providing increased capability to the Joint Force. With the evolving cyber environment, the Army has been proactively adapting to cyber threats and vulnerabilities by transforming processes, organizations and operating practices. As the Army restructures LandWarNet to support operations worldwide, it is imperative we rapidly innovate and fund network and cyber infrastructure, services, security and capabilities.

A number of institutional transformations are in place or ongoing to build and sustain the Army's future cyberspace force requirements. To be more agile and responsive, while improving unity of command and synchronization of cyberspace operations, we have consolidated Army Cyber Command (ARCYBER), 2<sup>nd</sup> Army and the Joint Force Headquarters-Cyber under one commander. The Army has established the Cyber Center of Excellence at

Fort Gordon, GA, and will serve as our focal point to drive change across the Army. The proponent lead for cyberspace operations shifted from ARCYBER to the Cyber Center of Excellence under the U.S. Army's Training and Doctrine Command (TRADOC). Additionally, we established an Army Cyber Institute at West Point to collaborate with government partners, industry and other higher education institutions to develop cyber solutions. The creation of a cyber network defender enlisted specialty and the Cyber Branch within the officer corps was an effort to help focus and manage the Army's cyber talent.

In terms of new and emerging initiatives, ARCYBER and the acquisition community are pursuing ways to bring capabilities, including big data analytics, to Army operations in order to improve our cyber defense capability. We play a vital role in cyber operations across the DoD and the Joint Force by providing Cyber Protection Teams and Cyber Support Teams. Recent DoD decisions have resulted in the pursuit of a defense-wide global implementation of network modernization, including the Joint Regional Security Stacks, to enhance the security of our networks. We continually conduct assessments to better understand cyber vulnerabilities in our combat platforms and communications systems. We must make prudent investments in our cyber infrastructure, including facilities, networks and equipment to ensure a capable force. The Army is currently reviewing cyber training range capabilities and capacities to better assess future requirements. All these efforts will generate resourcing requirements, which will have to compete against other equally urgent priorities within the Army.

#### **Installations, Water and Energy**

Since 2012, as the Army implemented several rounds of budget reductions, our installation programs have seen dramatically reduced services and sustainment. Although we have survived for two years at these reduced funding levels by deferring critical facility maintenance and cutting back on services, should the increases proposed by the President not materialize, we will seriously impair our facilities and have to permanently reduce important programs and services. Even with these increased funds, facilities maintenance is funded at only 79% in FY16, which translates to higher future repair and renovation costs.

As stated in previous testimony, we need another round of Base Realignment and Closures (BRAC). We simply have too much surplus infrastructure and will have even more as we downsize. We are already in the process of separating nearly 152,000 Soldiers, and sequestration would force us to separate another 60,000 – for a total reduction of 212,000. In addition, we have reduced over 50,000 Civilians from these same installations. Without a BRAC and the realized cost savings, the only alternative is to make additional cuts in training, manpower and modernization to make up for shortages in installation funding. These are not

cuts we can afford to make. To date, we have been able to mitigate the adverse impact by focusing reductions on Europe and eliminating facilities not associated with U.S. installations. Through analysis and evaluation, we continue to examine other ways to reduce infrastructure within our authorities around the world. We are now reducing personnel at U.S. installations and we expect excess facility capacity will be about 18% Army-wide when we reach the end strength ramp of 490,000 for the Regular Army in FY15.

To improve the resilience and efficiency of our remaining infrastructure today and in future years, the Army will continue its efforts to increase energy efficiency, expand the use of on-site renewable energy, reduce water consumption and reduce waste generation. This year, we will issue an Energy and Sustainability Strategy that focuses on building resiliency. Implementation of this strategy will facilitate continuity of operations and improve the Army's energy, water and sustainability posture. These actions will also enhance the Army's ability to mitigate and adapt to the deleterious effects of climate change.

#### **SOLDIERS AND CIVILIANS COMMITTED TO OUR ARMY AND PROFESSION**

We must never forget our Soldiers will bear the burden of our decisions with their lives and health. As Army professionals, we must do everything possible to maintain the trust of our Soldiers, Civilians and Families who selflessly sacrifice so much. Today, they trust that we properly prepare them with the right tools and resources necessary to accomplish the missions that take them into harm's way. To ensure the Army maintains the trust of the American people we serve, the Army is evaluating ways to further develop our military and civilian professionals, and ensure an uncompromising culture of accountability exists at every level of command. As the Army prepares for the environment that lies ahead, we must anticipate the unique ethical and moral challenges the future may present, and remain committed to developing Army Professionals of Competence, Commitment and Character.

The Army Ethic defines the moral principles that guide us in the conduct of our missions, performance of duty and all aspects of life. Our ethic is reflected in law, Army Values, creeds, oaths, ethos and shared beliefs embedded within Army culture. It inspires and motivates all of us to make right decisions and to take right actions at all times. The Army Ethic is the heart of our shared professional identity, our sense of who we are, our purpose in life and why and how we serve the American people. To violate the Army Ethic is to break our sacred bond of trust with each other and with those whom we serve. Army Professionals must fulfill distinctive roles as honorable servants, military experts and stewards of our profession.

**Adaptive Army Leaders for a Complex World**

The Army Operating Concept will require evolutionary change as we deal with the growing complexity of the operational environment, and this change begins by changing mindsets. The Army's competitive advantage, today and into the future, will always be our Soldiers and Civilians. Our top priority is to develop agile and adaptive leaders at the tactical, operational and strategic levels. Today and into the future, the Army must provide well-led and highly trained Soldiers organized into tailorable and scalable organizations that provide our Nation's leaders an array of options, both lethal and nonlethal, across the entire range of missions. The Army Leader Development Strategy calls for the development of leaders through a career-long synthesis of training, education and experiences acquired through opportunities in institutional, operational, broadening and self-development learning formats, supported by peer and developmental relationships. Leader development and optimized Soldier performance are directly linked to the Army's ability to operate in the future. We must develop multidimensional, adaptive and innovative leaders who thrive in decentralized, dynamic and interconnected environments.

Leader development is the deliberate, continuous and progressive process – built on a foundation of trust and founded in Army values – that grows Soldiers and Civilians into competent, committed professional leaders of character. As an institution transitioning from extended combat rotations, we must regain our expertise as trainers and improve the support and delivery of realistic training. Home station and centralized training must leverage both current and emergent technologies and integrate the latest capabilities, such as cyber; hybrid threats and Joint, interorganizational and multinational organizations.

Today's combat environment requires dynamic leaders and Soldiers. To ensure all Soldiers are adequately prepared, entry-level Soldier training focuses on fostering individual resiliency, battlefield skills, Army values and developing the credentials to succeed in the Army and excel afterward. The NCO development model is a deliberate, analytical and data-driven process that constantly evaluates and adjusts to ensure all leaders have the right tools to lead and mentor others in today's and tomorrow's dynamic worlds. This model is collectively known as NCO 2020, which looks at training from the operational, institutional and self-development domains to ensure a career of lifelong learning and of harnessing experience and proficiency at all levels. This includes a revamping of the NCO education system and a renewed emphasis on individual and collective task training to help mitigate the effects of a reduction in Combat Training Center rotations.

Today, the Army is expanding broadening opportunities for its NCOs, Warrant Officers and Officers with programs like Training with Industry, Strategic Broadening Seminars and the Congressional Fellowship Program. Broadening and educational experiences for senior field grade through general officers is also an area that must not be overlooked. Developing well-rounded senior leaders who are capable of effectively communicating the needs and capabilities of the profession to Civilian leaders within the larger context of national concerns is critical to the Nation.

It is imperative that our leaders and organizations are capable of thriving in Joint interorganizational and multinational teams, and that they seamlessly integrate multi-domain effects from air, sea, space, cyber or land. This places a premium on innovation—on leveraging current and emerging concepts and technologies both today and going forward. Encouraging innovation and empowering all leaders with the skills required to win in a complex world, manage complex institutional processes and influence strategic decision making within a broader operating environment is paramount to the Army's future.

More than 250,000 people working in nearly 500 unique job series – about 20% of the Total Army Force – comprise the Army Civilian corps. Given the size, complexity, impact and importance of the Civilian cohort to the Army, we established the Army Civilian Workforce Transformation (CWT). CWT is the Army's strategic campaign to transform the Army's Civilian cohort for the future and develop a more adaptable, capable and technically proficient Army Civilian who is well grounded as a leader.

#### **Soldier 2020 and Increased Opportunities for Women**

In 2012, the Army initiated a deliberate Service-wide effort—Soldier 2020—to ensure our units are filled with the best qualified Soldiers. This effort includes opening previously closed positions and occupational specialties to women, while maintaining our combat effectiveness. The Soldier 2020 initiative seeks to remove as many barriers as possible and allow talented people—regardless of gender—to serve in any position in which they are capable of performing to standard.

Over the past 27 months, we have opened six previously closed Military Occupational Specialties and over 55,000 positions across all Army components to women. This includes opening 1,562 positions in United States Army Special Operations Command, including the 160<sup>th</sup> Special Operations Aviation Regiment. The Army is validating gender-neutral physical standards and completing a gender integration study, work that will inform decisions on opening the 14 remaining Military Occupational Specialties currently closed to women. Once the study is completed, we will make a recommendation to the Secretary of Defense on opening as many

as 166,000 positions across the Active and Reserve Components to our women in uniform. As part of the Soldier 2020 initiative, the Army Ranger School assessment program will begin this spring to assess female Soldiers and Officers into Army Ranger School. The Army continues to proceed in an incremental and scientific-based approach to integrating women into previously closed units, positions and occupations while preserving unit readiness, cohesion, discipline and morale. The Army will complete all actions to meet Office of the Secretary of Defense requirements prior to January 1, 2016.

#### **Sexual Harassment / Assault Response and Prevention (SHARP) Program**

From the Secretary and Chief of Staff of the Army down to our newest Soldiers, we continue to attack the complex challenges of Sexual Assault. While we have made progress, much work remains. Sexual assault is a crime that violates the core values on which the Army functions, and sexual harassment shatters good order and discipline. Sexual harassment and sexual assault must be stamped out, and doing so remains a top priority throughout the Army. Commanders, the Chain of Command, and the Uniform Code of Military Justice provide the vital tools needed to prosecute offenders and hold all Soldiers and leaders appropriately responsible.

Across the Army, we are committed to maintaining momentum in Army SHARP and making further advances along our five lines of efforts: Prevention, Investigation, Accountability, Advocacy and Assessment. In the last year, our efforts along the Prevention Line of Effort resulted in actions such as consolidating SHARP training under TRADOC and Initial Entry Training and Professional Military Education to increase the quality and accessibility of our prevention tools. Our Investigation Line of Effort showed advances in Special Victim capabilities and Trial Counsel Assistance Programs. The Accountability Line of Effort had successes through our Special Victim Investigation and Prosecution capability and through tools such as Command Climate Surveys and Commander 360 degree assessments. Our Advocacy Line of Effort resulted in initial indicators of progress in establishing SHARP resource centers in over 12 installations. We continue to see interim progress along our Assessment Line of Effort as noted in the President's report and we continue to closely monitor the established metrics to measure compliance.

In sum, we have seen some progress as evident in the recent statistics outlined in the 2014 "Department of Defense Report to the President of the United States on Sexual Assault Prevention and Response" that indicate a decrease in unwanted sexual contact in FY14 compared to FY12. Within the Army, survey-estimated rates of unwanted sexual contact for the past year decreased significantly for active duty women (4.6%), compared to FY12 (7.1%). In addition, reporting data demonstrates more victims are coming forward to report sexual

harassment and sexual assault. In FY14, sexual assault reporting in the Army increased by 12% over the previous year. We view this as a vote of confidence and a sign of increased trust in our leaders, in our response services and in changing Army culture. The decline in prevalence of unwanted sexual contact, combined with the increase in reports received, suggests the Army's efforts to prevent sexual assault and build victim confidence in our response system are making progress. Nevertheless, we must continue to work on fostering a climate where individuals are not afraid of retaliation or stigma for reporting a crime by ensuring individuals, units, organizations and specifically commanders and leaders understand their responsibilities. Retaliation takes many forms and originates from many sources – leaders, family, friends and, most pervasively, peer to peer. Retaliation in its simplest form is bullying. It is intimidation that deters people from acting. It enables offenders, threatens survivors, pushes bystanders to shy from action, and breeds a culture of complacency. Retaliation has no place in the Army and we must stamp it out.

Sexual Assault Response Coordinators and Sexual Assault Prevention and Response Victim Advocates are now credentialed through the DoD Sexual Assault Advocate Certification Program, and the Army's SHARP Academy is expanding their knowledge, skills and abilities. Based on national experts' guidance, the Army's Sexual Assault Medical Forensic Examiner's course now surpasses Department of Justice requirements and establishes a best practice for all DoD to follow.

The chain of command is at the center of any solution to combat sexual assault and harassment, and we must ensure it remains fully engaged, involved and vigilant. Toward this end, we enhanced the Officer and Enlisted Evaluation Reporting Systems to assess how officers and NCOs are meeting their commitments – holding them accountable through mandatory comments on how those leaders are acting to foster a climate of dignity and respect and their adherence to our SHARP program. With commanders at the center of our efforts, we will continue to decrease the prevalence of sexual assault through prevention and encourage greater reporting of the crime. We expect to see reporting numbers to continue to rise. As our efforts to enforce discipline, prosecute offenders and eliminate criminal behavior mature, we expect the number of sexual assaults occurring within the Army to eventually decrease. There is no place for sexual harassment or sexual assault in our Army or our society.

The problems of sexual assault and sexual harassment will only be solved when every Soldier, Civilian and Family Member stands up and unequivocally acts to stamp it out. Together, we have an obligation to do all we can to safeguard America's sons and daughters, as well as maintain trust between Soldiers, Civilians, Families and the Nation. Army leaders, at

every level of the chain of command, are doing this through prevention, investigation, accountability, advocacy and assessments.

#### **MAINTAINING THE PREMIER ALL VOLUNTEER ARMY**

As we shape the force of the future, we must enhance force readiness, while taking care of the men and women who serve. This means, while providing Combatant Commanders with versatile and trained forces, we also have an obligation to support our Soldiers, Families and Civilians while they serve in the Army, and as they transition back to civilian life. Those who make up the Total Army – Soldiers, Families and Civilians; Regular Army, Army National Guard and Army Reserve – represent its strength. “Total Army Strong” expresses our enduring commitment to Soldiers, Families and Civilians, and to sustain a system of programs and services to mitigate the unique demands of military life, foster life skills, strengthen resilience and promote a strong and ready Army. “Total Army Strong” provides commanders flexibility to prioritize and adjust programs and services, regardless of geographic location.

We recognize that attracting and retaining highly-qualified individuals in all three components is critical to readiness. However, the stronger economy, including lower unemployment, poses challenges to recruiting and retention in FY16. Due to obesity, medical conditions and other reasons, less than one-third of otherwise-eligible Americans would even qualify for military service. Though we face recruiting challenges in FY16, we will man our formations with highly-qualified and diverse Soldiers by continuing and strengthening those recruitment and retention programs that best enhance and sustain the All-Volunteer Army.

#### **Ready and Resilient Campaign**

We must support and appropriately resource the Army’s Ready and Resilient Campaign. This campaign provides holistic, evidence-based tools, training and resources to our commands and leaders who care for our Soldiers, Civilians and Family members so they can strengthen their resilience and achieve and sustain personal readiness. The Army’s Ready and Resilient capabilities improve the physical, emotional and psychological resilience of the entire force, attack the foundation of acts of indiscipline and prevent negative behaviors from escalating to damaging events such as suicide or sexual assault. We must ensure the overall readiness and resilience of the Total Army Family through optimal sleep, activity and nutrition – the Performance Triad. The Performance Triad strengthens individual and unit readiness through a comprehensive approach that promotes leadership and behavior change strategies to improve personal and unit readiness and resilience, as well as physical, emotional, and cognitive dominance through optimized sleep, physical activity, and nutrition. The Performance Triad

empowers leaders to coach and mentor health readiness using technology to actuate behaviors that support lasting cultural change as a mandate of the Army profession.

#### **Soldier for Life**

Soldier for Life is not just a program; it is a change in mindset. One way we encourage this frame of mind is through senior leader and installation engagements, as well as changes in training curriculum. We want Soldiers to understand and believe from the time they come into the Army and for the rest of their lives, that they deserve our utmost care and attention throughout the Soldier lifecycle – “Once a Soldier, always a Soldier...a Soldier for Life!” As Soldiers return to civilian life, they will continue to influence young people to join the Army and, along with retired Soldiers, will connect communities across the Nation with its Army.

As we reduce the Army's end strength, we owe it to our Soldiers and their Families to facilitate their transition to civilian life. The Army supports continuum of service initiatives to help in this effort by communicating the benefits of continued service in the Reserve Components. Additionally, the “Soldier for Life” Program connects Army, governmental and community efforts to facilitate the successful reintegration of our Soldiers and Families back into communities across the Nation through networks in employment, education and health. Our pre- and post-retirement services ensure those who served become and remain leaders in their community. For example, we have developed strong relationships with government, non-government and private sector entities to include direct collaboration with the Departments of Veterans Affairs, Labor, and the Chamber of Commerce to bring employment summits to installations worldwide.

#### **CLOSING**

We face a period of critical decisions that will impact the Army's capability and capacity for the next decade. It is important that we make the right decisions now. The operational and fiscal environments are straining the Army as we attempt to balance end strength, readiness and modernization to meet current demands while building the foundations of a force that can meet future challenges. The velocity of instability continues to increase worldwide, whether of ISIL and terrorism in Iraq, Syria and Yemen; anarchy and extremism in North Africa; Russian belligerence; provocation by North Korea; or complex humanitarian assistance requirements and the unpredictable nature of disaster relief missions. But despite all of this, we continue to reduce our military capabilities, degrade readiness and erode trust with the specter of sequestration. We ask the help of Congress to eliminate sequestration and provide our Soldiers with greater predictability in these uncertain times. We must not reduce the Army below

980,000 Soldiers and leave the Army unprepared to meet Defense Strategic Guidance or respond to some unforeseen event.

Our strategic partnership with Congress is absolutely critical to the Army's success. Simply put, our Soldiers and Civilians could not do what they do each day without your support. Our Army needs Congressional support now more than ever. The decisions we make this year and next on our fiscal policy, and related end strength, readiness and modernization will directly impact the security of the United States and the world for decades to come. Today, we have the most capable and professional Army in the world. Our Soldiers have gained invaluable experience and expertise; built relationships among interagency partners, allies and each other and developed an intimate understanding of the world we live in. As we reduce the size of our Army, each Soldier leaving the ranks takes with him or her invaluable experiences and a deep understanding that has come at great cost and is impossible to replace in short order.

We look forward to working with Congress to ensure the Army is capable of fulfilling its many missions, while continuing to be good stewards of the taxpayers' money. Despite ongoing fiscal uncertainties, we are pleased to report professionalism and morale within the Army remains strong. Whether advising and assisting in Afghanistan and Iraq, supporting allies in Europe and the Republic of Korea, serving in the homeland or engaging our partners around the world, the indomitable spirit of our greatest assets, our Soldiers – our Nation's Trusted Professionals – stands ready: Ready to safeguard our Nation's liberty, deter aggression and protect our national interests at home and abroad. With your assistance, we will continue to resource the best-trained, best-equipped and best-led fighting force in the world: the U.S. Army.

**John M. McHugh**  
**Secretary of the U.S. Army**

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

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

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

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

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

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

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

**GENERAL RAYMOND T. ODIERNO**  
**UNITED STATES ARMY**

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

A native of Rockaway, New Jersey, General Odierno attended the United States Military Academy at West Point, graduating in 1976 with a commission in Field Artillery. During more than 38 years of service, he has commanded units at every echelon, from platoon to theater, with duty in Germany, Albania, Kuwait, Iraq, and the United States. After his first assignment with U.S. Army Europe, General Odierno was assigned to the XVIII Airborne Corps Artillery at Fort Bragg, N.C., where he commanded two batteries and served as a battalion operations officer.

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

From October 2001 to June 2004, General Odierno commanded the 4th Infantry Division, leading the division during Operation Iraqi Freedom from April 2003 to March 2004. From December 2006 to February 2008, he served as the Commanding General, Multi-National Corps – Iraq (III Corps) as the operational commander of the surge of forces. Later, he served as the Commanding General, Multi-National Force - Iraq and subsequently United States Forces - Iraq, from September 2008 until September 2010. From October 2010 until August 2011, he was the Commander of United States Joint Forces Command.

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

General Odierno holds a Bachelor of Science degree in Engineering from West Point and a master's degree in Nuclear Effects Engineering from North Carolina State University. He is a graduate of the Army War College and holds a master's degree in National Security and Strategic Studies from the Naval War College. He also holds an honorary Doctor of Humane Letters degree from North Carolina State University and an honorary Doctorate of Laws Honoris Causa from the Institute of World Politics.

General Odierno is married to his high school sweetheart, Linda. They have three children: son Tony and his wife Daniela; daughter Katie and her husband Nick Funk; and son Mike. He and Linda also have four grandsons. His oldest son, Army Captain (Retired) Tony Odierno, is a combat veteran.

General Odierno's awards and decorations include four Defense Distinguished Service Medals, two Army Distinguished Service Medals, the Defense Superior Service Medal, six Legions of Merit, the Bronze Star Medal, the Defense Meritorious Service Medal, four Meritorious Service Medals, the Army Commendation Medal, the Army Achievement Medal, and the Combat Action Badge. He has also received the Secretary of State Distinguished Service Medal and Orders of Military Merit from Brazil, Columbia, Romania, and Italy. He was also appointed as an Officer in the French National Order of the Legion of Honor.

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U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ARMED SERVICES

**STATEMENT OF  
THE HONORABLE RAY MABUS  
SECRETARY OF THE NAVY  
BEFORE THE  
U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ARMED SERVICES  
17 MARCH 2015**

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U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ARMED SERVICES

## MARITIME PRESENCE IS CRITICAL IN TODAY'S WORLD

Chairman Thornberry and Ranking Member Smith, members of the Committee, thank you for affording this opportunity to discuss readiness and posture of the Department of the Navy. With Chief of Naval Operations Jonathan Greenert and Commandant of the Marine Corps Joseph Dunford, I have the great privilege of representing the Sailors and Marines who serve our nation around the world, the civilians who support them and all of their families.

I cannot let it pass without noting that this will be Admiral Greenert's last posture testimony before this committee. He has been a steady hand on the helm for the U.S. Navy through the past four years of international instability and budget turbulence. Every day his judgment, his advice and his counsel have been critical. He has been a great CNO, and it has been an honor to serve with him. He will leave an enduring legacy of having advanced the interests and capabilities of our Navy and our Department, and I know this committee and our country want to share in offering our heartfelt thanks.

This statement, together with those provided by General Dunford and Admiral Greenert, presents to you and to the American people, an overview of the Department of the Navy, and highlights our priorities as we move forward with the FY16 budget process. As the Secretary of the Navy, I am responsible for recruiting, training, and equipping the almost 900,000 Sailors, Marines, and civilians who spend every day working to defend the American people and our national interests.

This opportunity to review our current posture comes at a particularly critical juncture in our nation's history. Our national security interests face an increasing array of threats and demands

around the globe, even as our fiscal and budgetary situation grows more challenging. However, this is an opportune moment as well, as I firmly believe the threats and demands are best met with a strong and comprehensive maritime response. Similarly, I believe naval assets offer not only the best value to preserve our national security by advancing our global interests, but also the best value in supporting our own and the world's economy to help meet our fiscal challenges. The rationale for that belief is as simple as it is enduring.

### **The Value of Presence**

Uniquely, the United States Navy and the United States Marine Corps provide presence around the globe, around the clock. We are the nation's first line of defense, ready for any challenge that might come over the horizon. Presence means we respond faster, we remain on station longer, we carry everything we need with us, and we carry out the missions assigned by our national leaders without needing anyone else's permission.

America's leadership role in the world is due in large part to our nation's sea services capability and capacity to ensure stability, build on our relationships with allies and partners, deter adversaries, prevent wars, and provide our nation's leaders with options in times of crisis. And, should those measures fail, the combat power necessary to fight and win in any sort of conflict. As America's away team, performing most often far from home, the operational tempo of the Navy and Marine Corps are – unlike our sister services – little different in times of peace or in times of conflict. There are no permanent homecomings for Sailors and Marines because we are never a garrison force.

Born a maritime nation, we have known throughout our 239 years that for America to succeed, we must have an exceptional Navy and Marine Corps. Thomas Paine famously declared in *Common Sense* in 1776 that “the cause of America is in a great measure the cause of all mankind.” He was equally adamant that the defense of liberty required a capable naval force. More than just physical security and defense from European powers, Paine drew direct connections between the Navy and the economic success of the American experiment.

Our nation’s founders, whether northern merchants and lawyers like John Adams or southern planters like Thomas Jefferson, also considered a Navy critical to our nation’s success. Article One of our Constitution grants Congress the power to “raise” an Army when needed, but directs Congress to “provide and maintain a Navy.” Over the past two centuries, American leaders from across the political spectrum have hewed to that Constitutional direction and have, in a nonpartisan fashion, promoted the vital significance of sea power. And over the past two centuries, from Tripoli to Iwo Jima to Tripoli, from the first six frigates to the Great White Fleet to the great fleets of World War II, our Navy and Marine Corps have protected and advanced American interests, stability and freedom around the world.

Today, the value and importance of our naval assets to security and stability here at home and around the world has never been greater. Nearly half the world’s population lives less than 60 miles from the sea. With ninety percent of global trade carried by sea, even those who live in landlocked states are dependent on the world’s oceans. In these days of an internet-connected world, 95% of all the voice and data goes under the ocean through cables, including the data keeping the world’s financial system running.

We live in an age of globalization and worldwide trade. The shelves of stores of every variety are stocked through “just in time” delivery with products from all over the globe. Estimates show that a single major port facility in the U.S. impacts more than a million American jobs and contributes about a billion dollars a day to our nation’s economic productivity. Overall, some 38 million American jobs are directly linked to seaborne international trade.

The security and stability of the international system of trade and finance is tied irrevocably to the free movement of goods and data across and under the sea, and is more than just a military concern. It impacts potentially every American in the prices we pay for goods and services and in the very availability of those goods and services. While it is far away and out of sight to most Americans, our naval presence around the world isn’t a theoretical construct.

For seven decades, the United States Navy and Marine Corps have been the primary protector of this international system. There is a sound basis in the proposition that rising international prosperity is directly linked to the United States Navy. We have kept the sea-lanes open. We have kept freedom of navigation open for anybody engaged in peaceful and legitimate trade. As the President has said, we have “been the anchor of global security.”

We benefit from this enormously economically, but we also benefit from the way that shared economic success helps to limit conflict and war. Around the world, high unemployment, stagnant economies, financial struggles often lead to social disorder, political unrest, upheaval, and outright conflict. Maritime instability contributes to these problems, stoking the fires- as can increasing competition for scarce resources. By helping to secure the world’s maritime commons, by providing a calming presence, and by responding to crises early to limit their

escalation and enhance diplomatic opportunities, the ability of the U.S. Navy and Marine Corps to be where it matters when it matters is vital to international stability. That is why our national defense strategy is so clearly focused on the maritime domain and requires investment in maritime assets.

**Around the Globe, Around the Clock**

The best illustration of the extent and impact of the presence provided by our nation's sea services can be seen in just a single day of operations. I've chosen July 26<sup>th</sup> not because it was especially important, but because it was reasonably typical. On that day, I was on a trip around the world, visiting Sailors and Marines and meeting with some of our international partners. In my nearly six years as Secretary, I've traveled to 131 countries and territories and traveled nearly one million air miles. I believe I can do my job better by actually seeing and talking with the men and women who serve our nation where they are serving, and by meeting face-to-face with representatives of other countries, and not just sitting behind a desk in Washington.

My trip last July began in Hawaii, observing activities and operations in the world's largest maritime exercise, Rim of the Pacific (RIMPAC), which included the navies of 22 nations, including allies from the region, like Japan and Australia and South Korea, but also valued NATO allies like Norway, which sent a warship all the way from the Baltic Sea to join the exercises. For the first time it also involved ships from the People's Republic of China's Navy. During the exercise, these diverse forces worked together on everything from search and rescue and humanitarian missions to practicing counter-piracy tactics and maritime security missions.

As I flew onward to Tokyo to meet with Japanese leaders, an annual exercise, MALABAR, was just beginning in the Indian Ocean. This bilateral U.S. - Indian naval exercise, which has grown in scope and complexity since its first iteration, has fostered mutual understanding with our Indian counterparts and enhanced our ability to operate with one another in a wide range of missions. This year, the Maritime Self-Defense Force from Japan joined the exercise in an important demonstration of multilateral cooperation between Pacific and Indian Ocean nations. The relationship between the nations of the Pacific and the Indian Oceans will continue to be critical in these important maritime regions.

On the same day, in Afghanistan, our Marines were increasing training of Afghan security forces, working toward turning over operational responsibilities to them, as the Marines reduced their direct combat mission. On that day, we had more than 5,000 Marines and Sailors in the country, patrolling, training, and working with our Afghan partners and NATO allies.

At the same time, our Marine Corps Black Sea Rotational Force was involved in PLATINUM LION, a series of exercises with our Romanian, Bulgarian, and Serbian partners, taking place in Bulgaria. Working with these NATO allies and friends from Eastern Europe, this exercise is an important annual event in the Black Sea region to build the capacity and capability of our partners and to promote peace and stability in an area that has been in turmoil for the past several years. Our Marine Corps Black Sea Rotational Force regularly deploys throughout Europe, training with other forces, monitoring security developments, and enhancing our ability to operate with our partners and allies in future contingencies.

On July 26 the U.S. Embassy in Tripoli was evacuated as the fighting in Libya intensified and the State Department decided U.S. personnel were no longer safe at the Mission. The Marines of the Special Purpose Marine Air Ground Task Force-Crisis Response, in support of U.S. Africa Command, helped coordinate the evacuation and escorted the vehicles that carried our diplomatic and military personnel to safety in Tunisia. This kind of operation, reacting to threats and problems as they develop, is the very reason our Navy and Marine Corps are forward deployed, and must be forward deployed to effectively give our leaders options.

On that day about half of our Navy's ships and submarines were at sea, with 99 of our ships forward deployed and another 41 training near our shores. Tens of thousands of Sailors and 36,000 Marines were away from their homes, far from friends and family, forward deployed around the world, serving in both combat and cooperation missions.

That was just one day last July. Each of these exercises on the world's oceans, training events, security cooperation engagements with friends and allies, combat operations in Afghanistan and contingency operations in North Africa, continued to build and strengthen our partnerships and alliances to help protect Americans and secure the global system.

For 365 days per year, the Navy and Marine Corps operate across the planet. When strikes against ISIL targets in Iraq and Syria were ordered, Navy ships and aircraft were quickly in range and launched operations. In fact, for the first 54 days, FA-18s off USS George H.W. Bush were the lone strike component. When the President decided to employ military assets to support the fight against Ebola in West Africa, V-22s and Marines from our Special Purpose Marine Air

Ground Task Force-Crisis Response were on the ground within hours to provide logistical support to the medical responders.

