

**DEPARTMENT OF DEFENSE AUTHORIZATION FOR  
APPROPRIATIONS FOR FISCAL YEAR 2013 AND  
THE FUTURE YEARS DEFENSE PROGRAM**

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**HEARINGS**

BEFORE THE

**COMMITTEE ON ARMED SERVICES**

**UNITED STATES SENATE**

**ONE HUNDRED TWELFTH CONGRESS**

**SECOND SESSION**

**ON**

**S. 3254**

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2013 FOR MILITARY  
ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CON-  
STRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF  
ENERGY, TO PRESCRIBE MILITARY PERSONNEL STRENGTHS FOR  
SUCH FISCAL YEAR, AND FOR OTHER PURPOSES

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**PART 1**

**MILITARY POSTURE**

**U.S. PACIFIC COMMAND AND U.S. TRANSPORTATION COMMAND  
U.S. EUROPEAN COMMAND AND U.S. AFRICA COMMAND  
U.S. CENTRAL COMMAND AND U.S. SPECIAL OPERATIONS COMMAND  
DEPARTMENT OF THE ARMY  
U.S. SOUTHERN COMMAND AND U.S. NORTHERN COMMAND  
DEPARTMENT OF THE NAVY  
DEPARTMENT OF THE AIR FORCE  
U.S. STRATEGIC COMMAND AND U.S. CYBER COMMAND**

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FEBRUARY 14, 28; MARCH 1, 6, 8, 13, 15, 20, 27, 2012



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**DEFENSE PROGRAM—Part 1**

**MILITARY POSTURE ● U.S. PACIFIC COMMAND AND U.S. TRANSPORTATION COMMAND ● U.S. EUROPEAN COMMAND AND U.S. AFRICA COMMAND ● U.S. CENTRAL COMMAND AND U.S. SPECIAL OPERATIONS COMMAND ● DEPARTMENT OF THE ARMY ● U.S. SOUTHERN COMMAND AND U.S. NORTHERN COMMAND ● DEPARTMENT OF THE NAVY ● DEPARTMENT OF THE AIR FORCE ● U.S. STRATEGIC COMMAND AND U.S. CYBER COMMAND**

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# CONTENTS

## CHRONOLOGICAL LIST OF WITNESSES

### MILITARY POSTURE

FEBRUARY 14, 2012

	Page
Panetta, Hon. Leon, Secretary of Defense; Accompanied by Robert F. Hale, Under Secretary of Defense (Comptroller) .....	12
Dempsey, GEN Martin E., USA, Chairman, Joint Chiefs of Staff .....	26

### U.S. PACIFIC COMMAND AND U.S. TRANSPORTATION COMMAND

FEBRUARY 28, 2012

Willard, ADM Robert F., USN, Commander, U.S. Pacific Command .....	172
Fraser, Gen. William M., III, USAF, Commander, U.S. Transportation Com- mand .....	182

### U.S. EUROPEAN COMMAND AND U.S. AFRICA COMMAND

MARCH 1, 2012

Stavridis, ADM James G., USN, Commander, U.S. European Command/Su- preme Allied Commander, Europe .....	272
Ham, GEN Carter F., USA, Commander, U.S. Africa Command .....	324

### U.S. CENTRAL COMMAND AND U.S. SPECIAL OPERATIONS COMMAND

MARCH 6, 2012

Mattis, Gen. James N., USMC, Commander, U.S. Central Command .....	394
McRaven, ADM William H. McRaven, USN, Commander, U.S. Special Oper- ations Command .....	404

### DEPARTMENT OF THE ARMY

MARCH 8, 2012

McHugh, Hon. John M., Secretary of the Army .....	468
Odierno, GEN Raymond T., USA, Chief of Staff of the Army .....	504

### U.S. SOUTHERN COMMAND AND U.S. NORTHERN COMMAND

MARCH 13, 2012

Fraser, Gen. Douglas M., USAF, Commander, U.S. Southern Command .....	608
Jacoby, GEN Charles H., Jr., USA, Commander, U.S. Northern Command/ Commander, North American Aerospace Defense Command .....	625

### DEPARTMENT OF THE NAVY

MARCH 15, 2012

Mabus, Hon. Raymond E., Jr., Secretary of the Navy .....	686
Greenert, ADM Jonathan W., USN, Chief of Naval Operations .....	703

# IV

	Page
Amos, Gen. James F., USMC, Commandant of the Marine Corps .....	717

## DEPARTMENT OF THE AIR FORCE

MARCH 20, 2012

Donley, Hon. Michael B., Secretary of the U.S. Air Force .....	842
Schwartz, Gen. Norton A., USAF, Chief of Staff of the U.S. Air Force .....	845

## U.S. STRATEGIC COMMAND AND U.S. CYBER COMMAND

MARCH 27, 2012

Kehler, Gen. C. Robert, USAF, Commander, U.S. Strategic Defense .....	948
Alexander, GEN Keith B., USA, Commander, U.S. Cyber Command, and Director, National Security Agency/Chief, Central Security Service .....	962

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2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, FEBRUARY 14, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**MILITARY POSTURE**

The committee met, pursuant to notice, at 9:33 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Nelson, Webb, McCaskill, Udall, Hagan, Begich, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Inhofe, Chambliss, Wicker, Brown, Portman, Ayotte, Collins, Graham, Cornyn, and Vitter.

Committee staff members present: Richard D. DeBobes, staff director; Leah C. Brewer, nominations and hearings clerk; and Travis E. Smith, special assistant.

Majority staff members present: Jonathan D. Clark, counsel; Jonathan S. Epstein, counsel; Richard W. Fieldhouse, professional staff member; Jessica L. Kingston, research assistant; Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Thomas K. McConnell, professional staff member; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; Roy F. Phillips, professional staff member; John H. Quirk V, professional staff member; Robie I. Samanta Roy, professional staff member; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff members present: Adam J. Barker, professional staff member; Pablo E. Carrillo, minority investigative counsel; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Elizabeth C. Lopez, research assistant; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Michael J. Sistak, research assistant; and Diana G. Tabler, professional staff member.

Staff assistants present: Jennifer R. Knowles, Mariah K. McNamara, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Jeff Greene, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Ann Premer, assistant to

Senator Nelson; Gordon Peterson, assistant to Senator Webb; Jason Rauch, assistant to Senator McCaskill; Casey Howard, assistant to Senator Udall; Lindsay Kavanaugh, assistant to Senator Begich; Mara Boggs, assistant to Senator Manchin; Ethan Saxon, assistant to Senator Blumenthal; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Tyler Stephens and Clyde Taylor IV, assistants to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brad Bowman and John Easton, assistants to Senator Ayotte; Ryan Kaldahl, assistant to Senator Collins; Sergio Sarkany, assistant to Senator Graham; Dave Hanke, assistant to Senator Cornyn; and Charles Brittingham, assistant to Senator Vitter.

#### **OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. The committee this morning welcomes the Secretary of Defense, Leon E. Panetta, and the Chairman of the Joint Chiefs of Staff, General Martin E. Dempsey, USA, for our hearing on the Department of Defense (DOD) fiscal year 2013 budget request, the associated Future Years Defense Program (FYDP), and the posture of the U.S. Armed Forces. The committee also welcomes the Under Secretary of Defense (Comptroller), Robert F. Hale, who has joined the Secretary and the Chairman at the witness table.

Let me start by thanking all of you for your continued service to our Nation and to the soldiers, sailors, airmen, and marines here at home and in harm's way around the globe, and to their families. They are truly deserving of the Nation's affection and support.

Your testimony today marks the beginning of the committee's review of the fiscal year 2013 budget request for DOD. This year's request includes \$525 billion for the base budget and \$88.4 billion for overseas contingency operations (OCO). The fiscal year 2013 base budget request is \$5 billion less than the fiscal year 2012 enacted level of \$530 billion, and the OCO request is \$27 billion less than last year's enacted level of \$115 billion.

The fiscal year 2013 budget conforms with the Budget Control Act (BCA) that Congress passed last summer. The Senate approved the BCA on a bipartisan basis, with 74 Senators voting for it. The BCA locked in defense and non-defense discretionary spending caps over 10 years. The defense caps reduced projected defense spending by nearly half a trillion dollars over 10 years, and DOD responded with a new strategy and a new program to meet the Nation's security challenges and preserve our military capabilities.

The BCA also included language requiring Congress to pass legislation with additional far-reaching deficit reductions. If Congress does not come up with a deficit reduction package by next January, one that locks in another \$1.2 trillion in deficit reduction over 10 years, then automatic spending cuts, called "sequestration," will be imposed on both defense and non-defense programs.

The budget the President sent us yesterday avoids sequestration by meeting the \$1.2 trillion additional deficit reduction target, approximately one-half in further cuts in spending and one-half in additional revenues.



The defense budget request for fiscal year 2013 not only conforms to the funding limits of the congressionally-mandated BCA, it also reflects the results of DOD's comprehensive and inclusive strategic review initiated by President Obama in April last year and the strategic guidance that resulted.

We look forward to the witnesses' explanation of the process that they went through to develop the new Defense Strategic Guidance, their assessment of this guidance's most important features and potential risks relative to the current and anticipated strategic environment, and how this budget request supports its strategic priorities and manages strategic risk in the near- and long-terms.

The administration has called for two more base realignment and closure (BRAC) rounds. In my view, however, before we consider another round of BRAC, DOD ought to take a hard look at whether further reductions in bases can be made overseas, particularly in Europe. While DOD has announced the removal of two of the four combat brigades currently stationed in Europe, even after the brigades are withdrawn there will still be over 70,000 U.S. military personnel deployed in Europe. Finding further reductions and consolidations in our overseas force posture should be our first priority before another BRAC round.

The fiscal year 2013 defense budget request reflects the continuing conflict in Afghanistan, but also reflects the fact that the process of transition has begun and continues apace. Afghan security forces (ASF) are assuming responsibility for securing the Afghan people in more and more areas throughout Afghanistan. Progress on security is real. A second round of areas to be transitioned to an ASF lead will be completed later this year. Then approximately 50 percent of the Afghan population will live in areas where ASF have the lead for providing security, with coalition forces playing a supporting role.

I have long-pressed for ASF to move increasingly into the combat lead and to assume responsibility for securing more and more Afghan territory and communities as the size and capabilities of the Afghan National Army (ANA) and Afghan National Police (ANP) are built up. The success of our mission in Afghanistan depends on getting the ASF in the lead, with the support of the Afghan people, thereby putting the lie to the Taliban propaganda that the coalition is an occupying force.

The Afghan Foreign Ministry spokesman recently made clear there was full agreement on transition, saying: "We have always maintained that Afghan security is an Afghan responsibility."

Last June, President Obama said that the 33,000 U.S. surge force would be removed from Afghanistan by the end of this summer. That means that 68,000 U.S. troops would remain in Afghanistan after the drawdown of the surge. He also said that after the reduction of the U.S. surge force, U.S. troops will continue to draw down "at a steady pace." Yet the fiscal year 2013 OCO budget request now before Congress is based on an assumption that there are no additional reductions in the 68,000 troop level in Afghanistan throughout all of fiscal year 2013.

The question that I hope our witnesses will address this morning is whether they expect further reductions in U.S. troop levels in Afghanistan during fiscal year 2013 below 68,000 and what associ-

ated cost savings would result. If that decision has not yet been made by the President, what is the timetable for its being made?

I also hope Secretary Panetta will clarify his surprising statements earlier this month that, "Our goal is to complete all of the transition to a training, advisory, and assistance role in 2013," and that he said, "Hopefully by the mid- to latter-part of 2013, we will be able to make a transition from a combat role."

There are many reports about reconciliation talks with the Taliban. If Taliban statements are true that they will open a political office in Qatar, it would have the potential to be a positive development. I am concerned, however, by reports that in exchange for the opening of this office, the administration is considering transferring five Afghan Taliban detainees from the Guantanamo detention facility to Qatar. Such a significant step strikes me as premature and should be considered, in my view, only following positive discussions and not preceding them.

Another concern I have regarding the progress of the reconciliation talks is the reported decision by the Government of Afghanistan to open a second channel in the dialogue with the Taliban that would be in Saudi Arabia. It seems to me that this would create the potential for confusion. The United States has said it is committed to an Afghan-led reconciliation process. That is another reason that the discussion process ought to be pursued through a single channel, with both the Afghan Government and with us, fully coordinated and participating together, whether it takes place in one or two venues.

With respect to the realignment of U.S. marines on Okinawa, Senator McCain, Senator Webb, and I have advocated changes in the current plan in ways that support the strategic goals of the U.S. regional military posture while avoiding excessive and unsustainable costs associated with large and elaborate new bases. The announcement last week that the United States and Japan are reconsidering elements of the plan is welcome news, but the steps are not yet adequate.

There are other challenges, of course. There is strong bipartisan determination on this committee and in Congress to do all we can to counter the threat that Iran poses, including stopping Iran from acquiring nuclear weapons. President Obama has focused considerable diplomatic effort towards that goal because, in his words, "America is determined to prevent Iran from getting a nuclear weapon. And I will take no options off the table to achieve that goal." The administration is bringing the world together, as it should, to speak with one voice against Iran's nuclear ambitions.

Relative to Egypt, the decades-old relationship between the United States and Egypt is under strain. In recent days, General Dempsey traveled to Cairo to engage the Supreme Council of the Armed Forces of Egypt on the very troubling decision by the Egyptians to charge 19 Americans and dozens of other individuals for operating programs in support of Egyptian civil society. The committee is eager to learn the findings of General Dempsey's visit because the decision by the Egyptians, if unresolved, will negatively affect funding decisions that Congress makes in the coming months.

Relative to Syria, the regime of President Al-Assad is waging war on the people of Syria and, despite the condemnation of the Arab League and almost all nations, China and Russia are preventing the United Nations (U.N.) Security Council from taking any effective action. If the situation is left as it is, there is also a significant threat that surrounding countries could be severely impacted. Our witnesses will, hopefully, discuss options that we have to help end the slaughter, as limited as those options might be.

On cybersecurity, the Defense Strategic Guidance notes that both state and non-state actors pose the capability and intent to conduct cyber espionage and the capability to conduct cyber attacks on the United States, with possibly severe effects on both our economy and our security. The Director of National Intelligence (DNI) in recent Senate testimony placed the cybersecurity threat in the top tier alongside terrorism and nuclear proliferation and other proliferation of weapons of mass destruction.

A recent report from the National Counter-Intelligence Executive stated that entities operating from within China and Russia are responsible for the massive theft of U.S. commercial and military technology that could threaten our national security and our economy. We should let China and Russia know in no uncertain terms that cyber economic espionage will have very negative consequences for normal trade relations and other relations.

Finally, in the area of personnel, DOD proposes numerous personnel-related reforms aimed at slowing the increase in personnel and health care costs, which continue to rise at unsustainable rates. These reforms include a significant reduction in military end strength over the next 5 years, other personnel-related reforms, and a commission to review military retirement benefits. I agree with General Dempsey, Admiral Winnefeld, the Service Chiefs, and the Services' senior enlisted advisers, who urged me in a letter dated January 25, 2011, to grandfather the retirement benefits of those currently serving. We owe it to our servicemembers and their families to address any change in their compensation and benefits in a manner that acknowledges the commitment that we made to them when they volunteered to serve in our Armed Forces.

Secretary Panetta, General Dempsey, and Mr. Hale, we look forward to your testimony, and I now call on Senator McCain.

[The prepared statement of Senator Levin follows:]

#### PREPARED STATEMENT BY SENATOR CARL LEVIN

This morning the committee welcomes Secretary of Defense, Leon Panetta, and Chairman of the Joint Chiefs of Staff, General Martin Dempsey, for our hearing on the Department of Defense (DOD) fiscal year 2013 budget request, the associated Future Years Defense Program, and the posture of the U.S. Armed Forces. The committee also welcomes Under Secretary of Defense (Comptroller) Robert Hale who has joined the Secretary and the Chairman at the witness table.

Let me start by thanking all of you for your continued service to the Nation and to the soldiers, sailors, airmen, and marines at home and in harm's way around the globe and to their families. They are truly deserving of the Nation's affection and support. I also want you to know that we very much appreciate the positive way you all have worked with this committee and the relationships you have fostered with our members.

#### BUDGET

Your testimony today marks the beginning of the committee's review of the fiscal year 2013 budget request for DOD. This year's request includes \$525 billion for the

base budget and \$88.4 billion for overseas contingency operations (OCO). The fiscal year 2013 base budget request is \$5 billion less than the fiscal year 2012 enacted level of \$530 billion. The OCO request is \$27 billion less than last year's enacted level of \$115 billion.

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The Budget Control Act also included language requiring Congress to pass legislation with additional far-reaching deficit reduction. If Congress does not come up with a deficit reduction package by next January, one that locks in another \$1.2 trillion in deficit reduction over 10 years, then automatic spending cuts, called sequestration, will be imposed on both defense and non-defense programs. We need to find a comprehensive deficit reduction plan that will avoid these drastic and arbitrary cuts. The budget the President sent us yesterday avoids sequestration by meeting the \$1.2 trillion additional defense reduction target—approximately one-half in further cuts in spending and one-half in additional revenues.

#### STRATEGY

The defense budget request for fiscal year 2013 not only conforms to the funding limits of the congressionally-mandated Budget Control Act, it also supports the results of the Department's comprehensive, carefully managed, and inclusive strategic review initiated by President Obama in April last year and the strategic guidance that resulted. The requirement for a new strategic review, following so closely on the heels of the 2009 Quadrennial Defense Review, was driven in part by the fiscal crisis confronting the Nation. As former Chairman of the Joint Chiefs, Admiral Mike Mullen, cautioned us in August 2010: "The most significant threat to our national security is our debt." Senior military leaders have made it clear that updating and where necessary adjusting the Nation's security strategy was their first order of business and the budget they have sent to us this year was built after and to support that new Defense Strategic Guidance.

In looking more toward the future, the new Defense Strategic Guidance places emphasis on potentially growing strategic challenges in the Asia-Pacific region, but intends to do so without ignoring the enduring challenges of the Middle East. Consistent with this shift, the Department will place more emphasis on systems that project our military power, assuring access and freedom of operations in any region. It sustains the growth in Special Operations Forces (SOF) and intelligence, surveillance, and reconnaissance, and increases investment in unmanned systems and cyberspace capabilities. The guidance deemphasizes stability operations in the near and distant future and therefore reduces the size of Army and Marine Corps ground forces to slightly above pre-2003 levels. Finally, as a strategic and operational hedge, implementation of the reductions in current capabilities such as end strength and force structure will be accomplished in a way that allows for stopping or reversing the changes depending on developments in the strategic environment or the emergence of an unforeseen crisis.

We look forward to the witnesses' explanation of the process they went through to develop the new Defense Strategic Guidance, their assessment of this guidance's most important features and potential risks relative to the current and anticipated security environment, and how this budget request supports its strategic priorities and manages strategic risk in the near- and long-terms.

#### BASE REALIGNMENT AND CLOSURE

The administration has called for two more base realignment and closure (BRAC) rounds. In my view, however, before we consider another round of BRAC, the Department ought to take a hard look at whether further reduction in bases can be made overseas, particularly in Europe. While the Department has announced the removal of two of the four combat brigades currently stationed in Europe, even after the brigades are withdrawn, there will still be over 70,000 U.S. military personnel deployed in Europe. Finding further reductions and consolidations in our overseas force posture should be our first priority before another BRAC round.