Our nation's Defense Strategic Guidance is clearly a maritime-centric strategy focused on the Asia Pacific, on the Arabian Gulf, on building partnerships, all while maintaining our presence around the globe. To fulfill our role in this strategy the Navy and Marine Corps face daily demands ranging from humanitarian assistance and disaster relief, to protecting our embassies, to working with scores of partners and allies, to dealing with multiple asymmetric threats and potential conflicts. The Navy and Marine Corps meet these demands, and many more, using the same people and the same platforms and equipment demonstrating the versatility and flexibility that is the hallmark of this force.

For the past few years we at the Department of the Navy have attempted to minimize the impact of an uncertain budgetary environment, marked by numerous continuing resolutions, the imposition of sequester-level funding and the threat of the return of sequestration. That environment has made it more difficult, but even more critical, to set priorities to make hard choices and to find opportunities to improve our stewardship of taxpayer dollars.

Almost six years ago, when I was preparing for my confirmation hearing to be Secretary and began closely examining the challenges our Navy and Marine Corps faced, it became clear to me there are four areas that demand our attention in order to provide and maintain the presence our Navy and Marine Corps uniquely deliver. Those four areas are People, Platforms, Power and Partnerships. Those have been, and continue to be, the key factors in assuring the capability,

capacity and success of our naval services, and that is why they have been, and will remain, my top priorities.

**People – Our True Advantage**

It is one of the great maxims of naval history that Sailors and Marines are the sea services' greatest advantage and most important asset. In the U.S. Navy and Marine Corps, we have the best people in the world. Our Sailors and Marines are well known for the ability to exercise independent judgment, to flexibly adapt to changing circumstances or environments that were unanticipated at the start of a deployment, but for which their training has fully prepared them. Perhaps less well known is how far down the chain of command we devolve critical responsibility. Aboard USS Ronald Reagan in the weeks after the earthquake and tsunami that ravaged Japan, I was surrounded by flag officers, but the briefing on relief operations I received came from a Third Class Petty Officer and a Lieutenant Junior Grade because they had been instrumental not just in executing, but also in designing, the effort.

Providing our Sailors, Marines and civilian workforce the training to deal with the uncertainties they will certainly face and providing the support that they need to do their jobs is one of our most important responsibilities. This also extends to helping their dedicated families and ensuring we support our wounded or injured veterans.

Three years ago, we introduced the 21st Century Sailor and Marine Initiative, to provide a more coordinated and comprehensive approach to assuring we have the healthiest, fittest, most resilient, and best educated force in the world. The goal is to help our Sailors and Marines maximize their personal and professional readiness, and to assist them and their families with the

mental, physical and emotional challenges of military service. It eliminated the stovepipes that existed between many of the programs designed to support our people and helps us address issues like suicide, sexual assault, and alcohol related incidents in a comprehensive way that protects our Sailors and Marines and makes them stronger. A fleet full of successful Sailors will ensure a successful Navy, and a force full of successful Marines will ensure a successful Marine Corps.

We are looking to expand the initiative by exploring new ways to improve the fitness of our force. We are reassessing our physical fitness requirements to make them more relevant to warfighting and to instill a “culture of fitness” instead of just training for a physical fitness test. This means reviewing nutritional standards, making efforts to reduce stress, and improving health care and support networks to deal with issues like suicide and abuse. We are also working hard across these areas to curb the all-too-common factor of alcohol-related incidents, which can end careers and, tragically, sometimes lives. Available data shows that the number of these damaging incidents has trended downward. To ensure we maintain that trend, we are using media and education campaigns, directed actions against the irresponsible use of alcohol like continuing to place reasonable limits on where and when alcohol is sold on base, and the continued use of the alcohol detection program implemented in 2013.

Sexual assault and harassment remains a challenge that we are responding to aggressively. In the past several years we have taken numerous steps to address it. These include widespread training like our bystander intervention program, increased use of interactive means, victim support programs like the Victim’s Legal Counsel, and new investigative resources. Combined with much more direct leadership engagement, evidence suggests that these efforts are

improving the confidence of Sailors and Marines in the system and their belief that reports will be taken seriously. Because of this increased trust in their chain of command, we have seen survivors coming forward in larger numbers and also, increasingly, reporting incidents that took place earlier than the year it is being reported. This large increase in reports, especially since 2012 when many programs began to mature, is what we anticipated seeing if our efforts were successful, since they would represent increased confidence in the system. We are turning more attention to the risk of retaliation, especially by peers, as this issue has increased in prominence in our surveys. Our interactive education programs are having a measurable impact, and we will continue to develop and deploy those. Sexual assault is an “insider threat” with devastating impacts on the Navy and Marine Corps. We’ve done myriad things to attack this insidious threat, but, no matter how much we’ve done, there is more to do until we’ve eliminated the scourge of sexual assault.

Vice Admiral James Calvert, who earned two Silver Stars as a submariner in World War II, once wrote that “as important as ships are, naval history is made by men.” I would make one change to that statement: today naval history is made by men and women. From the appointment of Admiral Michelle Howard as the Vice Chief of Naval Operations, to our work expanding roles and missions open to women to the maximum extent possible, we are leading the military in our quest to ensure we’re using our best and most talented service members across the force. We will continue our efforts to recruit and retain a diverse force, including a more representative number of women. A more diverse force is a stronger force.

For several years now, female officers have had the opportunity to serve on our ballistic and guided-missile submarines, and they have performed exceptionally well, as anticipated, earning

their qualifications and opening a new path. We are expanding opportunities for them. USS Minnesota and USS Virginia, both fast attack submarines, are leading the integration of women into the rest of the submarine force at this moment. In January, the Navy also announced a plan and a set of milestones for fully including enlisted women on submarines that will begin next year.

Women have also been integrated into the Coastal and Riverine Squadrons and have deployed. We have also opened 348 billets for Navy positions that support Marine Corps units. The Marine Corps continues on pace with their study of the positions that are currently closed to women and will have results later this year. In accordance with the Secretary of Defense's guidance, the default position will be that all currently closed positions will be opened to the assignment of women unless an exception is formally requested.

Talent is best cultivated by promoting and advancing our Sailors and Marines on merit and competition. It also requires us to maximize their opportunities to broaden their experience and exposure to new ways of doing things. We have to look at things like moving away from year group management for our officers and expansion of the Career Intermission Program (CIP), as well as other reforms and adjustments within our current system. While a number of our initiatives can be undertaken within our current authorities, there are some that will require adjustments to the law, including changes to the Defense Officer Personnel Management Act (DOPMA), which is almost four decades old. We have made legislative proposals in this area, and we ask for your help in bringing our personnel system into the 21st century.

Maintaining our presence around the world is hard on our force. That is one of the reasons why in 2014 we began the implementation of the Optimized Fleet Response Plan (OFRP). This is a program that Navy is using to schedule and plan our deployments and the maintenance of our platforms. Over the course of the past 13 years of war, one of the biggest challenges for our Sailors and Marines has been predictability in their deployments. The goal of OFRP is to return some amount of scheduling to their lives. Missing holidays, birthdays, and other significant family events is hard enough, but not knowing when it will happen makes things even more difficult. There is no way to completely eliminate the unexpected. Events around the world can, and do, take on a life of their own, and our men and women know this. Increasing the predictability of deployments will help with the stress on our Sailors and Marines and their families and also has the added benefit of helping us properly support our maintenance requirements and readiness posture.

There will be times when a crisis erupts somewhere in the world and our Sailors and Marines remain deployed in order to deal with it. The world gets a vote. For the past several years we have had a number of ships and units remain at sea far beyond the normal deployment length. In order to help our Sailors and Marines and their families during these extended deployments, we've implemented the Hardship Duty Pay – Tempo (HDP-T) program. When operational tempo is high and a deployment extends beyond more than 220 consecutive days, this pro-rated additional payment kicks in. This is an effort to show our Sailors and Marines we understand the difficulty these extended deployments create for them and their families and to show them, in a tangible way, the gratitude of the Department of the Navy and the American people.

Those Sailors and Marines on sea duty, deployed away from home around the world, are the backbone of the Navy and Marine Corps, and they enable us to provide and maintain our global presence. Despite the challenges involved, we need to ensure our men and women are incentivized to take on sea-going assignments. This past year we increased Career Sea Pay for those who have spent a total of three years at sea in order to both improve critical sea-duty manning and reward those who take these challenging sea-going assignments. We also increased Career Sea Pay - Premium, which recognizes Sailors and Marines who spend more than 36 consecutive months in sea-going positions or who have spent a cumulative eight years at sea during their career. These increases are long overdue since they were last adjusted in 2001.

The Reserve Component continues to be a vital part of the Navy and Marine Corps Team. In FY-14 we mobilized 2,700 individual Reserve Sailors and Marines to support operations around the world. As the force level shifts in Afghanistan, our Reserve Component will be taking on the vast majority of the individual augment requirements requested by the joint force. This allows us to focus our active component on filling critical sea billets to help ensure fleet wholeness and readiness. Reserve Sailors and Marines are deployed globally, and we will continue to maintain a Reserve that is ready, relevant, and responsive to the nation's needs.

Attracting and retaining our talent is critical to maintaining our innovative and adaptive force. An important part of that involves the challenge of military compensation. Cooperation between Congress and the Department of Defense on this issue will be vital as we look at slowing the growth rate of our personnel costs. We must keep the faith with the men and women who are in uniform. And we must look for the right ways to build incentives and retain our most talented

people. But we also must recognize that growth in pay and benefits must be contained or we will not be able to provide our Sailors and Marines with the training and equipment that they need.

Our civilian workforce is also vital to the success of the Department of the Navy. They help design our ships, aircraft, and equipment and are critical enablers of our forces. Without them, we literally would not have a fleet to put to sea. And we could not operate ashore at our bases across the globe. Over the past few years our civilian workforce has persevered through some very trying times. From pay freezes, to hiring freezes, and the huge, negative impact of furloughs, they have shown an immense amount of dedication to our Navy, Marine Corps, and our nation. In 2013 twelve of our civilians were killed, and others injured in visible and invisible ways, in the attack on the Washington Navy Yard. There is no more tragic example of how our civilians share the burden with those in uniform. We continue to support the victims and the families who endured this tragic attack and have implemented numerous security measures to improve the safety of our workforce.

This committed and patriotic workforce is the foundation of how the Department of the Navy operates. In order to ensure we have the most capable people, in the right positions, we run a number of leadership development programs. Annually we select participants for senior leader, executive leader, and developing leader programs to provide education and training that will help our people tackle the issues we face.

#### **Platforms – America's Fleet**

The hard truth of providing the presence the American people and our nation's leaders expect is that it requires platforms. To be where we are needed, when we are needed, we must have the

ships, submarines, aircraft, vehicles, and equipment for our Sailors and Marines to operate. That means we must have a properly sized fleet. Quantity has a quality all its own.

Recently much has been said in many venues about the size of our fleet. The completely wrong assertion is made over and over that our fleet is shrinking. Let me state this very clearly: our fleet is growing and will number greater than 300 ships before the end of this decade.

It is absolutely true that our fleet shrank dramatically between 2001 and 2008. On September 11, 2001, the Navy's battle force stood at 316 ships. But, by 2008, after one of the great military buildups in American history, our fleet had declined to 278 ships.

Part of the reason for that was understandable: our focus was on two ground wars. But, frankly, it cannot all be attributed to that. In the five years before I took office as Secretary, the Navy only contracted for 27 ships, far too few to maintain the size of the fleet, much less grow it. In my first five years as Secretary, we contracted for 70 ships. We have halted and reversed the decline.

And we haven't done this at the cost of naval aviation. During my time in office we have bought 1,300 aircraft. That is 40 percent more than the Navy and Marine Corps bought in the 5 years before this administration took office.

We have done this both in ships and aircraft by taking some direct and basic actions including: block buys and multi-year procurements; increased competition; stable designs and mature technologies; targeted reviews; pursuing cross-program common-equipment buys; and

affordability through hard but fair bargaining. In addition, we have: supported shipyard facility improvements and optimal-build plans; conducted rigorous “should cost” studies; designed equipment for affordability and modularity; instituted strict controls to fight “requirements creep;” used open-architecture systems to the maximum extent possible; and signed shipbuilding capability preservation agreements resulting in more competitive shipyards and lower costs for the Navy.

The amphibious and auxiliary ships industrial base is of concern to us and is at risk should future funding levels be reduced. We have recently introduced an integrated acquisition strategy for LHA 8, T-AO(X), and LX(R) to support stability and competition within this sector of the industrial base. The strategy will help ensure the ships are built affordably, while providing the greatest degree of stability for the industrial base.

There are a number of references previously to the industrial base. A healthy design and production industrial base is critical to achieving what is needed for our fleet in ships, aircraft, weapons and all procurements. Stability and predictability are critical to the health and sustainment of this industrial base.

This is especially true in shipbuilding. Changes in ship-build plans are significant because of the long lead time, specialized skills, and extent of integration needed to build military ships. Each ship is a significant fraction of not only the Navy’s shipbuilding budget but also industry’s workload and regional employment. Consequently, the timing of ship procurements is a critical matter to the health of American shipbuilding industries, and has economic impacts at the local, regional and national levels.

It is important, therefore, to provide stability and predictability to the industrial base to maintain our ability to continue to build the future fleet. In the overall picture, we should not pay for one Navy ship by cutting another Navy ship; each ship is crucial in many, many ways.

The Department's shipbuilding plan continues to build the balanced force we require. This year we have requested funding for nine new ships as well as for the refueling of the carrier USS George Washington. We also plan to modernize 11 cruisers, which are our most capable ships for controlling the air defense of a carrier strike group. The Navy's cruiser modernization plan, in accordance with FY 2015 Congressional direction, will allow the Navy to reduce overall funding requirements while most efficiently increasing the capability and extending the service life of these large surface combatants.

Our efforts to maintain and affordably procure our fleet's ships and submarines have continued through this past year. The Department has established a steady state Ford Class procurement plan designed to deliver each new ship in close alignment with the Nimitz Class ship it replaces. CVN 78 (future USS Ford) cost performance has remained stable since 2011 and under the Congressional cost cap. We are also committed to driving down and stabilizing aircraft carrier construction costs for the future John F. Kennedy (CVN 79) and the future Enterprise (CVN 80) and have made significant progress in doing so. As a result of the lessons learned on CVN 78, we have made significant changes to reduce the cost to build CVN 79, including improvements in material availability and pricing; major changes in build strategy and processes determined to execute construction activities where they can most efficiently be performed; incorporation of design changes only for safety, those mandated or lower costs; and aggressive measures for cost

control in government furnished equipment. The costs of CVN 79 also remain stable and under the Congressional cost cap.

In our attack submarine program we are continuing procurement of two Virginia Class submarines per year while reducing construction time and also developing the Virginia Payload Module (VPM). Thanks to the support of Congress in authorizing the use of a multi-year procurement (MYP), in April 2014, the Navy awarded the Block IV contract for ten submarines. The savings realized with this MYP contract was more than \$2 billion, effectively giving the Navy ten ships for the price of nine.

SSBNs, coupled with the Trident II D-5 Strategic Weapons System, represent the most survivable leg of the Nation's strategic arsenal and provide the nation's only assured nuclear response capability. Originally designed for a 30-year service life, the Ohio Class has been extended to 42 years of operation. They cannot be extended further. For this reason, we are intensively continuing development of the follow-on twelve-submarine Ohio Replacement Program (ORP). This effort is driven by meeting the program's performance requirements while reducing costs across design, production, operations and sustainment. However, in order to afford the ORP procurement costs beyond this Future Years Defense Program (FYDP) it is clear that this program must be funded by a significant increase in the Navy's shipbuilding budget, or from other sources. Otherwise, funding this necessary program will effectively keep the Navy from performing its other critical missions.

The Arleigh Burke Class (DDG 51) program remains one of the Navy's most successful shipbuilding programs – 62 of these ships are currently operating in the fleet. We are in the third

year of an MYP. The second of our FY 16 ships will provide significant upgrades to integrated air and missile defense and additional ballistic missile defense capability by introducing the next flight (Flight III), which incorporates the Air and Missile Defense Radar (AMDR) designed to address a number of growing threats.

With four Littoral Combat Ships (LCS) in service, operational experience continues to increase through at-sea testing and rotational deployments, and the value of this class continues to be demonstrated. USS Fort Worth began her maiden deployment to the western Pacific, and upon arrival in Singapore was sent to assist in the search and recovery efforts for the downed Air Asia airliner in the Java Sea. USS Fort Worth's deployment marks the beginning of continuous LCS forward presence in Southeast Asia and will validate the 3:2:1 (three crews, two ships, one ship always forward-deployed) rotational manning and crewing concept for the LCS class. This will also be the first deployment of the Navy's MH-60R Seahawk helicopter along with the MQ-8B Fire Scout on an LCS.

After an exhaustive analysis by the Navy's Small Surface Combatant Task Force, in December 2014 the Secretary of Defense approved the Navy's proposal to procure a new small surface combatant based on an upgraded LCS. This followed his February guidance to review the program and consider development of a more lethal and survivable small surface combatant. The upgraded LCS will provide multi-mission anti-surface warfare and anti-submarine capabilities, as well as continuous and effective air, surface and underwater self-defense. They are both more lethal and more survivable, as well as continuing to be affordable and providing the fleet with the requirements it needs. As these capabilities are consistent with those of a frigate, I directed designation of these new small surface combatants as Frigates (FF).

Our amphibious ships are incredibly versatile. Across the spectrum of maritime operations, from the humanitarian assistance and disaster relief efforts in the Philippines following super-typhoon Haiyan to the combat operations in Libya during Operation ODYSSEY DAWN, the Navy and Marine Corps team do a wide array of things with these ships. At this moment, the USS Iwo Jima Amphibious Ready Group and 24th Marine Expeditionary Unit are in the Fifth Fleet area of operations, ready for anything that might happen from Iraq and Syria to Yemen.

Congress provided \$1 billion of funding in the FY 2015 Appropriations Act toward a twelfth LPD, and we have requested the balance of funding this year for this ship, LPD 28. Procurement of LPD 28 will assist in mitigating impacts to shipbuilding and combat systems industrial bases, and the ship's design and construction features will fully exploit some of the ongoing design innovations and cost reduction initiatives that are necessary for the LX(R) to achieve its affordability goals.

Support vessels such as the Mobile Landing Platform (MLP) and the Joint High Speed Vessel (JHSV) provide many additional options and flexibility to Combatant Commanders. The future USNS Lewis B. Puller (MLP 3), the first Afloat Forward Staging Base (AFSB) variant of the MLP, which includes a flight deck, was christened in early February in San Diego and will deliver in summer 2015. The Navy awarded MLP 4 AFSB in December 2014, and plans to request MLP 5 AFSB in FY 2017. JHSV production continues with delivery of the fifth JHSV anticipated in April 2015. JHSVs 6 through 10 are also under contract. In FY 2015, Congress provided funding for an eleventh JHSV, which we expect to be put under contract this coming summer.

Combat Logistics Support ships fulfill the vital role of providing underway replenishment of fuel, food, repair parts, ammunition and equipment to forward deployed ships and embarked aircraft to enable them to operate at sea for extended periods of time. We will begin to replace the Fleet Replenishment Oilers beginning in FY16 with the TAO (X). These will be double-hulled and meet Oil Pollution Act of 1990 and International Marine Pollution Regulations.

With the strong support of Congress, we continue to strengthen naval aviation as well. Adding new aircraft to our growing fleet will increase U.S. naval strength, in terms of both force capacity and capability. In the vertical lift community, multi-year production contracts for the MV-22 and MH-60R continue, as does the Marine Corps procurements of the AH-1Z and UH-1Y.

The E-2D, our new and upgraded electronic early-warning aircraft, reached initial operating capability in October and is continuing production under a multi-year contract. We continue to buy P-8As to replace the venerable P-3. Last year, in 2014, we saw the first deployment of this aircraft and continuous rotational deployments to Seventh Fleet are now underway. This past year also continued the integration of the EA-18G Growler electronic attack aircraft into the fleet. With Congress's addition of 15 Growlers in 2015, we will have 153 of these aircraft in 16 squadrons. With the final Navy deployment of the legacy EA-6B Prowler, and the looming retirement of the Marine Corps' last Prowlers, these incredibly capable new aircraft take over the nation's airborne electronic attack mission.

The F-35 Joint Strike Fighter remains a central part of the future of both Navy and Marine Corps aviation. This past year we saw the Marine Corps begin F-35B operations at two additional bases. The Marines are on track to have initial operating capability (IOC) for the first squadron this year. The Navy completed the F-35C's first flight operations at sea aboard USS Nimitz (CVN 68). According to plan, the Navy is the last service to acquire the F-35 and is continuing an acquisition strategy to achieve IOC in the 2018-2019 time frame. Incentive agreements with the builders have been achieved that will improve aircraft unit costs while also improving the learning curve on production.

Unmanned systems are critical to our ability to be present; they lessen the risk to our Sailors and Marines and allow us to conduct missions that are longer, go farther, and take us beyond the physical limits of pilots and crews. Launching and recovering unmanned aircraft as large and capable as our manned fighters from the rolling decks of aircraft carriers, launching unmanned rotary-wing patrols from our small surface combatants, and deployment of unmanned underwater vehicles globally are elements of both the present and future of maritime presence and naval warfare.

We are moving ahead with a number of unmanned programs in the effort to rapidly integrate them into the fleet. The MQ-8B Fire Scout has already begun regular deployments. When USS Fort Worth deployed to Singapore recently the ship took a mixed aviation detachment of a manned MH-60R helicopter and MQ-8B UAV's. This kind of hybrid employment, pairing our manned and unmanned systems to take advantage of the strengths of each, will be a hallmark of our future approach to unmanned systems. The first operational variant of the larger and more

capable next generation Fire Scout, the MQ-8C, was delivered in 2014. This aircraft will bring double the endurance and double the payload of the older versions.

We continue to work toward a full start of the Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) program. This unmanned addition to the air wings aboard our aircraft carriers is a vital part of the future of naval aviation. Full start of this program has been delayed pending a defense-wide review. Having the proper balance of long-endurance surveillance capabilities and the ability to grow into long range, penetrating strike missions in the future is critical. Development also continues of the unmanned underwater systems that are part of our future mine warfare capabilities. These systems will see formal operational testing in the Littoral Combat Ship program in 2016.

Maintaining the required pace of Navy shipbuilding while continuing the recapitalization of our aviation assets and other platforms made necessary by our deployment cycles and operational tempo is a very real issue. It will necessitate continued leadership, oversight and management to make sure we develop innovative solutions and maximize the efficiency in our acquisition system. Building our platforms is a unique public-private partnership and a key economic engine in nearly every state in the union. It provides more than 100,000 high-skill, high-paying jobs and helps ensure the foundation of global prosperity and security that our naval presence has assured since World War II.

Because cuts to our shipbuilding programs are the least reversible in their impact on our fundamental mission of providing presence and in their consequences to the industrial base and to our economy, I am committed, to the maximum extent possible, to preserve ship construction

and to seek reductions in every other area first, should further budget reductions such as sequestration become reality.

**Power - Energy and Efficiency**

For two centuries the United States Navy has had a history of leadership in energy innovation, transitioning from wind to coal, coal to oil and finally pioneering nuclear power. Fueling the ships, aircraft, and vehicles of our Navy and Marine Corps is a vital operational concern and enables the global presence necessary to keep the nation secure. But power and energy are also issues of national and international security.

My responsibility as Secretary of the Navy is to ensure that the Navy and Marine Corps have the right people, with the right training and the right tools to defend our country. Power and energy are an important part of ensuring our people have what they need and can get where they are needed. It is a critical element of our presence and why Navy has always been an energy innovator.

Throughout human history, access to resources has been a major source of conflict. Energy and fuel can and are being used as weapons. Threats against the shipping lanes in the Middle East, European dependence on Russian gas supplies and the impact of Russian energy dependence by the Ukraine are the subject of daily headlines. This is true regardless of the price of a barrel of oil, although the price decline of the last year has certainly impacted strategic calculations around the globe.

Here in the United States, with domestic production up and new oil and gas reserves being discovered even as prices have fallen, energy still remains a security concern. Even if we were able to produce every single drop of oil or gas that America needs domestically, we cannot control the price. Oil is the ultimate global commodity, often traded on world markets based on speculation and rumor. Oil price instability is often the result of global instability, and prices fluctuate with little warning. The volatility of oil prices, both up and down, has been repeatedly demonstrated in recent years. And energy supply will remain an issue for many of our allies and for others around the globe, creating the potential for instability and even conflict.

Operationally, energy matters now more than ever. The ships and aircraft that we deploy include advanced capabilities that make us the most effective expeditionary fighting force in the world. But our weapons platforms also use far more energy than their predecessors. Our ability to maximize our capabilities depends on having the energy available to power them.

In 2009, I established formal energy goals for the Department of the Navy to help drive the Navy and Marine Corps to strengthen our combat effectiveness by using energy more efficiently and by diversifying our sources of power. From the deployment of hybrid electric drives, to the introduction of alternative fuels into the fleet, to the Marines' use of expeditionary power systems in Afghanistan, we have made real progress over the last few years.

This past year we christened USS Zumwalt (DDG 1000), which has an electric propulsion system. This system is state-of-the-art and will significantly reduce fuel demand, which is a critical part of ensuring we have the fuel to power next generation weapons, like the Laser Weapon System (LaWS) and the electro-magnetic rail gun. This past fall we commissioned USS

America (LHA 6) which is driven by hybrid electric power plants. This is the same engineering design used in USS Makin Island (LHD 8) that, for her maiden deployment, cut her fuel consumption nearly in half when compared to other big deck amphibious ships. We also took delivery of two more Virginia Class submarines, with their advanced nuclear power systems that lead the world in efficiency and safety.

Our shore installations, like our shipyards, are critical to our operations. We continuously strive to be smarter and improve energy efficiency at our installations. And we are leveraging private sector funding to accomplish that goal. In fact, the Department of the Navy is on track to have awarded nearly one billion dollars in energy savings performance contracts by December 2016. That's one billion dollars to improve our infrastructure and lower our energy bills in the process. The Renewable Energy Program Office (REPO) coordinates and manages our goal of producing or procuring one gigawatt of cost-effective renewable energy for our bases. We will reach this goal by December of this year. The power we are buying through our REPO projects will be cheaper, over the life of the contract, than our current rates.

Last September we announced contracts with three companies that have committed to produce drop-in, military-compatible biofuels at operational quantities. Let me be clear: we are not obligated to buy fuel from any producer and do not intend to buy any fuels unless they are cost competitive. That said, it is critical we continue to use alternative fuels in our ships and aircraft to ensure operational flexibility. The private sector, including major airlines, is expanding the use of alternative fuels just as we are.

Diversifying our energy supply for our ships, our aircraft, and our bases helps guarantee our presence and ability to respond to any crisis. Increasing our energy efficiency assures that we can remain on station longer or extend our range, without the delays and vulnerability of refueling. And the benefits of competition, as we have demonstrated in shipbuilding, are always welcome. In these ways, our focus on power and energy is helping to ensure the United States Navy and Marine Corps remain the most powerful expeditionary fighting force in the world and their ability to protect and advance American interests around the globe.

#### **Partnerships – Naval Diplomacy and International Cooperation**

In the 21st century, to be effective, all nations and people that seek freedom and security have to carry their own share of the responsibility of defending the global system. A collective effort will assure our navies can provide the necessary presence to maintain freedom of navigation and maritime security around the world. Whether blue water or brown, America's Navy and our other allies and partners help assure stability and security, creating and strengthening global relationships, providing humanitarian assistance and disaster relief, deterring adversaries when possible, and defeating aggression when necessary.

Cooperation on the world's oceans helps us diffuse tensions, reduce misunderstandings, and limit conflict. The world's maritime tradition is nearly as old as human history. From harbors near the Arctic Circle and around the Mediterranean, from the littorals of Asia to the shores of Africa, the Americas and Australia, human civilizations have launched one great fleet after another toward the horizon. Again and again naval forces have proven themselves the most immediate, the most capable and the most adaptable option when a crisis develops.

This is even more true when like-minded navies, with similar national policy objectives, can find ways to work together. Whether exercising together in the Baltic or in Southeast Asia, operating against pirates in the Gulf of Aden, or cooperating to provide relief in the aftermath of natural disasters, the strong cooperation between the United States and our partners and allies makes a difference all over the globe. Partnerships are a key contributor to presence.

Building partnerships and establishing trust between our nation and our Navy and countries around the world is why I travel to visit with foreign military and governmental leaders. Those meetings are critical to building the relationships that can help us deter conflict or respond in a more coordinated and effective manner to manmade or natural crises. It is critical in my job as Secretary of the Navy to understand the global landscape and the security challenges – and opportunities. Briefings and PowerPoint slides can never match the value of firsthand observation and interactions, as anyone who has served aboard a ship, at a forward outpost, or in a warzone can tell you. As the old Navy saying goes, “You can surge people and you can surge platforms, but you cannot surge trust.”

Our rebalance to the Pacific continues to be an important part of our partnership efforts. We must have the right platforms in the right places to ensure our friends and allies understand our commitment. We're moving more ships to the central and western Pacific, including forward basing an additional fast attack submarine in Guam and as I mentioned earlier we are forward stationing four Littoral Combat Ships out of Singapore. We are ensuring that our most advanced platforms are in the Pacific, so we're increasing the number of DDG's with the Ballistic Missile Defense systems based in Japan and the P-8A maritime patrol aircraft are making their first rotational deployments in the region. In the longer term, by 2018 we will deploy an additional

Amphibious Ready Group to the Indo-Pacific region and we will deploy a growing number of Joint High Speed Vessels and Mobile Landing Platforms there. With these changes, and others, by the end of the decade 60% of our fleet will be based in the Pacific, a fleet which will be larger than the one we have today.

The Marine Corps is also building its capacity to work with our Indo-Pacific partners. We continue to increase the rotational deployment of Marines to Australia, which will culminate in the regular rotational deployment of a Marine Air Ground Task Force (MAGTF) of approximately 2,500 Marines. The Marines have increased the size of this deployment from just over 200 Marines to more than 1,000 and over the past year these Marines out of Darwin have conducted exercises and theater security operations throughout the region. We are also continuing forward on the plan to base another MAGTF (part rotational, part permanent) of about 5,000 Marines in Guam, which will become a central hub for many of our Pacific operations.

This past year saw dramatic developments in Eastern Europe and the Black Sea region. The Navy and Marine Corps have been central to demonstrating support for our allies and friends and American interests in the region. Alongside the Marine Corps' Black Sea Rotational Force's operations in Eastern Europe, a series of Navy ships have deployed into the Black Sea to ensure freedom of navigation and work with our partners there. The bonds between America and Europe and our shared values remain as strong today as ever.

That is demonstrated in one of the world's strongest and most enduring defense partnerships: the North Atlantic Treaty Organization. It is true that America's defense strategy calls for an

increased focus on the Western Pacific, Arabian Gulf, and Indian Oceans. But that same strategy also ensures that we aren't turning away from our longstanding allies in Europe and also calls for renewing our commitment to NATO. A very concrete example of this is the move of four ballistic missile defense capable DDGs to Rota, Spain. All of these efforts are a continuation of NATO's 65-year mission to keep all nations free, and not to claim territory or tribute.

This past summer USS America sailed from the Gulf Coast, where it was built in Mississippi, around South America to its new homeport in San Diego. As America sailed through the Americas, the Sailors and Marines aboard conducted theater security cooperation activities with countries in the region, training together and helping to develop the skills needed to counter illicit trafficking and conduct combined operations. Our new Joint High Speed Vessels are also deploying to the Americas with the ability to operate for longer periods and carry adaptive payloads. Our security is undeniably tied to our neighbors and we are working with innovative and small-footprint approaches to enhance this.

This past September, I invited the leaders of our partner navies in West Africa to join me for a series of discussions in Newport, Rhode Island called the Gulf of Guinea Maritime Security Dialogue. Naval leaders from 16 nations bordering the Gulf of Guinea came to discuss how we could increase collaboration in a region where piracy, extremism, trafficking and insecurity of all types are on the rise. We discussed a unified code of conduct for maritime law enforcement and encouraged more direct cooperation in the region. As the economy in the Gulf of Guinea continues to grow, so does the increasing relevance of guarding against transnational crime like maritime terrorism and the illegal movement of drugs and weapons. The U.S. Navy and Marine

Corps will continue to work with our partners in West Africa and help them improve their capabilities and promote collaboration.

Sailors and marines of every nation have much in common with other sailors and marines. Working together, we become more inter-operable, we can provide key training and develop the operational capabilities of like-minded countries and navies. This in itself increases stability for the global system. It distributes the burdens and costs of maritime security and makes us all safer by reducing the likelihood of conflict. Direct engagement with foreign leaders by our Department's senior leadership is a central component of building the human connections that are critical to successful partnership and combined operations. They are a large part of what builds the international relationships, trust, and inter-operability that is central to our globalized world.

In this interconnected world, threats know no boundary, no international lines, so the burden of security has to be shared. Across 239 years of history our Navy and Marine Corps have worked with allies and friends. From suppressing the slave trade on the coast of Africa in the mid-19<sup>th</sup> century to the combined operations of World War II, the examples are endless. From the exercises I mentioned earlier like RIMPAC, MALABAR, and PLATINUM LION, to our multi-lateral and bi-lateral meetings with both uniformed and government leaders, to our combined operations like the search for Air Asia Flight 8501 and counter-piracy patrols off the Horn of Africa; these examples illustrate that the partnerships we build and maintain today remain critical to our global presence.

**FY16 Budget Submission**

The Department of the Navy's proposed budget for FY16 is designed with a focus on the three objectives laid out 2014 Quadrennial Defense Review: protect the homeland, build security globally, and project power and win decisively when called upon. In doing so we have looked across the FYDP to maintain our ability to conduct the ten primary missions listed in the Defense Strategic Guidance to 2020 and beyond. Overall the FY16 President's Budget balances current readiness needed to execute assigned missions while sustaining a highly capable fleet, all within a tough fiscal climate.

Our approach to this budget has focused on six objectives. First, maintain a credible and modern sea-based strategic deterrent. Second, sustain our forward global presence to ensure our ability to impact world events. Third, preserve both the capability and capacity to defeat an aggressor in one multi-phase contingency operation while simultaneously denying another aggressor the ability to achieve their objectives. Fourth, ensure that the force is adequately ready for these operations through critical afloat and shore readiness and personnel issues. Fifth, continue and affordably enhance our asymmetric capabilities. Finally, sustain our industrial base to ensure our future capabilities, particularly in shipbuilding.

Even as we deal with today's fiscal limitations, we cannot let slip away the progress we've made in shipbuilding. It takes a long time, measured in years, to produce a deployable ship. As I noted earlier, it is the least reversible thing we might do to deal with budget constraints. If we miss a year, if we cancel a ship, it is almost impossible to recover those ships because of the time involved and the fragile industrial base. To do the job America and our leaders expect and demand of us, we have to have those gray hulls on the horizon.

This budget results in a 2020 fleet of 304 ships. We will purchase Virginia Class attack submarines at a rate of two per year for a total of ten across the FYDP, with the inclusion of the Virginia Payload Module by FY19 for at least one boat per year. We also will continue to procure Arleigh Burke class destroyers at a rate of 2 per year, with the first Flight III DDG funded in FY16 and delivered in FY21. Fourteen ships of the Littoral Combat Ship class, of which at least the last five will be the frigate variant, will also be procured in this FYDP. We will also continue the construction of amphibious ships, mobile landing platforms, high speed vessels, and combat logistics ships.

This budget carries on the development of the future carrier air wing. Procurement of both the F-35C and F-35B continues, with initial operating capability (IOC) of the F-35C coming sometime in late FY18 or early FY19. Our multi-year procurement of the E-2D will now include the introduction of inflight refueling capability for the new aircraft. We are continuing the integration and procurement of the Small Diameter Bomb II for the F/A-18 and fund advancements to the Advanced Anti-Radiation Guided Missile to reach IOC for Block I in FY17. The budget also funds the EA-18G into its Full Operating Capability and full air wing integration in FY17, and we continue the development of the Next Generation Jammer.

We are accelerating the purchase of P-8A maritime patrol aircraft to reverse the reductions that were made due to sequester cuts. Our plan is to complete the buy in FY19 and have the entire inventory of 109 aircraft by the end of the FYDP. We are also addressing the future of our logistics support and carrier onboard-delivery aircraft. This budget funds the purchase of 24 Navy V-22 Tiltrotor aircraft across the FYDP, with an IOC for Navy squadrons of FY21.

In order to face potential adversaries who are building technologically advanced platforms and weapons of their own, we must move forward on our development of new and innovative systems. This budget funds the accelerated acquisition of the Long Range Anti-Ship Missile (LRASM), which will reach early operating capability on the B-1 in FY18 and with F/A-18's in FY19. We are also continuing procurement of SM-6 missiles. Funding for the next leap forward in weapons technologies, such as the LaWS and railgun programs, are included as well as the precision-guided Hyper-Velocity Projectile (HVP) for both our 5-inch guns (by FY19) and for the railgun once development is complete.

The FY16 budget also places priority on emerging capabilities in the cyber and electronic warfare efforts. We will continue to recruit and train top talent to form 40 cyber mission teams by the end of 2016. We also include funding for Operation Rolling Tide and the results of Task Force Cyber Awakening, which invests in enhancements to our networks for cyber defense-in-depth, including defense solutions for ships, security improvements for our command and control networks, and the expansion of some of our defense initiatives to tactical IT systems. The Navy is developing capabilities to deliver cyber effects from land and sea-based platforms. We are continuing the build of the Mobile User Objective System (MUOS) satellites with an IOC expected in FY16 and the launch of the fifth satellite in late 2016.

The Marine Corps end strength will hold at 184,000 Marines for 2016 while leadership assesses the impact of the drawdown that has been conducted over the past 4 years. This pause is for one year only. The Marines will draw down to 182,100 under this budget in 2017. After coming down by 18,000 Marines, we need to ensure we have the right number of small unit leaders and their ability to prepare their Marines for deployment. We must also make sure that units

preparing for overseas operations have adequate time and ability to train and to maintain unit cohesion.

The Marine Corps will begin procurement and testing of the next generation ground combat maneuver capability, starting with the Joint Light Tactical Vehicle. We will also award engineering manufacturing and development contracts to two vendors to produce Amphibious Combat Vehicle 1.1 prototypes for testing and evaluations. The F-35B program also remains a high priority for the Marine Corps, and this budget ramps up production of airframes with the plan to stand up a third F-35B squadron by FY18. These programs are important to our ability to maintain the Marine Corps as the nation's expeditionary force-in-readiness. Our ability to remain forward engaged and ready to respond to crisis is dependent on the readiness of our forward deployed and home station units. The Marine Corps must remain the most ready when the nation is least ready

Our support for our Sailors and Marines and their families is evident in the personnel initiatives in this budget, many of which were described earlier. We are continuing the Compensation Reform and Quality of Service initiatives that we first proposed in the budget for FY15. This includes increasing our requested pay raise from 1.0% to 1.3% in FY16. To ensure fairness across the force, this budget also makes certain that every active duty family members has the option to receive health care with no co-pays/cost share regardless of their assigned duty station, including remote locations. The re-investment in our talented and innovative workforce also continues from the FY15 budget to this one, including the new sea duty incentive pays and bonuses, barracks improvements for our junior personnel, and improved fleet training and spares availability to ensure our men and women have the tools they need to get their jobs done.

The American people have every right to expect that after coming out of two wars there would be savings in the defense budget. Our Department is continuing its reform of acquisition practices, including fundamental changes to how we contract for services. We are establishing additional discipline in the contractual services process – from requirements to tracking to execution to surveillance – that ensures the integrity of the system remains high and to guard against fraud. Also, as a result of reformed contracting processes, we fully expect in this budget to achieve the reductions in contractual services that we began in last year, realigning those resources to buying more material equipment and readiness for the force.

We continue to aggressively implement acquisition practices that improve the return for each taxpayer dollar we spend. Improved management of requirements, multiyear procurements, appropriate incentive contracts, additional competitions, and small business initiatives are but a few of the tools we are using to maximize the return on each dollar we invest on behalf of the taxpayer. However, the way some of the budget reductions have been executed in the law, through continuing resolutions and the sequester, have made planning virtually impossible and have not allowed us to approach reductions in a strategic way. After the initial return of a moderate amount of stability following last year's Bipartisan Budget Act and the recent Omnibus Spending Bill, the President's Budget for FY16 continues this stability to the Department's planning for the future. In order to maintain our Constitutional responsibility to "provide for and maintain a Navy," we must work together to ensure that our Navy and Marine Corps remain the most powerful expeditionary fighting force in the world.

Over the past three years the Navy and Marine Corps have had to make tough choices across a wide range of competing priorities in order to deal with funding instability. This proposed budget submission for FY16 maintains the minimums necessary to accomplish the missions required by the DSG. We continue to accept some risk to our capacity to complete all ten of the missions, and we have continued reductions to the maintenance funds for our shore infrastructure, elements of our weapons capacity, and selected aviation accounts. While these reductions were seen as the most reversible, over a longer period of time the expenses have continued to add up. Because we have already taken these savings, a return to the funding level required by the 2011 Budget Control Act certainly will have more dramatic impacts.

#### **Conclusion**

In 2015 we commemorate the bicentennial of the end of the War of 1812. At the Battle of New Orleans a joint force of Sailors, Marines, Soldiers, and volunteers repelled a veteran British Army, battle hardened by their war against Napoleon. From the Navy's small combatants and gunboats that attacked the landing force in Lake Borgne, to the gunnery crews who joined the Army's artillery on the field of battle at Chalmette Plantation, Sailors and Marines ensured the defense of our homeland against invasion. Only weeks later off the coast of Africa, Captain Charles Stewart and USS Constitution fought the war's final battle at sea, bringing an end to the conflict that established the U.S. Navy as a player on the world's stage.

When America has called, the Navy and Marine Corps have always been there. Two hundred years ago our squadrons sailed for the shores of Africa and the Second Barbary War, having just concluded that decisive role in the War of 1812. One hundred and fifty years ago, Admiral Farragut sailed up through Mobile Bay during the Civil War. One hundred years ago, as the

First World War began, we prepared for convoy operations and anti-submarine missions in the battle for control of the Atlantic. Seventy years ago, Sailors and Marines fought their way across the Pacific toward Japan. For all of those two hundred plus years, and continuing today, the Navy and Marine Corps have been ready to fight and to win our nation's wars, whether coming from the sea or on, above or beneath the sea.

Today, from the coast of Africa to the wide expanse of the Pacific, from the Arctic to the Antarctic, our Sailors and Marines continue to deploy to protect and defend the American people and our national interests. They, and our Navy and Marine Corps civilians, continue to ensure that America's Away Team is ready and present around the world, prepared for action in times of crisis or working with our partners in in times of peace.

The United States of America faces an international security environment full of uncertainty. To face that world, the funding levels in the Department of the Navy's proposed budget for FY16 reflect the resources required to rapidly respond to a diverse scope of contingencies spanning extremist organizations, pandemic diseases and natural disasters, while continuing to deter assertive actors across the globe through our expeditionary presence and dominant warfighting capability. These investments will continue to provide the best value in dealing with that dynamic security environment, as well as securing and strengthening our own and the global economy.

In order to ensure that we continue to provide the Navy and Marine Corps our nation's leaders the American people have come to expect, the Commandant and Chief of Naval Operations and I look forward to working with this Committee and the Congress. From maintaining our

momentum on our plan to build to a fleet of 304 by the end of the decade, to our continued efforts to purchase the aircraft, vehicles and weapons detailed in our budget submission, to the priority of ensuring we maintain and retain the talented Sailors, Marines, and civilians who make it all possible, we will need to work together. We look forward to answering your questions, at this hearing and in the future. We will continue to work to provide for, and maintain, our Navy and Marine Corps because, as President Theodore Roosevelt once said, "A good Navy is not a provocation to war. It is the surest guaranty of peace."

**Ray Mabus**  
**Secretary of the Navy**  
**5/19/2009 – Present**

Ray Mabus is the 75th United States Secretary of the Navy and leads America's Navy and Marine Corps.

As Secretary of the Navy, Mabus is responsible for conducting the affairs of the Department of the Navy, including recruiting, organizing, equipping, training and mobilizing. Additionally, he oversees the construction and repair of naval ships, aircraft, and facilities, and formulates and implements policies and programs consistent with national security policies. Secretary Mabus is responsible for an annual budget in excess of \$170 billion and leadership of almost 900,000 people.

Upon assumption of office and throughout his tenure, Mabus has prioritized improving the quality of life of Sailors, Marines and their families, decreasing the Department's dependence on fossil fuels, strengthening partnerships and revitalizing the Navy's shipbuilding program.

Leading the world's only global Navy, Mabus has traveled more than 900 thousand miles to over 100 countries to maintain and develop relationships with national and international officials and visit with Sailors and Marines forward deployed or stationed around the world. He has traveled to Afghanistan on 12 separate occasions, in recognition of the sacrifice and service of Sailors and Marines deployed in combat zones.

To prepare service members and their families for the high tempo operations of today's Navy and Marine Corps, Mabus announced in 2012 the "21st Century Sailor and Marine" initiative, designed to build and maintain the most resilient and ready force possible.

Mabus also directed the Navy and Marine Corps to change the way they use, produce and acquire energy, and set an aggressive goal that no later than 2020, the Navy and Marine Corps obtain at least 50% of their energy from alternative sources. In pursuit of that goal the Department has achieved several milestones. In 2012, President Obama announced in his State of the Union address that the Department will purchase or facilitate the production of 1GW of renewable energy for use on Navy and Marine Corps installations. The Navy also demonstrated the Great Green Fleet in 2012, a carrier strike group in which every participating U.S. Navy ship and type of aircraft operated on alternative energy sources including nuclear energy and biofuels.

Secretary Mabus has made increasing the size of the naval fleet and protecting the industrial base a top budget priority of the Department. During his tenure, the Navy went from building fewer than five ships a year to having more than 40 ships under contract, most of them in fixed-price, multi-year deals that assure value for taxpayers, certainty for industry partners and strength for our nation.

In June 2010, as an additional duty, President Obama appointed Mabus to prepare the long-term recovery plan for the Gulf of Mexico in the wake of the Deepwater Horizon oil spill. Mabus' report was

released in September 2010 and met with broad bi- partisan support with most recommendations passed into law by Congress as the Restore Act. Included in the legislation was a fund to aid in the Gulf Coast's recovery by distributing 80 percent of any civil penalties awarded as a result of the damage caused by the disaster. To date, civil penalties total more than one billion dollars.

Before his appointment, Mabus held a variety of leadership positions. From 1988 to 1992, Mabus served as Governor of Mississippi, the youngest elected to that office in more than 150 years. Mabus was Ambassador to the Kingdom of Saudi Arabia from 1994-1996 and later was Chairman and CEO of a manufacturing company.

Mabus has been recognized for his leadership of the Navy and Marine Corps on multiple occasions. In 2013, he was named one of the top 50 highest rated CEOs by Glassdoor, an online jobs and career community. Mabus was the only leader of a federal agency to receive this award.

Secretary Mabus is a native of Ackerman, Mississippi, and received a Bachelor's Degree, summa cum laude, from the University of Mississippi, a Master's Degree from Johns Hopkins University, and a Law Degree, magna cum laude, from Harvard Law School. After Johns Hopkins, Mabus served in the Navy as an officer aboard the cruiser USS Little Rock.

## United States Air Force

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Presentation

Before the House Armed Services  
Committee

### ***Fiscal Year 2016 Air Force Posture***

Witness Statement of  
The Honorable Ms. Deborah Lee James,  
Secretary of the Air Force

General Mark A. Welsh III, USAF  
Chief of Staff

March 17, 2015

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## BIOGRAPHY

**UNITED STATES AIR FORCE**

### DEBORAH LEE JAMES

Deborah Lee James is the Secretary of the Air Force, Washington, D.C. She is the 23rd Secretary of the Air Force and is responsible for the affairs of the Department of the Air Force, including the organizing, training, equipping and providing for the welfare of its more than 690,000 active duty, Guard, Reserve and civilian Airmen and their families. She also oversees the Air Force's annual budget of more than \$110 billion.

Ms. James has 30 years of senior homeland and national security experience in the federal government and the private sector. Prior to her current position, Ms. James served as President of Science Applications International Corporation's Technical and Engineering Sector, where she was responsible for 8,700 employees and more than \$2 billion in revenue.



For nearly a decade, Ms. James held a variety of positions with SAIC to include Senior Vice President and Director of Homeland Security. From 2000 to 2001, she was Executive Vice President and Chief Operating Officer at Business Executives for National Security, and from 1998 to 2000 she was Vice President of International Operations and Marketing at United Technologies.

During the Clinton Administration, from 1993 to 1998, Ms. James served in the Pentagon as the Assistant Secretary of Defense for Reserve Affairs. In that position, she was the Secretary of

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March 17, 2015

Defense's senior advisor on all matters pertaining to the 1.8 million National Guard and Reserve personnel worldwide. In addition to working extensively with Congress, state governors, the business community, military associations, and international officials on National Guard and Reserve component issues, she oversaw a \$10 billion budget and supervised a 100-plus-person staff. Prior to her Senate confirmation in 1993, she served as an assistant to the Assistant Secretary of Defense for Legislative Affairs.

From 1983 to 1993, she worked as a professional staff member on the House Armed Services Committee, where she served as a senior advisor to the Military Personnel and Compensation Subcommittee, the NATO Burden Sharing Panel, and the Chairman's Member Services team.

Ms. James earned a Bachelor of Arts degree in comparative area studies from Duke University and a master's degree in international affairs from Columbia University School of International and Public Affairs.

**EDUCATION**

1979 Bachelor of Arts degree in comparative area studies, Duke University, Durham, N.C.

1981 Master's degree in international affairs, Columbia University, N.Y.

**CAREER CHRONOLOGY**

1. 1983 - 1993, Professional Staff Member, Armed Services Committee, U.S. House of Representatives, Washington, D.C.
2. 1993 - 1998, Assistant Secretary of Defense for Reserve Affairs, Office of the Secretary of Defense, Washington, D.C.
3. 1999 - 2000, Vice President of International Operations and Marketing, United Technologies, Washington, D.C.
4. 2000 - 2001, Executive Vice President and Chief Operating Officer, Business Executives for National Security, Washington, D.C.
5. 2002 - 2013, Senior Vice President and Director for Homeland Security; Senior Vice President, C4IT Business Unit General Manager; Executive Vice President, Communications and Government Affairs; President, Technical and Engineering Sector, Science Applications International Corporation, McLean, Va.
6. 2013 - present, Secretary of the Air Force, Washington, D.C.

(Current as of December 2013)

March 17, 2015



## BIOGRAPHY

**UNITED STATES AIR FORCE**

### GENERAL MARK A. WELSH III

Gen. Mark A. Welsh III is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 690,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Welsh was born in San Antonio, Texas. He entered the Air Force in June 1976 as a graduate of the U.S. Air Force Academy. He has been assigned to numerous operational, command and staff positions. Prior to his current position, he was Commander, U.S. Air Forces in Europe.



#### EDUCATION

1976 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.  
1984 Squadron Officer School, by correspondence  
1986 Air Command and Staff College, by correspondence  
1987 Master of Science degree in computer resource management, Webster University  
1988 Army Command and General Staff College, Fort Leavenworth, Kan.  
1990 Air War College, by correspondence  
1993 National War College, Fort Lesley J. McNair, Washington, D.C.

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1995 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge  
1998 Fellow, National Security Studies Program, Syracuse University and John Hopkins University, Syracuse, N.Y.  
1999 Fellow, Ukrainian Security Studies, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.  
2002 The General Manager Program, Harvard Business School, Harvard University, Cambridge, Mass.  
2009 Fellow, Pinnacle Course, National Defense University, Fort Lesley J. McNair, Washington, D.C.  
2009 Leadership at the Peak, Center for Creative Leadership, Colorado Springs, Colo.

**ASSIGNMENTS**

1. August 1976 - July 1977, Student, undergraduate pilot training, Williams Air Force Base, Ariz.
2. July 1977- January 1981, T-37 Instructor Pilot and class commander, Williams AFB, Ariz.
3. January 1981 - May 1981, Student, fighter lead-in training, Holloman AFB, N.M.
4. May 1981 - August 1981, Student, A-10 training, Davis-Monthan AFB, Ariz.
5. August 1981 - May 1984, Instructor pilot, Flight Commander and wing standardization and evaluation Flight Examiner, 78th Tactical Fighter Squadron and 81st Tactical Fighter Wing, Royal Air Force Woodbridge, England
6. May 1984 - June 1987, Commander, Cadet Squadron 5, later, executive officer to the Commandant of Cadets, U.S. Air Force Academy, Colorado Springs, Colo.
7. June 1987 - June 1988, Student, Army Command and General Staff College, Fort Leavenworth, Kan.
8. June 1988 - October 1988, Student, F-16 conversion training, Luke AFB, Ariz.
9. October 1988 - July 1992, Operations Officer, 34th Tactical Fighter Squadron, later, Commander, 4th Tactical Fighter Squadron, Hill AFB, Utah
10. July 1992 - June 1993, Student, National War College, Fort Lesley J. McNair, Washington, D.C.
11. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C.
12. June 1995 - April 1997, Commander, 347th Operations Group, Moody AFB, Ga.
13. April 1997 - June 1998, Commander, 8th Fighter Wing, Kunsan Air Base, South Korea
14. June 1998 - June 1999, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
15. June 1999 - September 2001, Commandant of Cadets and Commander, 34th Training Wing, U.S. Air Force Academy, Colorado Springs, Colo.
16. September 2001 - April 2003, Director of Plans and Programs, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
17. April 2003 - June 2005, Director of Global Power Programs, Office of the Assistant

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- Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.
18. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C.
19. July 2007 - August 2008, Vice Commander, Air Education and Training Command, Randolph AFB, Texas
20. August 2008 - December 2010, Associate Director of the Central Intelligence Agency for Military Support/Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C.
21. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base, Germany; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany
22. August 2012 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

**SUMMARY OF JOINT ASSIGNMENTS**

1. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C., as a lieutenant colonel and a colonel
2. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C., as a major general
3. August 2008 - December 2010, Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C., as a major general and a lieutenant general
4. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany, as a general

**FLIGHT INFORMATION**

Rating: Command pilot  
Flight hours: More than 3,300  
Aircraft flown: F-16, A-10, T-37 and TG-7A

**MAJOR AWARDS AND DECORATIONS**

Defense Distinguished Service Medal with oak leaf cluster  
Distinguished Service Medal with oak leaf cluster  
Defense Superior Service Medal with oak leaf cluster  
Legion of Merit with oak leaf cluster  
Distinguished Flying Cross with oak leaf cluster  
Meritorious Service Medal with two oak leaf clusters  
Air Medal with oak leaf cluster  
Aerial Achievement Medal

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Joint Service Commendation Medal  
Air Force Commendation Medal

**EFFECTIVE DATES OF PROMOTION**

Second Lieutenant June 2, 1976  
First Lieutenant June 2, 1978  
Captain June 2, 1980  
Major May 1, 1985  
Lieutenant Colonel June 1, 1989  
Colonel Feb. 1, 1994  
Brigadier General Aug. 1, 2000  
Major General Aug. 1, 2003  
Lieutenant General Dec. 9, 2008  
General Dec. 13, 2010

**I. Introduction**

The United States Air Force is the most globally engaged air force on the planet. American Airmen are in constant defense of our national interests, whether dropping bombs, commanding satellites in space, delivering humanitarian relief, or protecting the homeland with an array of air, space, and cyberspace capabilities our forefathers could never have imagined. Airmen collaborate and train with allies – expanding and strengthening our collective capabilities – and guarantee the global freedom of movement and access that Americans have come to expect. Alongside its Sister Services, America's Air Force delivers our Nation the power, influence, agility, and global reach no other country currently possesses...no matter the effort, no matter the odds. Our Airmen are warfighters and they bring airpower to bear on behalf of America every day.

But 24 years of continual combat operations, coupled with constrained and unstable budgets, has taken its toll. America needs a force ready for a spectrum of operations more global and complex than ever before. Instead, a relentless operations tempo, with fewer resources to fund, coordinate, and execute training and exercises, has left a force proficient in only those portions of the mission necessary for current operations. This is not the Air Force America expects...but today, it is the Air Force America owns.

Today's Air Force is the smallest and oldest it has ever been, even while the demand for airpower continues to climb. There is no excess; there is no "bench" ...everything is committed. When called into action, today's Air Force cannot respond in one corner of the Earth without diluting its presence elsewhere. The blanket of American airpower covering the globe has thinned; in places, it is nearly threadbare. As we have cut our *capacity*, we have found our *capability* equally diminished – the two qualities are inextricably linked.

The Nation deserves an Air Force that can outmatch its most dangerous enemies at their peak of power – the most demanding warfighting scenario, not just the "low-end

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fight.” The President’s Budget (PB) takes a critical step toward recovering that Air Force, but make no mistake: even at PB levels, the Air Force remains stressed to do what the Nation asks of us. To truly reverse the erosion of American airpower requires sustained commitment, stability, and the decision-space to invest each taxpayer dollar where it can best deliver the most combat power.

Without bold leadership today – difficult decisions and a commitment to air, space, and cyberspace investment – America’s airpower advantage is increasingly at risk.

## **II. A Globally Engaged Force**

At the Nation’s call, American Airmen leap to defend her interests. They respond at all hours, on any day, anywhere in the world, and they do it whether the requirement has been planned for or not. After all, enemies (and disasters) rarely strike when expected.

On the eve of 2014, the Nation – and the Air Force – planned for a relatively quiet year. We expected to draw down combat forces in Afghanistan, and have an opportunity to reset and reconstitute our forces.

Instead, the Ukraine and a resurgent Russia happened. Ebola happened. The Islamic State happened. Airmen flew 19,959 offensive sorties, releasing 8,249 weapons<sup>1</sup> in support of U.S. Central Command alone. Air Force tankers offloaded 172 million gallons of fuel to Joint and coalition air forces, and Airmen flew 79,445 airlift missions in operations on every continent.<sup>2</sup> We kept watch over our enemies, collecting and analyzing over 18 million images and 1.6 million hours of full motion video...and we evacuated 6,075 wounded Soldiers, Sailors, Airmen, Marines, and civilians from the battle space. Instead of slowing down, our force sped up.

The Air Force was equally busy at home, providing capability most Americans never have to think about. Airmen launched nine national security space missions –

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<sup>1</sup> These include Close Air Support, Escort, and Interdiction sorties. Data from AFCENT Airpower Summary

<sup>2</sup> Tanker Airlift Control Center Office of Public Affairs

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bolstering GPS, weather, and Space Situational Awareness capabilities to benefit military and civilian users alike. They engaged with allies to build America's space partnerships; and worked to qualify potential new launch providers to increase competition, reduce costs, and assure American access to space in the future. And Airmen began the long, critical work of revitalizing two of the three legs of our Nation's nuclear triad, gathering over 300 recommendations from the field on how to improve Air Force nuclear culture... and then implemented those ideas, to the tune of \$50 million in fiscal year 2014 (FY14) and a planned \$154 million in FY15.

Airmen provide access, overwatch, protection, and staying power for American and coalition forces the world over. They degrade adversary capabilities, and re-affirm every day that America can project power anywhere in the world, at the time and place of our choosing. That power – that presence, at home and abroad – is among the strongest deterrents confronting the Nation's would-be enemies... and protecting our National interests.

### **III. Capacity and Capability: A Dual Problem**

Americans have invested in airpower for well over 60 years to ensure the fight is never fair. But today – after many years of continual operations and a few fiscal upheavals – the Nation is at a crossroads, with a fundamental disconnect between its airpower expectations and its airpower capability.

There was a time when the Air Force could trade some capacity in order to retain capability. But we have reached the point where the two are inextricable; lose any more capacity, and the capability will cease to exist.

The Service's intelligence, surveillance, and reconnaissance (ISR) force is a sobering example of this critical nexus. In today's warfighting environment there is nearly infinite

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appetite for Air Force ISR<sup>3</sup> – we simply do not have the capacity to fulfill it. To meet as much of the demand as possible, Airmen work 10- to 12-hour shifts on a “7-on, 1-off” pattern, flying over 900 hours a year – a rate that can accumulate a career’s worth of flying hours in a single assignment. These are combat shifts, physically, mentally, and emotionally taxing...and to get it done, they are sometimes diverted from training that allows them to improve, advance, and build a professional military career. When such Airmen are faced with the decision to separate or continue to serve, it is difficult to convince them that staying is in their best interests. We are losing them at a rate faster than we can replace them.

At some point, no level of effort will cover the capacity gap created by continual worldwide operations and dwindling, uncertain budgets. The capability itself will fail.

The fleet offers another case in point. Today’s Air Force is both the smallest and oldest it has ever been. Since Operation DESERT STORM in 1991, the Air Force cut its total aircraft inventory from 8,600 to 5,452. During that same time period, we cut Active, Guard, Reserve, and civilian Airmen from 946,000 to little more than 662,000 (just 313,000 on active duty). The average age of Air Force aircraft is 27 years, with many fleets substantially older.

The *newest* B-52 bomber is 53 years old. In at least one Air Force family, three generations of Airmen have piloted the Stratofortress, in combat engagements from Vietnam to ENDURING FREEDOM (see boxed text below).

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<sup>3</sup> A return to sequestration would result in 50 percent of the high-altitude ISR missions being flown today no longer being available. Commanders would lose 30 percent of their ability to collect intelligence and targeting data against moving vehicles on the battlefield.

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**Three Generations of B-52 Airmen**

Captain Daniel Welch graduated from the Air Force Academy in 2008, and began flying the B-52 in March of 2010. His father, Lieutenant Colonel Don Welch, was assigned to Guam in the early 1980s, a B-52 flight crew member during the Cold War. And Daniel's grandfather, Colonel Don Sprague, flew "the mighty B-52" in combat missions in Vietnam, earning the Distinguished Flying Cross for his service.