#### AFGHANISTAN/PAKISTAN

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continues apace. Afghan security forces are assuming responsibility for securing the Afghan people in more and more areas throughout the country. Progress on security is real. The second round of areas to be transitioned to an Afghan security lead will be completed later this year. Then, approximately 50 percent of the Afghan population will live in areas where Afghan security forces have the lead for providing security, with coalition forces playing a supporting role.

I have long pressed for Afghan security forces to move increasingly into the combat lead and to assume responsibility for securing more and more Afghan territory and communities, as the size and capabilities of the Afghan Army and police are built up. The success of our mission in Afghanistan depends on getting the Afghan security forces in the lead with the support of the Afghan people, thereby putting the lie to the Taliban propaganda that the coalition is an occupying force.

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There are many reports about reconciliation talks with the Taliban. If Taliban statements are true that they will open a political office in Qatar, it would have the potential to be a positive development. I am concerned, however, by reports that in exchange for the opening of this office, the administration is considering transferring five Afghan Taliban detainees from the Guantanamo detention facility to Qatar. Such a significant step strikes me as premature and should be considered in my view only following positive discussions, not preceding them.

Another concern I have regarding the progress of the reconciliation talks is the reported decision by the Government of Afghanistan to open a second channel in the dialogue with the Taliban in Saudi Arabia. It seems to me this would create the potential for confusion. The United States has said it is committed to an Afghan-led reconciliation process. That is another reason that the discussion process ought to be pursued through a single channel, with both the Afghan Government and the United States fully coordinated and participating together, whether it takes place in one or two venues.

The wild card in the peace process is what role Pakistan will play. In the past few months, our relations with Pakistan have hit a low point. If Pakistan is committed to peace and stability in the region, it needs to begin by ending the safe havens in Pakistan for insurgents who are attacking our forces, the Afghan forces and the Afghan people. Pakistan cannot expect to have a normal relationship with the United States until it deals with the threats to us emanating from these militant sanctuaries for militants in Pakistan.

#### SECURITY POSTURE IN THE ASIA PACIFIC

The Defense Strategic Guidance emphasizes the U.S. military presence and posture in the Asia Pacific, and rightly so. The recent death of North Korea's Kim Jong-il creates new uncertainties about possible threats to regional security, and questions about China's rapid military growth. Its increasing assertiveness in areas like the South China Sea remind us that our presence and constructive engagement in the region remains important to the security interests of the United States and the region. The committee remains keenly interested in the plans for U.S. force posture in the Pacific.

With respect to realignment of U.S. marines on Okinawa, for example, Senator McCain, Senator Webb, and I have advocated changes to the current plan in ways that support the strategic goals of the U.S. regional military posture while avoiding excessive and unsustainable costs associated with large and elaborate new bases. The announcement last week that the United States and Japan are reconsidering

elements of the plan is welcome news, but the steps are not yet adequate. For instance, there is apparently no intention to reconsider the plan to build the unaffordable Futenma Replacement Facility at Camp Schwab on Okinawa, nor does it appear that the U.S. Air Force bases in the region are being considered as part of the solution although they now have excess capacity. It is important that any changes be jointly agreed upon and jointly announced, and that they go far enough that a more viable and sustainable U.S. presence in Japan and on Guam results.

#### OTHER CHALLENGES

##### *Iran*

There is a strong bipartisan determination on this committee and in Congress to do all we can to counter the threat Iran poses, including stopping Iran from acquiring nuclear weapons. President Obama has focused considerable diplomatic effort towards that goal because, in his own words, "America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal." The administration is bringing the world together to speak with one strong voice against Iran's nuclear ambitions.

The administration has sought to make clear the benefits available to Iran and its people if it complies with international norms and obligations, but also to make clear the negative consequences if it decides to produce nuclear weapons. Concerted, coordinated, international diplomatic and economic pressure will hopefully make Iran understand in practical terms the consequences of its actions, and will convince Iran not to pursue the development of a nuclear weapon.

##### *Arab Spring*

The impact of the Arab Spring has had significant implications on security and stability in the region, including U.S. security cooperation, military-to-military relations, and counterterrorism cooperation. The Department's new Defense Strategic Guidance places considerable emphasis on partnering with foreign nations and their militaries on matters of mutual interest. The committee will be interested to hear from the Secretary and the Chairman on the impact of the Arab Spring, and the problems and opportunities it has created for our security.

##### *Egypt*

The decades old relationship between the United States and Egypt is under strain. In recent days, General Dempsey traveled to Cairo to engage the Supreme Council of the Armed Forces on the very troubling decision by the Egyptians to charge 19 Americans and dozens of other individuals for operating programs in support of Egyptian civil society. The committee is eager to learn the findings of General Dempsey's visit because the decision by the Egyptians, if unresolved, will negatively affect funding decisions that Congress makes in the coming months.

##### *Syria*

Finally, the regime of President Bashar-al-Assad is waging war on the people of Syria and despite the condemnation of the Arab League and almost all nations, China and Russia are preventing the U.N. Security Council from taking any effective action. If the situation is left as is, there is also a significant threat that surrounding countries could be severely impacted. Our witnesses will hopefully discuss options we have to help end the slaughter, as limited as those options might be.

#### MISSILE DEFENSE

Given the existing and growing threat of ballistic missiles from nations such as North Korea and Iran, Congress has been supportive of efforts to develop and field effective ballistic missile defenses against these threats. The completion of Phase 1 of the European Phased Adaptive Approach (EPAA) at the end of 2011 provided an initial level of protection against Iran's regional missile threat to Europe, and is expected to be part of the North Atlantic Treaty Organization's (NATO) initial missile defense capability later this spring. The Department is continuing to develop additional EPAA capabilities to counter future Iranian missile threats.

NATO and the United States continue to pursue cooperation with Russia on missile defense, since it could enhance our security against the common threat of Iranian missiles. Although this has been a contentious issue with Russia, a new independent study released at the Munich Security Conference points the way to a practical and beneficial approach to such cooperation, similar to the NATO approach. If there is U.S.-Russian cooperation on this, it would send a powerful signal to Iran and might help dissuade Iran from developing nuclear weapons and missiles to carry them.

## CYBERSECURITY

The Defense Strategic Guidance notes that both state and non-state actors possess the capability and intent to conduct cyber espionage and the capability to conduct cyber attacks on the United States, with possibly severe effects on both our economy and on our security. The Director of National Intelligence, in recent Senate testimony, placed the cybersecurity threat in the top tier, alongside terrorism and proliferation. A recent report from the National Counterintelligence Executive stated that entities operating from within China and Russia are responsible for the massive theft of U.S. commercial and military technology that could threaten our national security and economy. We should let China and Russia know, in no uncertain terms, that cyber economic espionage will have very negative consequences for normal trade relations.

In addition to defending its own networks, the Department of Defense has an important role to play in supporting the Department of Homeland Security in improving the security of all government networks and those of the Nation's 17 designated critical infrastructure sectors, which includes the Defense Industrial Base, telecommunications, energy, transportation, and banking and finance, among others. The security of those networks is also vital to the Department of Defense, which depends on them to mobilize, deploy, and sustain our military forces.

## COUNTERTERRORISM

The Department's strategic guidance continues to place U.S. counterterrorism activities among its highest priorities. The United States has had a number of significant successes in the last year—most notably, operations against Osama bin Laden and Anwar al-Awlaki—and U.S. counterterrorism efforts are becoming more global as al Qaeda and its affiliates disperse to Yemen, Somalia, Iran, North Africa, and other prospective sanctuaries.

The budget priorities outlined by the Department appropriately emphasize the capabilities possessed by Special Operations Forces to conduct counterterrorism, building partnership capacity, and other missions in support of geographic combatant commanders. The committee looks forward to learning more about how these forces will be utilized under the Strategic Guidance to meet demand for engagements with partner nations, particularly in the Asia Pacific, while continuing to counter al Qaeda and affiliated organizations elsewhere.

## PERSONNEL

Finally, in the area of personnel, the Department proposes numerous personnel-related reforms aimed at slowing the increase in personnel and health care costs, which continue to rise at unsustainable rates. These reforms include a significant reduction in military end strength over the next 5 years, other personnel-related reforms, and a commission to review military retirement benefits. I agree with General Dempsey, Admiral Winnefeld, the Service Chiefs, and the Services' senior enlisted advisors who urged me, in a letter dated January 25, 2011, to grandfather the retirement benefits of those currently serving. We owe it to our servicemembers and their families to address any change in their compensation and benefits in a manner that acknowledges the commitment we made to them when they volunteered to serve in our Armed Forces.

Secretary Panetta, General Dempsey, we look forward to your testimony.

**STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Thank you, Mr. Chairman, and I join in welcoming Secretary Panetta and Chairman Dempsey to discuss the President's budget request for fiscal year 2013; his proposal to reduce the budget for DOD by \$487 billion over the next 10 years, and the impact of these reductions on FYDP for DOD.

While the other members of this committee and I will continue to scrutinize these proposals, I can say today that I do not fully endorse this budget request. Indeed, I am seriously concerned about how we arrived at this point. On April 13, 2011, the President of the United States announced his intention to reduce the DOD budget by \$400 billion through 2023. However, his announcement was unsupported by any type of comprehensive strategic review or

risk assessment. In fact, then-Secretary Gates testified before Congress that he only learned the night before about this massive proposed cut in our defense spending.

Now, the President proposes \$487 billion in cuts over 10 years, and we're told that these proposed cuts are not budget-driven, but based on a thorough strategic review of our defense priorities. Respectfully, this doesn't add up.

Unfortunately, this defense budget continues the administration's habit of putting short-term political considerations over our long-term national security interests. In Afghanistan, our military commanders initially asked for a surge of 40,000 troops. The President disregarded their advice, sent 30,000 troops instead, and announced a date when they would begin withdrawing. Our commanders then recommended maintaining the full surge force throughout this year's fighting season, but the President again disregarded their advice and announced reductions to our force levels that the former Chairman of the Joint Chiefs of Staff, Admiral Mullen, said were more aggressive and incurred greater risks than he advised. Finally, in Iraq, the President disregarded the advice of his commanders again, dragged out negotiations with the Iraqi Government with no intent to maintain a presence of U.S. troops. Now, with the political and security situations unraveling, it is difficult to argue that Iraq today is, to use the President's phrase, "stable and self-reliant."

It seems as though many of the President's most significant decisions about our national defense have been fundamentally disconnected from conditions on the ground and the advice of our military commanders, including commanders that the President himself selected. I fear that this defense budget and the broader plan to cut \$487 billion from DOD over 10 years only continues this dangerous and regrettable pattern.

By any objective assessment, the worldwide threats to our Nation, our interests, and our ideals are not diminishing. They are growing. Yet the defense budget before us would reduce the size of our force by more than 125,000 military personnel. It would jeopardize our nuclear modernization plan by making critical cuts to our nuclear weapons infrastructure programs. It would eliminate 20 percent of the Army's brigade combat teams (BCT), 6 Marine Corps battalions, 4 tactical air squadrons, 7 Air Force combat squadrons, and 130 mobility aircraft. Perhaps most concerning of all, in light of the administration's own identification of the Asia-Pacific region as the focus of U.S. defense strategy, this budget would require the Navy to reduce shipbuilding by 28 percent, to retire seven cruisers and two amphibious ships earlier than planned, to delay the next generation ballistic missile submarine, and to postpone the purchases of one *Virginia*-class attack submarine, two littoral combat ships, and eight high-speed transport vessels.

Furthermore, while this defense strategy and its related budget cuts clearly increase the risks to our national security objectives, there has been no formal risk assessment provided to Congress. How can we and the American people determine whether the additional risks associated with this strategy are acceptable if we do not know the specific nature of those risks as defined by the U.S. military?



These cuts pale in comparison to what DOD would face under sequestration, an outcome that Secretary Panetta has correctly stated would be “catastrophic” for our national defense. Yet, here too, domestic politics are taking priority over national security, with the President saying he would veto an effort by Congress to eliminate sequestration that does not include raising taxes.

Our message to you, Secretary Panetta, and to the President of the United States: If it is as catastrophic as you state, then why don’t we sit down? Why doesn’t the President sit down with us and we work out a way to avoid what you and General Dempsey have described as catastrophic consequences for the national security of this country, rather than the President sitting in the Oval Office and saying he’ll veto any bill that doesn’t have tax increases in it?

In short, we have come to a critical turning point when decisions of the utmost importance for our national security must be resolved, and the consequences of those decisions, for better or worse, will forever shape our Nation’s destiny. Defense spending is not what is sinking this country deeper into an unsustainable national debt. If we act under the assumption that it is, we will create something that is truly unaffordable, the hollowing out of the U.S. military and the decline of U.S. military power. We can either take the easy route of dramatic cuts to force structure and investments, which diminish our military capabilities and increase risk. Or, we can balance more modest and strategically-directed reductions in defense spending with an aggressive plan to address the broader cultural problems plaguing our defense establishment, the waste and inefficiency with which DOD buys goods and services under the undue influence of a noncompetitive military/industrial/congressional complex.

I believe we must tackle this cultural problem head on. We must cut congressional earmarks and pork barrel spending on programs that the military does not request and does not need. We must have transparent and auditable financial statements, and we must eliminate the shameless cost overruns that characterize too many of our largest defense programs.

From my review of these programs, this point is clear: The phenomenon of acquisition malpractice, which a senior DOD official publicly described just a few days ago, can be found in many more programs than just the Joint Strike Fighter (JSF). It pervades the entire major defense acquisition program portfolio, revealing a cultural problem in the acquisition of goods and services that is unsustainable. Before DOD further risks force structure to achieve budget savings, practices like this must end now.

Now is the time to set politics aside for the sake of the one issue that we can all agree on is nonnegotiable to the future health and success of our Nation—our national defense. We need to start with goals, move to strategy, and allow that rigorous process to inform the budget we create. The administration’s approach thus far has been too defined by short-term domestic political considerations. The administration has not led. For the sake of our national security, Congress should.

Thank you, Mr. Chairman. I look forward to the testimony of our witnesses.

Chairman LEVIN. Thank you, Senator McCain.

Secretary Panetta.

**STATEMENT OF HON. LEON E. PANETTA, SECRETARY OF DEFENSE; ACCOMPANIED BY ROBERT F. HALE, UNDER SECRETARY OF DEFENSE (COMPTROLLER)**

Secretary PANETTA. Thank you very much, Chairman Levin, Senator McCain, members of the committee. I ask that my statement be made part of the record and I would like to summarize some of the key points.

Chairman LEVIN. It will be made part of the record and, by the way, the balance of my statement that I didn't give will also be made part of the record.

Secretary PANETTA. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you to discuss the President's budget request for fiscal year 2013. Let me begin, as always, by thanking you for the support that you provide to servicemembers and to our military families. These brave men and women, along with DOD's civilian professionals who support them, have done everything asked of them and more, during more than a decade of war. I want to thank you for the support that you have given them in the past, the present, and hopefully in the future.

The fiscal year 2013 budget request for DOD was the product of an intensive strategy review that was conducted by the senior military and civilian leaders of DOD, with advice and guidance of the President. The total request represents a \$614 billion investment in national defense that includes \$525.4 billion for DOD's base budget and \$88.5 billion in spending to support our troops in combat.

The reasons for this review are clear. First, the United States is at a strategic turning point after a decade of war and after very substantial growth in defense budgets.

Second, with the Nation confronting a very large debt problem and deficit problem in this country, Congress passed the BCA of 2011, imposing a reduction in the defense budget of \$487 billion over the next decade. We at DOD decided to step up to the plate, and that this crisis provided us an opportunity to establish a new strategy for the force that we would need in the future. That strategy has guided us in making the budget decisions and choices that are contained in the President's budget.

The fact is, we are at an important turning point that would have required us to make a strategic shift probably under any circumstances. The U.S. military's mission in Iraq has ended. While we still have a tough fight on our hands in Afghanistan, 2011 marks significant progress in reducing violence and transitioning to an Afghan-led responsibility for security, and we are on track to complete this transition by the end of 2014 in accordance with our Lisbon commitments.

Having just returned from the North Atlantic Treaty Organization (NATO) ministerial, I can assure you that all of the NATO nations are in line with the strategy that we are approaching with regards to Afghanistan. We are in a transition. We are transitioning security to Afghan forces, and our hope is that as we make the final transition in 2014, that they can take the lead on combat operations. We will be there. We'll be in support. We'll be

combat-ready to support them through that process. I want to assure you that NATO is fully in agreement with the strategy that we are moving in in Afghanistan.

Last year, in addition, the NATO effort in Libya also concluded with the fall of Qadafi, and successful counterterrorism efforts have significantly weakened al Qaeda and decimated its leadership.

But despite what we have been able to achieve, unlike past drawdowns when threats have receded, the United States still faces a very complex array of strategic challenges across the globe. We are still a Nation at war in Afghanistan. We still face threats to our Homeland from terrorism. There is a dangerous proliferation of lethal weapons and materials. The behavior of Iran and North Korea continue to threaten global stability. There is continuing turmoil and unrest in the Middle East, from Syria to Egypt to Yemen and beyond. Rising powers in Asia are testing international rules and relationships, and there are growing concerns about cyber intrusions and attacks.

Our challenge is to meet these threats, to protect our Nation and our people, and at the same time, meet our responsibility to fiscal discipline. This is not an easy task.

To build the force we need for the future, we developed a new Defense Strategic Guidance that consists of five key elements.

First, the military will be smaller and leaner, but we want a military that is agile, flexible, ready, and technologically advanced.

Second, we will rebalance our global posture and presence to emphasize Asia Pacific and the Middle East, because those areas represent the threats for the future.

Third, for the rest of the world, we need to build innovative partnerships and strengthen key alliances and partnerships from Europe to Latin America to Africa.

Fourth, we will ensure that we have the capability to quickly confront and defeat aggression from any adversary, any time, anywhere.

Fifth, this can't just be about cuts. It also has to be about protecting and prioritizing key investments in technology and new capabilities, as well as our capacity to grow, adapt, and mobilize as needed.

We've developed this new Defense Strategic Guidance before any final budget decisions were made, in order to ensure that the decisions that are here, the choices we made, reflect the new defense strategy. While shaping the strategy, we didn't want to repeat the mistakes of the past. Our goals are to maintain the strongest military in the world, to not hollow out the force, to take a balanced approach to budget cuts by putting everything on the table, and to not break faith with our troops and their families.

Throughout this review, we also wanted to make sure that this was an inclusive process. General Dempsey and I worked closely with the leadership of the Services and the combatant commanders and consulted regularly with Members of Congress. As a result of these efforts, DOD is strongly unified behind the recommendations that we are presenting today.

Consistent with the BCA, this budget reflects in the next 5 years a savings of \$259 billion. That's compared to the budget plan that was submitted, obviously, to Congress last year.

We think this is a balanced and complete package that follows the key elements of the strategy and adheres to the guidelines that we established. The savings come from three broad areas.

First, efficiencies. We have redoubled our efforts to discipline the use of taxpayers' dollars, and that has yielded, we hope, about one-quarter of the targeted savings that we have in this package.