The B-52 that Daniel's grandfather flew was designed in the 1950s for its strategic strike capability, deterring direct aggression from our enemies. It was capable and it was credible. Under current recapitalization plans, the Air Force will try to keep this venerable airplane flying until at least 2040...that is enough years to let a fourth generation of the Sprague-Welch family grow, graduate, and fly the B-52 as well. But how capable, and by extension how credible, will a 90-year-old bomber be in the world 25 years from today?

The Nation broadly invested in capacity to cover the globe decades ago...but if we do not have capacity with the right capability to meet today's needs, what is perceived as credible capability is merely an illusion.

By automobile standards, 12 fleets of Air Force aircraft are authorized antique license plates in the state of Virginia. The Air Force can (and does) continue to patch these older platforms up and fly them in combat. But after extending their service life time and time again, each airframe reaches the point where it cannot be "patched up" anymore. It must be replaced or it fails.

With aging aircraft and stressed fleets, today's capacity, as small as it is, is something of an illusion. The numbers are there – barely – but the capability to command global influence is tenuous. What was, in earlier times, a blanket of airpower covering the globe, has been worn to mere threads.

**IV. Policy and Purse Strings**

The world continues to change at an unprecedented pace and operational requirements continue unabated. The demands for global engagement is challenging under any circumstance...but when combined with an uncertain budget environment, it drives the Air Force – indeed, all Services – to make incredibly difficult choices, pitting vital requirement against vital requirement.

When budgets contract and budgetary policy is continually postponed, or written in a way that limits Service solutions to budget problems, decision-space shrinks, and already difficult budget choices become nearly impossible.

In FY12, when the Air Force originally forecast its requirements to meet the Defense Strategic Guidance, the Service planned an FY16 topline of \$134 billion. Today – as enacted in FY15, and so requested in the FY16 PB – that topline has decreased to \$122 billion. In aggregate, the loss across those five years is \$64 billion (see chart I below).

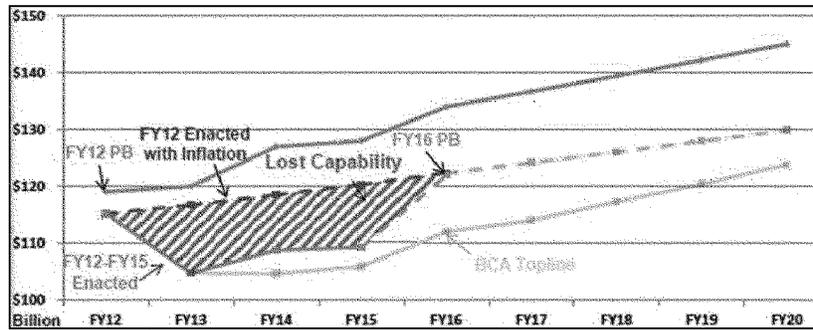


Chart I: Lost Capability

To put this into perspective, if the Air Force shut off all utilities – turned off the lights, the heating and air conditioning, the water supply – at all our major installations for 12 years<sup>4</sup>...or if it quit flying for 20 months – did not burn any jet fuel at all for nearly 2 years...it would save only \$12 billion. Enough to buy back one year of sequestered funds. Money matters; the lost capability is real; and the impact is going to be significant.

<sup>4</sup> This number reflects the cost of *utilities only* at US Air Force installations – it does not reflect installations investments writ large (and thus does not portray in any way the savings which could be associated with base realignment and closure)

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In addition, both budget uncertainty and legislative programming restrictions have left the Air Force with very limited decision-space over the past three years. Tightly constrained on aircraft divestiture and denied Base Realignment and Closure, leaves the Service with only a few accounts to yield savings from quickly and cleanly, without violating “must pay” requirements: readiness, people, and modernization. From these, the Air Force worked hard to identify the least catastrophic choices it could.

The Air Force took risk in infrastructure. Our investment in maintenance and repair – including restoration, modernization, sustainment, and new construction to recapitalize Air Force facilities and infrastructure – is just 1.9 percent of the Service’s plant replacement value. Private industry standard is between six and eight percent investment.<sup>5</sup>

Unable to cut airframes we believe we need to divest or to reduce excess base capacity; the Service has cut personnel – taking risk in human capital. Since 2001, even as the Nation fought in Afghanistan and Iraq, Air Force uniformed end-strength dropped by 44,000 Airmen.<sup>6</sup> We simply cannot get any smaller or we risk being too small to succeed.

We have also been forced to cut into some of the programs that keep Airmen and airpower a step ahead of the enemy at all times. In 2013, for example, an entire Weapons School class – which produces the world’s best tactical and operational airpower experts – was cancelled.

Risk and tough choices are part of every business. The problem, for the Air Force, is that failure is never an option. Airmen will fix it, patch it, make do, and work until they drop to cover shortfalls. But asking it of them, year in and year out, risks unbearable strain on a force heavily engaged around the globe.

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<sup>5</sup> ...and National Research Council studies indicate that an investment between two and four percent of PRV is warranted to avoid risk of accelerated deterioration and infrastructure failure.

<sup>6</sup> FY2011-FY2014 Active, Guard, and Reserve

## V. Doing What We Can

Recognizing that budget uncertainty – and a need for fiscal restraint – may be here to stay, the Air Force has extended its institutional gaze out 30 years to synchronize budget and acquisition decisions with strategy. To guide this effort, in 2014 the Service published *America's Air Force: A Call to the Future*,<sup>7</sup> a ground-breaking new strategic framework. This framework calls for strategic agility to confront the rapidly-changing global environment, and – in conjunction with the upcoming Air Force Strategic Master Plan – will provide guideposts and long-range resourcing vectors with which to make the difficult tradeoffs required in years to come.

In the more immediate-term, the Air Force has realized value through its "Every Dollar Counts" (EDC) campaign. At the heart of EDC is the Secretary of the Air Force's challenge to every Airman to take ownership of the processes they touch and to look for better ways to do business. EDC initiatives run the gamut, from soliciting grassroots savings ideas to overhauling Air Force acquisition practices. Efforts within the campaign have reduced energy costs by approximately \$1 billion, and identified another \$1.3 billion in potential savings through Better Buying Power practices and the Air Force's partner initiative, Bending the Cost Curve. We project another \$35.4 million in savings proposed by Airmen, and have found opportunities to save \$190 million over the next five years by analyzing War Readiness Engine requirements. The savings are already planned for reinvestment in readiness, as well as to modernize equipment and infrastructure.

Budgetary constraints also spurred the Air Force to re-evaluate the way it does business with its installations' host communities, and seek alternatives to the status quo. The Air Force Community Partnerships Initiative makes unprecedented use of public-public and public-private (P4) partnerships, leveraging the existing resources and capabilities of installations, state and local communities, and commercial entities to achieve mutual value and benefit for all. There are now 47 installations in the Air Force

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<sup>7</sup> [http://airman.dodlive.mil/files/2014/07/AF\\_30\\_Year\\_Strategy\\_2.pdf](http://airman.dodlive.mil/files/2014/07/AF_30_Year_Strategy_2.pdf)

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Partnership Program who identified more than 1,000 initiatives across the spectrum of installation services and mission support...and many of these initiatives are developing further with potential application Air Force-wide.

Additionally, the Air Force unequivocally relies on three strong components – Active, Guard, and Reserve – to sustain the force required to meet strategic uncertainty, fiscal constraint, and rapidly evolving threats head-on. The Air Force is absolutely committed to leveraging the distinct and complementary characteristics of its Total Force more effectively...and to do that, Airmen must be postured to operate cohesively and seamlessly as one team. Over the last year, dialogue with stakeholders provided valuable perspective – and mutual understanding – about the necessary size and shape of the future Air Force. The Service spent 2014 thoroughly analyzing 80 percent of its mission areas and platforms, taking a close look at component balance. Over the course of the next year, the Air Force will continue evaluating the remaining 20 percent of the mission areas...and continue ongoing work to break down organizational, policy, and cultural barriers to seamless operations.

The Air Force is a committed steward of America's resources, saving – or avoiding costs – to the tune of billions of dollars through the ingenuity of Airmen. Yet even those billions fall far short of making up the losses of the past three years. We need a stable funding profile, and support for the tough fiscal decisions required, if we are to meet the complex global challenges of the coming years.

## **VI. An Investment in Global Influence**

America is an airpower nation; we have enjoyed unrivaled success in the air for the past 70 years. But future success is not a birthright, and air and space superiority is not an entitlement. It must be earned. Without it, American influence diminishes and the U.S. military will be forced to radically change how it goes to war. Americans will be put in danger, and our leaders' options will be markedly limited. Our adversaries know this and are taking steps to tip the balance in their favor.

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We cannot let this happen. We must invest in the force required today *and* invest in the force we will need tomorrow.

The FY16 PB request is the result of difficult, purposeful, strategy-based resourcing decisions made to meet obligations set in the Defense Strategic Guidance. It aligns with Department of Defense and Air Force 30-year strategies; continues to regain ground in our ability to wage full-spectrum operations; maximizes the contributions of the Total Force; reinforces investments in nuclear deterrence and space control operations; emphasizes global, long-range and non-permissive capabilities; and focuses on unique capabilities the Air Force provides to the Joint fight. It funds our greatest asset – Airmen – by halting the active duty manpower drawdown and reinvesting pay and compensation savings in Airmen’s quality-of-life programs. And it preserves the Air Force’s top three acquisition priorities: F-35; KC-46; and the long-range strike bomber.

The FY16 PB request also reflects changes in the global landscape, buying back combat capabilities in areas where the Air Force accepted risk in the FY15 PB – the E-8, JSTARS, and F-15C. U-2 and E-3 AWACS divestment is re-phased to FY19, so we can continue to operate those platforms and meet combatant commanders’ most urgent needs. And we’ve increased funding for the nuclear enterprise, space, cyber, ISR, and command and control improvements, investing in the Nation’s strategic deterrence and high demand airpower assets.

This budget cannot stand alone – it must serve as a point of departure for future years’ stable, committed investment in global airpower for America. A return to sequestration-level funding will devastate readiness and modernization; it will force the Air Force to depart from a long-term, strategic planning framework in favor of one that triages only those things absolutely required in the short-term. It will reverse incremental progress made over the past two years in the recovery from FY13’s sequestration-level funding and will make it impossible to meet current operational requirements or execute the Defense Strategic Guidance. Under a sequestration-level budget, we will be forced to

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recommend divesting critical airpower capabilities – like the KC-10 and U-2 fleets. Overdue investments in the nuclear enterprise will be reduced and technologies vital to future capability and the American industrial base – like the promising Adaptive Engine Program – will be halted.

### **VII. Conclusion**

The United States Air Force is the world's best. American Airmen are warfighters. The air, space, and cyberspace capabilities they bring to bear strike fear in the hearts of our enemies. If you are a threat, the Air Force can see you; it can reach you; and it can strike you. We must keep it that way.

As Airmen continue to support and defend America's interests around the globe – engaging in active combat and operational missions worldwide – the Nation must acknowledge the serious disconnect between the Air Force it expects, the Air Force it has today, and the Air Force it is funding for the future. Today's Air Force is the smallest and oldest it has ever been...and a high operational tempo, paired with a constrained and uncertain budget environment, only accelerates this trend. The Nation must invest in new technologies, in training, infrastructure, and personnel, if it intends to continue operating as a global superpower.

The FY16 PB request preserves the *minimum* requirement to meet current strategy. But even at the PB level, the Air Force remains stressed and shortfalls exist. Reversion to sequestration-level funding will carry great risk for American Airmen, and for America itself.

The Fiscal Year 2016 President's Budget request is an investment in a force we hope the Nation will never have to use. But if the turbulent – and largely unexpected – global developments of 2014 prove anything, they prove this: America's Air Force must be ready to engage anytime, anywhere, and across the full spectrum of warfare. America expects it, combatant commanders require it, and our Airmen deserve it.

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U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ARMED SERVICES

**STATEMENT OF  
ADMIRAL JONATHAN GREENERT**

**U.S. NAVY  
CHIEF OF NAVAL OPERATIONS**

**BEFORE THE**

**U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ARMED SERVICES**

**ON**

**FY 2016 DEPARTMENT OF THE NAVY POSTURE**

**17 MARCH 2015**

NOT FOR PUBLICATION UNTIL  
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COMMITTEE ON ARMED SERVICES

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## Introduction

Chairman Thornberry, Ranking Member Smith, and distinguished members of the Committee, I am honored to represent more than 600,000 active and reserve Sailors, Navy Civilians, and their Families, especially the 41,000 Sailors who are underway on ships and submarines and deployed in expeditionary roles, around the globe today.

As the chartlet below shows, about 95 ships (1/3 of the Navy) are deployed around the globe protecting the nation's interests. This is our mandate: to be where it matters, when it matters.

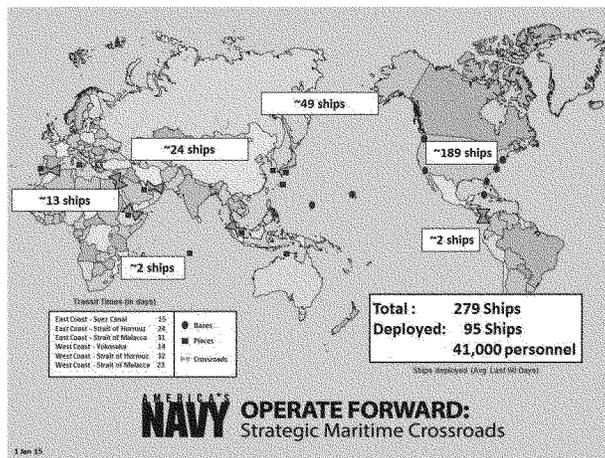


Figure 1: The Navy's forward presence today

I would like to begin this statement describing for you the guidance that shaped our decisions within the President's Budget for FY 2016 (PB-16) submission. I will address the Navy's situation following sequestration in FY 2013, the Bipartisan Budget Act of 2013 (BBA), and the National Defense Authorization Act (NDAA) and Appropriations Act for FY 2015. Then, I will provide details of our PB-16 submission.

## Strategic Guidance

The governing document for PB-16 is the Secretary of Defense's 2014 *Quadrennial Defense Review* (QDR). The QDR uses the President's 2012 *Defense Strategic Guidance* (DSG) as a foundation and builds on it to describe the Department of Defense's role in protecting and advancing U.S. interests and sustaining global American leadership. The DSG and its ten *Primary Missions of the US Armed Forces* have guided Navy's planning for the past three years. Validated by the QDR, those missions remain the baseline against which I measure our posture in various fiscal scenarios. Also, 2020 is the "benchmark" year identified by the DSG, and that remains the time frame on which my assessments are focused.

The QDR's updated strategy is built on three pillars: *Protect the Homeland, Build Security Globally, and Project Power and Win Decisively*. In support of these, it requires the Navy to "continue to build a future Fleet that is able to deliver the required presence and capabilities and address the most important warfighting scenarios."

In order to improve its ability to meet the nation's security needs in a time of increased fiscal constraint, the QDR also calls for the Joint Force to "rebalance" in four key areas: (1) *rebalancing for a broad spectrum of conflict*; (2) *rebalancing and sustaining our presence and posture abroad*; (3) *rebalancing capability, capacity, and readiness within the Joint Force*; and, (4) *rebalancing tooth and tail*. To satisfy these mandates of the QDR strategy, the Navy has been compelled to make tough choices between capability, capacity, and readiness across a wide range of competing priorities. Our fundamental approach to these choices has not changed since I assumed this position. We continue to view each decision through the lens of the tenets I established when I took office: *Warfighting First, Operate Forward, Be Ready*.

**Overview**

Sequestration deeply affected the Navy budget in FY 2013 and we have not yet recovered. Stabilized funding in FY 2014 and 2015 provided by the BBA, along with an additional \$2.2 billion above Navy’s requested budget in FY 2015, provided limited relief from sequestered Budget Control Act of 2011 (BCA) funding levels and helped Navy’s overall posture. However, the cumulative effect of budget shortfalls over these years has forced the Navy to accept significant risk in key mission areas, notably if the military is confronted with a technologically advanced adversary or forced to deny the objective of an opportunistic aggressor in a second region while engaged in a major contingency. By “risk,” we mean that some of our platforms will arrive late to the combat zone, and engage in conflict without the benefit of markedly superior combat systems, sensors and networks, or desired levels of munitions inventories. In real terms, this means longer timelines to achieve victory, more military and civilian lives lost, and potentially less credibility to deter adversaries and assure allies in the future.

The PB-14 Future Years Defense Program (FYDP) submission was the baseline required by Navy to carry out all ten DSG missions. Over the last three years, however, the Navy funding under sequestration and the BBA was \$25B less than the PB-13/14 submissions, shortfalls that manifest in the continued erosion of our warfighting advantages in many areas relative to potential adversaries. PB-16 represents the bare minimum to execute the DSG in the world we face, but still results in high risk in two of the most challenging DSG missions that depend on adequate numbers of modern, responsive forces. Should resources be further reduced below PB-16 levels, and certainly if sequestered, the DSG will need to be revised.

If budgeted at PB-16 levels, we assess that the Navy of 2020 will<sup>1</sup>:

<sup>1</sup> Navy revised the accounting guidelines for its Battle Force according to requirements set forth in the FY2015 National Defense Authorization Act. Numbers in this statement are not directly comparable to those used in prior testimony, see chart below. The NDAA prohibits inclusion of “...patrol coastal ships, non-commissioned combatant craft specifically designed for combat roles, or ships that are designated for potential mobilization.” Ships that were counted last year, but are no longer counted, are Patrol Craft (PC) and Hospital Ships (T-AH).

	<i>Current as of 1 Jan 2015</i>	<i>FY 2016</i>	<i>FY 2020</i>
<i>PB-16: New guidelines</i>	279	282	304
<i>PB-16: Old guidelines</i>	288	291	308

- Include 304 ships in the Battle Force, of which about 115 will be deployed. This global deployed presence will include more than two Carrier Strike Groups (CSG) and two Amphibious Ready Groups (ARG) deployed, on average.
- In the best case, provide “surge” capacity of about three CSGs (by approximately 2018) and three ARGs (by approximately 2020), not deployed, but ready to respond to a contingency.
- Deliver forces to conduct the DSG primary mission *Deter and Defeat Aggression*, but with higher risk compared to PB-14 due to capacity and readiness challenges.
- Conduct, but with greater risk, the DSG primary mission *Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges* against a technologically advanced adversary compared to PB-14. This is principally due to the slower delivery of new critical capabilities, particularly in air and missile defense, and overall ordnance capacity.

To ensure the Navy remains a balanced and ready force while complying with the reduction in funding below our PB-14 plan, we were compelled to make difficult choices in PB-16, including: slowing cost growth in compensation and benefits; deferring some ship modernization; deferring procurement of 18 of Navy’s most advanced aircraft; delaying over 1,000 planned weapons procurements; and continuing to reduce funding for base facilities sustainment, restoration, and modernization. Deferrals in PB-16 compound modernization delays we were compelled to accept in PB-15 due to budget constraints.

Additional challenges are on the horizon. In the long term beyond 2020, I am increasingly concerned about our ability to fund the Ohio Replacement ballistic missile submarine (SSBN) program—our highest priority program—within our current and projected resources. The Navy cannot procure the Ohio Replacement in the 2020s within historical shipbuilding funding levels without severely impacting other Navy programs.

**Continuing Impact of Sequestration in FY 2013**

Sequestration in FY 2013 resulted in a \$9 billion shortfall in Navy's budget, as compared to the PB-13 submission. This instance of sequestration was not just a disruption, it created readiness consequences from which we are still recovering, particularly in ship and aircraft maintenance, Fleet response capacity, and excessive CSG and ARG deployment lengths. As I testified in November 2013, March 2014, and January 2015, the continuing resolution and sequestration reductions in FY 2013 compelled us to reduce both afloat and ashore operations, which created ship and aircraft maintenance and training backlogs. To budget for the procurement of ships and aircraft appropriated in FY 2013, Navy was compelled to defer some purchases to future years and use prior-year investment balances to mitigate impacts to programs in FY 2013 execution. The most visible impacts occurred in Operations and Maintenance funded activities. Specific impacts to Navy programs include:

- Cancelled five ship deployments
- Delayed deployment of *USS Harry S. Truman* strike group by six months
- Inactivated, instead of repaired, *USS Miami*
- Reduced facilities restoration and modernization by about 30% (to about 57% of the requirement)
- Reduced base operations, including port and airfield operations, by about 8% (to about 90% of the requirement)
- Furloughed civilian employees for six days, which, combined with a hiring freeze and no overtime for six months, reduced our maintenance and sustainment output through lost production and support from logisticians, comptrollers, engineers, contracting officers, and planners
- Cancelled Fleet engagements and most port visits, except for deployed ships

While the Navy was able to reprioritize within available resources to continue to operate in FY 2013, this is not a sustainable course for future budgets. The actions we took in 2013 to mitigate sequestration only served to transfer bills amounting to over \$4 billion to future years for many procurement programs – those carryover bills were addressed in Navy's FY 2014 and

FY 2015 budgets. If we were sequestered again, we would be forced to degrade current and future Fleet readiness.

Shortfalls caused by the FY 2013 sequestration remain in a number of areas and the Navy is still working to recover from them. For example, we have not yet caught up from shipyard maintenance backlogs. We are working through shipyard personnel capacity issues to determine when ships can be fit back into the maintenance cycle and are balancing that against operational demands on the ships to ensure we meet the global force management requirement for Combatant Commands. The result of maintenance and training backlogs has meant delayed preparation for deployments, forcing us, in turn, to extend the deployments of those units already on deployment. Since 2013, many CSGs, ARGs, and destroyers have been on deployment for 8-10 months or longer. This comes at a cost to the resiliency of our people, sustainability of our equipment, and service lives of our ships.

Maintenance and training backlogs have also reduced Navy's ability to maintain required forces for contingency response to meet Combatant Command operational plan requirements. Although the requirement calls, on average, for three additional CSGs and three additional ARGs to deploy within 30 days for a major crisis, Navy has only been able to maintain an average of one group each in this readiness posture. Root causes can be traced to the high operational tempo of the Fleet, longer than expected shipyard availabilities, and retirements of experienced shipyard workers, but the FY 2013 sequestration exacerbated the depth of this problem and interfered with our efforts to recover.

Assuming a stable budget and no major contingencies for the foreseeable future, I estimate it is possible to recover from the maintenance backlogs that have accumulated from the high operational tempo over the last decade of war and the additional effects of sequestration by approximately 2018 for CSGs and approximately 2020 for ARGs, five plus years after the first round of sequestration. This is a small glimpse of the readiness "price" of sequestration.

### **Where We Are Today**

Before describing our FY 2016 submission, I will discuss the Navy's current posture, which established the baseline for our PB-16 budget.

Congress's passage of the BBA averted about \$9 billion of an estimated \$14 billion reduction we would have faced under sequestration in FY 2014. It enabled us to fund all planned ship and aircraft procurement in FY 2014, but cumulatively the shortfalls increased risk in Navy's ability to execute DSG missions. The BBA still left a \$5 billion shortfall below PB-14 in our investment, operations, and maintenance accounts.<sup>2</sup> The shortage in funding compelled us to reduce procurement of weapons (many missile types) and aircraft spare parts, defer asymmetric research and development projects, cancel repair and maintenance projects for facilities ashore, and defer procurement of maintenance/material support equipment for the Fleet.

The recent passage of the FY 2015 NDAA and Consolidated and Further Continuing Appropriations Act averted about \$2 billion of the estimated \$13 billion reduction that Navy would have faced under sequestration; an \$11 billion shortfall remains (as compared to PB-14). Although the funding enabled us to continue the refueling and complex overhaul of the *USS George Washington* (CVN 73), Navy was forced to balance its portfolio to mitigate the shortfall by making choices between capability, capacity, and readiness. We were compelled to further reduce the capacity of weapons and aircraft, slow modernization, and delay upgrades to all but the most critical shore infrastructure. As I described in testimony in March 2014, PB-15 represented another iterative reduction from the resources we indicated were necessary to fully resource the DSG missions, making Navy less ready to successfully *Deter and Defeat Aggression* and *Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges*. Continuing along this budget trajectory means that by 2020, Navy will not have recovered sufficient contingency response capacity to execute large-scale operations in one region, while simultaneously deterring another adversary's aggression elsewhere. Also, we will lose our advantage over adversaries in key warfighting areas such as Anti-Surface Warfare, Anti-Submarine Warfare, Air-to-Air Warfare, and Integrated Air and Missile Defense.

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<sup>2</sup> Congress subsequently added \$3.4B in FY 2014, which added an SSN and increased Navy's Ship Modernization, Operations, and Sustainment Fund (SMOSF).

## **Our Strategic Approach to PB-16**

In developing our PB-16 submission, we evaluated the warfighting requirements to execute the primary missions of the DSG. These were informed by: (1) current and projected threat, (2) global presence requirements defined by the Global Force Management Allocation Plan (GFMAP), and (3) warfighting scenarios as described in Combatant Commanders' Operation Plans (OPLANs) and Secretary of Defense-approved Defense Planning Scenarios (DPS). We used these warfighting scenarios to assess our ability to execute more than 50 end-to-end capabilities, also known as "kill chains" or "effects chains." These chains identify all the elements needed to provide a whole capability, including sensors, communications (networks), operators, platforms, and weapons. To arrive at a balanced program within fiscal guidance, we focused first on building appropriate capability, then delivering it at a capacity we could afford. Six budget priorities guided us:

*First*, maintain a credible, modern, and survivable sea-based strategic deterrent. Under the New START Treaty, the Navy SSBN force will carry about 70% of the U.S. strategic nuclear warheads by 2020. Our PB-16 request sustains today's 14-ship SSBN force, the Trident D5 ballistic missile and support systems, and the Nuclear Command, Control, and Communications (NC3) suite. The Ohio-class SSBN will begin retiring, one per year, beginning in 2027. To continue to meet U.S. Strategic Command presence and surge requirements, PB-16 continues to support construction of the first Ohio Replacement SSBN in 2021 for delivery in 2028 and first deterrent patrol in 2031. As part of the Navy's Nuclear Enterprise Review, our PB-16 submission also adds approximately \$2.2 billion across the FYDP to: (1) increase shipyard and Nuclear Strategic Weapons Facilities (SWF) capacity by funding required civilian end-strength; (2) accelerate investments in shipyard infrastructure; (3) fund additional manpower associated with nuclear weapons surety; and (4) fund key nuclear weapons training systems.

*Second*, sustain forward presence of ready forces distributed globally to be where it matters, when it matters. We continue to utilize cost-effective approaches such as forward basing, forward operating, and forward stationing ships in the Asia-Pacific, Europe, and the Middle East. Rotational deployments will be stabilized and more predictable through continued implementation of an improved deployment framework called the Optimized Fleet Response Plan (O-FRP). We will distribute our ships to align mission and capabilities to global regions,

ensuring high-end combatants are allocated where their unique capabilities are needed most. We will meet the adjudicated FY 2016 GFMAP; this represents about 45% of the global Geographic Combatant Commander (GCC) requests. Sourcing all GCC requests would require about 450 combatant ships with requisite supporting structure and readiness.

*Third*, strengthen the means (capability and capacity) to win in one multi-phase contingency operation and deny the objectives of – or impose unacceptable costs on – another aggressor in another region. PB-16 prioritizes investments to close gaps in critical kill chains, but accepts risk in capacity or in the rate at which some capabilities are integrated into the Fleet.

*Fourth*, focus on critical afloat and ashore readiness. PB-16 helps improve the overall readiness of our non-deployed forces, but not to our satisfaction. With a stable budget and no major contingencies for the foreseeable future, I estimate it is possible to recover from the maintenance backlogs by approximately 2018 for CSGs and approximately 2020 for ARGs. Facilities Sustainment, Restoration, and Modernization (FSRM) funds are increased for FY 2016 to arrest the decline of facilities conditions, but then FSRM funds are inadequate for the remainder of the FYDP, in order to fund afloat readiness. Our budget constraints prevent us from funding all but the most critical shore facility upgrades in FY 2017 and beyond.

*Fifth*, sustain or enhance Navy's asymmetric capabilities in the physical domains, as well as in cyberspace and the electromagnetic spectrum. PB-16 prioritizes capabilities to deal with adversary threats, including electromagnetic spectrum and cyber capabilities and those capabilities that provide joint access developed in concert with other Services under the *Joint Concept for Access and Maneuver in the Global Commons* (formerly known as *Air-Sea Battle*). In line with USCYBERCOM priorities, we are investing in cyber defense-in-depth and expansion of cyber defense initiatives to tactical platform Information Technology systems, boundary defense solutions for ships, and security improvements for our C4I systems.

*Sixth*, sustain a relevant industrial base, particularly in shipbuilding. We will continue to evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. The government is the only customer for some of our suppliers, especially in specialized areas such as nuclear power. PB-16 addresses the health of the industrial base by sustaining adequate capacity, including competition, where needed and viable. While prioritizing required capabilities, we also sought to sustain a viable industrial base.

## What We Can Do

As described earlier, due to the impact of prior year shortfalls and modernization deferrals in the PB-16 FYDP, we still face significant risk in executing at least two of ten primary missions of the DSG in 2020. The 2014 update to the “2012 Force Structure Assessment” (FSA) and other Navy analysis describe the baseline of ships needed to support meeting each mission. Against that baseline and using a rigorous assessment of over 50 capabilities (with appropriate capacity) necessary to be tactically successful (called “end-to-end kill chain” analysis), we conclude that with PB-16, the Navy of 2020 will support each of the ten DSG missions as follows:

### *Provide a Stabilizing Presence*

PB-16 will meet the adjudicated presence requirements of this mission. By increasing the number of ships forward stationed and forward based, and by improving our deployment preparation process called the Optimized Fleet Response Plan (O-FRP), presence improves in some global regions as compared to previous budget submissions. The Navy of 2020:

- Provides a global presence of about 115 ships (same as PB-15); an increase over an average of 95 ships deployed today.
- Increases presence in the Asia-Pacific region. This includes forward deploying an additional SSN to Guam, the most capable DDG to Japan, Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), both Littoral Combat Ship (LCS) variants, MQ-8C, P-8A, EA-18G, upgraded F/A-18E/F, and E-2D. MQ-4C *Triton* high endurance unmanned aerial vehicles will operate from Guam in 2017. This presence will assure allies, shape, and deter. However, a major maritime operation will require substantial naval forces to swing from other theaters or surge forward from CONUS bases.
- “Places a premium on U.S. military presence in – and in support of – partner nations” in the Middle East, by increasing presence by 40% to about 36 ships in 2020. Though not counted in Navy’s Battle Force, ten of our Patrol Craft (PC) serve as Forward Deployed Naval Forces (FDNF) operating out of Bahrain, and seven LCS will join them by the end of 2020. In 2016, Navy’s first Mobile Landing

Platform/Afloat Forward Staging Base (MLP/AFSB) will augment the on-station AFSB-Interim (a modified dock landing ship) to support Special Operations Forces and augment mine countermeasure capability.

- Continues to “*evolve our posture*” in Europe by meeting ballistic missile defense (BMD) European Phased Adaptive Approach (EPAA) requirements with four BMD-capable guided missiles destroyers (DDG) in Rota, Spain, and two land-based sites in Poland and Romania. The first two DDGs arrived in 2014 and all four will be in place by the end of 2015. Additional presence in Europe will be provided by forward operating JHSVs and rotationally deployed combatants.
- Will provide “*innovative, low-cost and small-footprint approaches*” to security in Africa and South America by deploying one JHSV, on average, to each region. Beginning in FY 2015, we will deploy one hospital ship (T-AH), on average, and, beginning in FY 2016, add one PC ship, on average, to South America. AFSBs forward operating in the Middle East could also provide additional presence in Africa as required. As available, we are deploying ships for shorter periods ( $\leq$  two months) in theaters other than those which they would be primarily assigned (e.g., AFRICOM and SOUTHCOM).

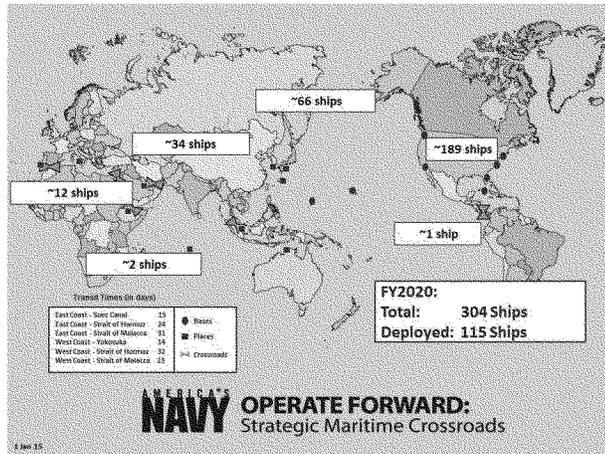


Figure 2: The Navy’s forward presence in FY 2020

***Counter Terrorism and Irregular Warfare (CT/IW)***

We will have the capacity to conduct widely distributed CT/IW missions. This mission requires Special Operations Forces, Navy Expeditionary Combat capabilities such as Explosive Ordnance Disposal (EOD), Combined Explosive Exploitation Cells (CEXC), Intelligence Exploitation Teams (IET), and a variety of platforms that can accommodate adaptive force packages. PB-16 procures a third MLP/AFSB in FY 2017 for delivery in FY 2020, and funds an enhanced SOF capability on all three AFSBs, which provides more robust medical facilities, improved C4I, and increased accommodation for aircraft, and other SOF-specific equipment. PB-16 also procures ten MQ-8C *Fire Scout* systems for deployments aboard LCS, which are fundamentally multi-mission.

***Deter and Defeat Aggression***

Navy inherits and continues to experience high risk in this warfighting mission. Our FSA described the ship force structure necessary to meet this mission's requirement: to be able to conduct one large-scale operation and "*simultaneously be capable of denying the objectives of – or imposing unacceptable costs on – an opportunistic aggressor in a second region.*" According to the FSA, the Navy has a requirement for a force of 11 CVN, 88 large surface combatants (DDG and CG), 48 attack submarines (SSN), 12 SSBN, 11 large amphibious assault ships (LHA/D), 12 amphibious transport docks (LPD), 11 dock landing ships (LSD), 52 small surface combatants, 10 JHSV, 29 combat logistics force (CLF) ships, and 24 command and support ships. Provided sufficient readiness is restored and maintained across the Fleet, this globally distributed force will yield a steady state deployed presence of more than two CSG and two ARG, with three CSG and three ARG ready to deploy within 30 days in response to a contingency ("surge"). PB-16 puts Navy on a path to procure the right mix of ships as defined by the FSA; however, the 2020 Battle Force will have a shortfall of small surface combatants due to a gap in FFG and MCM retirements and LCS deliveries. Other sources of risk in this primary mission are less aircraft, modern sensors, networks, and weapon procurements across the FYDP. Slowed modernization across the Fleet is a serious concern.

***Conduct Stability and Counterinsurgency Operations***

The Navy of 2020 will be able to meet the requirements of this DSG mission.

***Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges***

Our power projection capability, reconstitution of weapons systems, and modernization programs to enable Joint Assured Access have been deferred due to budget constraints over the last three years. This reduces options and decreases our ability to assure access in all domains (space, air, surface, subsurface, and cyber). Over the last three years, funding shortfalls required us to reduce procurement in weapons by over 4,000 planned quantities. We continue to take risk in capacity in order to preserve investments in developing future capabilities. This reduced procurement of weapons and deferring of air and missile defense capabilities, coupled with joint force deficiencies in wartime information transport, C2 resiliency, and airborne ISR, will result in high risk in conducting this DSG mission if we are faced with a technologically advanced adversary.

***Counter Weapons of Mass Destruction***

This mission has two parts: (1) interdicting weapons of mass destruction as they proliferate from suppliers, and (2) defeating the means of delivery during an attack. PB-16 will continue to meet the requirements for this mission by providing sufficient deployed CSG, ARG, and surface combatants, as well as Navy special warfare personnel (SEAL) and EOD platoons, to address the first part. For the second part, BMD-capable DDG exist in sufficient numbers to meet the majority of GCC presence requirements under the GFMAP, and can be postured to counter weapons delivered by ballistic missiles in regions where threats are more likely to originate. That said, missile defense capacity in some scenarios remains a challenge.

***Operate Effectively in Space and Cyberspace***

Our PB-16 submission continues to place priority on cyber efforts to build the Navy's portion of the DoD's Cyber Mission Forces and strengthen our cyber defense capabilities afloat and ashore. We have accessed about 80% of the 1,750 cyber operators that will form 40 cyber mission teams by the end of 2016; we will continue to recruit, hire, and train this force. Additionally, we will align Navy networks with a more defensible DOD Joint Information Environment (JIE) through the implementation of the Next Generation Enterprise Network (NGEN) ashore and Consolidated Afloat Networks and Enterprise Services (CANES) at sea. We will continue funding for the launch and sustainment of the Mobile User Objective System (MUOS), DoD's newest and most robust solution for extending narrowband Ultra High

Frequency Satellite Communications (SATCOM) connectivity ashore, in flight, and at sea. Also critical to assured command and control, PB-16 continues funding the installation and sustainment of the Navy Multiband Terminal (NMT), our newest and most robust solution for giving surface and submarine forces access to wideband Super High Frequency and Extremely High Frequency SATCOM connectivity.

***Maintain a Safe, Secure, and Effective Nuclear Deterrent***

This mission is the Navy's top priority in any fiscal scenario, and our PB-16 submission meets its requirements. Our sea-based strategic deterrent remains safe, secure, credible, and effective today, but Navy is also implementing 27 specific actions based on the DoD Nuclear Enterprise Review recommendations, including oversight, training, policy, and process improvements, funded with an additional PB-16 investment of over \$400 million in FY 2016 and over \$2 billion across the FYDP. Our PB-16 submission satisfies STRATCOM demand for at-sea SSBN availability through the end of the current Ohio class's service life. Navy's PB-16 submission also funds Nuclear Command, Control, and Communications (NC3) modernization, Trident D5 ballistic missile Life Extension Program (LEP) to maintain a 2017 Initial Operational Capability (IOC), and Common Missile Compartment development on a 2019 delivery timeline. Continued Congressional support for Naval Reactors' Department of Energy (DoE) funding is essential to maintain life-of-the-ship core reactor design and development synchronization with our Ohio Replacement shipbuilding schedule, which ensures lead ship procurement in 2021, and refueling of the land-based prototype. Naval Reactors' DoE budget also includes the second year of funding for the Spent Fuel Handling Project (SFHP), recapitalization of which is critical to the Navy's refueling and defueling schedule of nuclear-powered aircraft carriers and submarines.

***Defend the Homeland and Provide Support to Civil Authorities***

PB-16 will maintain an appropriate capacity of aircraft carriers, surface combatants, amphibious ships, and aircraft that are not deployed and are ready for all homeland defense missions.

***Conduct Humanitarian, Disaster Relief, and Other Operations***

Navy's global presence and training is sufficient to conduct these operations.

## **Modernization**

The following paragraphs describe specific PB-16 programs that influence our ability to conduct the missions required by the DSG, and the impact of programmatic action:

### ***Shipbuilding***

Navy shipbuilding priorities remain largely consistent with PB-15. Navy will procure 48 ships across the FY 2016-2020 period. Fourteen Battle Force ships will be delivered in FY 2016 alone. PB-16:

- Maintains funding to support RDTE and advanced procurement of the first Ohio Replacement SSBN, our highest priority program. Without increased shipbuilding funding in FY 2021 and beyond, Ohio Replacement SSBN funding will consume the majority of Navy's annual shipbuilding budget, and degrade other shipbuilding programs. Appropriations for SSBN recapitalization are historically consistent with the last period of SSBN procurement between 1974 and 1990.
- Fully funds *USS George Washington (CVN 73)* refueling and complex overhaul.
- Procures ten Arleigh Burke-class DDG (one Flight IIA and nine Flight III) in the FYDP, two per year, resulting in an inventory of 72 by 2020. The first Flight III DDG, which will incorporate the advanced AN/SPY-6 radar (formerly called the Air and Missile Defense Radar, or AMDR), will be procured in FY 2016 and delivered in FY 2021.
- Procures ten Virginia-class SSNs in the FYDP, two per year, resulting in an inventory of 22 Virginia-class submarines (51 total SSNs of all types) by 2020.
- Funds the final nine LCS (Flt 0+) across the FYDP (three per year FY 2016 – 2018). Then beginning in FY 2019, Navy will procure new Small Surface Combatants (two in FY 2019, three in FY 2020) based on upgraded variants of the LCS that Navy will designate as "Frigates" (FF). There will be no construction gap between procurement of the last LCS (Flt 0+) and the first "frigate." The new "frigate" will offer improvements in capability, lethality, and survivability.

- Funds replacement of LSD amphibious ships with the LX(R) starting with advanced procurement in FY 2019 and procurement of the first LX(R) in FY 2020. LX(R) serial production will begin in FY 2022.
- Procures a twelfth LPD, which will be developed in parallel with the LX(R) program and incorporate targeted design and construction initiatives to increase affordability. Adding LPD 28 to the inventory will help mitigate expeditionary capability and amphibious lift shortfalls.
- Funds four Fleet oilers (T-AO(X)) across the FYDP beginning in FY 2016. T-AO(X) replaces the aging single hull fleet oiler. This new procurement ensures continued combat logistics support to our ships.
- Funds five Fleet salvage ships (T-ATS(X)) across the FYDP beginning in FY 2017. These new ships replace the two aging salvage class ships with a single class while improving capability and performance.

#### ***Combatant Ship Modernization***

In parallel with shipbuilding, PB-16 continues modernization of in-service platforms to allow our combatants to remain relevant and reach their expected service lives. The ship modernization program does not keep pace to deal with high-end adversary weapons systems by 2020. Flight I and II of the *Arleigh Burke*-class DDG began mid-life modernization in FY 2010; thirteen will have completed Hull Mechanical and Electrical (HM&E) modernization by the end of 2016, and six of these ships will have also completed combat systems modernization. In FY 2017, we will begin to modernize the Flight IIA DDGs. However, due to fiscal constraints we were compelled to reduce the combat systems procurements of one DDG Flight IIA per year, starting in FY 2016. This will result in some destroyers not receiving combat systems upgrades when originally planned to allow them to pace the threat, particularly in Anti-Air Warfare (AAW) and Ballistic Missile Defense (BMD).

In order to maintain force structure that provides Air Defense Commander support to the CSGs, Navy will induct two Guided Missile Cruisers (CGs) into phased modernization in FY 2015 and an additional two in FY 2016. This will place a total of four ships in modernization with the intent that each ship period will be limited to four years. We are committed to modernizing a total of 11 CGs in the current modernization program. Without any phased

modernization program, the CG class will retire, without replacement, at the end of their service lives between 2020 and 2030. Using the Congressionally directed 2/4/6 plan, the final retirements will occur between 2036 and 2039. Under the Navy's original PB-15 plan, the final CG retirement would have occurred in 2045, at a significantly reduced cost to the Navy, and would have relieved pressure on a shipbuilding account largely consumed in the 2030s with building Ohio Replacement SSBNs and aircraft carriers. We request Congressional support for Navy's original plan.

Nine of 12 *Whidbey Island*-class LSDs have undergone a mid-life update and preservation program, two are currently being modernized, and one more will be inducted into phased modernization in FY 2016. Modernization of seven *Wasp*-class large deck amphibious assault ships (LHD) was delayed by two years, and they will now complete mid-life modernization by FY 2024. Modernization of the eighth LHD, USS *Makin Island*, will be addressed in subsequent budget submissions.

## **Warfighting Capability**

### ***Aviation***

PB-16 continues our transition, albeit more slowly than desired, to the "Future Air Wing." This transition will dramatically improve our capabilities and warfighting capacity across critical "kill chains." But, funding shortfalls have stretched (deferred) modernization plans in this area. This delay will call into question our ability to deal with near peer competitors, especially if directed to carry out our DoD campaign plan in the 2020 timeframe. Specifically, we will continue to field more advanced land-based maritime patrol aircraft (manned and unmanned) to evolve our ISR, ASW, and sea control capabilities and capacity. To further these objectives, PB-16 provides the following capabilities:

- Navy Integrated Fire Control-Counter Air (NIFC-CA) Increment I capability will field with the E-2D *Advanced Hawkeye* aircraft in 2015, with four air wings transitioned to the E-2D by 2020. This integrates aircraft sensor and ship weapons

capabilities, improving lethality against advanced air and missile threats. However, we deferred two E-2D outside the FYDP (procure 24 vice 26).

- The F-35C Lightning II, the carrier-based variant of the Joint Strike Fighter, is scheduled to achieve IOC in 2018. However, F-35C procurement will be reduced by 16 airframes (from 54 to 38) across the PB-16 FYDP when compared to PB-15. The F-35C, with its advanced sensors, data sharing capability, and ability to operate closer to threats, is designed to enhance the air wing's ability to find targets and coordinate attacks.
- Continued support for a Service Life Extension Program (SLEP) for the legacy F/A-18A-D Hornet to meet our strike fighter inventory needs while integrating the F-35C. With SLEP modifications, some of these aircraft will achieve as much as 10,000 lifetime flight hours, or 4,000 hours and (16 years) beyond their originally-designed life.
- To address Navy electronic attack requirements, EA-18G will reach full operational capability in FY 2017. Replacement of the aging ALQ-99 jamming pods begins in FY 2021, when the Next Generation Jammer (NGJ) Increment I, featuring upgraded capabilities against mid-band frequencies, reaches IOC. NGJ Increment II research and development on low band frequencies remains funded for FY 2016.
- All components of an improved air-to-air "kill chain" that employs infrared (IR) sensors to circumvent adversary radar jamming will be delayed another year. PB-16 increased funding to procure an additional 28 Infrared Search and Track (IRST) Block I sensor pods for F/A-18E/F *Super Hornet*, for a total of 60, across the FYDP; however, the IRST Block I sensor system will field in 2018 (versus 2017 under PB-15) and the improved longer-range IRST Block II will not deliver until 2022 (versus 2019 under PB-15).
- Improvements continue to the air-to-air radio frequency "kill chain" that defeats enemy jamming at longer ranges. By 2020, 380 jamming protection upgrade kits for F/A-18E/F *Super Hornets* and EA-18G *Growler* will be delivered. But, we were compelled to defer 180 kits beyond the FYDP.

- Integrates the Small Diameter Bomb II (SDB II) on the F/A-18 by FY 2020, and procures 1,590 units across the FYDP to enhance carrier air wing precision strike capabilities.
- V-22 (Navy variant) aircraft have been selected as the solution to the aging C-2 Carrier Onboard Delivery (COD) aircraft. PB-16 procures 24 aircraft over the FYDP with an IOC of FY 2021. The V-22 (Navy variant) extends the range and increases the flexibility of Strike Group resupply.
- Navy's commitment to the Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS) program continues. However, a DoD-wide Strategic Portfolio Review will delay UCLASS Air Vehicle segment contract award by at least one year. The remaining UCLASS Carrier Integration and Connectivity and Control System segments will continue and are funded through the FYDP.

### ***Long Range Strike***

Our precision strike capabilities and capacity will be critical to success in any foreseeable future conflict. Potential adversaries have already fielded and continue to develop advanced, long range weapons that will require effective counters. We remain challenged in this area.

Accordingly, PB-16:

- Funds Virginia Payload Module (VPM) RDT&E and SCN to accelerate inclusion of VPM on at least one Virginia Class Block V SSN per year in FY 2019 and 2020. VPM will enable Virginia-class SSNs to mitigate the loss of SSGN strike capacity as they begin to retire in 2026. VPM will more than triple the Tomahawk Land Attack Missile (TLAM) Block IV strike capacity of a VA-class SSN from 12 to 40 missiles.
- Supports the existing Tactical Tomahawk cruise missile inventory by extending service life through investments in critical capability enhancements and vital parts to achieve maximum longevity. PB-16 adds 100 Tomahawks in FY16. Production deliveries will now continue through FY 2018, which minimizes factory impact until the start of Tomahawk Block IV inventory recertification and modernization beginning in FY 2019.

- Invests in future capability by commencing an analysis of alternatives for the Next Generation Land Attack Weapon (NGLAW), with a planned Fleet introduction in the 2024-2028 timeframe, at least a decade prior to the sundown of TLAM Block IV in the 2040s.

### ***Anti-Surface Warfare***

Navy remains challenged in this mission area due to both capability and capacity shortfalls. To deal with potential adversaries' long-range anti-ship cruise missiles and maritime air defenses, PB-16 implements a plan to deliver a family of anti-surface warfare (ASuW) capabilities. The program maintains current ASuW capability inherent in the Harpoon missile, Standoff Land Attack Missile-Expanded Response (SLAM-ER), Joint Standoff Weapon (JSOW) C-1, and Mk48 Advanced Capability (ADCAP) torpedoes. In the near term, we are pursuing options to develop an improved, longer-range ASuW capability by leveraging existing weapons to minimize technical risk, costs, and development time. Five of ten Patrol Craft in the Arabian Gulf have been upgraded with short-range Griffin missiles, and the other five will receive them by the end of 2015. Additionally, PB-16 funds enhanced ASuW lethality for LCS by integrating surface-to-surface missiles (Hellfire Longbow) onto those platforms starting in 2017. Navy is evaluating which missile to select to provide upgraded LCS ("frigates") an additional and even longer range over-the-horizon missile capability. Also, PB-16 continues to accelerate acquisition of the Long Range Anti-Ship Missile (LRASM) air-launched variant, which will achieve early operational capability on F/A-18E/F aircraft in FY 2019.

### ***Anti-Submarine Warfare***

PB-16 sustains our advantage in the undersea domain by delivering the following capabilities, although capacity challenges persist:

- Procures 47 P-8A *Poseidon* maritime patrol aircraft, replacing the legacy P-3C *Orion's* capability, and completing the transition by FY 2019. We continue investments in the development of a high-altitude anti-submarine warfare capability (HAAWC), which is composed of a MK 54 torpedo kit and software support system.

- Continues installation of ASW combat systems upgrades for DDGs and improved Multi-Function Towed Arrays (MFTA) for DDGs and CGs. Both installations will be complete on all DDGs forward based in the Western Pacific by 2018.
- Continues upgrades to all our P-8A and ASW helicopters in the Western Pacific with sonobuoys and advanced torpedoes by 2018; however, in PB-16 we were compelled to reduce weapons capacity, which equated to cancelling 240 MK 54 lightweight torpedoes.
- Procures 145 MK 48 ADCAP torpedoes over the FYDP to reduce a wartime requirement shortfall from 30% to 20%, and invests in modularity and endurance improvements to enable more efficient production, better performance, and future upgradability.
- Improves surface ASW capability in the LCS ASW Mission Package by employing an MFTA in concert with variable depth sonar (VDS) in 2016.
- Defers recapitalization of our ocean surveillance ship, T-AGOS(X), from FY 2020 to outside the FYDP, a reflection of our intent to extend the service life of our current T-AGOS vessels.
- Develops and builds the Large Displacement Unmanned Undersea Vehicle (LDUUV) in the FYDP to augment submarine capabilities. We will use Office of Naval Research Innovative Naval Prototype large UUVs to train our Fleet operators, preparing them for LDUUV Fleet introduction in the early 2020s.

### ***Electromagnetic Maneuver Warfare***

PB-16 puts Navy on a path to maneuver more freely in the electromagnetic spectrum, while strengthening our capability to degrade adversaries' ability to do so. It maintains our investment in the Ships' Signals Exploitation Equipment (SSEE) Increment F, which equips ships with a capability to interdict the communications and address and offset elements of adversary kill chains by 2020. PB-16 adds an advanced geo-location capability to SSEE Increment F, which contributes to defeating the "left side" of the adversary's ballistic missile kill chain and C4ISR systems. It also increases our investment in upgraded electromagnetic sensing capabilities for surface ships via the Surface Electronic Warfare Improvement Program (SEWIP) Block 2 that will deliver in 2016, procuring an additional 14 systems. PB-16 begins low rate

initial production of SEWIP Block 3 in 2017 to add jamming and deception capabilities to counter advanced anti-ship cruise missiles. PB-16 also stands up Real-Time Spectrum Operations (RTSO) as a Program of Record. RTSO will provide ships and strike groups the ability to sense, control, and plan the use of spectrum, detect interference, notify the operators of spectrum issues, and provide recommended actions allowing for command and control of the electromagnetic spectrum.

Our cyber capability continues to afford the Navy a competitive advantage, but we are growing increasingly concerned about potential vulnerabilities that could affect combat readiness. Recognizing these risks, in FY 2015 the Navy stood up a dedicated task force to evaluate our cyber security posture and manage our investment portfolio to ensure we are spending money where it matters most. In addition to evaluating our cyber risk and informing our budget process, the task force will also recommend changes to the Navy's acquisition and management of our networks and cyber-connected systems.

### ***Mine Warfare***

To enhance our ability to counter mines in the Middle East and other theaters, our PB-16 program sustains investments in the LCS mine countermeasures mission package (MCM MP), completing initial testing of its first increment in 2015 and achieving full operational capability in 2019. The MCM MP provides significantly faster rates of waterspace mine clearance over legacy counterparts. PB-16 also sustains our interim AFSB, USS *Ponce*, in service through at least FY 2017. USS *Ponce* provides forward logistics support and command and control to MCM ships and helicopters, allowing them to remain on station longer and sustain a more rapid mine clearance rate. In the near-term, PB-16 continues funding for Mk 18 *Kingfish* unmanned underwater vehicles (UUV) and *Sea Fox* mine neutralization systems deployed to the Arabian Gulf today, as well as increased maintenance and manning support for forward-deployed MH-53 airborne mine countermeasures platforms and *Avenger*-class MCM ships forward based in Bahrain.

## Readiness

### *Afloat Readiness*

PB-16 funds ship operations to 45/20 (deployed/non-deployed) steaming days per quarter. Overseas Contingency Operations (OCO) funds an additional 13/4 days (deployed/non-deployed), providing the training and operations required to meet our FY 2016 GFMAP commitment. PB-16 baseline funds ship maintenance to 80% of the requirement, with OCO funding the remaining 20%, to continue life cycle maintenance reset of CVNs and surface force ships. To address the workload to be completed in our public shipyards, Navy funds additional workforce (up to 33,500 Full Time Equivalent workers by FY 2017) and will send selective submarines to private shipyards in FY 2016 and FY 2017.

With respect to the Flying Hour Program, PB-16 achieves deployed readiness levels of T2.5/T2.0 (USN/USMC) in accordance with guidance for all carrier air wing (CVW) aircraft.<sup>3</sup> Navy funds Aviation Depot Maintenance to 83% of the requirement, which puts the depots at capacity. As Aviation Depot Maintenance throughput improves, the associated F/A-18 flying hours and depot maintenance budgets will increase to the more notional level of 77%. PB-16 increases Navy Expeditionary Combat Command FY 2016 base funding from 42% to 80%. OCO funds the remaining 20%.

Year after year, the Navy has consistently provided more global presence than authorized and adjudicated by the GFMAP. In 2013 and 2014, for example, Naval forces provided six percent and five percent more forward presence, respectively, than planned due to emergent operations and unanticipated contingencies. This unbudgeted usage amounted to greater than 2,200 days in theater over that planned in 2013 and greater than 1,800 days in theater over that planned in 2014. We should operate the Fleet at sustainable presence levels, in order for the Navy to meet requirements while still maintaining material readiness, giving ships time to modernize, and allowing them to reach their expected service lives.

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<sup>3</sup> Due to extended depot repair time, F/A-18A-D availability is reduced and shortfalls in aircraft will be borne by non-deployed forces. As more legacy F/A-18s approach their 6,000 hour design life and are inducted for assessment and life extension to 8,000 or 10,000 hours, aviation depots are experiencing production challenges resulting in longer-than-expected repair cycle times for these aircraft. Navy has taken steps to better maintain and repair these legacy aircraft and expects to improve depot productivity by 2017, with the backlog fully recovered by 2019. In PB-16, Flying Hours for these aircraft will reflect the maximum executable profile and achieve T2.0 for deployment, with tailored T-ratings through the training cycle.

***Ashore Readiness***

To comply with fiscal constraints, we are compelled to continue accepting risk in shore infrastructure investment and operations. PB-16 prioritizes nuclear weapons support, base security, and airport/seaport operations while maintaining our commitment to quality of life programs for our Sailors and Families. We are funding the sustainment, restoration, and modernization of our facilities at a level to arrest the immediate decline in the overall condition of our most critical infrastructure. Although FY 2016 marks an improvement in the facilities funding when compared to PB-15, Navy is still below the DoD goal for facilities sustainment. Facilities sustainment also declines in the PB-16 FYDP in order to preserve the operational readiness of our Fleet. When restoring and modernizing our infrastructure, we intend to prioritize life/safety issues and efficiency improvements to existing infrastructure and focus on repairing only the most critical components of our mission critical facilities. By deferring less critical repairs, especially for non-mission-critical facilities, we are allowing certain facilities to degrade and causing our overall facilities maintenance backlog to increase. We acknowledge this backlog must eventually be addressed.

Navy will exceed the minimum 6% in capital investment in Naval Shipyards and Depots described in 10 USC 2476, with a projected 7.4% in FY 2016. Additionally, we are on track to exceed the target in FY 2015 with a projected 6.3% investment. Our Naval Shipyards and depots are critical to maintaining the warfighting readiness of our force, and Navy will continue to prioritize investments to address the most critical safety and productivity deficiencies.

***Audit Readiness***

Navy is on course to achieve full auditability on all four financial statements by the end of FY 2017, a legislative mandate. An audit of the Schedule of Budgetary Activity (SBA), began in December 2014. This initial audit is a critical step to identify any weaknesses in business systems and business processes. The Navy's Audit Plan has been greatly improved by lessons learned from our sister Service, the United States Marine Corps, which achieved a clean audit on their SBA in 2013. The remaining challenge to meeting the FY 2017 mandate is to achieve auditability on the other major financial statement, Navy's Balance Sheet. Audit readiness on the Balance Sheet depends primarily on the accuracy of the multi-billion-dollar Asset line; the Navy

has been executing a plan to bring Service-wide accountability for major assets (by amounts and value) into compliance with financial audit standards. The Navy is confident that it will be able to undergo an audit of all of its financial statements by FY 2017 to meet the Congressional requirement.

### ***Family Readiness***

Family readiness is fully integrated into our Navy's call to be ready. PB-16 continues to provide support for critical programs that support our Sailors and their Families so that they can adapt to, and cope with, the challenges of balancing military commitment with family life. Navy Fleet and Family Support Centers ensure military families are informed, healthy, and resilient through robust programs that include: relocation assistance; non-medical and family counseling; personal and family life education; personal financial management services, information and referral services; deployment assistance, domestic violence prevention and response services, exceptional family member liaison; emergency family assistance and transition assistance. Increased stress and longer family separations have amplified program demand and underlined the importance of these support programs and services to ensure the psychological, emotional, and financial well-being of our Sailors and their Families.

Navy Child and Youth Programs continue to provide accessible, affordable, and high-quality child and youth development programs through child development centers, youth centers, child development homes, and contract child care spaces. All Navy child development centers are DoD certified and nationally accredited, and provide consistent, high-quality care at affordable rates based on total family income.

### **Military Construction**

The PB-16 Military Construction program includes 38 projects valued at almost \$1 billion to invest in our construction worldwide. We have prioritized funding to enable IOC of new platforms such as LCS, P-8A, F-35C, MH-60, and MQ-4C through the construction of hangars, mission control centers, and various support and training facilities. We are also supporting Combatant Commander requirements by constructing a land-based Aegis site in

Poland and upgrading port facilities in Bahrain. A portion of MILCON funds will recapitalize infrastructure in three naval shipyards and improve the resiliency of utilities systems at seven bases. Three projects will improve the quality of life for our Sailors and their Families by addressing unaccompanied housing issues in Florida and Maryland and constructing a new child development center in Japan.

### **Health of the Force**

We measure and track the health of our force using Navy-wide metrics on recruiting, retention, manning levels; unit operational tempo; individual tempo (how often individual Sailors are away from home); morale; stress; sexual assault rates; suicide rates; alcohol-related incidents, and other factors. Based on a comprehensive study of these metrics and trends, today we rate the overall health of our Navy force as good. Our Sailors are our most important asset, they are our “asymmetric advantage,” and we have invested appropriately to keep a high caliber all-volunteer force. At work, the Navy is committed to providing our Sailors a challenging, rewarding professional experience, underpinned by the tools and resources to do their jobs right. Our obligations don’t stop at the bottom of the brow. I remain focused on dealing with enduring challenges that relate to the safety, health, and well-being of our people, no matter where they are located. We also support our Navy Families with the proper quality of life in terms of compensation, professional and personal development, and stability (i.e., deployment predictability). Navy’s 21<sup>st</sup> Century Sailor Office (OPNAV N17), led by a flag officer, continues to integrate and synchronize our efforts to improve the readiness and resilience of Sailors and their Families. Specific initiatives that we continue to support in PB-16:

#### ***21st Century Sailor Programs***

##### Suicide Prevention

Preventing suicide is a command-led effort that leverages a comprehensive array of outreach and education. We continue to raise awareness regarding the combination of indicators most common to suicide-prone individuals such as post-traumatic stress, relationship problems, legal and financial problems, periods of transition and mental health issues. We have launched

several key initiatives including: (1) mandatory Operational Stress Control (OSC) skills training for units within six months of deployment, (2) new guidance for Navy unit commanders and health professionals to reduce access to lethal instruments under certain conditions, (3) an interactive, scenario-based suicide prevention training tool, (4) an OSC curriculum specific to our Reserve Sailors, and (5) specialized Chaplain Corps professional development training on suicide prevention. Our Sailors continue to learn about the bystander intervention tool known as “A.C.T.” (Ask – Care – Treat). We also invest in the resilience of our people to help them deal with any challenge.