The second area is force structure and procurement reforms and adjustments. We've made strategy-driven changes in both force structure and procurement programs to achieve roughly half of the savings in this package.

Finally, on compensation. We've made modest but important adjustments in personnel costs to achieve some very necessary cost savings in this area. This area represents about one-third of our budget, but here it accounted for little more than 10 percent of the total reduction that we've presented.

Let me walk through each of these areas. First of all, with regards to disciplining defense dollars, if we're going to tighten up the force then I, like Senator McCain, believe very strongly that we have to begin by tightening up the operations of DOD. We have to reduce excess overhead, eliminate waste, and improve business practices across DOD.

The fiscal year 2012 budget proposed more than \$150 billion in efficiencies, and we continue to implement those changes. But we also identified another \$60 billion in additional savings over 5 years through measures like streamlining support functions, consolidating information technology enterprise services, rephasing military construction (MILCON) projects, consolidating inventory, and reducing service support contractors.

As we reduce force structure, we also have a responsibility to provide the most cost-efficient support for the force. For that reason, the President will request Congress to authorize the BRAC process for 2013 and 2015. As somebody who went through the BRAC process in my own district, I recognize how controversial this process is for Members and for constituencies. Yet, it is the only effective way to achieve needed infrastructure savings.

To provide better financial information, we are also increasing our emphasis on audit readiness and accelerating key timelines. In October 2011, I directed DOD to accelerate efforts to achieve fully auditable financial statements. We were mandated to do it by 2017; what I have ordered is that we move that up to 2014.

But efficiencies alone are not enough to achieve the required savings. Budget reductions of this magnitude require that we make adjustments to force structure and procurement investments. The choices that we made have to fit the five elements of the strategy that we developed for the future military force.

First, we knew that coming out of these wars, as I said, the military would be smaller, but our approach to accommodating these reductions has been to take this as an opportunity to fashion an agile and flexible military that we need for the future. That highly networked and capable joint force consists of an adaptable and battle-tested Army that remains our Nation's force for decisive action, capable of defeating any adversary on land, and at the same time being innovative about how it deploys its forces; a Navy that maintains forward presence and is able to penetrate enemy defenses; a

Marine Corps that remains a middleweight expeditionary force, with reinvigorated and amphibious capabilities; an Air Force that dominates air and space and provides rapid mobility, global strike, and persistent intelligence, surveillance, and reconnaissance (ISR); and a National Guard and Reserve that continue to be ready and prepared for operations when needed.

To ensure this agile force, we made a conscious choice not to maintain more force structure than we could afford to properly train and equip. If we do it the other way, we guarantee a hollow force. We wanted a force structure that we could effectively train and maintain.

We are implementing force structure reductions consistent with the new Defense Strategic Guidance for a total savings of \$50 billion over the next 5 years. The adjustments include, as was pointed out, a resizing of the Active Army from 562,000 to 490,000 soldiers by 2017. This will transition down in a responsible way.

We'll gradually resize the Active Marine Corps from about 202,000 to 182,000. We'll reduce and streamline the Air Force's airlift fleet. We'll retire some aging C-5As and C-130s. But at the same time, we'll maintain a fleet of 275 strategic airlifters and 318 C-130s, a fleet that will be more than capable of meeting the airlift requirements of the new strategy.

The Navy will protect our highest priority and most flexible ships, but we also will retire seven lower priority Navy cruisers. The reason we're doing that is that these cruisers have not been upgraded with ballistic missile defense capability and would require significant repairs. That's the reason the Navy chose to do that.

Second, the New Strategic Guidance made clear that we must protect our capabilities needed to project power in Asia Pacific and the Middle East. To this end, the budget maintains the current bomber fleet, it maintains the aircraft carrier fleet at a long-term level of 11 ships and 10 air wings, it maintains the big-deck amphibious fleet, and it restores Army and Marine Corps force structure in the Pacific after the drawdown from Iraq and as we draw down in Afghanistan, while continuing to maintain a strong presence in the Middle East. Our goal is to expand our rotational presence in both areas.

The budget also makes selected new investments to ensure we develop new capabilities to project power in key territories and domains. We're going to put \$300 million to fund the next general Air Force bomber. We're putting \$1.8 billion to develop the new Air Force tanker, \$18.2 billion for the procurement of 10 new warships, including 2 *Virginia*-class submarines, 2 *Aegis*-class destroyers, 4 littoral combat ships, 1 joint high-speed vessel, and 1 CVN-21-class aircraft carrier. We're also investing \$100 million to increase cruise missile capacity of future *Virginia*-class submarines.

Third, the strategy makes clear that, even as Asia Pacific and the Middle East represent the areas of growing strategic priority, the United States will continue to work to strengthen its key alliances, to build partnerships, to develop innovative ways, such as rotational deployments, to sustain our presence elsewhere in the world.

To that end, we make key investments in NATO and other partnership programs. We're putting \$200 million in fiscal year 2013 and nearly \$900 million over the next 5 years on the NATO alliance Ground Surveillance System, one that was just approved by the NATO ministerial in this last meeting; \$9.7 billion in fiscal year 2013 and about \$47 billion to develop and deploy missile defense capabilities that protect the U.S. Homeland and strengthen regional missile defenses as well.

The new strategy envisions a series of organizational changes to boost efforts to partner with other militaries. We're allocating a U.S.-based brigade to the NATO response force and will rotate U.S.-based units to Europe on a regular basis for training and exercises, increasing the opportunities as well for Special Operations Forces (SOF) to advise and assist our partners in other regions.

Fourth, the United States must have the capability to fight more than one conflict at a time. But we are in the 21st century and we have to use 21st century capabilities. That's the reason this budget invests in space, in cyber space, in long-range precision strike, and in the continued growth of SOF, to ensure that we can still confront and defeat multiple adversaries even with the force structure reductions that I've outlined earlier.

It also sustains the nuclear triad of bombers, missiles, and submarines to continue to ensure that we have a safe, reliable, and effective nuclear deterrent. Even with some adjustments to force structure, the budget sustains a military that I believe is the strongest in the world: an Army of more than 1 million Active and Reserve soldiers with 18 divisions, approximately 65 BCTs, and 21 combat aviation brigades; a naval force of 285 ships, the same size force that we have today, that will remain the most powerful and flexible naval force on Earth; a Marine Corps with 31 infantry battalions, 10 artillery battalions, and 20 tactical air squadrons; and an Air Force that will continue to ensure air dominance, with 54 combat-coded fighter squadrons and the current bomber fleet.

Lastly, we can't just, as I said, cut. We have to invest. We have to leap ahead of our adversaries by investments in the latest technologies. That's why this budget provides \$11.9 billion for science and technology (S&T). It includes \$2.1 billion for basic research. It provides \$10.4 billion to sustain the continued growth in SOF. It provides \$3.8 billion for unmanned air systems and it invests \$3.4 billion in cyber activities.

At the same time, the New Strategic Guidance recognizes the need to prioritize and distinguish urgent modernization needs from those that can be delayed, particularly in light of schedule and cost problems. Therefore, the budget has identified \$75 billion in savings over 5 years resulting from cancelled or restructured programs. Some examples: \$15.1 billion in savings from restructuring the JSF, by delaying aircraft purchases so that we can allow more time for development and testing; \$1.3 billion in savings from delaying development of the Army's ground combat vehicle due to contracting difficulties; \$4.3 billion in savings from delaying the next generation of ballistic missile submarines by 2 years for affordability and management reasons.

In addition, we terminate selected programs: the Block 30 version of Global Hawk, which has grown in cost to the point that

it is simply no longer cost-effective; the weather satellite program, because we can depend on existing satellites, resulting in a savings of \$2.3 billion.

All of this requires that we have to have and maintain the ability to mobilize and to regrow the force if we have to. That means we need to maintain a capable and ready National Guard and Reserve. One of the things we are doing is that the Army is going to retain more mid-grade officers and noncommissioned officers so they'll be there with the experience and structure we need if we have to move quickly to regrow the force. The Reserve component has demonstrated its readiness and importance over the past 10 years of war and we must ensure that it remains available, trained, and equipped to serve in an operational capacity when necessary.

Another key part of preserving our ability to quickly adapt and mobilize is maintaining a strong and flexible industrial base. I'm committed to make sure that our budget recognizes that industry is our partner in the defense acquisition enterprise. We have to maintain a base if we're going to be able to mobilize and be prepared in the future.

Finally, with regards to our most important element of our strategy and our decisionmaking process: our people. This budget recognizes that they, far more than any weapons system or technology, are the great strength of the U.S. military. One of the guiding principles in our decisionmaking process was that we must try to keep faith with our troops and their families. For that reason, we've determined to protect family assistance programs, to sustain these important investments in this budget that serve our troops and their families, and continue to make efforts to ensure that these programs are responsive to their needs.

Yet, in order to build the force needed to defend the country under existing budget constraints, the growth in costs of military pay and benefits must be put on a sustainable course. This is an area of the budget that has grown by nearly 90 percent since 2001, about 30 percent above inflation, while end strength has only grown by 3 percent. So this budget contains a road map to try to address those costs in military pay and health care and retirement in ways that we believe are fair, transparent, and consistent with our fundamental commitments to our people.

On military pay, there are no pay cuts. We've created sufficient room to allow full pay raises in 2013 and 2014. However, we will provide more limited pay raises beginning in 2015, giving troops and their families fair notice and lead time before changes take effect.

The budget devotes about \$48, almost \$50 billion to health care costs. It's a big part of our budget, an amount that has more than doubled over the last decade. In order to continue to control the growth of these costs, we're recommending increases in health care fees, in copays and deductibles that are to be phased in over 4 to 5 years. None of these fee proposals would apply to Active-Duty servicemembers and there will be no increases in health care premiums for families of Active-Duty servicemembers under this proposal.

We also feel that it's important to address the military retirement costs as well. What we urge is the establishment of a commis-

sion with authority to conduct a comprehensive review of military retirement. But we have made clear, the President and DOD, that the retirement benefits of those who currently serve should be protected by grandfathering their benefits.

Members of the committee, putting this together, this kind of balanced package, has been difficult, and at the same time it has been an opportunity to try to think about what force do we need now and what force do we need in the future. I believe we, the Service Chiefs, the combatant commanders, have developed a complete package to try to address our threats for the future and to try to ensure that we achieve our strategic aims.

As a result, the fiscal year 2013 request is balanced, it keeps America safe, and we think it sustains U.S. leadership abroad. Please take a look at each of the individual parts of this plan. I encourage you to review this entire budget. This has to be a partnership. But I ask you also to bear in mind the strategic tradeoffs that are inherent in any particular budget decision. This is a zero sum game. There is no free money here. The need to balance competing strategic objectives is taking place in a resource-constrained environment. We'll need your support and partnership to implement this vision of the future military.

I know these are tough issues. This is the beginning, it's not the end of this process. But make no mistake, the savings that we are proposing are significant and broad-based and will impact all 50 States. But this is what Congress mandated on a bipartisan basis, that we reduce the defense budget by almost half a trillion dollars. We need your partnership to do this in a manner that preserves the strongest military in the world. This will be a test for all of us of whether reducing the deficit is about talk or about action.

Let me be clear. You can't take a half a trillion dollars out of the defense budget and not incur additional risks. We believe they are acceptable risks, but they are risks. We're going to have a smaller force. We'll depend on the speed of mobilization. We have to depend on ingenuity in terms of new technologies for the future, and very frankly, when you go through this there is no margin for error.

This is why Congress must do everything possible to make sure that we avoid sequestration. We are more than prepared to work with Congress to try to develop an approach that will dettrigger sequestration. This approach would subject DOD to another \$500 billion in additional cuts that would be required to take place in a meat-axe approach. We are convinced that it would result in hollowing out the force and inflicting severe damage to our national defense.

So the leadership of DOD, both military and civilian, is unified behind the strategy we've presented, behind this budget, and behind the need to avoid sequestration.

I look forward to working closely with you in the months ahead. This is going to be a tough challenge, but it's what the American people expect of its elected leaders, to be fiscally responsible in developing the force for the future, the force that can defend the country, the force that supports our men and women in uniform, and a force that is and always will be the strongest military in the world.

Thank you, Mr. Chairman.



[The prepared statement of Secretary Panetta follows:]

PREPARED STATEMENT BY HON. LEON E. PANETTA

Chairman Levin, Senator McCain, members of the committee, I appreciate the opportunity to appear before you to discuss the President's budget request for fiscal year 2013.

Let me begin by first thanking you for your support for our servicemembers and our military families. These brave men and women, along with the Department's civilian professionals who support them, have done everything asked of them and more during more than a decade of war.

DEFENSE STRATEGY REVIEW

The fiscal year 2013 budget request for the Department of Defense (DOD) was the product of an intensive strategy review conducted by the senior military and civilian leaders of the Department with the advice and guidance of President Obama. The total request represents a \$614 billion investment in national defense—including a \$525.4 billion request for the Department's base budget, and \$88.5 billion in spending to support our troops in combat.

The reasons for this review are clear: first, the United States is at a strategic turning point after a decade of war and substantial growth in defense budgets. Second, with the Nation confronting very large debt and deficits, Congress passed the Budget Control Act of 2011, imposing limits that led to a reduction in the defense budget of \$487 billion over the next decade.

Deficit reduction is a critical national security priority in and of itself. We at the Department decided that this crisis presented us with the opportunity to establish a new strategy for the force of the future, and that strategy has guided us in making the budget choices contained in the President's budget. We are at an important turning point that would have required us to make a strategic shift under any circumstances. The U.S. military's mission in Iraq has ended. We still have a tough fight on our hands in Afghanistan, but over the past year we have begun a transition to Afghan-led responsibility for security—and we are on track to complete that transition by the end of 2014, in accordance with our Lisbon commitments. Last year, the North Atlantic Treaty Organization (NATO) effort in Libya also concluded with the fall of Qadhafi. Successful counterterrorism efforts have significantly weakened al Qaeda and decimated its leadership.

But despite what we have been able to achieve, unlike past drawdowns when threats have receded, the United States still faces a complex array of security challenges across the globe: We are still a nation at war in Afghanistan; we still face threats from terrorism; there is dangerous proliferation of lethal weapons and materials; the behavior of Iran and North Korea threaten global stability; there is continuing turmoil and unrest in the Middle East; rising powers in Asia are testing international relationships; and there are growing concerns about cyber intrusions and attacks. Our challenge is to meet these threats and at the same time, meet our responsibility to fiscal discipline. This is not an easy task.

To build the force we need for the future, we developed a new Defense Strategic Guidance that consists of these five key elements:

- First, the military will be smaller and leaner, but it will be agile, flexible, ready, and technologically advanced.
- Second, we will rebalance our global posture and presence to emphasize Asia-Pacific and the Middle East.
- Third, we will build innovative partnerships and strengthen key alliances and partnerships elsewhere in the world.
- Fourth, we will ensure that we can quickly confront and defeat aggression from any adversary—anytime, anywhere.
- Fifth, we will protect and prioritize key investments in technology and new capabilities, as well as our capacity to grow, adapt and mobilize as needed.

STRATEGY TO FISCAL YEAR 2013 BUDGET

We developed this new Defense Strategic Guidance before any final budget decisions were made to ensure that the budget choices reflected the new defense strategy.

While shaping this strategy, we did not want to repeat the mistakes of the past. Our goals were: to maintain the strongest military in the world, to not “hollow out” the force, to take a balanced approach to budget cuts, to put everything on the table, and to not break faith with troops and their families. Throughout the review we

made sure this was an inclusive process, and General Dempsey and I worked closely with the leadership of the Services and combatant commanders, and consulted regularly with Members of Congress.

As a result of these efforts, the Department is strongly united behind the recommendations we are presenting today. Consistent with title I of the Budget Control Act, this budget reflects \$259 billion in savings over the next 5 years and \$487 billion over the next 10 years compared to the budget plan submitted to Congress last year. Under the 5 year budget plan, the base budget will rise from \$525 billion in fiscal year 2013 to \$567 billion in fiscal year 2017. When reduced war-related funding requirements are included, we expect total U.S. defense spending to drop by more than 20 percent over the next few years from its peak in 2010, after accounting for inflation.

This is a balanced and complete package that follows the key elements of the strategy and adheres to the guidelines we established. The savings come from three broad areas:

- First, efficiencies—we redoubled efforts to make more disciplined use of taxpayer dollars, yielding about one quarter of the target savings;
- Second, force structure and procurement adjustments—we made strategy-driven changes in force structure and procurement programs, achieving roughly half of the savings; and
- Finally, compensation—we made modest but important adjustments in personnel costs to achieve some necessary cost savings in this area, which represents one third of the budget but accounted for a little more than 10 percent of the total reduction.

Changes in economic assumptions and other shifts account for the remainder of the \$259 billion in savings. Let me walk through these three areas, beginning with our efforts to discipline our use of defense dollars.

#### MORE DISCIPLINED USE OF DEFENSE DOLLARS

If we are to tighten up the force, I felt we have to begin by tightening up the operations of the Department. This budget continues efforts to reduce excess overhead, eliminate waste, and improve business practices across the department. The more savings realized in this area, the less spending reductions required for modernization programs, force structure, and military compensation.

The fiscal year 2012 budget proposed more than \$150 billion in efficiencies between fiscal year 2012 and fiscal year 2016, and we continue to implement those changes. This budget identifies about \$60 billion in additional savings over 5 years. Across the Military Services, new efficiency efforts over the next 5 years include:

- The Army proposes to save \$18.6 billion through measures such as streamlining support functions, consolidating information technology enterprise services, and rephasing military construction projects;
- The Navy proposes to save \$5.7 billion by implementing strategic sourcing of commodities and services, consolidating inventory, and other measures; and
- The Air Force proposes to save \$6.6 billion by reducing service support contractors and rephasing military construction projects.

Other proposed DOD-wide efficiency savings over the next 5 years total \$30.1 billion, including reductions in expenses in the Office of the Secretary of Defense and the Defense agencies.

Additionally, we are continuing the initiative to improve the Department's buying power by seeking greater efficiency and productivity in the acquisition of goods and services. We are strengthening acquisition support to the warfighter, executing acquisitions more efficiently, preserving the industrial base, and strengthening the acquisition workforce. This budget assumes that these policies produce savings of \$5.3 billion over the next 5 years.

In terms of military infrastructure, we will need to ensure that our current basing and infrastructure requirements do not divert resources from badly needed capabilities.

As we reduce force structure, we have a responsibility to provide the most cost efficient support for the force. For that reason, the President will request that Congress authorize the Base Realignment and Closure process for 2013 and 2015. As someone who went through BRAC, I realize how controversial this process can be for members and constituencies. Yet, it is the only effective way to achieve infrastructure savings.

Achieving audit readiness is another key initiative that will help the Department achieve greater discipline in its use of defense dollars. The Department needs

auditable financial statements to comply with the law, to strengthen its own internal processes, and to reassure the public that it continues to be a good steward of Federal funds. In October 2011, I directed the Department to emphasize this initiative and accelerate efforts to achieve fully auditable financial statements. Among other specific goals, I directed the Department achieve audit readiness of the Statement of Budgetary Resources for general funds by the end of calendar year 2014, and to meet the legal requirements to achieve full audit readiness for all Defense Department financial statements by 2017. We are also implementing a course-based certification program for defense financial managers in order to improve training in audit readiness and other areas, with pilot programs beginning this year. We now have a plan in place to meet these deadlines, including specific goals, financial resources, and a governance structure.

These are all critically important efforts to ensure the Department operates in the most efficient manner possible. Together, these initiatives will help ensure the Department can preserve funding for the force structure and modernization needed to support the missions of our force.

#### STRATEGY-DRIVEN CHANGES IN FORCE STRUCTURE AND PROGRAMS

It is obvious that we cannot achieve the overall savings targets through efficiencies alone. Budget reductions of this magnitude require significant adjustments to force structure and investments, but the choices we made reflected five key elements of the Defense Strategic Guidance and vision for the military.

1. Build a force that is smaller and leaner, but agile, flexible, ready and technologically advanced

We knew that coming out of the wars, the military would be smaller. Our approach to accommodating these reductions, however, has been to take this as an opportunity—as tough as it is—to fashion the agile and flexible military we need for the future. That highly networked and capable joint force consists of:

- an adaptable and battle-tested Army that is our Nation's force for decisive action, capable of defeating any adversary on land;
- a Navy that maintains forward presence and is able to penetrate enemy defenses;
- a Marine Corps that is a “middleweight” expeditionary force with reinvigorated amphibious capabilities;
- an Air Force that dominates air and space and provides rapid mobility, global strike and persistent ISR; and
- National Guard and Reserve components that continue to be ready and prepared for operations when needed.

To ensure an agile force, we made a conscious choice not to maintain more force structure than we could afford to properly train and equip. We are implementing force structure reductions consistent with the new Defense Strategic Guidance for a total savings of about \$50 billion over the next 5 years.

These adjustments include:

- Gradually resizing the Active Army to 490,000, eliminating a minimum of 8 BCTs and developing a plan to update the Army's brigade structure;
- Gradually resizing the Active Marine Corps to about 182,100, eliminating 6 combat battalions and 4 Tactical Air squadrons;
- Reducing and streamlining the Air Force's airlift fleet by retiring all 27 C-5As, 65 of the oldest C-130s and divesting all 38 C-27s. After retirements, the Air Force will maintain a fleet of 275 strategic airlifters, and 318 C-130s—a number that we have determined is sufficient to meet the airlift requirements of the new strategy, including the Air Force's commitment for direct support of the Army;
- Eliminating seven Air Force Tactical Air squadrons—including five A-10 squadrons, one F-16 squadron, and one F-15 training squadron. The Air Force will retain 54 combat-coded fighter squadrons, maintaining the capabilities and capacity needed to meet the new Defense Strategic Guidance; and
- Retiring seven lower priority Navy cruisers that have not been upgraded with ballistic missile defense capability or that would require significant repairs, as well as retiring two dock landing ships.

The strategy review recognized that a smaller, ready and agile force is preferable to a larger force that is poorly trained and ill-equipped. Therefore, we put a premium on retaining those capabilities that provide the most flexibility across a range of missions. We also emphasized readiness. For fiscal 2013, the Department is requesting \$209 billion in the base budget for Operation and Maintenance, the budget

category that funds training and equipment maintenance among other aspects of operations. That represents an increase of 6 percent compared to the enacted level in 2012, even though the overall base budget will decline by 1 percent. Striking the right balance between force structure and readiness is critical to our efforts to avoid a hollow force, and we will continue to focus on this area to ensure that we make the right choices.

2. Rebalance global posture and presence to emphasize Asia-Pacific and the Middle East

The strategic guidance made clear that we must protect capabilities needed to project power in Asia-Pacific and the Middle East. To this end, this budget:

- Maintains the current bomber fleet;
- Maintains the aircraft carrier fleet at a long-term level of 11 ships and 10 air wings;
- Maintains the big-deck amphibious fleet; and
- Restores Army and Marine Corps force structure in the Pacific after the drawdown from Iraq and as we drawdown in Afghanistan, while maintaining persistent presence in the Middle East.

The budget also makes selected new investments to ensure we develop new capabilities needed to maintain our military's continued freedom of action in face of new challenges that could restrict our ability to project power in key territories and domains. Across the Services, this budget plan requests \$1.8 billion for fiscal year 2013, and a total of \$3.9 billion over the next 5 years, for enhancements to radars, sensors, and electronic warfare capabilities needed to operate in these environments.

Other key power projection investments in fiscal year 2013 include:

- \$300 million to fund the next generation Air Force bomber (and a total of \$6.3 billion over the next 5 years);
- \$1.8 billion to develop the new Air Force tanker;
- \$18.2 billion for the procurement of 10 new warships and associated equipment, including 2 *Virginia*-class submarines, 2 Aegis-class destroyers, 4 Littoral Combat Ships, 1 Joint High Speed Vessel, and 1 CVN-21-class aircraft carrier. We are also requesting \$100 million to develop the capability to increase cruise missile capacity of future *Virginia*-class submarines;
- \$2.2 billion in fiscal year 2013 for the procurement of an additional 26 F/A-18E/F Super Hornet aircraft;
- \$1.0 billion in fiscal year 2013 for the procurement of 12 EA-18G Growler aircraft, the Navy's new electronic warfare platform that replaces the EA-6B; and
- \$38 million for design efforts to construct an Afloat Forward Staging Base planned for procurement in fiscal year 2014. This base can provide mission support in areas where ground-based access is not available, such as counter-mine operations, Special Operations, and ISR.

3. Build innovative partnerships and strengthen key alliances and partnerships

The strategy makes clear that even though Asia-Pacific and the Middle East represent the areas of growing strategic priority, the United States will work to strengthen its key alliances, to build partnerships and to develop innovative ways to sustain U.S. presence elsewhere in the world.

To that end, this budget makes key investments in NATO and other partnership programs, including:

- \$200 million in fiscal year 2013 and nearly \$900 million over the next 5 years in the NATO Alliance Ground Surveillance system. This system will enable the Alliance to perform persistent surveillance over wide areas in any weather or light condition;
- \$9.7 billion in fiscal year 2013, and \$47.4 billion over the next 5 years, to develop and deploy missile defense capabilities that protect the U.S. Homeland and strengthen regional missile defenses. The request includes the Phased Adaptive Approach that is being deployed first in Europe and is designed to protect NATO allies and forces from ballistic missile threats; and
- \$800 million for the combatant commanders exercise and engagement program. Jointly with the State Department, we will also begin using the new Global Security Contingency fund that was established at our request in the fiscal year 2012 legislation.

The new strategy also envisions a series of organizational changes that will boost efforts to partner with other militaries. These include:

- Allocating a U.S.-based brigade to the NATO Response Force and rotating U.S.-based units to Europe for training and exercises;
  - Aligning an Army BCT with each regional combatant command to foster regional expertise; and
  - Increasing opportunities for Special Operations Forces to advise and assist partners in other regions, using additional capacity available due to the gradual drawdown from the post-September 11 wars.
4. Ensure that we can confront and defeat aggression from any adversary—anytime, anywhere

The strategic guidance reaffirmed that the United States must have the capability to fight more than one conflict at the same time. Still, the strategic guidance recognizes that how we defeat the enemy may well vary across conflicts.

This budget invests in space, cyberspace, long range precision-strike and the continued growth of Special Operations Forces to ensure that we can still confront and defeat multiple adversaries even with the force structure reductions outlined earlier. It also sustains the nuclear triad of bombers, missiles and submarines to ensure we continue to have a safe, reliable and effective nuclear deterrent.

Even with some adjustments to force structure, this budget sustains a military that is the strongest in the world, capable of quickly and decisively confronting aggression wherever and whenever necessary. After planned reductions, the fiscal year 2017 joint force will consist of:

- An Army of more than 1 million Active and Reserve soldiers that remains flexible, agile, ready and lethal across the spectrum of conflict, with 18 divisions, approximately 65 Brigade Combat Teams, 21 Combat Aviation Brigades and associated enablers;
  - A Naval battle force of 285 ships—the same size force that we have today—that will remain the most powerful and flexible naval force on earth, able to prevail in any combat situation, including the most stressing anti-access environments. Our maritime forces will include 11 carriers, 9 large deck amphibious ships (although we should build to 10 such ships in fiscal year 2018), 82 guided missile cruisers and destroyers, and 50 nuclear powered attack submarines;
  - A Marine Corps that remains the Nation’s expeditionary force in readiness, forward deployed and engaged, with 31 infantry battalions, 10 artillery battalions and 20 tactical air squadrons; and
  - An Air Force that will continue to ensure air dominance with 54 combat coded fighter squadrons and the current bomber fleet, with the Joint Strike Fighter in production and the next generation bomber in development. Our Air Force will also maintain a fleet of 275 strategic airlifters, 318 C-130s and a new aerial refueling tanker.
5. Protect and prioritize key investments, and the capacity to grow, adapt, and mobilize

The force we are building will retain a decisive technological edge, leverage the lessons of recent conflicts and stay ahead of the most lethal and disruptive threats of the future.

To that end, the fiscal year 2013 budget:

- Provides \$11.9 billion for science and technology to preserve our ability to leap ahead, including \$2.1 billion for basic research;
- Provides \$10.4 billion (base and OCO) to sustain the continued growth in Special Operations Forces;
- Provides \$3.8 billion for Unmanned Air Systems by funding trained personnel, infrastructure, and platforms to sustain 65 USAF MQ-1/9 combat air patrols with a surge capacity of 85 by fiscal year 2016. We slowed the buy of the Reaper aircraft to allow us time to develop the personnel and training infrastructure necessary to make full use of these important aircraft. We also protected funding for the Army’s unmanned air system Gray Eagle;
- Invests \$3.4 billion in cyber activities, with several initiatives receiving increased funding relative to last year. The scale of cyber threats is increasing and we need to be prepared to defeat these threats, mitigate the potential damage, and provide the President with options to respond, if necessary. We are investing in full spectrum cyber operations capabilities to address the threats we see today and in the future. The Department is also pleased to see progress being made in Congress regarding cyber legislation and is supportive of the bipartisan legislation being introduced by Senators Lieberman and Collins; and

- Provides \$1.5 billion to fund the Department's Chemical and Biological Defense program.

At the same time, the strategic guidance recognizes the need to prioritize and distinguish urgent modernization needs from those that can be delayed—particularly in light of schedule and cost problems. Therefore this budget identifies about \$75 billion in savings over the Future Years Defense Program (FYDP) resulting from canceled or restructured programs. Key modifications and associated savings over the FYDP include:

- \$15.1 billion in savings from restructuring the Joint Strike Fighter by delaying aircraft purchases to allow more time for development and testing;
- \$1.3 billion in savings from delaying development of the Army's Ground Combat Vehicle due to contracting difficulties;
- \$2.2 billion in savings from curtailing the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System due to concerns about program cost and operational mobility;
- \$4.3 billion in savings from delaying the next generation of ballistic missile submarines by 2 years for affordability and management reasons; and
- \$0.8 billion in savings from delaying selected Army aviation helicopter modernization for 3 to 5 years.

We will also terminate selected programs, including:

- The Block 30 version of Global Hawk, which has grown in cost to the point where it is no longer cost effective, resulting in savings of \$2.5 billion;
- Upgrades to High Mobility Multipurpose Wheeled Vehicles; we will focus our modernization resources on the Joint Light Tactical Vehicle, resulting in savings of \$900 million; and
- The weather satellite program, because we can depend on existing satellites, resulting in savings of \$2.3 billion.

We have also invested in a balanced portfolio of capabilities that will enable our force to remain agile, flexible and technologically advanced enough to meet any threat. We will ensure that we can mobilize, surge, and adapt our force to meet the requirements of an uncertain future. To that end, ground forces will retain the key enablers and know-how to conduct long-term stability operations, and the Army will retain more mid-grade officers and noncommissioned officers. These steps will ensure we have the structure and experienced leaders necessary should we need to re-grow the force quickly.

Another key element is to maintain a capable and ready National Guard and Reserve. The Reserve component has demonstrated its readiness and importance over the past 10 years of war, and we must ensure that it remains available, trained, and equipped to serve in an operational capacity when necessary. We will maintain key combat support capabilities and ensure that combat service support capabilities like civil affairs are maintained at a high readiness level. We will also leverage the operational experience and institute a progressive readiness model in the National Guard and Reserves in order to sustain increased readiness prior to mobilization.

In keeping with the emphasis on a highly capable reserve, this budget makes only relatively modest reductions in the ground-force Reserve components. Over the next 5 years, the Army Reserve will be sustained at 205,000 personnel, the Army National Guard will marginally decrease from 358,200 to 353,200 personnel, and the Marine Corps Reserve will sustain an end-strength level of 39,600 personnel. The Navy Reserve will decrease from 66,200 to 57,100 personnel over the next 5 years. Over the same span, the Air Force Reserve will decrease from 71,400 to 69,500 personnel, and the Air National Guard will decrease from 106,700 to 101,200 personnel.

Another key part of preserving our ability to quickly adapt and mobilize is a strong and flexible industrial base. This budget recognizes that industry is our partner in the defense acquisition enterprise. A healthy industrial base means a profitable industrial base, but it also means a lean, efficient base that provides good value for the taxpayers' defense investments and increases in productivity over time.

#### ENSURING QUALITY OF THE ALL-VOLUNTEER FORCE

Now to the most fundamental element of our strategy and our decision-making process: our people. This budget recognizes that they, far more than any weapons system or technology, are the great strength of our U.S. military. All told, the fiscal year 2013 budget requests \$135.1 billion for the pay and allowances of military personnel and \$8.5 billion for family support programs vital to the well-being of servicemembers and their families.

One of the guiding principles in our decisionmaking process was that we must keep faith with our troops and their families. For that reason, we were determined

to protect family assistance programs, and we were able to sustain these important investments in this budget and continue efforts to make programs more responsive to the needs of troops and their families. Yet in order to build the force needed to defend the country under existing budget constraints, the growth in costs of military pay and benefits must be put on a sustainable course. This is an area of the budget that has grown by nearly 90 percent since 2001, or about 30 percent above inflation—while end strength has only grown by 3 percent.

This budget contains a roadmap to address the costs of military pay, health care, and retirement in ways that are fair, transparent, and consistent with our fundamental commitments to our people.

On military pay, there are no pay cuts. We have created sufficient room to allow for full pay raises in 2013 and 2014 that keep pace with increases in the private sector. That means for 2013, we propose a pay increase of 1.7 percent for servicemembers. However, we will provide more limited pay raises beginning in 2015—giving troops and their families fair notice and lead time before changes take effect. Let me be clear: nobody's pay is cut in this budget nor will anyone's pay be cut in the future years of this proposal.

This budget devotes \$48.7 billion to health care costs—an amount that has more than doubled over the last decade. In order to continue to control the growth of these costs, we are recommending increases in health care fees, co-pays and deductibles to be phased in over 4 to 5 years. None of the fee proposals in the budget would apply to Active-Duty servicemembers, survivors of servicemembers who died on Active Duty, or retirees who retired due to disability. Most of the changes will not affect the families of Active-Duty servicemembers—there will be no increases in health care fees or deductibles for families of active-duty servicemembers. Those most affected will be retirees—with the greatest impact on working-age retirees under the age of 65 still likely to be employed in the civilian sector. Even with these changes, the costs borne by retirees will remain below levels in most comparable private sector plans—as they should be.

Proposed changes include:

- Further increasing enrollment fees for retirees under age 65 in the TRICARE Prime program, using a tiered approach based on retired pay that requires senior-grade retirees with higher retired pay to pay more and junior-grade retirees less;
- Establishing a new enrollment fee for the TRICARE Standard/Extra programs and increasing deductibles;
- Establishing a new enrollment fee for the TRICARE-for-Life program for retirees 65 and older, also using a tiered approach;
- Implementing additional increases in pharmacy co-pays in a manner that increases incentives for use of mail order and generic medicine; and
- Indexing fees, deductibles, pharmacy co-pays, and catastrophic caps to reflect the growth in national health care costs.

We also feel that the fair way to address military retirement costs is to ask Congress to establish a commission with authority to conduct a comprehensive review of military retirement. But the President and the Department believe that the retirement benefits of those who currently serve should be protected by grandfathering their benefits. For those who serve today I will request there be no changes in retirement benefits.

#### FULLY SUPPORTING DEPLOYED WARFIGHTERS

The costs of Overseas Contingency Operations (OCO) are funded separately from the base budget in a stand-alone fiscal year 2013 request of \$88.5 billion. That funding level represents a decrease of \$26.6 billion from the fiscal year 2012 enacted level.

This year's OCO request, which ensures that deployed troops have all the financial resources they need to conduct their challenging missions, primarily supports operations in Afghanistan but also requests relatively small sums for the Office of Security Cooperation in Iraq (OSC-I) and the repair or replacement of equipment redeploying from Iraq.

Our fiscal year 2013 OCO request includes funding for added personnel pay and subsistence for deployed forces; communications; mobilizing Reserve component units; transportation; supplies; deployment and redeployment of all combat and support forces; force sustainment; and sustainment and replenishment of war reserve stocks.

For fiscal year 2013 we request \$5.7 billion in funding for the Afghan National Security Forces (ANSF). It is critically important that we maintain sufficient finan-

cial support to ANSF so that they can ultimately assume full security responsibility across Afghanistan.

Much tough fighting lies ahead in Afghanistan, but the gradually improving situation permits the remainder of the U.S. surge force to redeploy by the end of September 2012, leaving 68,000 U.S. troops in Afghanistan at that time. The fiscal year 2013 OCO request assumes a continued level of about 68,000 troops in Afghanistan. While future changes in troop levels may be implemented during fiscal year 2013, those decisions will be based on advice from field commanders about conditions on the ground.

In Iraq, OCO funding supports continued security assistance and cooperation with Iraqi Security Forces through the OSC-I in the areas of common interest, including counterterrorism, counter-proliferation, maritime security, and air defense. This funding is critical for the U.S. to strengthen its long-term partnership with Iraq. Additionally, to ensure that U.S. forces redeployed from Iraq are ready and equipped for future operations, this funding replenishes equipment and stocks for these forces.

#### A BALANCED PACKAGE

Members of the committee: putting together this balanced package has been a difficult undertaking and, at the same time, an important opportunity to shape the force we need for the future. I believe we have developed a complete package, aligned to achieve our strategic aims. We have achieved buy-in from the Service Secretaries, the Service Chiefs, combatant commanders, and the senior enlisted leaders of the Department.

Our strategy review preceded and guided the budgeting process. This strategy-first approach enabled the Department to balance strategic priorities, place individual budget decisions within a broader strategic context, and ultimately, to guide us in making some tough choices.

As a result, the fiscal year 2013 request is a carefully balanced package that keeps America safe and sustains U.S. leadership abroad. As you take a look at the individual parts of this plan, I encourage you to do what the Department has done: to bear in mind the strategic trade-offs inherent in any particular budget decision, and the need to balance competing strategic objectives in a resource-constrained environment.

Each decision needs to be judged on the basis of the overall strategy that it supports, recognizing that unwinding any one piece puts our whole package in jeopardy. The bottom line is that I believe there is little room for modification to preserve the force and capabilities we believe are needed to protect the country and fulfill assigned missions.