#### Resilience

Our research shows that a Sailor’s ability to steadily build resilience is a key factor in navigating stressful situations. Education and prevention initiatives train Sailors to recognize operational stress early and to use tools to manage and reduce its effects. Our Operational Stress Control (OSC) program is the foundation of our efforts to teach Sailors to recognize stressors in their lives and mitigate them before they become crises. We expanded our OSC mobile training teams, developed Bystander Intervention to the Fleet training, and deployed resiliency counselors on our aircraft carriers and large deck amphibious ships. The 21<sup>st</sup> Century Sailor Office is also conducting a Total Sailor Fitness curriculum review and developing a Resilience Management System to automate the collection and reporting of all destructive behaviors and better coordinate and integrate our resilience efforts. We also launched a new campaign across the Fleet in 2015 called “Every Sailor, Every Day,” which emphasizes personal responsibility and peer support, so that Sailors are even more empowered to look out for and help other Sailors.

#### Sexual Assault

The Navy continues to pursue a deliberate strategy in combatting sexual assault. We continue to focus on preventing sexual assaults, ensuring victims are fully supported, improving investigation programs and processes, and ensuring appropriate accountability. These efforts include making sexual assault forensic exams available on all ships and 24/7 ashore, having a cadre of professional and credentialed sexual assault response coordinators and victim advocates, special victim trained investigators and JAGs, and ensuring commands take all reports of sexual assault seriously and support the victim. We will enhance our response efforts by full implementation of deployed resiliency counselors on large deck ships, enhanced NCIS

investigative capability using specially training Master-at-Arms, and continued legal assistance to victims through our Victims Legal Counsel program.

Sustaining a professionalized response and victim advocacy system remains the top priority, but preventing sexual assaults in the first place is an imperative. Our strategy focuses on improving command climate, strengthening deterrence measures, and encouraging bystander intervention. To facilitate the latter, we trained facilitators to lead small, peer-group interactive discussions using various scenarios. Likewise, we have focused on raising awareness and accountability regarding retaliation to reduce the potential for re-victimization. A RAND survey of DoD found that 53% of retaliation is “social” or “peer,” so we are focusing in on that area. Navy efforts are aligned with SECDEF direction to enhance first line supervisor skills and knowledge in recognizing signs of possible acts of retaliation. Recent Navy survey results show that prevalence of sexual assaults is decreasing, but we remain fully committed to creating and sustaining a culture where Sailors understand the importance of treating Shipmates with dignity and respect at all times, in all places.

### ***Manpower***

#### End Strength

PB-16 supports an FY 2016 Navy active end strength of 329,200 and reserve end strength of 57,400. It appropriately balances risk, preserves capabilities to meet current Navy and Joint requirements, fosters growth in required mission areas, and provides support to Sailors, Navy Civilians, and Families. Programmatic changes tied to force structure and fact-of-life additions resulted in modest PB-16 active component end strength growth. Examples of force structure-related changes include retaining personnel for CVN 73 and its air wing, restoring manpower to nine cruisers that will remain in operation, and building crews for new construction destroyers (DDG 51, DDG 1000) and submarines (*Virginia* Class). PB-16 end strength remains fairly stable across the FYDP, reaching approximately 330, 000 active and 58,900 reserves in FY 2020.

#### Sea Duty

Navy continues to emphasize and reward sea duty. Aggregate Fleet manning (what we call “fill”) increased from 93% in FY 2013 to 96% in FY 2014, the equivalent of roughly 3,500

more Sailors aboard surface ships. Also, we are very close to achieving our goal of ensuring that more than 90% of our Sailors are serving in jobs at the required grade with requisite experience and training (what we call “fit”). Navy is committed to reducing deployment lengths to seven months, but in recognition of those who have been experiencing longer deployments (over 220 days), in 2014 we began providing additional pay called Hardship Duty Pay-Tempo (HDPT). We have also incentivized and rewarded sea duty, in general, by increasing Sea Pay.

### ***Personnel Management***

#### **Recruiting and Retention**

Navy recruiting and retention remain strong, although retaining personnel in certain critical skills continues to present a challenge, particularly as the demands we place on Sailors and their Families remain high. The threat of looming sequestration, along with a recovering economy, is a troubling combination. We are beginning to see downward trends in retention, particularly among pilots, nuclear-trained officers, SEALs, and highly-skilled Sailors in information technology, Aegis radar and nuclear specialties. We are using all tools at our disposal, including special and incentive pays, to motivate continued service in these critical fields.

#### **Gender Integration**

Integrating women across the force remain top priorities, because they allow the Navy to tap into the Nation’s rich talent pool. Over 96% of all Navy jobs are currently available to women and we expect to open all occupations by early next year. We are also focused on retaining women warfighters by increasing career flexibility through initiatives like the Career Intermission Program, which allows service-members to take a hiatus from their careers for up to three years to pursue personal priorities before re-entering the force. One of our major thrusts in FY 2016 is to increase female accessions of both officer and enlisted in order to provide greater female representation in all operational units by 2025. We are setting a goal of increasing female enlisted accessions to 25% and changing the mix of ratings available to provide greater operational opportunity for women to serve. Integration of women into the submarine force is tracking well.

Diversity

Demonstrating our continued commitment to diversity, Navy recently established a Diversity Policy Review Board, chaired by the Vice Chief of Naval Operations. Individual community self-assessments focused on diversity trend analysis are also vetted at my level to ensure each warfighting enterprise remains free of barriers to advancement and committed to equal opportunity to our entire talent pool without regard to race, gender, country of origin, or religion. Additionally, Navy offers a range of Science, Technology, Engineering, and Mathematics (STEM) education and outreach programs to generate interest by the Nation's youth in these fields and open up opportunities for them to consider potential Navy careers where STEM expertise could be applied.

Quality of Service

Navy continues to invest in projects designed to improve Sailor's quality of service, which has two components: (1) quality of work, and (2) quality of life. Further, all funds saved through "compensation reform" are directly invested in quality of work and quality of life programs. PB-16 invests in quality of service initiatives such as barracks and training building improvements, greater travel and schools, expanded use of tactical trainers and simulators, and increased funding for spare parts and tools. It also leverages smart technology devices and applications through an "eSailor" initiative to enhance training, communication and Sailor career management ashore and afloat.

Talent Management

As our economy improves and the labor marketplace becomes even more competitive, the battle for America's talented youth in service continues to heighten. Today's generation, while remarkably similar in their desire to serve as the rest of us, have different expectations for a career of service. Meanwhile, our personnel policies and information systems are rooted in the assumptions of a previous era. Much like any legacy weapons system, that personnel and learning structure is in need of modernization. Thus, we are examining initiatives to modernize how we manage our future force, for example: (1) phase out strict Year-Group management practices in favor of a milestone-based promotion system, (2) improve lateral flows between reserve and active components to offer more agile pathways of service, and (3) upgrade our information technology, software, and tools to enable a more mobile, flexible, and accurate

personnel delivery system. Further, we plan to build upon our cultural strengths through a number of family-centered initiatives, such as expanded child development and fitness resources, along with greater career flexibility for dual-military and dual-professional Families to grow together while serving our Nation.

#### Transition Assistance

A new Transition Goals, Plans, Success (GPS) curriculum replaced the 20-year old Transition Assistance Program (TAP) to improve career readiness standards and assist separating Sailors. The mandatory five-day core curriculum provides Veterans Affairs benefits briefings, the Department of Labor employment workshop, financial management and budgeting, and military to civilian skills crosswalk. Moreover, the DoD Military Life Cycle (MLC) Transition Model, implemented in 2014 in the Navy, is working to begin a Sailor's transition preparation early in their career, by providing opportunities to align with civilian standards long before their intended separation, to achieve their post-military goals for employment, education, technical training, or starting a business.

#### ***Character Development***

At all levels in the Navy, we emphasize a culture of integrity, accountability, and ethical behavior. All of these make up the character of our leaders. Good character enables unconditional trust throughout our ranks. This is essential to succeed as a unified, confident, and interdependent team. It must be inherent in all our operations.

Navy continues to emphasize character development as a priority in our overall leader development efforts, which are outlined in Navy's 2013 *Navy Leader Development Strategy*. In 2014, we established the Naval Leadership and Ethics Center (formerly known as the Command Leadership School), which serves as the means by which we guide our efforts. This new command, alongside our Senior Enlisted Academy, and Leadership and Ethics programs at the Naval War College, expands and improves character development initiatives at every level. We are developing an ethics curriculum (courses and modules) that will be embedded in schoolhouses across the Fleet. We are also strengthening our Navy Leader Development Continuum, which is the way in which we facilitate development of both officers and enlisted throughout all phases of their careers. We are not learning alone; we draw insights and share

best practices with our sister Services. The Navy is committed to inculcating into every member of our profession the key attribute of good character. It reflects our Navy heritage and the citizens of our Nation expect that we uphold the highest standards of behavior and performance in the execution of duties.

### **Navy Reserve Force**

Our Navy responded to extraordinary challenges over 13 years of war with the help of Reserve Sailors. The men and women of our Navy Reserve have increasingly put their civilian careers on hold in order to operate forward, provide critical support to Fleet and Combatant Commanders, and enhance the performance of the Joint Force. The Navy Reserve is a valuable hedge against an uncertain and challenging security environment; they augment the Fleet with unique skills to see us through any challenge. Since 9/11, reserve contributions to the active duty Navy component have been significant - over 73,000 Navy Reserve Sailors were mobilized in support of global contingency operations, providing tens of thousands of "boots on the ground" in Iraq, Kuwait, Bahrain, Afghanistan, and the Horn of Africa, as well as supporting key missions like those at Joint Task Force-Guantanamo Bay. On any given day, nearly 25% of the Navy Reserve force directly supports the Navy worldwide—about 15,000 Sailors.

Based on our annual assessment of the active/reserve mix, PB-16 continues investments in expanding critical capabilities within the Reserve component including: (1) surge maintenance, by selectively targeting reservists who bring specific, valuable civilian skill sets to the Navy Total Force; (2) intelligence support, by realigning end strength to support this vital mission; (3) cyber warfare, by ensuring the appropriate mix of reserve manning to augment the active Navy capability; and, (4) high value unit escort, by leveraging the Navy Reserve's ability to fill short notice requirements using Reserve Coastal Riverine Force units to assume CONUS high value unit escort missions from the Coast Guard. PB-16 maintains several vital reserve capabilities, including all of the Navy-unique Fleet essential airlift assets (C-40A and C-130). These enable the Navy to meet short-notice, mission-critical airlift requirements more responsively than any other logistics option. It also supports Airborne Electronic Attack by fully funding a reserve airborne electronic attack squadron, which is an integral component of Navy's cyclic operational expeditionary airborne electronic attack deployment capability.

**Conclusion**

For the last three years, the Navy has been operating under reduced top-lines generating capability shortfalls amounting to \$25 billion less than the President's Budget requests. With each year that the Navy receives less than requested, the loss of force structure, readiness, and future investments cause our options to become increasingly constrained. Navy has already divested 23 ships and 67,000 personnel between 2002 and 2012. And we have been assuming significant risk by delaying critical modernizations of our force to keep pace and maintain technological advantage.

Unless naval forces are properly sized, modernized at the right pace, ready to deploy with adequate training and equipment, and able to respond with the capacity and speed required by Combatant Commanders, they will not be able to carry out the defense strategy, as written. Most importantly, when facing major contingencies, our ability to fight and win will not be quick nor as decisive as required. To preclude a significantly diminished global security role for the Nation's military, we must address the growing mismatch in ends, ways, and means.

The world is more complex, uncertain, and turbulent; this trend will likely continue. Our adversaries' capabilities are modernizing and expanding. It is, therefore, vital to have an adequate, predictable, and timely budget to remain an effective Navy. PB-16 proposes the best balance of Navy capabilities for the authorized amount of funding, and enables the Navy to conduct the ten primary missions outlined in the President's DSG and the QDR. But, there is considerable risk. PB-16 is the absolute minimum funding needed to execute our DSG. Should resources be further reduced below PB-16 levels, the DSG will need to be revised. If sequestration is implemented in FY 2016, it will damage our national security.

I thank this committee for their abiding support and look forward to working together to develop viable options for our Nation's future.

**Admiral Jonathan W. Greenert**  
**Chief of Naval Operations**  
**9/23/2011 - Present**

Adm. Jonathan W. Greenert is a native of Butler, Pa. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

His career as a submariner includes assignments aboard USS Flying Fish (SSN 673), USS Tautog (SSN 639), Submarine NR-1 and USS Michigan (SSBN 727 - Gold Crew), culminating in command of USS Honolulu (SSN 718) from March 1991 to July 1993.

Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).

Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.

**Admiral Michelle Howard**  
**Vice Chief of Naval Operations**  
**7/1/2014 - Present**

Admiral Howard is a 1978 graduate of Gateway High School in Aurora, Colorado. She graduated from the United States Naval Academy in 1982 and from the Army's Command and General Staff College in 1998, with a Masters in Military Arts and Sciences.

Howard's initial sea tours were aboard USS Hunley (AS 31) and USS Lexington (AVT 16). While serving on board Lexington, she received the secretary of the Navy/Navy League Captain Winifred Collins award in May 1987. This award is given to one woman officer a year for outstanding leadership. She reported to USS Mount Hood (AE 29) as chief engineer in 1990 and served in Operations Desert Shield and Desert Storm. She assumed duties as first lieutenant on board the USS Flint (AE 32) in July 1992. In January 1996, she became the executive officer of USS Tortuga (LSD 46) and deployed to the Adriatic in support of Operation Joint Endeavor, a peacekeeping effort in the former Republic of Yugoslavia. Sixty days after returning from the Mediterranean deployment, Tortuga departed on a West African training cruise, where the ship's Sailors, with embarked Marines and U.S. Coast Guard detachment, operated with the naval services of seven African nations.

She took command of USS Rushmore (LSD 47) on March 12, 1999, becoming the first African American woman to command a ship in the U.S. Navy. Howard was the commander of Amphibious Squadron Seven from May 2004 to September 2005. Deploying with Expeditionary Strike Group (ESG) 5, operations included tsunami relief efforts in Indonesia and maritime security operations in the North Arabian Gulf. She commanded Expeditionary Strike Group Two from April 2009 to July 2010. In 2009, she deployed to CENTCOM theater, where she commanded Task Force 151, Multi-national Counter-piracy effort, and Task Force 51, Expeditionary Forces. In 2010, she was the Maritime Task Force commander for BALTOPS, under 6th Fleet.

Her shore assignments include: J-3, Global Operations, Readiness and executive assistant to the Joint Staff director of Operations; deputy director N3 on the OPNAV staff; deputy director, Expeditionary Warfare Division, OPNAV staff; senior military assistant to the secretary of the Navy; Chief of Staff to the director for Strategic Plans and Policy, J-5, Joint Staff, deputy commander, US Fleet Forces Command, and Deputy Chief of Naval Operations for Operations, Plans & Strategy (N3/N5). She currently serves as the 38th Vice Chief of Naval Operations.

Updated: 3 July 2014

Not for public dissemination  
Until released by the House Armed Services Committee

STATEMENT OF  
GENERAL JOSEPH DUNFORD  
COMMANDANT  
UNITED STATES MARINE CORPS  
BEFORE THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
17 MARCH 2015

Not for public dissemination  
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**Introduction**

The Marine Corps is *the* Nation's expeditionary force-in-readiness. Congress, specifically and uniquely, structured and prescribed the role of the Marine Corps as a "...balanced force-in-readiness, air and ground...to suppress or contain international disturbances short of large scale war." Under this mandate, Marines are forward-deployed, forward-engaged, and postured to shape events, manage instability, project influence, and immediately respond to crises. As an inherently joint combined arms team, Marines assure access and enable heavier contingency forces to deploy from the United States in response to a major contingency.

Also, to meet the intent of the Congress, the Marine Corps must maintain a high state of combat readiness. We look at readiness through the lens of our 5 pillars of readiness – high quality people, unit readiness, capacity to meet the combatant commanders' requirements, infrastructure sustainment, and equipment modernization. These pillars represent the operational and foundational components of readiness across the Marine Corps. Our role as America's 9-1-1 force informs how we man, train, and equip our force, and how we prioritize and allocate resources across the pillars of readiness. While we will always ensure that our forward deployed Marines and Sailors are properly manned, trained and equipped, we seek to maintain balanced investment across the pillars to ensure current and future readiness. We emphasize that all Marines and all Marine units are physically and mentally ready to deploy to any clime and place, at any time.

The Marine Corps is a force of economy. For 6.0% of the defense budget, the Marine Corps provides 21% of the Nation's infantry battalions and 15% of the fighter/attack aircraft. These capabilities, organized as Marine Air Ground Task Forces with an organic logistical element,

provide the Nation with affordable insurance and a strategic hedge in an era of uncertainty and unprecedented complexity.

**Strategic Landscape**

The challenges of the future operating environment will demand that our Nation maintains a force-in-readiness that is capable of global response. The strategic landscape will be characterized by competition for natural resources, violent extremism, natural disasters, social unrest, cyber-attacks, regional conflict, and proliferation of advanced weaponry and weapons of mass destruction. The expansion of modern conventional and cyber weapons to a broader range of state and non-state entities, along with the erosion of U.S. technological advantages in areas where we have long enjoyed relative superiority, is likely to continue. Further, the actions of transnational criminal organizations and violent extremist groups will continue to contribute to regional unrest and instability that directly threaten U.S. interests through piracy, trafficking and terrorism. The U.S. must expect a security landscape characterized by volatility, instability and complexity, and a growing potential among adversaries to employ weapons of mass destruction.

As Marines, we view global security challenges from a maritime perspective. The majority of these challenges reside in the congested and diverse areas where the sea and land merge—the littorals. Today, more than 80% of the world’s population currently resides within 100 miles of a coastline and this proportion is continuing to rise. Most maritime activities such as commercial shipping, fishing, and oil and gas extraction take place within 200 miles of the shore. It is no accident that the so-called “Arc of Instability” encompasses the littoral areas of South Central Asia, the Middle East, Africa. These geographic and demographic trends indicate a future security environment with a significant maritime element.

We expect that the next 10 years will be largely characterized by small-scale crises and limited contingencies in and around coastal environments. Should major operations and campaigns occur, they are likely to involve a significant maritime and littoral dimension. Ready, responsive, flexible and strategically mobile naval forces are essential to ensuring continued access and security in the global commons. The increased likelihood of operations in the littorals demands the Marine Corps focus on its Title 10 responsibilities to be organized, trained and equipped to come from the sea across the range of military operations.

America's responsibility as a world leader requires an approach to the current and future strategic landscape that leverages the forward presence of our military forces in support of our diplomatic and economic approaches. As stated in the 2012 President's Defense Strategic Guidance, "The United States will continue to lead global efforts with capable allies and partners to assure access to and use of the global commons, both by strengthening international norms of responsible behavior and by maintaining relevant and interoperable military capabilities." The Marine Corps' unique capabilities support this strategic approach.

#### *Your Marines*

In 2014, Marines responded to crises around the world and remained forward-deployed and forward-engaged managing instability, building partner capacity, strengthening alliances, and projecting influence. Your Marines demonstrated the relevance of expeditionary naval forces by executing more than 30 amphibious operations, 150 Theater Security Cooperation (TSC) events, and 130 exercises around the globe. While we have drawn down our forces in Afghanistan, our operational tempo remains extraordinarily high. Most Marines in the operating forces are

deploying for 7 months and spending at or below 14 months at home before redeploying. There is a strong demand signal for Marines and tailored Marine Air Ground Task Forces.

#### **OEF-Afghanistan**

In 2014, the Marine Corps contributed to the mission in Afghanistan by training, advising and assisting the Afghanistan National Security Forces (ANSF) and supporting the fight against terrorism in Southwest Asia. Our operations focused on ensuring the success of the Afghanistan elections in the summer of 2014 and transitioning security responsibilities to the ANSF. With Marines serving in an advisory capacity, the ANSF retained control of all district centers in Helmand Province. Regional Command (SW) also turned over operational responsibilities to the International Security Assistance Force Joint Command facilitating redeployment of Marine Expeditionary Brigade-Afghanistan (MEB-A) to home station. Today, a residual Marine presence continues to support the Resolute Support Mission (NATO)/OPERATION FREEDOM'S SENTINEL (US) in Afghanistan.

In more than 13 years of combat operations, 377 Marines were killed and 4,946 injured in Afghanistan. We remember their selfless service and many sacrifices. Our success in RC-SW is directly related to the high quality men and women in our ranks, the training that prepared them to face the rigors of combat, and the equipment that provided protection and a tactical edge over the enemy. Due to the enduring support of Congress and the American people, the Marines who fought in Afghanistan had the training and equipment necessary to accomplish the mission. The full support of Congress for a variety of initiatives such as Mine Resistant Armor Protected Vehicles (MRAPs) and upgraded individual protective equipment saved lives and enhanced combat effectiveness.

**Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) Operations**

Our preferred method of deploying our Marines is aboard Navy amphibious ships to form ARG/MEU Teams. These are the Nation's most-ready, forward-postured forces. This capability provides strategic speed, agility, and options to our National Command Authority. They operate in international waters retaining flexibility for the Geographic Combatant Commander (GCC) while respecting the sovereign territory of individual nation states. The ARG/MEU team can respond faster from longer ranges with greater capabilities across the ROMO than any other conventional forces in the Department of Defense and are also capable of enabling Joint, interagency and coalition forces. In 2014, the 11th, 13th, 22d, 24th, and 31st Marine Expeditionary Units (MEU) deployed and contributed to combatant commander requirements by participating in numerous exercises and operations throughout the CENTCOM, PACOM, AFRICOM, and EUCOM areas of responsibility (AORs). When required, the ARG/MEU has the scalability and versatility to respond to simultaneous emergencies. Last summer, the 22d MEU/Bataan ARG was operating in the CENTCOM AOR conducting operations in Yemen. When needed, elements of the ARG/MEU rapidly transited into the Mediterranean Sea to support the suspension of embassy operations in Libya and relocation of its staff. During their return, they launched a force over 1200 miles to contribute to the initial response to counter ISIS. Concurrently, elements of the ARG/MEU continued to support U.S. operations in Yemen. Over the last year, we have also increased collaboration with SOF, significantly improving our complementary capabilities.

Due to their forward presence, flexibility, ability to respond quickly and the decision space they afford our leaders, ARG/MEU's continue to be in high demand. Unfortunately, the Navy and Marine Corps can meet less than half of the GCC ARG/MEU crisis response force demand

based on the ARG shipping available for tasking. Today, available expeditionary Navy/Marine Corps forces stand ready aboard ships to assure allies, deter potential adversaries, and provide persistent U.S. presence. Our Marines are forward deployed, with little to no footprint ashore, to respond and protect U.S. national security interests around the globe.

#### **Special Purpose Marine Air Ground Task Force – Crisis Response (SPMAGTF-CR)**

##### **Operations**

With the high demand for Marine crisis response capabilities and the shortage of amphibious platforms from which to forward deploy forces, SPMAGTF-CRs were developed. While they don't provide the flexibility and responsiveness of an ARG/MEU, they mitigate a capability gap for the combatant commanders. Our SPMAGTF-CRs are tailored to respond to crisis and also conduct security cooperation activities with partner nations in order to develop interoperability, facilitate access, build partner capacity and security relationships, and gain regional understanding. This past year, SPMAGTF-CR units assigned to AFRICOM positioned forward in Moron, Spain and Signonella, Italy safeguarded the lives of our diplomatic personnel and conducted military-assisted departures from the U.S. Embassy in South Sudan in January and our embassy in Libya in July. The Marine Corps SPMAGTF-CR unit assigned to CENTCOM (SPMAGTF-CR-CC) became fully operational on 1 November 2014 and deployed to the CENTCOM AOR. Since November, SPMAGTF-CR-CC conducted embassy reinforcement, TSC exercises, and provided critical aviation and ground capabilities in the fight against ISIL. Most recently, Marines from SPMAGTF-CR-CC supported the evacuation of our Embassy in Sana'a, Yemen. A third SPMAGTF deployed in support of Southern Command from June to September aboard USS AMERICA on her transit around the South American continent and

executed partner-nation activities, key leader engagements and security cooperation activities. The placement of these Marine Corps tailored task force capabilities forward, where GCC's need them, provides enhanced diplomatic protection and additional crisis response options.

#### **Marine Corps in the Pacific**

The Marine Corps' activities in the Pacific are led by III Marine Expeditionary Force headquartered on Okinawa, Japan. This past year, III MEF conducted 52 operations and exercises. In 2014, III MEF conducted Exercise Ssong Yong – the largest amphibious exercise of the year with our Korean allies further demonstrating the U.S. commitment to South Korea. III MEF plays an important role in maintaining stability in East Asia and significantly contributes to peace and prosperity throughout the region. A number of TSC exercises were conducted using Maritime Prepositioning Ships (MPS). While these platforms were designed to deliver heavy equipment for a major contingency, adapting them for day-to-day engagement enabled us to better support the combatant commander's theater campaign plan and mitigated the number of amphibious lift in the Pacific.

The Marine Corps continues to rebalance its force lay-down in the Pacific to support the Defense Strategic Guidance (DSG). The Distributed Laydown's planned end state of four geographically distributed, politically sustainable and operationally resilient MAGTFs in the Pacific (Australia, Guam, Japan, and Hawaii) is a long term effort that will span the next 15 years. In 2014, we met the Secretary of Defense's guidance to have 22,500 Marines west of the International Date Line, forward based and operating within the Asia-Pacific Theater. Marine rotational force-Darwin (MRF-D), based at Robertson Barracks, is in its third year of execution, and has rotated 1,263 Marines through Darwin conducting bi-lateral training and exercises. This

rotational force provides MARFORPAC and PACOM with a ready and deployable MAGTF capable of Humanitarian Response/Disaster Relief (HA/DR), TSC, and crisis response operations. MRF-D has strengthened our alliance with our Australian allies and provided the GCC an immediate response option in the wake of an unforeseen crisis.

#### **Black Sea Rotational Force, Embassy Security Forces, and Theater Security Cooperation (TSC)**

Marine Corps operational commitments span across all GCCs contributing to stronger alliances, stable international order, and security for our diplomatic stations. In the Republic of Georgia, the Marine Corps prepared three Georgian infantry battalions for their deployment to Afghanistan. There, the Georgian forces provided force protection and executed Quick Reaction Force (QRF) missions as the ISAF mission transitioned to the Resolute Support Mission (RSM). Enabling the deployment of Georgian battalions reduced the requirement for U.S. forces in Afghanistan while providing the Commander with the requisite capabilities.

In support of our strong commitment to the security and stability in Europe, Marines of the Black Sea Rotational Force (BSRF) mission conducted hundreds of TSC activities in EUCOM and provided a significant crisis response option for the EUCOM commander. Additionally, Fleet Anti-Terrorism Security Teams (FAST) provided forward-deployed platoons to four Geographic Combatant Commanders in support of dynamic mission tasking such as embassy reinforcement in Baghdad, Iraq and Sana'a, Yemen.

The 2015 President's National Security Strategy emphasizes the security of American citizens. This past year the Marine Corps worked closely with the State Department to increase baseline security at high risk embassies and consulates. Today Marines are routinely serving at

173 embassies and consulates in 141 countries around the globe. In 2014, the Marine Corps Embassy Security Group added 237 Marine Security Guards (MSG) to new and current posts including Iraq, Lebanon, and Turkey. These Marines represent our initial installment towards the additional 1,000 MSG requirement from Congress. The Marine Security Augmentation Unit (MSAU) also deployed 29 times at the request of the State Department executing 16 Embassy/Consulate security missions and 13 VIP (POTUS/VPOTUS/SECSTATE) security missions. MSAU Marines deployed to Iraq, Israel, South Korea, Chad, China, Poland, Philippines, France, Bahrain, Romania, Australia, Brazil, United Kingdom, Kenya, Ukraine, South Sudan, Turkey, Mexico, and Thailand.

#### **Fiscal Year 16 Budget Priorities**

The President's Budget for FY16 (PB16) allocates \$24 billion to the Marine Corps' baseline budget. To meet our responsibilities as the Nation's 9-1-1 force, we prioritized near-term readiness while assuming risk in our home station readiness, modernization, infrastructure, and quality of life programs. We will attempt to reestablish an acceptable balance across the 5 Pillars of Readiness across the future year's defense plan. The following is a detailed description of the Marine Corps' budget priorities supported by PB16 of Force Structure, ACV, JLTV, JSF, CH-53K, C4 and naval programs of interest.

#### **Force Structure**

In 2010, the Marine Corps' internal force structure review concluded that the USMC's optimal size to meet the requirements of the President's National Security Strategy was 186,800. This optimal size gives the Marine Corps the capacity we need to meet current steady state

demand with a deployment-to-dwell (D2D) ratio greater than 1:2. We continue to support this review and conclusion. Today, the Marine Corps continues to execute its end-strength reductions that began during FY12, reducing the Corps from a high of 202,000. The Marine Corps is adjusting its active duty end-strength to 182,000 Marines by 2017, emphasizing the enduring requirement to provide crisis response forces that meet today's demand. We can meet the DSG at this level, but with less than optimal time between deployments to train and allow Marines to be with their families.

Our most significant readiness challenge is the gap in the numbers of unit leaders with the right grade, experience, technical and leadership qualifications associated with their billets. Specifically, our current inventory of Non-Commissioned Officers (NCOs) and Staff Non-Commissioned Officers (SNCOs) is not meeting our force structure requirements. This dynamic directly affects our training, maintenance, and discipline resulting in degraded readiness and combat effectiveness. The Marine Corps' PB16 military personnel budget funds a FY16 end-strength of 184,000 in our base and supports right-sizing our NCO corps to provide our Marines the small unit leadership they deserve.

#### **Amphibious Combat Vehicle (ACV)**

The Marine Corps appreciates the support of the Congress in restructuring the ACV program in the FY15 appropriations bill. That action has set us on a path to publishing a Request for Proposals (RFP) to industry in March of this year and enables a truly 'streamlined' acquisition process. Leveraging the stability of the Services' requirements and the mature technologies of non-developmental, modern, wheeled, armored combat vehicles, the combat developers and acquisition professionals have developed a way forward to field a capability for the Marines in as

little as 6 (vice 13 or more) years. Consistent with Marine Corps Ground Combat and Tactical Vehicle Strategy (GCTVS) and Expeditionary Force 21, the Amphibious Combat Vehicle (ACV) will be developed and procured in phases to incrementally field modern replacements for the aging Amphibious Assault Vehicle (AAV).

The program is based on the most current threat projections and anticipated operational requirements, and is fully informed by the real world challenges that our Marines have faced during 14 years of sustained combat. The ACV will provide our ground maneuver forces the ability to negotiate the challenging urban and cross-country terrain of the littorals while protecting them from ballistic and explosive threats and supporting them with precision heavy machine gun fire.