Ultimately that means we will need your support and partnership to implement this vision of the future military. I understand how tough these issues can be, and that this is the beginning and not the end of this process. Make no mistake: the savings we are proposing will impact all 50 States. But it was this Congress that mandated, on a bi-partisan basis, that we reduce the defense budget, and we need your partnership to do this in a manner that preserves the strongest military in the world. This will be a test of whether reducing the deficit is about talk or action.

My hope is that now that we see the sacrifice involved in reducing the defense budget by almost half a trillion dollars, Congress will be convinced of its important responsibility to make sure that we avoid sequestration. That would be a doubling of the cuts, another roughly \$500 billion in additional cuts that would be required to take place through a meat-axe approach, and that we are convinced would hollow out the force and inflict severe damage on our National defense.

So the leadership of this department, both military and civilian, is united behind the strategy that we have presented, and this budget. I look forward to working closely with you in the months ahead to do what the American people expect of their leaders: be fiscally responsible in developing the force for the future—a force that can defend the country, a force that supports our men and women in uniform, and a force that is, and always will be, the strongest military in the world.

Chairman LEVIN. Thank you, Secretary Panetta.  
General Dempsey.

#### **STATEMENT OF GEN MARTIN E. DEMPSEY, USA, CHAIRMAN, JOINT CHIEFS OF STAFF**

General DEMPSEY. Thank you, Chairman Levin, Senator McCain, distinguished members of the committee. Thank you, as always, for



this opportunity to discuss the President's defense budget proposal for fiscal year 2013. This budget represents a responsible investment in our Nation's security. At its core, it is an investment in people, the sons and daughters of America who serve this Nation in our military. Allow me to open with a few words about them and what they have accomplished.

The last 10 years of war have been among the most challenging in our Nation's military history. Through it all, the joint force has persevered and it has prevailed. Our families have stood with us deployment after deployment and so have you. Together, we have fulfilled our solemn vow to protect and defend America, her citizens, and her interests.

As I sit with you today, our service men and women remain globally engaged. They are deterring aggression, developing partners, delivering aid, and defeating our enemies. They stand ready, strong, and swift in every domain, every day.

I had the privilege to be with a few of them while traveling to Afghanistan and Egypt this past week. As always, I witnessed extraordinary courage and skill—in the young soldiers just off patrol in the deep snows of the Hindu Kush, in the men and women of the NATO training mission managing the development of the Afghan National Security Forces (ANSF), and the brave and vigilant Marine Corps security detachment in our embassy in Cairo, and in the superb junior airmen who flew us to the right place at the right time.

They exemplify a professional military with a reliable record of performance. In just the past year, for example, we further crippled al Qaeda. We helped protect the Libyan people from near-certain slaughter, while affirming NATO's important role beyond the borders of Europe. We brought to a close more than 20 years of military operations in and over Iraq and, like we did in Iraq, we are steadily transitioning responsibility for security onto Afghan shoulders. We also helped Japan recover from a perfect storm of tragedy and destruction.

Of course, these were just the most visible accomplishments. Behind the scenes and beneath the surface, we defended against cyber threats, sustained our nuclear deterrent posture, and worked with allies and partners to build capacity and to prevent conflict across the globe. We continue to provide this Nation with a wide range of options for dealing with the security challenges that confront us.

An increasingly competitive and uncertain security environment demands that we be alert, responsive, adaptive, and dominant. This budget helps us do that. It's informed by a real strategy that makes real choices. It maintains our military's decisive edge and our global leadership. Moreover, it ensures we keep faith with the true source of our military strength, and that is our people.

With this in mind, allow me to add a few additional comments to those of the Secretary. First, this budget should be considered holistically. I caution against viewing its programs in isolation because it represents a comprehensive and carefully devised set of decisions. It achieves balance among force structure, modernization, pay, and benefits. Changes that are not informed by this context risk upending the balance and compromising the force.

Second, this budget represents a way point, not an end point, in the development of the joint force we will need for 2020 and beyond. It puts us on a path to restore versatility at an affordable cost. Specialized capabilities, once on the margins, become more central, even while we retain conventional overmatch. It builds a global and networked joint force that is ably led and always ready.

Third, this budget honors commitments made to our military families. It does keep faith with them. There are no freezes or reductions in pay. There's no lessening in the quality of health care received by our Active-Duty servicemembers and medically wounded veterans.

That said, we cannot ignore the increasing costs of pay and benefits. To manage costs, we need pragmatic reform. All of this can be done in a way that preserves our ability to recruit and retain America's talented youth.

Finally, all strategies and the budgets to resource them carry risk. This one is no different. In my judgment, the risk lies not in what we can do, but in how much we can do and how often we can do it. This budget helps buy down that risk by investing in our people and in the joint capabilities they most need.

To close, thank you. Thank you for keeping our military strong. Thank you for taking care of our military families, for supporting those who serve and who have served and who will serve. I know you share my pride in them. I look forward to your questions.

[The prepared statement of General Dempsey follows:]

PREPARED STATEMENT BY GEN MARTIN E. DEMPSEY, USA

Chairman Levin, Senator McCain, and distinguished members of the committee, it is my privilege to update you on the state of the United States' Armed Forces and to comment on the President's budget proposal for fiscal year 2013. The context for this year's posture testimony is unique. Our military has transitioned many of our major operations, and we have a new Defense Strategic Guidance that sets priorities. We are also facing real fiscal constraints and an increasingly competitive security environment. The President's proposed fiscal year 2013 defense budget accounts for these realities. It provides a responsible investment in our Nation's current and future security.

GLOBAL MILITARY OPERATIONS

Today our Armed Forces stand strong. We are proud of the performance and accomplishments of our men and women in uniform over the past year. They have carried out far-ranging missions with much success. They have defended our Homeland, deterred aggression, and kept our Nation immune from coercion. Despite a decade of continuous combat operations, our troops and their families remain resilient.

U.S. Forces-Iraq recently completed its mission. More than 20 years of military operations in and over Iraq came to conclusion. The security of Iraq is now the responsibility of the Iraqi people, leaders, and security forces. We have transitioned to a normal military-to-military relationship. Diplomats and civilian advisors are now the face of the United States in Baghdad. To be sure, Iraq still faces challenges to the country's future. But as we look to that future, we will continue to build ties across Iraq to help the people and institutions capitalize on the freedom and opportunity we helped secure.

In Afghanistan, we are seeing the benefits of the surge in combat forces begun in early 2010. The security situation is improving. By nearly every measure, violence has declined. The Taliban are less capable, physically and psychologically, than they were 2 years ago. Afghan and International Security Assistance Forces (ISAF) have maintained persistent pressure on insurgent groups and have wrested the initiative and momentum from them in much of the country. But these groups remain determined, and they continue to threaten the population and the government. Combat will continue.

Key to long-term stability in Afghanistan is the development of the Afghan National Security Forces (ANSF). In 2011, the Afghan National Army grew by 18 percent. The Afghan National Police grew by 20 percent. These forces, combined with the nascent but ever more capable Afghan Local Police, are steadily assuming responsibility for Afghan security. The process of transition began in July, and today, after nearly completing the second of five “tranches” of transition, Afghan security forces are now responsible for the day-to-day security of almost half of Afghanistan’s population. Developing the ANSF, degrading insurgent capabilities, and turning over responsibilities have allowed us to begin a measured draw down of our forces in Afghanistan. We have withdrawn over 10,000 of the surge troops and will withdraw the remaining 23,000 by the end of this summer. By that time, we expect the ANSF to achieve their initial operating capability and to be responsible for securing nearly two-thirds of the Afghan population. They are on track to meet the goal of assuming full lead for security by the end of 2014.

Sustaining progress in Afghanistan requires dealing with some significant challenges. The ANSF and other national and local government institutions require further development. Corruption remains pervasive and continues to undermine the capacity and legitimacy of government at all levels. Insurgent sanctuaries in Pakistan remain largely uncontested. Ultimately, much more work remains to achieve the political solutions necessary to end the fighting in Afghanistan.

Our military has been vigilant and active in other areas and with other missions to keep America and our partners safe. We decapitated al Qaeda and pushed this terrorist network decidedly closer to strategic defeat through the successful special forces operation targeting Osama bin Laden. We supported NATO in its U.N. mission to protect civilians in Libya allowing them to end Muammar Qaddafi’s tyrannical rule. We responded quickly to the devastating earthquakes and tsunami that struck Japan, saving lives and acting on our commitment to this key ally. We fended off cyber intrusions against our military’s computer networks and systems. We helped counter aggression and provocation from Iran and North Korea.

#### A TIME OF TRANSITION

While our military continues to capably and faithfully perform this wide array of missions, we are currently in the midst of several major transitions. Any one of them alone would be difficult. Taken together, all three will test our people and our leadership at every level.

First, we are transitioning from a war-time footing to a readiness footing. With the end of our operations in Iraq and Libya and the ongoing transition of security responsibilities in Afghanistan, our troops are steadily returning home. From a peak of more than 200,000 troops deployed to combat 2 years ago, we have fewer than 90,000 today. This shift cannot lead us to lose focus on ongoing combat operations. But, it does mean we must give attention to restoring our readiness for full spectrum operations. We need to reset and refit, and in many cases replace, our war-torn equipment. We need to modernize systems intentionally passed over for periodic upgrading during the last decade. We must retrain our personnel on skills used less often over the last decade. We will have to do all of this in the context of a security environment that is different than the one we faced 10 years ago. We cannot simply return to the old way of doing things, and we cannot forget the lessons we have learned. As described in the Department’s recently released strategic guidance, we should adjust our missions, our posture, and our organizational structure in order to adapt to ever evolving challenges and threats.

Second, our military is transitioning to an era of more constrained resources. The days of growing budgets are gone, and as an institution we must become more efficient and transparent. We must carefully and deliberately evaluate trade-offs in force structure, acquisition, and compensation. We must make the hard choices, focus on our priorities, and overcome bureaucratic and parochial tendencies. In sum, we must recommit ourselves to being judicious stewards of the Nation’s resources.

Third, tens of thousands of our veterans—and their families—are facing the transition to civilian life. Many enlistments are coming to their normal conclusion, but we are also becoming a leaner force. As we do this, we must help our veterans find education opportunities, meaningful employment, and first-class health care. We must pay particular attention to those bearing the deepest wounds of war, including the unseen wounds. We must help those who have given so much cope with—and where possible, avoid—significant long-term challenges such as substance abuse, divorce, depression, domestic violence, and homelessness. Addressing these issues is not the exclusive responsibility of the Services or veterans organizations. How we respond, as a military community and as a Nation, conveys our commitment to our

veterans and their families. It will also directly affect our ability to recruit and retain our Nation's best in the future.

I have outlined several priorities for the Joint Force to help us anticipate and navigate the challenges these transitions present. We will maintain focus on achieving our national objectives in our current conflicts. We will begin creating the military of our future—the Joint Force of 2020. We will also confront what being in the Profession of Arms means in the aftermath of war. Above all else, we will keep faith with our military family. In doing all these things, we will provide an effective defense for the country and strengthen the military's covenant of trust with the American people.

#### A RESPONSIBLE INVESTMENT

The President's fiscal year 2013 Department of Defense base budget of \$525 billion and overseas contingency operations (OCO) budget of \$88 billion represent a responsible investment in our Nation's security. The decisions underlying them flow from the strategic guidance the Department of Defense issued last month. This guidance set priorities for assessing our programs, force structure, and spending in the context of a persistently dangerous and increasingly competitive security environment. With those priorities in mind, the budget proposal strikes an appropriate and necessary balance between succeeding in today's conflicts and preparing for tomorrow's challenges. It accounts for real risks and real fiscal constraints, marrying versatility with affordability.

The tradeoffs were complex, and the choices were tough. They will produce \$259 billion in savings over the next 5 years and a total of \$487 billion over the next 10 years. They will not lead to a military in decline. Rather, this budget will maintain our military's decisive edge and help sustain America's global leadership. It will preserve our ability to protect our vital national interests and to execute our most important missions. Moreover, it will keep faith with the true source of our military's strength—our people.

The merits of this budget should be viewed in the context of an evolving global security environment and a longer term plan for the Joint Force. Coming on the heels of a decade of war, this budget begins the process of rebalancing our force structure and our modernization efforts and aligns them with our strategy. Essentially, we are developing today the Joint Force the Nation will need in 2020, and our plans to build this force will unfold over the course of several budget cycles. This budget is the first step—a down payment. If we fail to step off properly, our recovery will be difficult, and our ability to provide the Nation with the broad and decisive military options will diminish.

It is worth addressing head-on some of the major changes we are planning as we adapt to changing global opportunities and challenges. Just as this budget must be viewed in the context of a broader plan, these changes must be viewed in the context of our evolving force. They represent a comprehensive, carefully devised package of decisions that strikes a fine balance. They are not, and cannot be viewed as, individual, isolated measures. In all cases, needed capabilities are preserved or, when necessary, generated, through one or several programs.

This budget will make critical investments in our future force. Certain specialized capabilities, once on the margins, will move to the forefront. Networked special operations, cyber, and Intelligence, Surveillance, and Reconnaissance will become increasingly central. The results will be a Joint Force that is global and networked, that is versatile and innovative, and that is ably led and always ready. This force will be prepared to secure global access and to respond to global contingencies. We will be a military that is able to do more than one thing at a time—to win any conflict, anywhere.

Particular attention will be placed on our anti-access/area-denial capabilities. The proliferation of technology threatens our unfettered access to the global commons—access that is fundamental to global commerce and security. As we rebalance our global posture to emphasize the Asia-Pacific region and the Middle East, we are adjusting our operating constructs and the systems we employ. This includes divesting some outdated ships, planes, and equipment as well as investing in new programs. We will also commit to our partnerships and to helping develop our partners' security capabilities.

Similarly, this force will place added focus on our military's cyber defense capabilities. The threats to the average American's day-to-day life and our military capabilities that emanate from cyber space have evolved faster than many could have imagined. We must adapt to these threats with similar adroitness and capacity. This budget allows for us to expand many of our nascent cyber capabilities and to better protect our defense networks. Similarly, bipartisan cyber legislation being in-

troduced in Congress is a good first step in developing protection for our Nation's critical infrastructure. With much work to be done, we look forward to working with agencies across the government and with our allies and partners to confront this broad range of emerging threats.

While some additional capabilities for our Joint Force will be needed, others will not. The Joint Force of the future will be leaner than today's. We will no longer be sized for large scale, prolonged stability operations. As a result, we expect to draw down the Army from 562,000 to 490,000 by the end of fiscal year 2017, and the Marine Corps from over 202,100 to 182,100 by the end of fiscal year 2016. Some of this reduction was planned several years ago when Congress authorized temporary end strength increases to support our operations in Iraq and Afghanistan.

But in making ourselves leaner, we will not make the mistakes of previous draw downs. We will not retain organizational structures that lack the people, training, and equipment necessary to perform the tasks we expect from them. We will be realistic about the organizations we keep, while also maintaining our ability to reconstitute and mobilize forces. We will still be able to respond to any large scale mobilization against us. To do this, the Joint Force will retain capacity in our Reserve components and our industrial base should they be required to surge. We will maintain the Army Reserve end strength at 205,000 and reduce the Army National Guard by only 5,000 down to 353,200. The Marine Corps Reserves will be retain their current strength.

Another major concern among our troops, their families, retirees, and with the American public is military compensation and benefits. I want to make it clear that cuts in spending will not fall on the shoulders of our troops. There are no proposed freezes or reductions in pay. There is no change to the high quality health care our Active-Duty members and medically retired Wounded Warriors receive. But we cannot ignore some hard realities. Pay and benefits are now roughly one third of defense spending. Pay will need to grow more slowly in the future. We are also proposing a commission to review of military retirement. To control the growth of healthcare costs, we are also recommending changes to TRICARE. These adjustments include modest, new or phased-in increases in health care fees, co-pays, and deductibles largely for our retirees—but not our Active-Duty servicemembers. Even with these increases, TRICARE will remain one of the finest medical benefits in the country.

Overall, these proposed changes value both the demands of military service and our duty to be good stewards of the Nation's fiscal resources. They will sustain the recruitment, retention, and readiness of the talented personnel we need. Most importantly, they will sustain our enduring commitment to our troops and their families—we must never break faith with them. I want to note, however, that keeping faith with our service men and women is not just about pay and benefits. It is also about ensuring we remain the best trained, best equipped, and best led force on the planet.

The last, and perhaps most critical issue, is risk. This budget and the strategy it supports allow us to apply decisive force simultaneously across a range of missions and activities around the globe. They mitigate many risks, but they accept some as well, as all strategies must. The primary risks lie not in what we can do, but in how much we can do and how fast we can do it. The risks are in time and capacity. We have fully considered these risks, and I am convinced we can properly manage them by ensuring we keep the force in balance, investing in new capabilities, and preserving a strong Reserve component. We can also compensate through other means, such as effective diplomacy and strong partnerships. I believe that these risks are acceptable and that we will face greater risk if we do not change from our previous approaches.

#### CONCLUSION

In the upcoming year, our Armed Forces will build on the past year's achievements, adapt to emergent challenges, seize new opportunities, and continue to provide for our common defense. We will continue to face threats to our security, whether from aggressive states or violent terrorist organizations. But our military will be ready for them, and our response will be a source of pride for the American people. In all of our efforts, we will aim to maintain strength of character and professionalism—at the individual and institutional level—that is beyond reproach.

As we embark on this critical new course, we will need Congress' support to help us build the Joint Force the Nation needs and to strengthen our relationship with the American people. As I stated before, this budget and the choices that underlie it should be understood in the context of the comprehensive, carefully balanced, multi-year plan they support. These choices were tough. Some decisions will be con-

troversial. But they call for an investment that allows our force to take the steps necessary to ensure our Nation's defense for years to come. We ask Congress to support this budget and, more importantly, to avoid the deep and indiscriminant cuts that sequestration would impose.

I thank this committee, and the entire Congress, for all you have done to support our men and women under arms and their families. Your resolute attention to their needs and to our security has been both invaluable and greatly appreciated.

Chairman LEVIN. Thank you so much, General.

Mr. Hale, do you have any opening comments to make?

Mr. HALE. No, sir, thank you.

Chairman LEVIN. Okay, let's have a 7-minute round. I doubt that we'll get to a second round, but if there is any time after our first round, because I expect a good turnout, we will try a very short second round.

General Dempsey, let me start with you. Do you and each of the Joint Chiefs of Staff fully support the new Defense Strategic Guidance?

General DEMPSEY. Yes, Senator, we do.

Chairman LEVIN. Do you and each of the Joint Chiefs of Staff fully support the President's fiscal year 2013 budget request?

General DEMPSEY. Yes, Senator, we do.

Chairman LEVIN. Now, can you tell us why?

General DEMPSEY. Because we addressed it in the order in which you just presented it. Faced with the reality of a new fiscal environment, we took a look at our strategy and we made what we thought were important adjustments to it, not just based on the new fiscal reality, but also based on the lessons of 10 years of war and where we thought the security environment would take us in the out-years.

I'm an advocate of looking beyond this particular budget submission, out to 2020, and we did that, with not only the Service Chiefs, but also with the combatant commanders. Then, having decided on what adjustments to make to our strategy, we built a budget to support it. So for that reason, we support it.

Chairman LEVIN. General, you made reference to the risks that are increased when there are budget reductions. Would you expand on that, as you did in your prepared testimony, as to whether those risks are acceptable and why?

General DEMPSEY. As I said, Senator, every strategy incurs risks because there's never—at least I've never in my 38 years experienced any strategy that was completely unconstrained. So I think it's important to note that there's always risk in every strategy and in every budget to support it.

There's two kinds of risk we deal with. One is risk to our missions: Can we accomplish the tasks given to us by the national command authority for freedom of access, to defeat our enemies, to deter aggression? Then the other is risk to force, which gets at a phrase that would be familiar to you in terms of operations tempo: How much can we ask of the All-Volunteer Force in terms of its deployments and redeployments and redeployments?

In both cases, we assess the risk to mission and the risk to force. We have found that there are portions of our capabilities that are more stressed. Again, that's not anything new to us. What we've been doing now for the past month and will continue to do is to look for ways to mitigate those risks.

But we're very confident, because we've worked this collaboratively, that we can mitigate risks by adapting lessons from the last 10 years of war, new emerging capabilities. I've mentioned two notable ones to you in the past, special operating forces and cyber. The integration of all those and the interdependence of the joint force is what allows us to mitigate the risk to our operations plans and to do so at a sustainable rate.

But there are risks, because there is always uncertainty in the future.

Chairman LEVIN. Now to both of you: The OCO funding level of \$88.4 billion is based on the assumption that there will be 68,000 U.S. troops in Afghanistan for all of fiscal year 2013. You reiterated that, Secretary Panetta, in your opening statement. Now, that assumes that there will be no further drawdown of U.S. forces from Afghanistan during the 12 months after the 33,000 U.S. surge forces are withdrawn by the summer of this year. That's what the budget assumes.

But last June, when the President announced the plans for the drawdown of the U.S. surge forces, he also said that after reduction of those surge forces, "Our troops will continue to come home at a steady pace, as ASF move into the lead."

First, General Dempsey, are we on track to complete the withdrawal of the 33,000 U.S. surge force this summer?

General DEMPSEY. Yes, sir, we are. If I could just elaborate a bit, General Allen's already reduced the force by 10,000. I don't yet have his plan for the reduction of the additional 23,000, but in a visit with him last week he assured me that he would have that plan to us by about the 1st of April.

Chairman LEVIN. Do you continue to support the President's decision to withdraw the U.S. surge force by the end of the summer?

General DEMPSEY. I do and will continue to do so, unless General Allen comes back in to me and tells me we're incurring too much risk. But my own personal observation at this point is yes.

Chairman LEVIN. Secretary Panetta, how do you square the fiscal year 2013 OCO funding assumption that the troop level of 68,000 will remain in Afghanistan through fiscal year 2013 with the President's statement that U.S. troops will continue to draw down after this summer "at a steady pace as ASF assume the lead for security"?

Secretary PANETTA. Mr. Chairman, as the President stated, we'll continue that process. But at this point, no decisions have been made as to how that will take place, because we're focusing, obviously, on the drawdown of the surge. The number that we have there is, frankly, a target number in order to support the OCO funding that we would need for the future.

Chairman LEVIN. Will the decision be made as to when reductions will be made from the 68,000 level—and that level, again, is going to be reached by the end of this summer. When will that decision be made on further reductions after the 68,000 level is achieved?

Secretary PANETTA. I think the target right now is obviously to focus on the reduction of the surge. As General Dempsey pointed out, we haven't received the plan from General Allen as to how we'll complete the reduction of 23,000. Once we've done that and

we've learned the lessons from that, I think then we would apply it to deciding the next steps with regards to further reductions.

Chairman LEVIN. That will be done by the end of the summer as currently contemplated?

Secretary PANETTA. Right.

Chairman LEVIN. So when would the next decision be made on reductions beyond the surge reductions?

Secretary PANETTA. I suspect we'll begin that discussion process in the latter part of this year.

Chairman LEVIN. Begin it or make a decision by the end of the year?

Secretary PANETTA. I assume we'll begin it, and if we're fortunate, we'll be able to make that decision. But the first thing is to discuss the lessons that we've learned and what we should apply and what level of force are we going to need for 2013.

Chairman LEVIN. Do you assume there will be further reductions beyond the 68,000 during fiscal year 2013?

Secretary PANETTA. Again, no decisions have been made.

Chairman LEVIN. You assume that there will be.

Secretary PANETTA. I assume that, in line with what the President said, we'll continue to make transitions downward.

Chairman LEVIN. Would there be savings then from any additional reductions below 68,000?

Secretary PANETTA. Will there be savings? Of course. Whatever we decide to do, it will achieve some savings.

Chairman LEVIN. Senator McCain.

Senator MCCAIN. I thank the witnesses again.

General Dempsey, were you asked by the administration to perform a risk assessment to our national security interests as a result of these cuts?

General DEMPSEY. I have been asked and it's also codified in the National Defense Authorization Act (NDAA) that I perform a Chairman's risk assessment annually.

Senator MCCAIN. Is that forthcoming?

General DEMPSEY. I have completed it. DOD has it, and they are required to submit with it a risk mitigation strategy.

Senator MCCAIN. So we have not received your risk assessment yet?

General DEMPSEY. You have not, sir.

Senator MCCAIN. I want to return just for a second. Secretary Panetta, you again talk about the cataclysmic effects of sequestration. We are in total agreement. I hope in your meetings with the President that you will urge him to sit down with us and see if there are ways that we can avoid the effects of this.

Have you made any plans yet to comply with the effects of sequestration in 2013?

General DEMPSEY. No, we haven't.

Senator MCCAIN. In your view, Secretary Panetta, is Iraq a stable and self-reliant nation?

Secretary PANETTA. Iraq is a nation that has the capability to govern and secure itself. Does it continue to face risks in that process? Does it continue to face challenges in that process? It certainly does.



Senator MCCAIN. Do we still have U.S. military forces operating in Iraq?

Secretary PANETTA. We have a small number that are assigned there, approximately, I believe the number we're looking at is about 600 military and civilians that are assigned to the security operations there.

Senator MCCAIN. General Dempsey, I know you just returned from Egypt. All Americans are concerned about the events there concerning Americans who have had to move to the U.S. embassy in order to preserve their safety and security. We realize the absolute criticality of our relationship with Egypt and the role that Egypt plays in the Middle East. What advice, what recommendation, do you have as to how the U.S. Government should be handling this very, very tough situation?

General DEMPSEY. Senator, I had planned this trip to Egypt before the nongovernmental organization crisis, and it is a crisis, occurred. So when I met with Field Marshal Tentawi, General Annan, and General Mwafi, the key leaders with whom we interact and have interacted for decades, I explained to them that I was coming there to talk to them about our military-to-military relationship, about Syria, about Lebanon, about the Sinai, but that I couldn't do that because we had this issue that was an impediment to that. I spent about a day and a half in conversation with them, encouraging them in the strongest possible terms to resolve this so that our military-to-military relationship could continue.

Senator MCCAIN. The result of those conversations?

General DEMPSEY. I am convinced that potentially they were underestimating the impact of this on our relationship. When I left there, there was no doubt that they understood the seriousness of it.

But I'd like to add, Senator, I know of the amendment that's being proposed to break our military relationship and cut off all aid, and I think my personal military judgment is that would be a mistake.

Senator MCCAIN. I want to assure you that we are discussing that and ways to certainly avoid that action at this time. But I hope you explain to the rulers, who are the military and leftovers from the Mubarak regime, that this situation is really not acceptable to the American people. Our relationship with Egypt is vital, but the fact is that the welfare of our citizens is even more vital.

General DEMPSEY. We completely agree, sir, and I did make that clear.

Senator MCCAIN. General, would you think it's a good idea to trade five high-ranking Taliban as a, "confidence-building measure" to move the negotiations with the Taliban forward?

General DEMPSEY. I have some issues with the reconciliation, but generally speaking I'm in support of reconciliation. But I am concerned about our ability to maintain vigilance and control of those individuals. So I am supportive of reconciliation.

Senator MCCAIN. I don't know of any living person who isn't.

General DEMPSEY. I join that group.

Senator MCCAIN. Does that mean that you, at this particular moment in time, would support the trade or the release to Qatar, un-

derstanding that under very loose security conditions, would be advisable at this time?

General DEMPSEY. Sir, the Secretary has some certification requirements by law, and I'm supportive of the Secretary of Defense's approach to that and supportive of his effort to ensure we have those certifications.

Senator MCCAIN. Again I ask, with respect, for your opinion as to whether you think it's a good idea or not at this time?

General DEMPSEY. Yes, I do.

Senator MCCAIN. Do you agree that it's a good idea, Secretary Panetta?

Secretary PANETTA. Absolutely no decisions have been made along this line. I can tell you this, that, based on the law that's passed by Congress, I have to certify that anybody who leaves Guantanamo cannot wind up going back to the enemy, and I have to be convinced that those kinds of protections are in place before I certify that anything like that happens. I have made very clear that unless I am convinced that in this kind of situation those steps are taken to ensure that these individuals do not wind up going back to the battlefield, I'm not going to certify that kind of transfer.

Senator MCCAIN. Even though approximately a quarter of those who have been released in the past have gone back into the fight.

What is the progress of our negotiations with the Afghan Government, President Karzai, on a long-term security agreement, which we failed to reach in Iraq? What are the prospects of that and what are you expecting, and can you give us a timeframe?

Secretary PANETTA. We are continuing to work with President Karzai and our counterparts in Afghanistan to try to develop and agree on a strategic agreement. There are two areas that we still have difficulties with, one of which involves the transfer of detention facilities. The other involves night-time raids. We continue to try to see if we can work out some kind of compromise on those issues.

As far as the basic agreement, I think most of the elements, frankly, are in place. So I'm confident that, hopefully within the next few weeks, we'll be able to reach some kind of agreement.

Senator MCCAIN. I thank you. I thank the witnesses. I would just add a comment. General, when the enemy thinks you're leaving, it's very unlikely in my study of history that they're ready to make an agreement, and they certainly have that impression throughout that part of the world.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Mr. Secretary, General Dempsey, Mr. Hale, good morning and thank you for your service and your testimony.

As I look at the budget that's been submitted and I hear your testimony today, it seems to me that in this budget the U.S. military and our national security are being asked to pay the price for the fiscal irresponsibility of our government over the last decade. The budget that you've submitted to us certainly in its bottom line is one that you were mandated to submit by the BCA that Con-

gress adopted and the President signed last summer. But I must say as one member of this committee, one Member of the U.S. Senate, that as I look at what you have had to do to meet the bottom line requirements of the BCA, it represents, in my opinion, unacceptable risk to our national security, without proportionate changes in the threats that we face around the world.

This budget for the coming fiscal year would represent an 8 percent reduction in spending beneath what was planned in the 5-year defense plan for the coming year, a 9 percent reduction for the 5 years. It, as we've discussed, would require the reduction of our Army and Marine Corps by 125,000 personnel. It would call for the termination or delay of several, in my opinion, critical defense equipment systems.

It's hard for me to conclude that there's any reason you would make such a recommendation other than the fact that you're required by law to do it. In other words, what drives this presentation is the budgetary pressure, as I said, the accumulated weight of the fiscal irresponsibility of our government over the last decade, and the specific requirement of the BCA, not the threat environment in the world.

Mr. Secretary, as you said, and I agree, this morning: "The United States still faces a complex array of security challenges across the globe. We're still a nation at war in Afghanistan. We still face threats from terrorism. There's dangerous proliferation of lethal weapons and materials. The behavior of Iran and North Korea threaten global stability. There's continuing turmoil and unrest in the Middle East. Rising powers in Asia are testing international relationships and there are growing concerns about cyber intrusions and attacks," said by you, Mr. Secretary, this morning.

I agree with all that, and I think in that context my conclusion, I state again, is that there's always risk, but that the risk involved in this budget is unacceptable. Therefore, I believe that we have to have the political courage both in facing the budget for fiscal year 2013 and the threat of sequestration to work together across party lines and with the President and the administration to reduce the impact of these proposed cuts. We have to do it responsibly.

We either have to find savings elsewhere or we have to have the political guts to raise revenues to pay for an adequate defense to, in my opinion, fulfill our constitutional responsibility to provide for the common defense.

You have complied with the BCA in making this budget recommendation to us, but in my opinion, if we accept it, we're not fulfilling our responsibility under the Constitution to provide for the common defense. So I hope we can work together to essentially alter what we required you to do in the BCA and to do it in a fiscally responsible way.

There is risk here and I appreciate, General Dempsey, that in response to Senator McCain's question, you said that you'd be preparing a Chairman's risk assessment for us. The Defense Strategic Guidance that DOD did, issued in January, really is the equivalent of a follow-on to a Quadrennial Defense Review (QDR). In the QDR, of course, we require a Chairman's risk assessment.

I hope, Mr. Chairman, Senator McCain, that we don't act on this request and that the Appropriations Committees don't act on a

budget request for DOD, before we get your risk assessment, because I think it's that important.

But for now, since, Mr. Secretary, you said quite directly, with the directness that we've come to expect of you, that there is risk here, inevitably. You can't cut this much money out of the defense budget without risk. So I wanted to ask you and General Dempsey in advance of the formal report, what are the two or three top risks that you are concerned about that this budget places on our military and on our national strategy?

Secretary PANETTA. Senator, first of all, I'm abiding by the law, the law that was passed by Congress that required the reductions that we've proposed. I think, just to your comment, we have tried to step up to the plate and do our duty here. I think in weighing how you address this issue, you also have to take into consideration the national security threat that comes from the huge deficits and the huge debt that we're running. We're running a debt now that's comparable to our gross domestic product (GDP). At some point, Congress and the President have to address that larger issue. What I'm doing here is basically doing my part, as dictated by Congress.

With regards to the threats, as I said, you can't take a half a trillion dollars out of the defense budget and not incur some risks. The main concerns that I see are that we are going to have a smaller force, and when you have a smaller force the ability to move that force where you have to is not going to be as easy as it would be with a larger force, the ability to move quickly, to be agile, to be able to deploy them. I think we can do it under the plan we've presented, but it clearly is an additional risk.

The risk of mobilizing if we face a serious crisis and we have the need to mobilize, our ability to mobilize quickly, to pull the force together, as we had to do, frankly, after September 11, our ability to be able to do that and respond quickly and be able to deploy that force involves some risks. I think we've designed the way to do that by keeping a strong Guard and a strong Reserve, but nevertheless, that's an additional risk.

We depend an awful lot on technology here. I think technology is very important, but our ability to develop that technology, to make sure that it works, to make sure that we have that leap-ahead capability, is something that involves some risks.

Lastly, as I said, when you shave the budget by a half a trillion dollars, it leaves very little margin of error.

Senator LIEBERMAN. Right.

Secretary PANETTA. That, I think, is probably the biggest risk of all.

General DEMPSEY. If I have time, Senator, I'd like to respond, because I will preview my risk assessment for you. I did not assess unacceptable risk in my assessment, and I don't believe this budget incurs unacceptable risk. I will tell you that I am prepared to say that sequestration would pose unacceptable risk, and here's why it's important to note.

It's pretty clear. There's physics involved. In this budget we have decided to off-ramp a certain number of service men and women, and we've about maxed out our ability to do that with the proper dignity and respect to the force. So 10,000, 15,000 a year is about

as many as you can ask to leave and still have enough influence on how they do that.

That's maxed out right now. It's pretty clear to me that we're going to have some challenges with infrastructure and changes to it, whether this committee and others agree with our recommendation for BRAC. So if we fix those two variables in sequestration, I can't ask soldiers, sailors, airmen, and marines to leave quicker than they're going to leave, and I can't touch infrastructure—sequestration leaves me three places to go to find the additional money: operations, maintenance, and training. That's the definition of a hollow force.

Senator LIEBERMAN. I thank you both for your answers. They're helpful to me. With all respect, I consider this budget to represent unacceptable risk to our national strategy, and I hope members of this committee across party lines will work together to reduce that risk in a fiscally responsible way.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me just get on the record, Secretary Panetta, that there will be some of us at this table, and I'd be one of them, that would be opposing another BRAC round, really for two reasons: one, I think we've reduced our force, our capability, to an unacceptable level, and to bring our infrastructure down to meet what I consider to be as a member of this committee an unacceptable level, I think, is something I would not want to do.

Then the second thing is, the problem we're facing right now is really an immediate problem. Everything is on fire. We're trying to put out the biggest fires. I'm going from memory now, but as I recall, all these BRAC rounds—and I've been here since the very first one—you lose money in the first 5 years. So it's not going to really gain anything in terms of that. So there's going to be opposition up here.

Secretary Panetta, I saw you on television on 60 Minutes, and I didn't envy you when you had to answer the question, to stop and think about how many combat operations there are, and you started counting on your fingers. So it is something that we've been talking about here. It is something very serious.

But when you talk about the budget, I just want to get in here, so that—now that we have the President's new budget, we keep hearing about inheriting deficits and all of this. During the 8 years of President Bush, and these are the Office of Management and Budget's (OMB) figures, it was right at \$2 trillion. This President in his budget that he's proposed is \$5.3 trillion in just 4 years. So, obviously, you're talking about just a huge amount of money.

I saw in this morning's Washington Post they're talking about everything is growing in government, except—there it is—the military. I agree with the statements of the two previous speakers, that this is supposed to be our number one concern up here, defending our country.

So anyway, I just would like to not press the thing. It's already been talked about enough on risk. But I only ask the question:

When you actually meet with the Chairman and you come up with your risk assessment, when did you say that would be?

Secretary PANETTA. I anticipate it will be over here by the end of the month.

Senator INHOFE. Okay.

One of the commands that doesn't get a lot of attention is U.S. Africa Command (AFRICOM), and we remember that was divided into three commands. I think everyone in this room knows that we have done the right thing. However, I look at it as the forgotten command. It doesn't seem to get the attention.

One of the things about AFRICOM is it gets its resources from the U.S. SOF that are in Europe, and right now, excepting the fact that as the pressure gets on in the Middle East, a lot of the terrorism, the potential terrorism, is going down through Djibouti and the Horn of Africa and spreading out there, so one of the great things that's happening with AFRICOM is the SOF are training the Africans.

The number breaks down to about one SOF guy or gal is going to be responsible for 100 forces. I've seen this down there. I know it's happening. So the question I'd ask you, do you think there are impacts by moving out of the U.S. European Command (EUCOM) some of the SOF insofar as Africa is concerned?

Secretary PANETTA. First, I agree with you on the benefits of having an AFRICOM focused on those issues on that continent. Actually, we source our requirements into Africa and elsewhere through a global force management process. So it tends to be that European SOF have a particular habitual relationship, but there could be SOF and, for that matter, general purpose forces employed in Africa.

We move the force around where it's needed. So I don't think the issue you described there with EUCOM will have any effect on Africa.

Senator INHOFE. I'm glad to hear that. I appreciate that.

This is an issue that no one's talked about yet and I don't know why I've been so close to it, but a good friend of mine, Specialist Christopher D. Horton, was killed over there. In fact, I was supposed to be meeting with him in Afghanistan a month later, but he was killed. His wife, Jane Horton, has worked for me and we've become very sensitive to the redacted investigation reports to families.