The President's budget fully funds ACV 1.1 within the FYDP. PB16 will buy 86 vehicles over the FYDP or approximately 42% of the 204 ACV 1.1 vehicles in the Approved Acquisition Objective (AAO). When Full Operational Capability (FOC) is achieved in FY23, we will have modernized two Assault Amphibian (AA) Companies currently equipped with four decades old AAVs with 204 new vehicles. ACV 1.1 plus the 1.2 increment are currently planned to modernize 6 of 10 AA Companies. With PB16 funding, the Marine Corps will achieve Initial Operational Capability (IOC) which consists of an ACV platoon of 21 armored vehicles, providing protected amphibious lift to an infantry company. IOC is achieved when the platoon is fully equipped, the unit is fully trained and judged combat ready for deployment, and the required maintenance and support personnel are in place to sustain the unit.

The need for self-deploying, high-water speed vehicles remains our ultimate objective. The capability to come from the sea and operate in the littorals will be significantly dependent on the speed at which we can maneuver. ACV 1.1 provides a responsible and effective approach to

mitigating the age of our AAV fleet while investing in needed capabilities for tomorrow. We will continue to prioritize our science and technology efforts to field an amphibious combat vehicle that will fully support our operating concepts in the future.

#### **Joint Light Tactical Vehicle (JLTV)**

Over the past 14 years of combat, we found that the HMMWV utility vehicle was not adequate for the modern battlefield due to its vulnerability to improvised explosive devices (IEDs). In 2006, we began development of a light tactical vehicle that could combine the land mobility performance, transportability profile and payload of the HMMWV with the protection of a combat vehicle within the weight constraints of the expeditionary force. Today, the Joint Light Tactical Vehicle Program has three exceptionally strong designs in competition that will realize the initiating concept in production and deployment while increasing the protected mobility of the highest risk portion of the light combat and tactical vehicle fleet.

The JLTV program is in the engineering and manufacturing development (EMD) phase with Milestone C and the low rate initial production contract award scheduled for FY15. The PB16 supports the Marine Corps' strategy to reach IOC for JLTV in the 4th quarter of FY18 and FOC in the 4th quarter of FY21. IOC consists of one infantry battalion fully fielded with the JLTV plus a training element.

Maritime Prepositioning Force (MPF), MARSOC, and critical supporting establishment training units will also be allocated a portion of PB16 funded vehicles. Vehicles will be allocated by unit based on the JLTV Fielding Plan, currently in development in support of Milestone C decision in 4th quarter of FY15. PB16 will buy 4,476 vehicles over the FYDP, or

approximately 80% of the increment I – 5,500 vehicles – Approved Acquisition Objective (AAO).

**Joint Strike Fighter (JSF)**

Our tried and true F/A-18s, AV-8Bs and EA-6B Prowlers have performed magnificently in combat in Iraq and Afghanistan, providing our Marine riflemen the fires they needed, in every clime and place from sea bases large and small, and expeditionary bases ashore. With the help of Congress, we have kept these aircraft as modern as possible and extracted every ounce of readiness we can from them; however, the high operational tempo has pushed these aircraft to more rapidly approach the end of their service lives. Due to the uncertainty prevalent in today's global security environment, the Nation requires we maintain a capability to respond quickly in contested regions regardless of weather conditions. The F-35 Joint Strike Fighter, as part of the MAGTF, meets the Nation's needs.

The Marine Corps remains committed to the recapitalization of our aging TACAIR fleet through the procurement of the F-35. The JSF brings a new capability to the battalion sized forces that sail with our Marine Expeditionary Units. Today, there are a multitude of high risk regions where a crisis response operation would require large Joint strike packages to soften or blind the threat. These packages would have to include cruise missiles, fighter aircraft, electronic warfare platforms, aircraft which specialize in suppression and destruction of enemy air defenses, and strike aircraft - just for U.S. forces to gain access. Such strike packages require coordination across services and combatant commands and take weeks and months to assemble. This same kind of access can be attained with a single detachment of 4 to 8 F-35s - the same sized detachment which will reside with a Marine Expeditionary Unit. For major contingencies,

a surge of F-35Bs to our amphibious carrier decks and forward austere bases enables even greater options and striking power. The F-35 provides a transformational capability to the Marine Corps and the Joint Force. It gives our Nation a day one, full spectrum capability against the most critical and prohibitive threats.

The Marine Corps prioritizes putting our TACAIR as close to our infantry as we can by basing them from Amphibious Carriers or austere Forward Operating Bases (FOBs) and Forward Arming and Refueling Points (FARPs) ashore. This places the F-35's transformational capabilities in the hands of the infantry Marine. The Marine rifleman is now supported immediately with close air support, electronic warfare capabilities, and intelligence, surveillance, and reconnaissance support in threat and weather conditions which previously would have denied aviation support. The F-35's ability to develop, process, and display information to the pilot and disseminate it at tactical, operational, and strategic levels is what makes the platform truly unique, "a server in the sky" for the MAGTF. The sensors and communications equipment of our F-35s allow pilots and forward air controllers to see through the clouds to exchange high fidelity pictures in environments we would consider a no go today. Enhancing the C2, strike and intel capabilities of the MAGTF commander, the F-35 transforms the MAGTF into an element capable of penetrating any AOR in the world to set the conditions necessary to enable follow-on forces.

The Marine Corps has maintained the lead in this transformational platform. The F-35B and C models will replace the over 23 year old F/A-18 Hornet, 18 year old AV-8B Harrier and the 27 year old EA-6B Prowler; the same aircraft that have been passed from fathers to sons and daughters now serving. We have stood up our first two squadrons of F-35Bs and will stand up a third in 2016. PB16 supports the Marine Corps' timeline to achieve IOC of its first F-35B

squadron later this year and complete full transition by 2031. With the optempo expected to remain high, we will transition to F-35s as rapidly as possible. Continued Congressional support for this transition is key to increasing our degraded aviation readiness and minimizing our exposure to ever increasing operations and support costs for aged aircraft.

#### **CH-53K**

The CH-53E, the Marine Corps' heavy lift helicopter, is the only vertical heavy lift helicopter in the Department of Defense (DoD). Like its predecessors, the CH-53A/D, the CH-53E has continued a proud lineage of worldwide support of the Marine rifleman and Joint Force in various tactical and logistical capacities. Though a workhorse for the Marine Air Ground Task Force since its acquisition, the CH-53E does not have the capacity to support the Marine Expeditionary Brigade of 2024 with the payloads and ranges required to support the ship-to-objective maneuver concepts outlined in Expeditionary Force 21. Our CH-53 recapitalization effort is instrumental in maintaining a true heavy lift capability for the Marine Corps and the Nation for the future. Developmental testing is currently underway and the first flight of the CH-53K is scheduled for 2015 with an Initial Operational Capability in 2019. PB16 is instrumental in providing critical funding for the last test articles in support of a Milestone C decision in 2016.

The CH-53K will meet all of the requirements of the modern Marine Expeditionary Unit and Marine Expeditionary Brigade and remain the only heavy lift rotary wing asset in the DoD inventory. The CH-53K is a state of the art heavy lift vertical connector providing increased reliability, range and lift for the Marine Air Ground Task Force and Joint Force. The mainstay for the CH-53K will remain heavy lift external operations. To this end, its Key Performance Parameter (KPP) is the ability to externally transport a load weighing 27,000 pounds 110

nautical miles, nearly three times the capability of the CH-53E. Additionally the CH-53K will incorporate a triple hook system, facilitating the delivery of three independent loads, to three different locations, in support of three separate units dispersed across the battlefield. The new cabin will support the transportation of the DoD standard 463L pallet enabling more efficient "tail to tail" logistical transitions with C-5s, C-17s and C-130s. The implementation of civil sector logistical advancements will facilitate near real time situational awareness of all cargo and passengers embarked and delivered by the CH-53K. The CH-53K will provide precision and tempo for the Marine rifleman, enabling mission success.

PB16 provides Research, Development, Test and Evaluation (RDT&E) funding for the continued CH-53K System Development Demonstration contract which includes continued design, part qualification, developmental and operational test. Additionally, PB16 provides RDT&E funding for the incremental procurement of System Demonstration Test Articles 5 and 6, which will be used to ensure production readiness, quality system verification, and production planning and validation. We remain committed to our Program of Record of 200 CH-53Ks in order to keep Marine Corps' heavy lift assets relevant and effective for the Marine on the ground in the future MAGTF.

#### **Command, Control, Communications and Computers (C4)**

Deployed warfighters require access to the right data at the right place at the right time. The demand for information will not tolerate a break in access. With the speed in which technology evolves today, we must continue to grow C4 capabilities down to the operational level. Information must be available through multiple mediums, from flag pole to fighting hole. Our end state is to enable command and control in an information enterprise that supports the way the

Marine Corps operates, which includes a range of missions from crisis response to supporting our Expeditionary Force 21 concept - all characterized by mission-tailored forces. A single Marine Corps network will support the Marine Corps' component of the Joint Information Environment.

Our main focus today is unifying our networks to seamlessly connect the deployed and engaged forces to Joint information and data. This provides our Marines, Sailors, and supporting personnel the persistent information needed to conduct operations. We continue to increase our cyber capacity with trained personnel and emergent technology to protect this critical data.

The Marine Corps must retain the ability to rapidly support the extension of the Marine Corps' information and data services to enhance our rapid response to crisis, provide contiguous command and control to a disaggregated force, and scale to support theater security and major combat operations. We will continue to invest in C4 down to the Corporals and Sergeants. This will allow our front line Marine rifleman to be more agile, lethal and responsive by directly leveraging the capabilities of the F-35 and communicating better with special operations forces.

#### **Naval Integration and Programs of Interest**

As the service with primary DoD Directive and Title 10 responsibility for the development of amphibious doctrine, tactics, techniques, and equipment, our capabilities are reliant on the Nation's investment in our partnered Navy programs. Naval integration will increasingly form an important component of our exercise and experimentation programs. The Marine Corps fully supports the Secretary of the Navy and CNO's efforts to balance amphibious platforms and surface connectors that facilitate operational maneuver from the sea and ship-to-objective maneuver with the other service requirements of the Navy.

The President's Budget investments in LPD-28, LX(R), and ship-to-shore connectors demonstrate our commitment to global maritime presence and the Nation's mandate to sustain an amphibious capability that can respond to deter, deny, and defeat threats on a global scale. We appreciate Congress providing a substantial portion of funding to procure a 12<sup>th</sup> LPD. The enhanced mission profiles of these new and additional platforms create operational flexibility, extended geographical reach, and surge capabilities to the Geographical Combatant Commands.

Naval investments in alternative seabasing platforms expand access and reduce dependence on land bases, supporting national global strategic objectives and providing operational flexibility in an uncertain world. The naval seabasing investments in the Mobile Landing Platform, the Large Medium-Speed Roll-on/Roll-off Ship (LMSR) strategic sealift ship, and the T-AKE Dry Cargo and Ammunition Ship as part of the Maritime Prepositioning Ship Squadrons, coupled with the Joint High Speed Vessel (JHSV) and connectors, provide the additional lift, speed, and maneuver necessary to augment Navy and Marine Corps future security capabilities. Although not a substitute for amphibious warships, these alternative lift platforms will complement amphibious ships.

While the President's Budget moves us in the right direction, it will take many years and a sustained effort to address the risk in the current number of amphibious ships and to address the material readiness of our current inventory. The Marine Corps will continue to work closely with the Navy to implement the 30 year ship building plan and to address the current readiness challenges.

Readiness

Proper balance across the 5 Pillars of Institutional Readiness is the most effective means of achieving a force capable of rapidly responding to challenges across the range of military operations while remaining good stewards of the Nation's resources. The 5 Pillars of Institutional Readiness involves operational readiness (i.e. Unit Readiness, and Capacity and Capabilities to Meet Requirements pillars) and foundational readiness (i.e. our investments in High Quality People, Infrastructure Sustainment, and Equipment Modernization pillars). The Marine Corps' ability to remain ready is enabled by the 5 pillars of readiness.

Our current funding level protects near-term readiness; however, it does so at the expense of long term modernization and infrastructure, threatening future readiness. We are funding critical readiness accounts to include: operating forces; depot, intermediate and organizational maintenance; repair and sustainment of training ranges, training and education, exercises, and fuel and repair parts. The Marine Corps is not adequately resourcing our non-deployed units; it will take time and sustained funding to address the deficiencies in personnel, equipment and training. This is a rational choice given the current fiscal situation, but it is not sustainable over time. Imbalance amongst the pillars for long periods will hollow the force and create unacceptable risk for our national defense. During these fiscally constrained times, we must remain ever vigilant in the allocation of resources to ensure the holistic readiness of the institution and ensure every dollar is going where it is needed most. Since 2012 our accounts are auditable. This gives confidence to the American people and commanders that we ask only for the amount of funding required to provide a lean, highly capable, mobile and ready force.

**High Quality People**

Our Marines and civilians are the foundation of all that we do. We succeed because of our focus on people. They are the primary means by which the Marine Corps meets its defense responsibilities. The resources we dedicate to recruiting, retaining, and developing high quality people directly contribute to the success of our institution. Our commitment to quality must never waver.

Our success in maintaining an elite force begins with recruiting young men and women who possess the character, mental aptitude, physical and psychological fitness, and desire required to earn the title "Marine." The Marine Corps is committed to recruiting and retaining high-quality people who meet prescribed physical and mental standards, and are ready in mind, body and spirit to execute their duties in the defense of our Nation.

Today, the Marine Corps does not have the proper level of personnel stability or cohesion in our non-deployed units. The practice of moving Marines between units to meet manning goals for deployments creates personnel turbulence, inhibits cohesion, and is not visible in our current readiness assessment tools. This personnel turbulence affects our combat readiness and our ability to take care of Marines. Moving forward, we will improve cohesion by increasing our preparedness across the force and emphasizing consistency of leadership, personnel stability, and sustained readiness across the force. The overhaul of our manpower management and readiness reporting models, systems, policies, and processes will allow us to minimize personnel turbulence, increase unit stability, and develop cohesion. We ask Congress to support these measures through appropriations of the funds we have requested in PB16.

Our civilian workforce continues to be a significant force and readiness enabler to our institution. They reflect the same high quality standard that propels a ready force with many

having previously worn the uniform of our Nation – 68% are veterans. They also remain a lean portion of our organization at a ratio of only 1 appropriated funded civilian to every 10 active duty Marines. Our civilians are contributing where we need them most. With 95% working outside the National Capitol Region, our civilians are directly supporting Marines and the mission at our bases, stations, depots, and installations. Without these civilians, we would be forced to assign uniformed Marines to these tasks taking away leadership and capacity in operational units.

Our civilian workforce grew post-9/11, in large part due to military-to-civilian conversions, which allowed Marines to move from support billets to the operating force. A Department-wide focus on insourcing, new requirements (e.g. cyber), and necessary support for our military surge to 202,000 also played a role in the growth. In 2009, the Marine Corps proactively began reducing civilian structure and personnel, and we are continuing to reduce our workforce by another 10 percent, including 20 percent at headquarters.

A key element in our overall readiness is family readiness. The family members of our Marines are very much a part of the Marine Corps family. Their sacrifices and support are not taken for granted. As we return from 14 years of major combat operations, the Marine Corps is repositioning our capabilities to deliver core programs and services that best meet the needs of today's Marines and families. We are renewing our programs and services consistent with our reduced end strength, changing demographics, mission, and budget environment. We are emphasizing the importance of maintaining a high level of readiness. Our Marine and Family Programs exist to support unit mission readiness, and individual health and wellness goals. In order to maintain the high standard of family support, we will develop a plan with a bias toward decentralizing decision-making and resource allocation. These programs and their impact on our

Marines will continue to be an area we focus on to judge our readiness. We thank the Congress for your continued support of Marine and Family Readiness programs at the PB16 level.

#### **Unit Readiness**

Our operational tempo since September 11, 2001 has been high and remains high today. We expect this trend to continue. Your Marines serving today in the operating forces are either deployed, getting ready to deploy, or have recently returned from deployment. Congress directed the Marine Corps to be the Nation's force-in-readiness. The current fiscal environment challenges the Marine Corps' ability to meet this mandate. In these circumstances, the Marine Corps has assumed some risks to fund unit readiness in the near term. The Corps provides units ready to meet core and assigned missions in support of steady state and crisis/contingency requirements. Our ability to sustain assigned mission requirements with units ready to deploy must be carefully managed while we continue end-strength reductions.

Over half of home-station/non-deployed units report unacceptable levels of readiness; nevertheless, the Marine Corps excels at generating ready units to meet operational requirements. Deployed units report high levels of readiness for core and assigned missions. Alternately, the ability of non-deployed units to conduct full spectrum operations continues to degrade as home-station personnel and equipment are sourced to protect the readiness of deployed and next-to-deploy units. We must remain cognizant that our home-stationed units constitute the "ready forces" that would surge to conduct full spectrum operations required in major contingencies. As the Nation's first responders, the Marine Corps' home stationing units are expected to be in the same high state of readiness as its deployed units.

Our home station units' ability to train is challenged. Time is an essential component required to fix worn equipment and train units to standard. Lower end-strength and unit deployment to dwell (D2D) ratios, shortages in personnel and equipment at the unit level, and the paucity of amphibious and maritime prepositioning ships contribute to degraded full spectrum capability across the Service. For example, a D2D ratio of 1:2 means your Marines are deploying for 7 months and home for 14 months before deploying again. During that 14 month "dwell," units are affected by personnel changes and gaps, ship availability shortfalls, equipment reset requirements, degraded supply storages, training scheduling challenges and more. These challenges factor into every unit's mission to remain consistently ready.

Marine Aviation contains some of our most stressed units. The Marine Corps has 55 Active Component squadrons, three of which (2 VMM, and 1 VMFA) are in transition. Of the remaining 52 squadrons, 33% are deployed and 17% are in workups to deploy. Our minimum readiness goal to deploy is T-2.0. Deployed squadrons / detachments remain well trained and properly resourced, averaging T-2.17. Next-to-deploy units are often achieving the minimum goal of T-2.0 just prior to deployment. Non-deployed squadrons experience significant resource challenges which manifest in training and readiness degradation, averaging T-2.96.

The Marine Corps is applying resources to maintain the readiness of deployed and next-to-deploy units. Our focus is to continue to meet current requirements, while addressing the personnel, equipment, and training challenges across the remainder of the force. We are in the midst of a comprehensive review of our manning and readiness reporting systems. We will develop a detailed plan to enhance our overall readiness during 2015.

**Capacity to Meet Combatant Commanders' Requirements**

We are committed to meet the expeditionary requirements of our combatant commanders. The Marine Corps' PB16 military personnel budget funds a FY16 end-strength of 184,000 on the way to 182,000 in FY17. The Marine Corps of 182,000 includes the 1,000 additional MSG Marines directed by Congress to protect more of our embassies abroad, the Marine contribution to the special operations component, Marine Cyber forces, and SPMAGTF's assigned to support multiple COCOMs. Marines assigned to Marine Special Operations Command and Marine Forces Cyber Command continue to significantly contribute to the needs of the COCOMs through specialized capability sets and as enablers for the joint force.

In order to meet COCOM requirements, the Marine Corps will sustain a D2D ratio in the active component force of 1:2 vice a more sustainable D2D ratio of 1:3. That is the fundamental difference between an optimal force structure of 186,800 Marines and 182,000. The Marine Corps has some high demand/low density units that maintain a current D2D ratio of less than 1:2. The Marine Corps will continue to provide ready forces to meet COCOM demands, but we are carefully assessing the impact of reduced D2D ratios on our training and quality of life.

**Facility Investments**

The President's budget for FY16 funds 81% of the OSD facilities sustainment model requirement for the Marine Corps (an increase over the FY15 level). The OSD guideline is to fund 90% of the requirement. We remain aware that underfunding facilities sustainment increases the rate of degradation of Marine Corps infrastructure, which leads to more costly repairs, restoration and new construction in the future.

Our installations are critical to our ability to train forces and be ready. They provide our training ranges and care for Marines and their families. However, we are forced to take risk in sustaining current infrastructure in support of operational readiness. With the help of Congress, the Corps has made significant progress over the last 8 years in replacing old, unsatisfactory buildings. Our MILCON is now focused primarily on new platforms and PACOM force relocation efforts.

The most important mission of our installations is to enable operating force readiness. We do this by being responsible stewards of land, air and water resources, and by being good neighbors in our local communities. These conservation efforts maintain our valuable training ranges and much needed air and sea maneuver corridors. A consistent emphasis on community partnering and engagement creates good-will, enhances family quality of life and reduces encroachment risks to our bases and stations. Congressional support and community partnering have resulted in the addition of training areas at the Townsend Bombing Range in Georgia, the Chocolate Mountains Aerial Gunnery Range in both Arizona and California, and the Marine Corps Air Ground Combat Center in California. We are also making great strides in reducing energy consumption on our bases and stations. By lowering utility use we are reducing costs, protecting the environment, improving the resiliency of energy-dependent infrastructure and ultimately enabling operational readiness.

#### **Equipment Modernization and Innovation**

For the last 14 years, the Marine Corps has focused our resources on providing the Marines what they need for the current fight. Readiness remains our #1 priority to meet our national security responsibilities; however, our focus on the current fight coupled with our declining

budget, has forced the Marine Corps to make difficult choices and reduce investment in modernization to maintain current and near term readiness. In today's fiscal environment, the Marine Corps is investing only in essential modernization, focusing on those areas that underpin our core competencies.

Though emphasis is placed on new or replacement programs such as the ACV, JLTV, CH-53K and JSF, much of our modernization resources are focused on improving the capabilities and extending the life of current systems in order to fill the capabilities gaps that can be exploited by today's threats. These modernization efforts span from our AAV's to our current legacy aviation platforms.

In order to balance modernization across the capabilities of the MAGTF, our top priorities for recapitalization and upgrades are the ACV and the F-35B. Programs like ACV 1.1 with science and technology efforts for high-water speed, AAV survivability upgrades, Network On-The-Move (NOTM), Ground/Air Task Oriented Radar (G/ATOR), JLTV, and aviation platforms such as the MV-22, CH-53K, and F-35B are required to modernize capabilities and provide the technology required to dominate our adversaries.

Modernization consists of three elements: development of new technologies, the procurement of new capabilities, and investment in legacy systems. An over commitment in one element creates missed opportunities in another. The Marine Corps is investing heavily in legacy systems partially due to the time required to recapitalize needed capabilities. This necessary allocation with limited resources in turn results in less investment in areas needed for a rapidly changing world (i.e. live virtual training, digital interoperability, and connectivity across Service components). For example, the subcomponent shortfalls and age of the AAV fleet has led to lower reliability and increased risk in operational mission profiles. The need for recapitalization

of the 42 year old AAV is critical and the Nation cannot afford to gap this capability. The application of fiscal resources that would otherwise be focused on recapitalization and modernization is necessarily directed toward sustainment. Current maintenance for AAVs averages approximately \$575,000 per AAV, per year with future depot maintenance costs growing to \$700,000 per AAV in FY16. This required allocation of precious resources works against our other modernization and recapitalization efforts.

For our legacy aircraft platforms, the focus is on modernization to keep them relevant in today's fight while providing a bridge to our aviation recapitalization efforts. Rapid procurement of these new systems is critical to solving both our serious current and future readiness problems. Reduced modernization investment has also stretched our program timelines to the limit of their acquisition baseline. Any further extension of our program baselines could result in a Nunn-McCurdy breach and reduce industry interest in producing limited production items. We have also delayed the procurement of other major programs like CAC2S so that we now will not reach full operational capability until FY22 vice FY18.

Limited to essential modernization efforts, the Marine Corps forecasts critical issues due to underfunding in several areas including:

- Recapitalization of our 30 year old TRC-170 system needed to provide alternate communications networks in degraded spectrum contested environments.
- The Marine Corps' Composite Tracking Network resulting in the MAGTF's eventual inability to communicate with the Navy's network and participate in their Cooperative Engagement Capability
- Our ability to maintain Joint Interoperability with other Services through the Tactical Communications Modernization (TCM) program.

- Continued underfunding of the Networking On-The-Move (NOTM) program leaving two thirds of our operating forces without the ability to conduct mobile networking in distributed environments. Failure to procure military satellite communications (MILSATCOM) kits for, all fielded NOTM systems, will result in continued reliance on expensive (leased) commercial satellite communications (SATCOM) services.

Modernization and innovation are more than just procurement programs. We must invest in MAGTF experimentation and test new tactics, techniques, procedures, gear and concepts that will allow us to meet future challenges. Inadequate resources toward modernization will further close the technological gap between our capabilities and our adversaries. Our adversaries continue to develop new capabilities seeking any technology overmatch in specific domains and functions. Increasingly capable threats, the proliferation of A2/AD weapons, and the aging of key material capabilities create challenges where we will pursue Science and Technology (S&T) to maintain our decisive technological advantage. We are maintaining our commitment to S&T, and we continue to look for opportunities to expand our efforts in this critical area.

#### **Special Interest Topics**

##### **Marine Corps Force Integration Program (MCFIP)**

Since January 2013, the Marine Corps has opened 5,998 previously closed positions to women. We now have 94% of our Military Occupational Specialties (MOS's) available to women. Some positions remain closed - mostly within infantry, artillery, tanks, and assault amphibian vehicle specialties. These specialties are the focus of ongoing Marine Corps research to establish occupationally specific, operationally relevant, gender-neutral physical standards.

The Marine Corps continues its deliberate, measured and responsible approach toward integrating female Marines into previously closed occupational fields to the maximum extent possible. As the Marine Corps has studied gender integration, we have remained committed to high standards and combat effectiveness - from recruiting and entry-level training (ELT) to performance in the operating forces.

During this effort, the Marine Corps has evaluated gender integration from ELT to full mission profiles as a complete ground combat arms integrated unit. Since this time last year, the Marine Corps has established the Ground Combat Element Integrated Task Force (GCEITF). The GCEITF is a gender-integrated, ground combat arms unit designed specifically to support the most in-depth, detailed study of the physical demands associated with ground combat and the associated physical performance standards as well as the physiological predictors of success. The results from the GCEITF research will inform the establishment of occupationally specific, operationally relevant, gender-neutral standards based on the required individual physical contributions to mission-oriented collective tasks.

The GCEITF along with our other research and assessment efforts will inform a recommendation on further integration to the Secretary of the Navy and the Secretary of Defense. That recommendation will be provided in late 2015.

#### **Sexual Assault Prevention and Response (SAPR)**

The Marine Corps' Sexual Assault Prevention and Response mission is to develop and manage an evidence-based program that eliminates sexual assault within our ranks and provides world-class care to victims. Since FY12, the Marine Corps has expended more than \$16 million toward SAPR and special victim legal training initiatives.

The Marine Corps continues to see an overall positive trend in closing the gap between the actual number of sexual assaults and those that are reported. While the prevalence of Marines experiencing Unwanted Sexual Contact (USC) dropped from approximately 3,300 in FY12 to approximately 2,300 in FY14, the Marine Corps has seen an 89% increase in reports during that same time period. Closing the reporting gap is essential to both tackling the problem and providing supportive services to victims.

The addendum to the SAPR Campaign Plan launched in 2012 was approved in April 2014 to build upon the positive momentum of the campaign thus far by extending the sustainment phase and incorporating additional tasks that strengthen SAPR capabilities. In July 2014, the Marine Corps released new training called "Step Up" that is designed specifically for junior Marines, our highest at-risk population for sexual assault.

The Marine Corps continues to improve victim services such as the credentialing and up staffing of SAPR victim advocates and the development of the Victims' Legal Counsel Organization, which has provided dedicated victim legal services to more than 680 clients including 388 victims of sexual assault. On the heels of positive indicators of SAPR progress, Headquarters Marine Corps' SAPR division is expanding its reach with an increased focus on prevention. Our goal is to eliminate sexual assault from our ranks. We believe that preserving the commanders' ability to lead in this area is a vital element of our continued improvement in this current issue.

#### **Suicide Prevention**

Each tragic loss to suicide has far-reaching impact on families, friends and our entire Marine Corps community. The Marine Corps embraces prevention efforts through a series of actions to

foster hope and connection to those at risk for suicide. Community Counseling Services located on Marine installations worldwide increase access to care and assist Marines, attached Sailors and their families with navigating available support resources. The Marine Corps' Marine Intercept Program (MIP) uses licensed clinical providers in care coordination and outreach services for Marines who are identified as having suicidal ideations or have attempted suicide. The DSTRESS resource also provides phone, chat and Skype support 24 hours a day, 7 days a week, 365 days a year. The Marine Corps continues to support DSTRESS as a critical resource in suicide prevention.

Suicide prevention remains a priority for the Marine Corps, and we will continue to apply the resources necessary to combat this difficult issue.

#### **Wounded Warriors**

The Marine Corps' commitment to our wounded Marines and their families is unwavering. Since 2007, the Wounded Warrior Regiment has provided meaningful recovery and transition assistance to wounded, ill and injured (WII) Marines, Sailors in direct support of Marine units, and their families. Additionally, the WWR administers the Marine Corps' federally mandated Recovery Coordination Program, which seeks to integrate Marines' medical and non-medical care.

While the Marine Corps' reduced presence in Afghanistan will result in fewer combat casualties, non-combat injuries and illnesses will likely remain stable. In addition, instances of PTS and TBI will continue to increase due to delayed onset and as Marines often delay seeking help.

Our comprehensive capabilities create the optimal care to meet individual Marine's needs. These capabilities include: Recovery Care Coordinators, District Injured Support Coordinators, WWR Transition Specialists, WWR Liaison Officers and Wounded Warrior Hope and Care Centers. Our costs in personnel are more than just numbers. Ultimately, the cost of 14 years of war is calculated in lives. From March 2003 through 7 January 2015, 1,483 Marines have given their lives and 13,992 have been wounded in the service of our Nation. We remember their service and sacrifice and thank Congress for their continued support of our Wounded Warriors and their families. The Marine Corps will not forget the sacrifices our Marines and Sailors have made for the Nation.

#### **Transition Readiness**

The Marine Corps makes Marines, wins battles, and returns responsible citizens following active service. Every year, the Marine Corps returns approximately 35,000 Marines to the civilian sector. The transition from uniformed service to contributing members of America's prosperity as civilians is significant to the economic health of the Nation. The technical expertise that Marines have learned during their service has significant application value to the country in the civilian sector.

Our transition readiness program is designed to prepare Marines for transition to civilian life by preparing and connecting them with resources to successfully meet educational, employment or entrepreneurship goals. Implementation of transition readiness seminars (TRS) and separate "track options" classes that align Marines future personal and professional goals with hands-on application have created an enhanced transition experience for Marines. In FY14 and the first quarter of FY15, TRS attendance exceeded 42,500.

In FY15, Marine Corps Credentialing Opportunities On-Line (COOL) was launched. COOL is a credentialing awareness, information and resources capability for all Marines, translating their Military Occupational Specialties into career development credentialing opportunities during and beyond their service. A leading example of the 21<sup>st</sup> Sailor and Marine initiative, the establishment of Marine Corps COOL with the Navy also established the Department of the Navy (DON) COOL as a platform for the Navy/Marine Corps Team. DON COOL has, in turn, inspired an Office of the Secretary of Defense (OSD) initiative for a similar department-wide landing page for all the Services.

The Marine Corps also launched the Spouse Transition and Readiness Seminar (STARS) at all USMC installations in September 2014. This seminar addresses the transitional challenges and opportunities specifically for spouses as they prepare to transition with their Marines into the civilian world. STARS has been embraced by OSD as a model for other services to consider emulating.