I've talked to General Odierno about this. We've made progress on this. But I'm hoping that you will help us continue with that, because we have some of them—in the case of one of them, it went all the way from May 2010 until just about a week ago. I'd like to have some special attention given to that issue. The families of Specialist Augustus J. Vacari and Second Lieutenant Jered W. Ewy were killed in July 2011 and I think they should have their reports. So we're making progress, but I'm hoping that that's something that, with all these problems we're dealing with, that you'll be aware of and want to be of some help.

General DEMPSEY. Could I just respond briefly, Senator?

Senator INHOFE. Yes.

General DEMPSEY. I'm very aware of that, and in fact, as you recall, I was at Specialist Horton's funeral with you. I just want to

make two points. One is, this is the first conflict in which we've done a collateral investigation on every death, the first time in the history of warfare. We've learned the hard way, it's very resource intensive and it's important to get it right.

The timeline on which these investigations are provided to families has been gradually improving and is the same, it's important to note, for Active, Guard, and Reserve. So it's not that the Active families get the investigation done faster than the Guard and Reserve. It's just a very challenging task, one which we're addressing.

Senator INHOFE. Yes, I understand that. We went back and checked between the Active and the regular component and that's right.

My question actually is meant to be a compliment, because we're making great progress on that.

General DEMPSEY. Well, then, I withdraw my comments. [Laughter.]

Senator INHOFE. In looking at the reset, we're going to be looking at a real problem after having gone through this for 12 years, and it's going to be—my concern is that it comes from the right sources, that it's not going to come from the base budget. Is it your intention to have this come from the OCO when this time is before us? Do you think it will have a deteriorating effect on the base budget, on the reset, the cost of reset?

General DEMPSEY. That's exactly why the OCO bill tends to be as high as it is, because we're not just looking at the cost of current operating forces. It's the recapitalization challenge we face beyond that. Is that a fair statement, Bob?

Mr. HALE. Yes.

Senator INHOFE. The last thing, because my time has expired, I had occasion to go down to Fort Worth and see the progress, what's happening right now with the F-35. There have been a lot of delays and I would just hope that we have a commitment from the two of you to progress on that program, because that's a very needed platform that we will be pursuing.

Secretary PANETTA. Senator, we need a fifth generation fighter. The F-35 represents that fifth generation fighter. We're committed to it. We just want to make sure it's done right.

Senator INHOFE. Thank you.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

Thank you, Mr. Secretary, General Dempsey, Mr. Hale. We've talked a lot, and I think appropriately so, about the risks to the national security of the United States. But those risks are mitigated, not simply by what's done in the DOD budget; it's also mitigated by what's done in the Department of State (DOS) budget, the Department of Homeland Security (DHS) budget, TSA, the FBI, a whole host of agencies that contribute directly and indirectly to the national security of the United States.

We've talked about the sequester, but to simply shift those costs in a potential sequester without additional revenue, strictly do it by cutting more, will invariably catch the FBI, DHS, TSA, contracting, and other functions that might not be in the purview of

DOD, but significantly contribute to the risk that we run as a Nation. Is that an accurate perception, Mr. Secretary?

Secretary PANETTA. Oh, absolutely. I think, Senator, national security is dependent on all of the things you just cited, but frankly, it's dependent on more. We're talking about sequester on defense, but sequester also takes place on the domestic side of the budget. Very frankly, our national security is dependent not just on the national defense side of that ledger; it's dependent on the quality of life that we provide for our citizens. So all of that could be impacted through sequester.

Senator REED. One other aspect of this whole debate, as has been pointed out, has been, particularly with respect to those platforms that you've decided are not affordable at this juncture. But I would presume—and, General Dempsey, you might comment—that one of your calculations is not just the number of platforms, but the capability of platforms. As you've made—particularly when it comes to both aviation platforms and ships, that you and your colleagues have made careful calculations about increased capabilities with those remaining ships versus what you'd have to do with the airplanes; is that accurate?

General DEMPSEY. It is accurate, Senator. We mapped the budget decisions to the strategies. Fundamentally, are we going to deliver the strategy we've described, given the decisions we're about to make.

As we've talked for years, we are moving toward platforms that are both more capable, but also multi-role. So for example, the A-10, and by the way, the uniform I wear, I'm a huge advocate of the A-10, the Warthog, because it provides close air support. But we're at a point where we think it's prudent to force ourselves into a more multi-role capability in that regard.

So we did, we mapped the decisions to the strategy.

Senator REED. Thank you very much.

One of the other aspects that's been brought up, and I think it goes to my initial question about the broader scope of national security, is that proactive engagement. I think one of the lessons of the last few years, proactive engagement is very helpful to us. Had we been more engaged in some countries, we might have mitigated the dangers we faced in the last decade.

When you talk about your meeting in Egypt, when you talk about your multiple meetings in Pakistan, when you talk about—a lot of that is, one might argue, just as critical to national security, but is not measured in terms of brigades or lift, airlift, et cetera. It goes also to the issue of special forces, not so much in their counterterrorism mission, but in their training and their collaboration mission.

Can you comment on, General Dempsey, on how this budget will encourage proactive engagement at every level?

General DEMPSEY. We've accepted as a core competency of all the Services building partner capacity. So when you have a chance to have Ray Odierno in here, for example, he'll talk about his desire to meet our strategy by taking general purpose forces who have been completely consumed in Afghanistan and who will be less consumed now and applying them in that role, a regionally aligned brigade, for example. So AFRICOM has a U.S. Army brigade in the



Army Force Generation readiness cycle that can deploy in any number of ways, as headquarters, or it can send teams, it can reorganize itself, to go and engage nations in the particular combatant where it might be needed.

So I think this budget does that and it is one of the ways that we are mitigating risk, as you suggest.

Senator REED. Mr. Secretary, you suggested and I think you said that one of the fastest growing areas of cost in your budget is personnel costs, particularly health care costs. You're looking at a very tight budget this year. I think even if we're able to settle some of our political fights up here, the idea of the defense growing at the rate it grew over the last decade is not within anyone's purview.

At some point, if you don't take effective steps with respect to personnel costs, it becomes so big, in my view, that it eats into what is the great risk General Dempsey sees in sequestration: it all comes out of operations, maintenance, and training, and suddenly you have a force that is there, but it's not capable.

Do you have a notion of sort of how much time we have left before this, these uncontrolled, unless we take steps, these costs eat up all of the operations and maintenance?

Secretary PANETTA. As I mentioned, this is an area of the budget that's grown by 90 percent, and it consumes now close to half of the defense budget. Right, Bob?

Mr. HALE. About a third.

Secretary PANETTA. About a third, about a third of the defense budget is in the compensation area. The problem is at that rate of growth that's going on, it's moving more and more into these other key areas of the defense budget and crowding them out. So if compensation is not touched, if we don't control the costs of growth in the compensation area, what it means is that we're going to have to take it out of force structure, we're going to have to take it out of training, we're going to have to take it out of other systems, and it's going to mean that ultimately we won't have a balanced approach to dealing with the defense savings that we need to deal with.

So even in talking with members, in talking with the generals, in talking with the chiefs, they acknowledge that, as tough as this is—and it is tough, because it affects, obviously, troops and their families and retirees—but if we don't begin the process of developing some kind of cost control in the out-years and limiting the growth that's taking place, then we're going to pay a very high price within the next few years.

Senator REED. Is that your conclusion, General Dempsey?

General DEMPSEY. Senator, it is. We talk a lot about keeping faith and oftentimes that's equated to how many dollars we're putting in a soldier's, sailor's, airman's, or marine's pocket. But it's a lot more than that. Keeping faith is making sure they're the best trained, best equipped force on the planet. To do that, we have to balance the budget against all of the various levers we have to pull.

Senator REED. Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator Reed.

Senator WICKER.

Senator WICKER. Thank you very much, Mr. Chairman. I want to thank both of our witnesses for their service.

Secretary Panetta, I want to ask you about the David Ignatius article from February 2. Let me just read the way it begins: "Defense Secretary Leon Panetta has a lot on his mind these days, from cutting the defense budget to managing the drawdown of U.S. forces in Afghanistan. But his biggest worry is the growing possibility that Israel will attack Iran over the next few months. Panetta believes there is a strong likelihood that Israel will strike Iran in April, May, or June, before Iran enters what Israelis describe as a 'zone of immunity' to commence building a nuclear bomb."

Mr. Secretary, did Mr. Ignatius accurately characterize your view and would you like to comment on that?

Secretary PANETTA. No, I usually don't comment on columnists' ideas about what I'm thinking. Usually it's a dangerous game to get into.

But let me just express my thoughts, that Iran is of great concern. We have common cause with Israel, we have common cause with the international community with regards to the concerns about Iran. We have made very clear that they are not to develop a nuclear weapon. We have made very clear that they are not to close the Straits of Hormuz. We've also made very clear that they are not to export terrorism and try to undermine other governments.

Those are areas that concern us, and it concerns the international community. As a result of that, the international community has taken strong steps on sanctions, on economic and diplomatic areas to bring pressure on Iran and to isolate them. I guess my preference, my view, is that we ought to keep the international community together in applying that kind of pressure.

Senator WICKER. Do you believe there's a strong likelihood that Israel will strike Iran in April, May, or June?

Secretary PANETTA. I think, as the President has suggested, we do not think that Israel has made that decision.

Senator WICKER. Were you mischaracterized? Did you have a conversation with Mr. Ignatius?

Secretary PANETTA. As I said, the comments that are included in a column about what I'm thinking or what I'm possibly worried about is up to the columnist.

Senator WICKER. But did he interview you?

Secretary PANETTA. We talked, but we talked about a lot of things, frankly.

Senator WICKER. Okay. Were you trying to send some sort of signal to the international community, either to Iran or Israel?

Secretary PANETTA. No.

Senator WICKER. So you do not have a position as to whether it is likely that Israel will make such an attack this spring?

Secretary PANETTA. I do not.

Senator WICKER. All right. Thank you for clearing that up. I will say that there were no quotation marks in that column, but it did sound a whole lot like a quote.

As I understand it in the budget, in compliance with the BCA, Mr. Secretary, there's half a trillion dollars worth of cuts. If we had the sequestration, that would be another half a trillion. Now, what was your conversation with the administration, with OMB, within

DOD, about submitting a budget that doesn't comply with the statute, because sequestration is the law of the land right now as I understand it?

Did you consider submitting a budget that outlined the catastrophic results if sequestration does go into effect? Then what is your strategy to, as you say, dettrigger, to work with this Congress to dettrigger sequestration, which is the law of the land, you will acknowledge?

Secretary PANETTA. It is. Obviously, our approach was to deal with what the BCA had provided in terms of targeted savings in the defense budget. We frankly developed the strategy that we presented to based on really trying to lay out a strategy about where our force structure needed to be between now and 2020 and do it in a responsible way to protect our military force and to be able to respond to the threats that are out there.

Sequestration has this, frankly, mindless formula that's already built into it, that basically cuts across the board. It's not as if we can take sequestration and make sense out of the damn thing. The fact is, it's going to happen the way it's supposed to happen, through this kind of mindless formula that's there.

So our approach, frankly, was to not pay any attention to it. If it's going to take place in January 2013—and I hope that's not the case—then it will take place under its mindless procedure. But I don't think we ought to try to bring some kind of common sense to what is a crazy process.

Senator WICKER. Let me underscore what Senator Lieberman said, that this budget makes us worry about risks. I understand what General Dempsey said, that he believes that there are risks, but they're not unacceptable. But the sequestration would prove unacceptable, and I hope there's a strategy to get that through.

Thank you, Mr. Secretary, for mentioning the industrial base. We're at 8.3 percent unemployment right now. Undoubtedly the President is going to send a spending bill to Congress which he believes and the administration believes will create more jobs. It makes no sense to me, at a time when there's an effort to create more jobs with other spending, to cut defense spending, which gives us the twofold of protecting the country and protecting the industrial base, which is a whole lot of Americans out there working to provide us with the infrastructure we need.

It is a fact, is it not, that this budget will have an adverse effect on our industrial base? Is that not right, Mr. Secretary?

Secretary PANETTA. We've taken a lot of steps to try to protect against that happening, because as I've said, we absolutely have to protect our industrial base and those industries that support the defense budget. We can't afford to lose any more. So for that reason, we've designed an approach that will keep them in business with regards to the systems that we're trying to develop for the future.

Senator WICKER. Albeit with fewer industrial manufacturing jobs.

Secretary PANETTA. I understand that, and that does have some impact.

Senator WICKER. Thank you very much.

Chairman LEVIN. Thank you, Senator Wicker.

I've asked Senator Akaka if he would yield 1 minute of his time to me and he's graciously said he would, because I want to clarify this issue of the budget and sequestration. As I read the budget which was submitted to us, there is additional \$3 trillion in deficit reduction above the trillion that has already been taken, which would, if this budget were adopted as submitted, avoid sequestration totally.

Now, half of the additional \$3 trillion is in revenue increases, including, as the President's budget says, tax reform, including the expiration of tax cuts for single taxpayers making over \$200,000, married couples making over \$250,000, by adoption of the Buffett rule. Then the budget document says that the President is offering a detailed set of specific tax loophole closures and measures to broaden the tax base that, together with the expiration of the high income tax cuts, would be more than sufficient to hit the \$1.5 trillion target, which means if this budget were adopted and the revenue were included—and the revenue represents about half of the additional deficit reduction—you avoid sequestration.

Is that your understanding?

Secretary PANETTA. Yes, my understanding is that in the President's budget there is a plan, obviously, to provide for the kind of additional deficit reduction that the country needs. But obviously, if it were adopted it would de-trigger sequestration.

Chairman LEVIN. Okay, because that's not been stated here this morning, but I think it's very, very important. I tried to say it in my opening statement, but I don't know that I said it clearly enough. The budget that was submitted to us says it very clearly. That's the strategy. Whether Congress adopts it or not is a different issue, but sequestration can be avoided and hopefully will be, and the President has submitted his way to avoid it in his budget document.

Senator WICKER. Mr. Chairman, I thank you for clarifying that, and I do look forward to the President's budget being brought to the Senate floor for an up or down vote.

Chairman LEVIN. Thank you. I think the Republican alternative will also be brought to the Senate floor, if there is one. We look forward to seeing an alternative budget as well.

So much for that. Back to Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Aloha to Secretary Panetta and General Dempsey, and thank you so much for your leadership and all you do for our country. Mr. Secretary, my aloha to Sylvia, too. I notice that the PGA Tour was just at Pebble Beach. Had you chosen a different path than you're on now, you could have been at home in Carmel playing in the Pro-Am with your friends. But no, your dedication to continue serving our country puts you before us today. That says a lot, a lot about you and who you are. I've known you, as we know, since we served together in the House.

In all seriousness, I really appreciate your dedication and your hard work, Mr. Secretary. I add my appreciation to the brave men and women of the Armed Forces who lead and their families for their service and sacrifice.

Secretary Panetta, it is impossible to overstate the importance of our military engagement in the Asia-Pacific region. It's obvious

that there are many challenges in this area, given the new focus on this vital region. If you look at continuing developments in the Pacific, our conventional adversaries are advancing and it is critical we maintain our superiority in the region.

Given the many demands on the defense budget, as you mentioned, and the unique mission and environment we have in the region, my question to you is, how does DOD's fiscal year 2013 budget impact our military readiness in the Pacific region?

Secretary PANETTA. That's obviously a primary concern for us, because we do believe that it is important to maintain a strong presence in the Pacific. For that reason, we maintain the 11 carriers in the Navy in order to ensure that we have sufficient forward presence. There's nothing like a carrier to be able to allow for quick deployment in that area, and that will give us a great capacity to be able to show our force structure in the Pacific.

In addition to that, we're going to maintain, obviously, a military presence. We already have one in Korea, but we're going to maintain an additional rotational presence with our Marines throughout that area. We've just developed an agreement with Australia to do a rotational presence there. We're working with the Philippines on hopefully a similar arrangement there as well.

In addition to that, obviously, we have our air bases and the forward deployed air assets that will give us the capability to cover that area as well. So we feel very good about the force structure that we have in this budget and our ability to maintain a real presence in the Pacific.

Senator AKAKA. Thank you.

General Dempsey, the United States has been attempting to engage China with military-to-military exercises and other cooperative opportunities, including humanitarian and disaster relief operations, and you've done well. General, how do you foresee these efforts at engagement proceeding as the U.S. focuses resources in the Pacific?

General DEMPSEY. I think the strategy is actually quite sound. By the way, it's important to note we never left the Pacific, so the idea of rebalancing ourselves globally is just that, it's rebalancing. It's not a light switch on or off or a pivot. That word got ahead of me a bit.

We're rebalancing our strategy and we're doing that based on the trends, demographic trends, economic trends, and military trends. In so doing, we do have the opportunity to increase our engagement with the People's Republic of China, because there are many things with which we have a common interest. They've been working with us in the Gulf of Aden on counter-piracy for some time.

We've had military-to-military engagement. It hasn't been as consistent as we'd like it. We have a chance, I think, now in the coming months to reemphasize it. I think that will assist us in implementing our strategy. So this is an opportunity for us, Senator, and we intend to take it.

Senator AKAKA. Thank you.

Mr. Secretary, I am a true believer in our Special Forces. Having visited the SEALs conducting training operations, I have seen firsthand the talent and dedication of our Special Forces personnel. Special Forces units are likely to do more in the future. I want to

make sure that as an end result, as end strength numbers are reduced, that the career fields—they could be fields in communications and logistics as well—which support and help the Special Forces complete their missions are not reduced to a point which could limit the overall readiness of Special Forces units.

General, can you share any thoughts also on this?

General DEMPSEY. I can, sir. To your point, one of the lessons of the last 10 years or certainly among the lessons of the last 10 years is that the SOF have demonstrated their versatility and their capabilities, not just in the counterterror realm, but also in the building partner capacity, security force assistance.

One of the things we've been talking about with the Service Chiefs is finding a new paradigm where we will partner differently with SOF to give us greater capability, synergy. The sum is greater than the individual parts. We're working on that. The Army, for example, is working on habitual relationships of the enablers you're talking about—lift, medical, communications.

So I can assure you there will be no degradation to our Special Operations community. But I also want to assure you we cannot put all of our eggs in that basket because, as I've said in previous testimony, SOF are just that, they're special. If we go too far in that direction, then the conventional force becomes the special and the SOF no longer have that capability. So we just have to find the right balance, and we're working on it.

Secretary PANETTA. Senator, there's no question that Special Forces—through their agility and their ability to deploy quickly, represent a very important force for the future. They've been very effective, as we know, in terms of terrorism. But as the General has pointed out, they've also been very effective at developing partnerships with other countries, working with them, doing exercises, providing advice. They have a great capability there.

So I think the kind of force we're looking at, obviously, as the General has pointed out, is to maintain a strong Army that can confront a land enemy and be able to defeat that enemy in a land war, but at the same time develop the kind of rotational capability, using Special Forces, using the Marines, using elements of the Army as well, to be able to have a presence elsewhere in the world. That would give us the best of all things.

Senator AKAKA. Thank you very much.

Chairman LEVIN. Thank you, Senator.