We have fully funded transition assistance in PB16. Effective 1 October 2014, a new Personal Readiness Seminar (PRS) is being delivered to all incoming active duty Marines upon check-in at their first permanent duty station. PRS provides an overview of the Marine For Life cycle, including personal and professional development programs and services, and introductory personal finance topics.

### **Conclusion**

The unpredictability of the future security environment facing our Nation today reaffirms the wisdom of the 82<sup>nd</sup> Congress -- the United States must maintain a force-in-readiness. The Marine Corps remains that expeditionary force-in-readiness. We maintain a high state of

readiness and remain postured for immediate crisis response across the globe. With the continued support of Congress, we will maintain balance across our pillars of readiness and deliver ready, relevant, and capable Marines and Marine Air Ground Task Forces to our Nation today – and tomorrow. During this period of budget austerity, we will set the standard for stewardship – every dollar will count. In the end, we will do what Marines have always done – innovate for the future, adapt to overcome, and always win.

**General Joseph F. Dunford, Jr.**  
**Commandant of the Marine Corps**

General Joseph F. Dunford, Jr. assumed the duties of Commandant of the Marine Corps on October 17, 2014. A native of Boston, Massachusetts, he graduated from St. Michael's College and was commissioned in 1977. He previously served as the Commander, International Security Assistance Force and United States Forces- Afghanistan from February 2013 to August 2014.

General Dunford has served as an infantry officer at all levels. He commanded 2nd Battalion, 6th Marines. During Operation IRAQI FREEDOM, he commanded the 5th Marine Regiment.

His Joint assignments include service as the Executive Assistant to the Vice Chairman, JCS, Chief, Global and Multilateral Affairs Division (J5), and Vice Director for Operations on the Joint Staff (J3). He has also served as the Assistant Division Commander, 1st Marine Division, Marine Corps Director of Operations, and Marine Corps Deputy Commandant for Plans, Policies and Operations. He commanded I Marine Expeditionary Force and served as the Commander, Marine Forces U.S. Central Command. From 2010-2012, he served as the Assistant Commandant of the Marine Corps.

General Dunford is a graduate of the U.S. Army Ranger School, Marine Corps Amphibious Warfare School, and the U.S. Army War College. He holds a M.A. in Government from Georgetown University and a M.A. in International Relations from the Fletcher School of Law and Diplomacy.



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**QUESTIONS SUBMITTED BY MEMBERS POST HEARING**

MARCH 17, 2015

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#### **QUESTIONS SUBMITTED BY MS. BORDALLO**

Ms. BORDALLO. How will the fiscal year 2016 budget request assist the Air Force in supporting the rebalance to the Asia-Pacific region? How will funding for the Long Range Strike-Bomber (LRS-B) support the rebalance? What are we doing to enhance our resiliency in the region?

General WELSH. The Fiscal Year (FY) 2016 budget will help the Air Force support the Asia-Pacific rebalance by strengthening our power projection capabilities and resiliency efforts. FY16 funding for LRS-B will help the Air Force recapitalize our legacy bomber fleet and improve our future power projection capability. LRS-B's long range, significant payload, and survivability will provide operational flexibility for the Commander, U.S. Pacific Command, while increasing our ability to operate in Anti-Access/Area Denial environments. The FY16 budget request includes various initiatives designed to enhance our resiliency in this theater. These include funding for hardened infrastructure to protect key nodes, enhanced airfield damage repair capabilities, and expanded locations for future use. Additional details can be provided at the classified level to give a fuller picture.

#### **QUESTIONS SUBMITTED BY MS. TSONGAS**

Ms. TSONGAS. Secretary McHugh and General Odierno, as you know the Army's Capstone Concept emphasizes human performance. Can you tell me how the Army research community is working to improve the physical, psychological and cognitive performance of its soldiers?

Secretary MCHUGH. One of our challenges today is how we manage the increasingly heavy physical and cognitive loads our Soldiers are asked to bear. The Army is developing innovative solutions through systematic study of the complex human system to unburden our Soldiers. We are focused on understanding the cognitive, psychological, and physiological stressors associated with preparation, response, and recovery from operational and training environments.

One major effort for Army Science and Technology is the development of a Soldier Systems Engineering Architecture, which will use analytical models of cognitive, physical, and psychological performance to create linkages among the Soldier, the tasks a Soldier must be able to perform, and the technical performance requirements of equipment used to execute specific missions/functions. These models will allow the Army to design better human system interfaces of equipment used during dismounted operations, reducing the physical and cognitive burden for the Soldier.

Research in areas such as medical sciences, behavioral and social science, neuroscience, biomechanics, learning sciences, and human/systems integration allows the Army to discover, understand, and predict human behaviors in a range of settings from individuals and teams to organizations and societies. In addition to advancing equipment design, the results of this research will inform Institutional and Operational Army processes such as training, human resources, and medical care.

The data from behavioral and social science research provides effective non-materiel solutions that provide the Army with improved predictability of potential performance, behaviors, attitudes, and resilience of Soldiers. The Army believes understanding and applying fundamental human/systems science are critical to optimizing the physical, psychological, and cognitive performance of our Soldiers.

#### **QUESTIONS SUBMITTED BY MR. SHUSTER**

Mr. SHUSTER. What is the impact to depot workload at Budget Control Act funding levels? Are you concerned about weapons, missile and vehicle inventories? If so, how will sequestration raise your level of concern? The Department of Defense base budget is growing while the Overseas Contingency Operations (OCO) budget is decreasing. What costs, if any, have been moved into the base budget that were historically funded through OCO?

Secretary MCHUGH. The Army's Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily

available to manufacture and repair items during both peacetime and national emergencies. Due to BCA funding levels, we are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility, and meets the manufacturing and repair materiel demands of the Joint Force.

The Army will not have the required resources to overhaul or modernize: 358 Bradley Fighting Vehicles, 534 Stryker Combat Vehicles, 192 howitzers, 8 Patriot Advanced Capability (PAC)-3 Launcher Stations, 20 Patriot Missile Battery Command Posts, 140 High Mobility Artillery Rocket and M270A1 Multiple Launch Rocket Systems, over 200,000 small arms, and tens of thousands of other combat and tactical systems to meet Combatant Commander requirements.

BCA funding levels, absent the receipt of any required Overseas Contingency Operations (OCO) funding, will set conditions that could force the Army to idle or adversely impact up to 40% of the current on-board workforce in the next few years. Impacts would be felt by up to 1,875 permanent career professionals and 3,372 temporary/term government employees and contractors. Regrettably, we could once again see the permanent loss of skilled artisans like we did at Corpus Christi Army Depot under sequester in FY13.

The current budget caps and any follow-on imposition of sequestration will further challenge our ability to balance readiness across the force. Depots will be challenged to retain an effective and cost efficient operation, which will cause workload backlogs that can take multiple years to complete. As a result, commanders will need to expend more resources to maintain a ready fleet.

Since FY11, the Army has experienced sizeable reductions to both its base and OCO budgets. The Army's portion of the DoD FY16 OCO budget request represents 40.6% of the DoD total—primarily due to the Army providing the majority of the Joint Force engaged in OCO operations and its significant executive agent responsibilities for resourcing in-theater support operations.

The primary reason for the downward trend in the OCO budgets over the last several years is the decreased scale of OCO operations. Our withdrawal from Iraq and the changing role and size of the force in Afghanistan have significantly reduced demand for OCO funds. As our troops return from theater, we must continue to build readiness, conduct shaping exercises, and execute home station training, which is funded with base dollars. These costs increase our base requirements as we work to ensure success in decisive action operations.

I'm concerned that a number of our OCO missions are evolving and becoming more enduring in nature. Operation Spartan Shield and our Patriot batteries deployed in the Middle East are examples of missions that are currently funded with OCO, but if we were forced to fund them in the base, without a topline increase, we would see severe impact to our other accounts.

Mr. SHUSTER. Recently, the Deputy Commander of the 32nd Air and Missile Defense Command stated "we are rapidly approaching an inflection point where we face the risk of breaking our AMD [Air and Missile Defense] force." There is an acute need for upgrades to our PATRIOT units, particularly the radar, many of which still use vacuum tubes. How do you believe we can best upgrade this critical component of our AMD system?

General ODIERNO. I remain concerned about the stress on the Patriot force, both our people and equipment, due to the repetitive, long deployments around the world. Combatant Commanders' demand for Patriot missile battalions and Terminal High Altitude Air Defense (THAAD) batteries exceeds our capacity, significantly limiting options in emerging crises, and exceeding the Army's ability to meet Department of Defense (DoD) deployment-to-dwell rotation goals for these units.

In a non-sequestration, stable budget environment, it would take us more than a decade to begin fielding a new Patriot-class AMD radar and another decade or so to complete fielding throughout the force. The current uncertain budget environment impedes our ability to fully execute our modernization efforts. As a Nation, we must find a resolution of this foundational issue. Until a new significantly upgraded radar capability can be fielded (a program planned for initiation in Fiscal Year 2017 (FY17)), we must continue to improve the current Patriot system through a series of modernization and modification efforts that are reflected in the FY16 President's Budget (PB) Request.

The FY16 PB request describes the best path to continue to improve the Patriot's capability as a critical component of the AMD force. Specifically, the Patriot improvements that must continue to be funded as requested in the PB are both hardware upgrades to the major components (radar, launcher, interceptor, and battle management) and software advancements that tie the components together and provide a system engagement capability.

The Army must continue to make improvements in radar capabilities to detect and discriminate air and missile threats. To do this, the Army is introducing a more capable interceptor and has begun the process to transition Patriot components to the Integrated AMD Battle Command System networked battle command and integrated fire control architecture. It is critical that we continue developing Patriot component improvements to counter threats from Tactical Ballistic Missiles. Another major radar upgrade, Combat Identification, allows the system to identify targets as friend or foe and is part of the next increment of Congressionally mandated electronic protection improvements.

Therefore, full funding of the FY16 PB remains critical to ensuring the Patriot Weapon System remains modernized and capable to continue to protect U.S. and allied forces and their key assets worldwide against the current and evolving threat.

Mr. SHUSTER. Do you believe that sequestration harms the ability for our organic industrial base to meet the needs of the warfighter?

General ODIERNO. Yes. The Army's Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. We are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility, and meets the manufacturing and repair materiel demands of the Joint Force. Already, modernization accounts have been reduced by 25% and every program affected; maintenance has been deferred; and the defense industrial base is increasingly skeptical about investing in future innovative systems needed to make the force more agile and adaptive.

Under sequestration, the Army will not have the resources to perform major repairs or recapitalize worn, obsolete or damaged combat and tactical systems in our formations. This means fewer systems will be available for unit training, or that units will find OPTEMPO funding inadequate as they are forced to spend an increasing portion of their training funds just to keep their systems operationally ready.

Sequestration invariably sets conditions for uncertainty in the workforce, forcing our industrial facilities to consider employee furloughs and hiring freezes. This uncertainty could drive our industrial base professionals to seek employment elsewhere, as we saw at Corpus Christi Army Depot in FY13. The departure of these skilled artisans erodes depot capabilities and takes years to replace.

Funding reductions, with corresponding workload reductions, degrade the depot's ability to maintain an effective and cost efficient production operation, increases the average per unit cost of their products and creates workload backlogs that can take years to complete. These conditions will degrade unit and program manager buying power as we endure and come out of the sequester.

Mr. SHUSTER. Does the Army still have the capacity to support U.S. action in a major, large-scale conflict?

General ODIERNO. Last year, we testified before Congress that the minimum end strength the Army requires to execute the 2012 Defense Strategic Guidance is 980,000 Soldiers—450,000 in the Regular Army, 335,000 in the Army National Guard, and 195,000 in the Army Reserve.

Although we still believe we can meet the fundamental requirements of the DSG at 980,000 Regular, Guard and Reserve Soldiers, it is a tenuous balance. The risk to our national security and our force itself continues to increase with rising instability and uncertainty across Europe, the Middle East, Africa and the Pacific, along with a growing threat to the homeland. Any force reductions below 980,000 Soldiers will render our Army unable to meet all elements of the DSG, and we will not be able to meet the multiple challenges to U.S. national interests without incurring an imprudent level of risk to our Nation's security.

If sequestration returns, it will challenge us to meet even our current level of commitments to our allies and partners around the world. It will eliminate our capability, on any scale, to conduct simultaneous operations, specifically deterring in one region while defeating in another. Essentially, for ground forces, sequestration even puts into question our ability to conduct even one prolonged multiphase, combined arms, campaign against a determined enemy. We would significantly degrade our capability to shape the security environment in multiple regions simultaneously. It puts into question our ability to deter and compel multiple adversaries simultaneously. Ultimately, sequestration limits strategic flexibility and requires us to hope we are able to predict the future with great accuracy. Something we have never been able to do.

It is imperative we maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously—in all phases of military operations—to prevent conflicts, shape the security environment and, when necessary, win in sup-

port of U.S. policy objectives. The Army is and will continue to be the backbone of the Joint Force, providing fundamental capabilities to each of the Combatant Commanders such as command and control, logistics, intelligence and communications support to set the theater, as well as providing ground combat forces, Special Operations Forces and Joint Task Force headquarters. Demand for Army capabilities and presence continues to increase across Combatant Commands in response to emerging contingencies.

Mr. SHUSTER. Do you feel that the sequester hurts the ability for our depots and industrial base installations to remain “warm” by maintaining a consistent workload?

General ODIERNO. The Army’s Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. We are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility, and meets the manufacturing and repair materiel demands of the Joint Force. Already, modernization accounts have been reduced by 25% and every program affected; maintenance has been deferred; and the defense industrial base is increasingly skeptical about investing in future innovative systems needed to make the force more agile and adaptive.

Sequestration hurts the ability of our depots and industrial base installations to remain “warm.” Funding reductions, with corresponding workload reductions, degrade the depots’ ability to maintain an effective and cost efficient production operation, increases the average per unit cost of their products, and creates workload backlogs that can take years to complete.

The current Budget Control Act budget caps and any resulting sequester will set conditions for uncertainty in the workforce and industrial facilities will be forced to consider employee furloughs and hiring freezes. This uncertainty could drive our industrial base professionals to seek employment elsewhere, as we saw at Corpus Christi Army Depot in FY13. The departure of these skilled artisans erodes depot capabilities and takes years to replace.

Mr. SHUSTER. Our military men and women have maintained a high operations tempo for more than a decade. To complicate matters, they have endured a myriad of force reduction initiatives amid growing security threats globally. How have these factors impacted your service’s capability to “surge” forces in response to a major contingency, both in terms of response times and overall capacity?

General ODIERNO. The Army has fewer fully ready and available units to source major contingency surge requirements.

And the number one thing that keeps me up at night is that if we are asked to respond to an unknown contingency, I will send Soldiers to that contingency not properly trained and ready. We simply cannot afford to do that. The American people expect our Soldiers to be prepared—that they have had the ability to train, that they understand their equipment, and that they have been able to integrate and synchronize their activities so they are successful on the ground. I worry that we may receive a request from a combatant commander that we just aren’t trained for.

Non-relenting budget impasse has compelled us to degrade readiness to historically low levels. Today, only 33 percent of our brigades are ready, when we believe our sustained readiness rates should be closer to 70 percent. Under our current budget, Army readiness will at best flat line over the next three to four years.

The compromises we have made to modernization and readiness, combined with reductions to our force size and capabilities translates into increased strategic risk. We are generating just enough readiness for immediate consumption. We are not able to generate residual readiness to respond to unknown contingency, or to even reinforce ongoing operations.

This is a dangerous balancing act. We have fewer soldiers, the majority of whom are in units that are not ready. And they are manning aging equipment at a time when demand for Army forces is much higher than anticipated.

The burden of miscalculation and under-investment will directly fall on the shoulders of our men and women of the U.S. Army who have so ably served this Nation. We simply cannot allow this to happen.

Mr. SHUSTER. What is the impact to depot workload at Budget Control Act funding levels?

Admiral HOWARD. We have not yet recovered from the readiness impact of over a decade of combat operations, exacerbated by the imposition of a lengthy Continuing Resolution and followed by budget sequestration in FY13. These circumstances created maintenance backlogs that have prevented us from getting ships back to the Fleet on time and aircraft back on the flight line.

Furthermore, ship depot maintenance backlogs result in increased funding needs to cover uncompleted maintenance and more material casualties. For aviation depot maintenance, the growing backlog will result in more aircraft awaiting maintenance and fewer operational aircraft on the flight line available for squadron training. This will lead to less proficient aircrews, decreased combat effectiveness of naval air forces, and increased potential for flight and ground mishaps.

We continue our efforts to reduce the number of lost operational days, but it will take years to dig out of a readiness hole. The FY16 Navy budget submission is designed to continue our readiness recovery, restoring our required contingency operations capacity by 2018–2020 while continuing to provide a sustainable forward presence.

Mr. SHUSTER. Are you concerned about weapons, missile and vehicle inventories? If so, how will sequestration raise your of concern?

Admiral HOWARD. I am concerned about our national security and our ability to execute the Defense Strategic Guidance. As we look to the future, the Navy will continue to be globally deployed to provide a credible and survivable strategic deterrent and to support the mission requirements of the regional Combatant Commanders. Global operations continue to assume an increasingly maritime focus, and our Navy will sustain its forward presence, warfighting focus, and readiness preparations to continue operating where it matters, when it matters. We see no future reduction of these requirements and we have focused the FY16 Navy budget submission to address the challenges to achieving the necessary readiness to execute our missions. In other words, if we return to a sequestered budget, we will not be able to execute the defense strategic guidance.

Sequestration also brings negative impacts to our workforce. Sequestration in FY13 created an environment of decreased productivity and low morale. In the midst of growing workloads, shipyards and aviation depots were faced with hiring freezes, furloughs and overtime restrictions. These conditions coupled with an uncertain future contributed to an early departure of skilled workers and artisans. These workforce challenges directly resulted in costly maintenance delays at shipyards and aviation depots.

Mr. SHUSTER. The Department of Defense base budget is growing while the Overseas Contingency Operations (OCO) budget is decreasing. What costs, if any, have been moved into the base budgets that were historically funded through OCO?

Admiral HOWARD. We have made progress in transitioning OCO-funded enduring activities to the baseline over the last few years. The below table shows Navy programs that have transitioned from OCO to baseline.

<b>Program</b>	<b>Start</b>	<b>Description</b>
Flying Hours	FY11	Funded enduring flying hour operations in baseline vice OCO; fund baseline flying hour operations to 80 percent of training and readiness matrix
Air Depot Maintenance	FY11	Funded enduring air depot maintenance activities in baseline vice OCO; fund 80 percent of total air depot maintenance requirement in baseline
Ship Depot Maintenance	FY12	Funded enduring ship depot maintenance activities in baseline vice OCO; fund 80 percent of total ship depot maintenance requirements in baseline
Djibouti Base Support	FY13	Funded enduring base operating support costs for Djibouti in baseline vice OCO
Navy Expeditionary Combat Command	FY16	Fund baseline operations to 80% of the enduring requirement

Increased operating tempo required of aircraft and ships in the Middle East is funded through OCO. The Combatant Command and the Joint Staff expect in-

creased flying and ship operations above baseline levels when deployed to the Middle East.

The Navy continues to work with the Office of the Secretary of Defense (OSD) to identify and plan the possible transition of OCO funds to the baseline.

Mr. SHUSTER. What is the impact to depot workload at Budget Control Act funding levels?

General DUNFORD. Past Congressional support for the depot maintenance program has allowed the Marine Corps to continue war-related reset and sustain home station depot maintenance without taking significant risk in the program. However, the Budget Control Act would impact OEF equipment reset and home station repair requirements, increase out-year depot maintenance costs, and potentially reduce the depot workforce to accommodate a lower workload level.

General DUNFORD. Are you concerned about weapons, missile and vehicle inventories? If so, how will sequestration raise your level of concern?

General DUNFORD. Yes. The long conflicts in Iraq and Afghanistan have impacted the Marine Corps' weapon system inventory. The Marine Corps' weapons and vehicles have been used extensively and sequestration would force difficult decisions regarding modernization and maintenance. We are currently investing in several critical procurement programs, including the Amphibious Combat Vehicle, the Joint Light Tactical Vehicle, and the Ground/Air Task Oriented Radar while maintaining our current legacy fleet of Amphibious Assault Vehicles and Light Armored Vehicles. Funding at the Budget Control Act levels would delay the procurement of our investment priorities and require additional resources devoted to maintaining our current inventory. This will degrade our ability to maintain technical superiority over our adversaries. Our legacy tactical mobility, combat aviation, and ground systems require significant maintenance to keep them operational and only through modernization will we be able to maintain our technological edge and field the most capable Marine Corps.

Mr. SHUSTER. The Department of Defense base budget is growing while the Overseas Contingency Operations (OCO) budget is decreasing. What costs, if any, have been moved into the base budget that were historically funded through OCO?

General DUNFORD. The Marine Corps has executed and continues to execute its ground equipment reset strategy through Congressional support of the OCO budget. Combined with the baseline budget for depot maintenance, the Marine Corps is on track to complete its OEF reset by 2017. We will address future depot maintenance needs in subsequent budget requests.

Mr. SHUSTER. What is the impact to depot workload at Budget Control Act funding levels? Are you concerned about weapons, missile and vehicle inventories? If so, how will sequestration raise your level of concern? The Department of Defense base budget is growing while the Overseas Contingency Operations (OCO) budget is decreasing. What costs, if any, have been moved into the base budget that were historically funded through OCO?

Secretary JAMES and General WELSH. The Budget Control Act reduces total Active Duty Weapon Systems Sustainment depot funding by ~ \$600 million (includes OCO). The primary commodities impacted by this limitation are aircraft, software, and engines. If sequestration lowers customer orders beyond our current planning amounts, our depots could face reduced workloads of up to 1.8 million hours and place at risk 2,000 positions in our depots.

Yes, there is concern about weapons, missile, and vehicle inventories. Sustainment activities underpin readiness. Our weapons, missiles, and vehicles continue to remain high Air Force readiness priorities. Sequestration will only exacerbate the existing challenges we face in our ongoing efforts to restore full-spectrum Air Force readiness by 2023.

The Fiscal Year 2016 Presidential Budget submission maintains the delicate balance between capability, readiness, and capacity by funding our most critical aircraft depot/engine overhauls, but does not represent a move from OCO to the base budget. Our OCO submission also represents our careful consideration of a wide-range of weapon systems sustainment costs associated with platforms engaged in direct OCO operations.

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#### QUESTIONS SUBMITTED BY MR. WALZ

Mr. WALZ. General Odierno, I know you are a fervent believer in the "One Army" concept. During my 24 years in the National Guard (and during the careers of most TAGs [The Adjutant General] out there), we have seen the Guard go from what it once was to the force that it is today. Without nurturing and funding, the National Guard is at risk to return to the force that it was, an underfunded and disrespected

entity not capable of achieving the high standards of the Army and Air Force because the money for training and equipment won't be there. I think the reason the TAGs and NGAUS are so vocal these days is because they don't want to return to the days of crew drills with toilet paper rolls, as useful for Sergeants' Time Training as that was. I know the Army has to make the decisions it has to because the budget is tight these days, and that's on us. We in Congress must fix that. However, this is also why we created the Army Commission to study the issue of the proper force structure balance within the Army during these tough budget years. Why is the Army moving forward with many cost saving measures that involve the National Guard without receiving the results of the Army Commission, scheduled for delivery in fiscal year 2016?

General ODIERNO. The Army is planning and implementing end strength reductions and force structure adjustments in accordance with the Fiscal Year 2015 National Defense Authorization Act. Although we disagree with the need for a Commission on the Future of the Army, as directed in the FY15 NDAA, we will fully support the Commission as it examines and assesses the force structure and force mix decisions the Army has proposed for Active and Reserve Components.

Mr. WALZ. General Odierno, after the last few years of reduced defense budgets, we have consistently heard testimony regarding lower readiness levels; could you please explain in layman's terms, and give some examples of decreased readiness and what that actually means? How much of your service's capacity is consumed by day-to-day, steady-state operations? Can you discuss your service's capacity to provide additional "surge" forces to respond to a major contingency?

General ODIERNO. The number one thing that keeps me up at night is that if we are asked to respond to an unknown contingency, I will send Soldiers to that contingency not properly trained and ready. We simply cannot afford to do that. The American people expect our Soldiers to be prepared—that they have had the ability to train, that they understand their equipment, and that they have been able to integrate and synchronize their activities so they are successful on the ground. I worry that we may receive a request from a combatant commander that we just aren't trained for.

Non-relenting budget impasse has compelled us to degrade readiness to historically low levels. Today, only 33 percent of our brigades are ready, when we believe our sustained readiness rates should be closer to 70 percent. Under our current budget, Army readiness will at best flat line over the next three to four years.

The compromises we have made to modernization and readiness, combined with reductions to our force size and capabilities translates into increased strategic risk. We are generating just enough readiness for immediate consumption. We are not able to generate residual readiness to respond to unknown contingency, or to even reinforce ongoing operations.

This is a dangerous balancing act. We have fewer soldiers, the majority of whom are in units that are not ready. And they are manning aging equipment at a time when demand for Army forces is much higher than anticipated.

The burden of miscalculation and under-investment will directly fall on the shoulders of our men and women of the U.S. Army who have so ably served this Nation. We simply cannot allow this to happen.

Mr. WALZ. General Odierno, I can greatly appreciate and understand the "can do" attitude of our soldiers. However, with the planned reduction to an end-strength of 475,000 in fiscal year 2016, and perhaps lower numbers in subsequent years, and the steady state high operational tempo, are we not putting the same stress and circumstances on our soldiers and families that they experienced during the campaigns in Afghanistan and Iraq? Are there any units in the Total Army Force that are achieving the stated dwell time goals? Do you believe that the current Army drawdown plan leaves sufficient end-strength to successfully execute your operational missions while maintaining the Department's goal of a 1:3 dwell time for Active Duty and 1:5 dwell time for Reserve Component service members?

General ODIERNO. Force reductions, increasing global demand for forces, and the Army's current commitments will place stress on our Soldiers and Families.

The Army has over 5,000 operating force units, and many of them do meet stated dwell time goals. However, some major force elements within the Active Component are not achieving the department's goal of 1:3 dwell time.

Brigade Combat Teams are at 1:1.59

Patriot Battalions are at 1:1.52

Component Combat Aviation Brigades are at 1:1.4

Division Headquarters are at less than 1:1

The current rate of demand, including un-forecasted requirements, and limitations on mobilization authorities' access to the reserve component has strained the Army's capacity to meet Combatant Commander requirements today, and achieve

the Department's dwell time goals. As we draw down even further, we will be more challenged to meet dwell time goals if demand does not decrease.

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**QUESTIONS SUBMITTED BY MR. GRAVES**

Mr. GRAVES. It is my understanding that the Reserve Component, specifically the National Guard, including in my State of Missouri, will soon have all the oldest C-130s in the Air Force's inventory. What is the impact if the Air Guard's C-130 fleet is not modernized and becomes incompatible with new air traffic requirements?

Secretary JAMES. While all non-compliant aircraft face potential altitude restrictions, limiting them to below 10,000 feet mean sea level, those aircraft operating from/near major airports, like Rosecrans Air National Guard Base in your home state of Missouri, face potential takeoff and landing restrictions at those fields. This has the potential to significantly impact aircrew training and mission readiness. As we continue to pursue mitigation contingencies, such as waivers, or letters of agreement, etc., the Air Force is committed to making every effort to meet the January 1, 2020 mandate, while remaining compliant with prior year legal constraints and within the bounds of acquisition laws and regulations.

Mr. GRAVES. We face an increasingly dangerous world at a time of unprecedented fiscal uncertainty. You've said the Air National Guard (ANG) is an operation force, yet the Air National Guard operates the oldest F-16s and C-130s in the U.S. Air Force. What impact does the declining budget have on keeping the ANG fleet capable of meeting overseas and domestic requirements?

Secretary JAMES. As an operational component of the Air Force, it is critically important to modernize the Air National Guard legacy weapons systems, to include the F-16 and the C-130. A declining budget limits our ability to recapitalize legacy fleets with newer aircraft, which in turn forces us to prioritize our modernization efforts. It also affects the allocation of Weapons System Sustainment funds and critical Flying Hours, which can negatively impact the overall readiness of our Airmen. Cost effective modernization coupled with a viable Operations and Maintenance program ensures the Air National Guard remains a professional, ready, and reliable force.

Mr. GRAVES. It is my understanding that the Air National Guard (ANG) C-130 fleet will be unusable beginning in 2020 unless there is a program to fix various avionics issues to fly in both domestic and international airspace. I also understand the U.S. Air Force has a program which will get only about 10-15 percent of the ANG C-130 fleet minimally compliant by 2020. Do you have any ideas on how to fix this program and how this committee can be helpful in ensuring all ANG C-130s are fully capable and compliant and able to accomplish both their critical domestic and overseas missions?

Secretary JAMES. The European Commission and the Federal Aviation Administration (FAA) have mandated the use of Automatic Dependent Surveillance-Broadcast (ADS-B) Out, for aircraft flying in their airspace. The European guidance requires ADS-B Out compliance by June 7, 2020 and the FAA deadline is January 1, 2020. These mandates will severely limit airspace the C-130 can use without ADS-B Out. All of the capabilities required for the C-130H to be compliant are included in Increment 1 of the C-130H Avionics Modernization Program, or C-130H AMP. Due to the large C-130H fleet size and the relatively short timeframe remaining until compliance deadlines, equipping the entire C-130H fleet with the ADS-B Out capability before the January 2020 mandate will be extremely challenging. However, the U.S. Air Force is committed to accelerating airspace compliance upgrades as much as the acquisition process and industry will allow.

We are working with industry to explore all possibilities for reducing the timeline for compliance. The continued support of the committee toward removing barriers and accelerating C-130H AMP Increment 1 are welcomed and appreciated.

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**QUESTIONS SUBMITTED BY MR. JOHNSON**

Mr. JOHNSON. Are you aware of the increasing threat, due to rising instability, to U.S. personnel serving in Bahrain? How does the budget request ensure that our service members are protected while serving in Bahrain and elsewhere? Has the U.S. Navy developed a plan to relocate the 5th fleet should instability in the country necessitate? If not, will this budget request allow for the U.S. Navy to develop a plan to relocate the 5th fleet should instability in the country necessitate? If not, why, and when will the U.S. Navy develop a plan?

Secretary MABUS. Considering the recent developments in the Middle East—specifically in Bahrain—what is the current risk to the long-term viability of the 5th Fleet stationed in Bahrain?

There has been no change in the status of the relationship between COMUSNAVCENT/C5F and the Government of Bahrain. The Government of Bahrain continues to fully support hosting Naval Support Activity-Bahrain (NSA-Bahrain) and its tenant commands. The King and Crown Prince have stated their continuing support to the U.S. Navy presence in the Kingdom of Bahrain. We do not expect a change in the Bahraini government's attitude toward hosting NSA-Bahrain. To date, there are no known credible threats to U.S./Coalition forces or bases. There have been incidents of direct anti-Western/anti-U.S. (but not specifically against U.S. Navy) sentiment.