Secretary PANETTA. By the way, Senator, I should point out that we are increasing our Special Operations. I think the numbers, we're going to increase them by 3,000. We're putting about \$10.4 billion more along those lines.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

Mr. Chairman, since you brought up the budget, certainly I'm looking forward to voting again on the President's budget. It's been over 1,000 days since the Senate's put out a budget. I and the American people would like that to be different and have that come up at some point.

That being said, I have, with 7 minutes, a lot of other questions. I'm going to submit some for the record. Mr. Secretary, one of them

I will be discussing is the Global Hawk Block 30 program. I'm going to be asking about the cost comparisons between the U-2 and the Global Hawk, have they been reviewed, particularly as it relates to sustainment? Can the U-2 alone provide the ISR necessary in order to meet the operational requirements? That will be one of them.

In addition, I live in an innovative State, Massachusetts, and we have an innovative base, Hanscom, in dealing with the cybersecurity threat. I agree with the chairman—before we talk about any BRAC closures, I would hope that we would continue to work on the cybersecurity emphasis on areas and bases like Hanscom, because I think that is the next real area where we need to focus on, as referenced in your earlier testimony.

Taking it a step further, the Air Force has proposed restructuring its civilian workforce to the tune of about 16,000 civilian contracted employees. I would ask that you keep in mind these restructuring efforts as it affects the small businesses, as Senator Wicker and others have referenced and you referenced in your comments. It affects, obviously, Hanscom, Westover, and other bases throughout the country. I know Senator Ayotte and I are deeply concerned about that.

One of the observations I made as I served in Afghanistan this summer was, obviously, the drawdown. I have felt that we, if we do it thoughtfully and methodically, can transfer authority and control over to the Afghans, but if we do it too quickly, we're going to be in deep trouble and we'll lose all those benefits that we had.

One of the things that I referenced and acknowledged through speaking and meeting with all the generals and with General Allen, is the fact that we have so many audits going on right now, without referencing any particular directorate, one general had 75 audits going on at once. So I said to him: "How can you actually expect to do the drawdown, as General Allen's doing, and then continue to do your mission, keep our soldiers safe and secure, and then complete the audits?" He says: "We can't; something has to give."

So, General Dempsey and Mr. Secretary, I would ask you to seriously look at that. If we're going to be doing this drawdown, we absolutely need to address these audit issues, there's so much duplication right now, and it's just, I think, some agencies justifying their existence. So I'm hoping you can comment on that issue.

General DEMPSEY. I won't comment on them justifying their own existence, because they'll audit me if I do that and I don't want to go there. [Laughter.]

Senator BROWN. I hear you.

General DEMPSEY. But I share your concern, sir. I've been on the receiving end of it, and there is clearly a need to be auditable because the Nation is investing incredible resources. But it has gotten a bit out of control, and my J-8 and the Under Secretary for Policy are both working to squeeze those audits to make sure they're not redundant, because some of them are redundant. They're absolutely duplicates. If you read them, which I have, you'll see they're the same exact thing. There has to be a central location or a central effort to do that, because the troops can't do their jobs

and work 24/7 on audits and then go expect to perform the mission, which is obviously very serious.

That being said, in Iraq, with obviously us being out of there, is it accurate that we now have over 100,000 civilian contractors there doing the job that ultimately our soldiers did? In fact, if that is so, is the cost two to three times more than what we were paying our soldiers? If that is the case, where is that money coming from?

Secretary PANETTA. Go ahead.

General DEMPSEY. Thanks, sir. [Laughter.]

I don't have the exact numbers. At one time towards the end of the calendar year, I was tracking those numbers on a daily basis.

Senator BROWN. It's substantial.

General DEMPSEY. Oh, it is substantial, sir.

Senator BROWN. We're paying two to three times more, and we're paying two to three times more than we were paying the average soldier.

General DEMPSEY. In some functions we are paying more. Security force or security details are more expensive, but other places, logistics, transportation, we're not paying as much as you would normally pay a soldier.

But we have that information, if you place that question in the record.

Senator BROWN. Yes, I'd like to do that and get that for the record, because I'd like to know where that money is coming from and how that's being worked into the budget.

[The information referred to follows:]

The 2010 Quadrennial Defense Review acknowledged that contractors are part of the total force, providing an adaptable mix of unique skill sets, local knowledge, and flexibility that a strictly military force cannot cultivate or resource for all scenarios, permitting our nation to concentrate military resources on those areas which are inherently governmental. Contractors provide a broad range of supplies, services, and critical logistics support in many capability areas, while reducing military footprint and increasing the availability and readiness of resources.

Currently, there are 10,967 contractors on the Department of Defense (DOD) contracts in Iraq. Of that, private security contractors make up 2,991, 84 percent of which are third country nationals (TCN) that earn, on average, lower salaries than U.S. servicemen. The average TCN security contractor earns \$17,751 per guard, per year. In comparison, pay and benefits (annual composite rate) for an E-5 is \$76,381.

DOD funds to support these contracts are requested in the Overseas Contingency Operations budget.

Senator BROWN. In terms of the reverse, General Dempsey, in terms of the understanding of the term "reversibility," it's a general concept designed to ensure the total force stays prepared for unexpected contingencies as the Active component inevitably gets stronger. How does the Guard and Reserve work in? I know you referenced it briefly, but I would think, obviously being in the Guard, that you would get more valuable dollars, more bang-for-the-buck, so to speak?

Is there an effort, a real sincere effort, to push a lot of the training responsibilities, mobilization, et cetera, to the Guard and Reserves?

General DEMPSEY. This effort, the new strategy and the budget to support it, has caused each Service to relook at how they balance across components—Active, Guard, and Reserve. I'll give you an example why that's an important conversation. Senator McCain in his opening comment cited that we were reducing 20 percent of the



BCTs in the Army. That's true for the Active component brigades, but if you look at the totality of BCTs, which after this change will be 68, then the 8 is really an 11 percent degradation or decline in BCTs.

So your point is an important one. We have to look at what this total force and the joint force provide, not strictly what we're doing to any one of them, and we are doing that.

Senator BROWN. I would ask you to pay particular attention to the Air Guard and take a look at moving some missions into the Guard portfolio, because you do get a better bang-for-the-buck, I would argue.

The other big elephant in the room, aside from sequestration, is the fact that we have approximately 1 million servicemembers expected to join the veterans ranks in the next 5 years, and unemployment among young veterans is very high, and it's high also in the Guard and Reserves. Is there a 5-year plan to meet the expected demand, and how are we working with the Department of Veterans Affairs (VA) to address these important issues?

Secretary PANETTA. Senator, you've raised a very important point, because as we go through these additional drawdowns we absolutely have to make sure that a support system is out there as our men and women come back from service. We are working with the VA in a number of areas, number one to try to provide a jobs pool so that these veterans will have the opportunity to get jobs in the private sector.

Second, we're working with the VA to try to improve the seamless approach, so that when it comes to health care and benefits, that people can move without long delays, without a lot of bureaucracy, from coverage under the defense budget to coverage under the veterans budget.

In addition to that, we're providing a lot of counseling and support systems by all of the Services to make sure that these families are supported once they come out so that they can readjust. If they want to go into education, the education benefits are provided. If they want to get a job, jobs are provided. If they want to go into small business, we provide the small business loans to assist them.

So there is a pretty solid package. We have to continue to work at it and make sure that it's working and that it's meeting the need. But we are very concerned that we have that support system for these troops when they get out.

Senator BROWN. I'd be eager to offer my assistance on those very real issues. It's something that we've been working on in Massachusetts for a very, very long time and have some real knowledge about that issue.

Mr. Chairman, I'm presuming we'll have an opportunity to add questions for the record and there will be a time allotted to do so, the response?

Chairman LEVIN. Yes, there will be questions that are asked for the record, and we'll ask our witnesses to promptly respond.

Senator BROWN. Thank you.

Chairman LEVIN. Thank you, Senator Brown.

Right after Senator Nelson's turn, we're going to take a 5-minute break. Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service. Currently, progress is being made toward the new U.S. Strategic Command (STRATCOM) headquarters at Offutt in Nebraska, a new command and control complex for STRATCOM. Now, the entire project has been authorized, but because of the nature of this project DOD will have to request phased-in or incremental funding as we move along over a multi-year construction project.

Much has been said about cyber today. Mr. Secretary and General Dempsey, could you explain the basis for, the need for a new headquarters dealing with almost every aspect of our military, defense and offense? Mr. Secretary?

Secretary PANETTA. Senator, we think it's extremely important because STRATCOM is obviously extremely important to defending the Homeland. In order to defend the Homeland, you have to develop the capabilities that we're facing right now, and cyber obviously is one of those areas. Our ability to develop the latest technology, the latest abilities in order to not only defend ourselves, but understand what that threat is about, is extremely important. We have to be able to develop the kind of communications systems that are the state-of-the-art, so that they can deal with quick communications.

In that area, any time we face a threat there is an immediate response that has to take place and has to take place quickly and effectively. Frankly, we need good systems in order to make sure that happens. So for all those reasons, it's important to our future that we develop that kind of capability there.

Senator NELSON. It's safe to say that what the internal components are within the structure would be equally important as the structure itself. In other words, it's going to be a high tech complex to be able to deal with the modern challenges we have.

General Dempsey?

General DEMPSEY. Without talking about the structure itself, I will tell you that the Service Chiefs, combatant commanders, and I have begun a series of strategic seminars to look at ways to better integrate, to learn lessons, and to ensure that we can deliver our strategy with the force that this budget will provide.

We know we can. We're looking at now how do we mitigate change. One of the emerging insights I'll share with you is that any regional conflict in the future—and we're looking out in this budget to 2017. So in 2017, any regional conflict will impact in the continental United States, in the Homeland, without a doubt. That is to say, the Homeland is no longer a sanctuary in 2017.

Therefore, commands like U.S. Cyber Command (CYBERCOM) and STRATCOM become more important in that environment.

Senator NELSON. Thank you.

I have a lot of concerns about our presence in Iraq. We've had questions raised about the number of contract employees there, contractors. I also understand that DOS is now in a lead role trying to decide what the mission is in Iraq. We have the largest embassy in the world and it's growing, physically growing, but we don't have an established mission.

I know that part of this will be DOS, but I assume that DOD also has a vital role in establishing that mission.

Secretary Panetta, might you fill us in on what progress is being made to establish a mission? It seems like we have the cart before the horse here, but perhaps you can help us.

Secretary PANETTA. Frankly, I think DOD has a pretty good plan there that we're implementing. We have about eight sites that we're located in. We're working with foreign military sales (FMS) that are being provided to the Iraqis. We're providing training. We're providing support. It's both DOD and contract individuals that are working in those sites. It's pretty limited, but it's very helpful to the Iraqis in terms of their ability to develop security for the future.

In addition, we're open to continuing to discuss with them additional opportunities, particularly with regards to other operations, going after al Qaeda, et cetera, that we think are important to continue as well.

So I think we feel pretty good about the mission that we're performing right now there.

General DEMPSEY. Yes, absolutely, sir. We've built the Office of Security Cooperation-Iraq based on the capabilities that the Iraqi Government wanted us to support them, how they wanted to be supported, notably with the program of record for FMS and then institution-building. We have our resources mapped to those functions, and I'm very confident that we have the Office of Security Cooperation sized about right for now.

If they were to choose to expand our relationship in any way, we could do so.

Senator NELSON. There seems to be room within that structure to expand, because of the size of the structure. I don't mean to minimize the necessity of having the presence in Iraq, but it seems like the structure is going to be more than adequate to take care of our needs. When I emphasize "more than adequate," it's consistent with the DOD Inspector General's criticisms or observations about the size of the structure and continuing to expand without a stated mission. I hope we can get where we feel like we can state what that mission ultimately is.

I'd like to turn to Iran for just a minute. It seems like every time we check any of the news today Iran is involved in it—questions about Iran engaging in terrorist activities in two locations around the world in the last day or so, the plot to take out the Saudi Ambassador to the United States, Mr. Al-Jubeir. You said, Secretary Panetta, on 60 Minutes, it's a red line for us and it's a red line obviously for the Israelis if they have the ability to deliver a nuclear weapon with a missile. What are your opinions about that, if you might be able to enlighten us a bit more?

Secretary PANETTA. As I said, we have a number of concerns here that we worry about with regards to Iran. Those are concerns that we share not just with the Israelis but with the entire international community. As the President himself has stated, we will not tolerate an Iran that develops a nuclear weapon, and yet they continue, obviously, to try to improve their nuclear enrichment capabilities. That's something that concerns us a great deal.

They continue to threaten the possibility of closing the Straits of Hormuz, and we have made very clear that that is a red line for us, that that Strait is extremely important to free commerce and

to shipping and to the shipping lanes, and would have a huge economic impact if that were to happen. That too is unacceptable and not tolerable for the United States.

We're concerned about Iran and the spread of terrorism, the fact that they seek to undermine legitimate governments around the world. That too concerns us. We think that the approach of the international community to apply sanctions, to apply diplomatic pressure, is having an impact. It has isolated Iran. It's made very clear to them that they have to change their behavior. I think that we need to keep that pressure on. That's an important effort. I think the international community is unified in that effort, and I guess my hope would be that we could all stick together in ensuring that we continue to isolate Iran and make very clear to them that they should choose to join the international community, the rules and the laws and the regulations of the international community, and become part of that family. If they choose otherwise, then—that would have serious implications.

Senator NELSON. Our concern is more than just about their nuclear capacity, although that is a very important part. But are the actions that they're taking beyond being pesky, in terms of what they are intending to do?

Secretary PANETTA. It's far beyond being pesky. It's deliberately supplying equipment and arms to others to engage in terrorist activity, and that too concerns us very much.

Senator NELSON. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

We'll take a short break.

[Recess from 11:46 a.m. to 11:56 a.m.]

Chairman LEVIN. We'll come back to order.

Senator Portman has yielded to Senator Graham, and then we'll put Senator Portman back in his order when he returns. Senator Graham.

Senator GRAHAM. If we could earmark, I would help Ohio. So I just want to let Rob know I appreciate this very much. [Laughter.] I have to run.

Secretary Panetta, do you believe it's a viable strategy for the United States to try to contain a nuclear-armed Iran?

Secretary PANETTA. Yes, indeed.

Senator GRAHAM. The idea of containment. Shouldn't we prevent them from getting a nuclear capability, not contain them?

Secretary PANETTA. It's not just contain, but it's obviously doing everything we can to prevent them from developing.

Senator GRAHAM. Right. I guess my question more correctly asked is, if they get a nuclear weapon, do you think the idea of containment is a way to go? Should we prevent them versus containing them?

Secretary PANETTA. No, I think we have to prevent them.

Senator GRAHAM. Because if they got a nuclear weapon the damage is done. Other nations follow suit. Terrorists are more likely to get the material. So the Secretary of Defense's view is that the idea of containing a nuclear-armed Iran is not the way to go; the idea is to prevent them from doing it. Hopefully, we can do it through sanctions and diplomatic engagement. I hope we can.

Okay, China. General Dempsey, there are a lot of media reports that the Chinese routinely, the People's Liberation Army (PLA), engages in cyber attacks of our business and national security infrastructure. Do you believe that is a reality of the 21st century?

General DEMPSEY. I believe someone in China is hacking into our systems and stealing technology and intellectual property, which at this point is a crime. I can't attribute it directly to the PLA.

Senator GRAHAM. Let's say if we could find that the PLA was involved in hacking into our defense infrastructure, would you consider that a hostile act by the Chinese?

General DEMPSEY. I would consider it to be a crime. I think there are other measures that could be taken in cyber that would rise to the level of a hostile act.

Senator GRAHAM. What would they be?

General DEMPSEY. Attacking our critical infrastructure.

Senator GRAHAM. That could be a hostile act?

General DEMPSEY. I think so.

Senator GRAHAM. Allowing us to respond in kind?

General DEMPSEY. In my view that's right, yes, sir.

Senator GRAHAM. So I'm going to have lunch with the Vice President of China in about 20 minutes. So what do you want me to tell him? [Laughter.]

General DEMPSEY. Happy Valentine's Day. [Laughter.]

Senator GRAHAM. All right, okay. I'll do that.

Chairman LEVIN. By the way, Senator Graham, in my opening statement I made it very clear that the cyber espionage going on from China has to stop and it's mighty serious stuff. So you can pass along, if you would, that comment as well.

Senator GRAHAM. All right. Would you consider it a hostile act?

Chairman LEVIN. I sure would.

Senator GRAHAM. Okay, I would, too.

Chairman LEVIN. But Happy Valentine's Day. [Laughter.]

Senator GRAHAM. It ought to be an interesting lunch. [Laughter.]

Secretary Panetta, in 2014 the game plan is to transition to Afghan security force control; they're in the lead, is that correct?

Secretary PANETTA. That's correct.

Senator GRAHAM. We'll have a training mission, we'll be providing intelligence gathering, providing capabilities they are not quite yet capable of doing, like airlift; is that correct?

Secretary PANETTA. That's correct.

Senator GRAHAM. Do you support the concept of a follow-on force past 2014 that's part of a strategic partnership agreement, that would have a military footprint post-2014 that would allow American air power to remain in Afghanistan along with special forces units, at the Afghans' request? Do you think that is in our national security interest to consider such a follow-on force?

Secretary PANETTA. I believe, as the President has stated, that we have to have an enduring presence in Afghanistan. We need to, obviously, discuss what those missions are, but I think clearly counterterrorism operations is one of those missions. Training and advising is one of those missions. Providing the right enablers is one of those missions. Obviously providing air support is one of those missions as well.

Senator GRAHAM. So you would agree with the concept that post-2014 if we had a configuration of American forces with adequate air power to assist the Afghan security forces, plus a Special Forces component, the Taliban days are over in terms of military conquest?

Secretary PANETTA. That ought to be the goal.

Senator GRAHAM. I think that ought to be the goal and I think you could do this with 15,000 or 20,000 troops, with several air bases spread throughout the country. To a war-weary public: We have air bases everywhere. If we leave Afghanistan and the issue is in doubt about the future of the Taliban, we will regret it. If we leave Afghanistan in a way to create a certainty about the Taliban's future, I think we can hold our heads up high.

Do you think Iran is watching what we're doing in Afghanistan?

Secretary PANETTA. I would think without question.

Senator GRAHAM. General Dempsey, what is your biggest concern and your best hope about Iraq?

General DEMPSEY. I'll start with the best hope, and that is that they appear to be committed to resolving the contentious issues among them politically, not through violence, with the exception of a few of the violent extremist organizations which remain there.

My biggest concern is that they could potentially come to a decision that they no longer need our help. They might look elsewhere. That's why our Office of Security Cooperation there remains a very vital part of our strategy.

Senator GRAHAM. Do you see the security situation in Iraq getting worse or better?

General DEMPSEY. I see it as being in a form of stasis right now. I think it is what it is for the foreseeable future, with of course the potential for it, based on some political decisions they might make, with increasing tension, for example in the Arab-Kurd region.

Senator GRAHAM. When it comes to the military budget, I don't see DOD as a job creator for America. That's one of the benefits, but I don't think we should view DOD as a way to just create jobs to deal with unemployment. I think we should have a robust defense capability to defend our values. So in that light, I do believe it's appropriate to reduce defense spending, and I do believe it's appropriate to consider another round of BRAC, as hard as that is for my colleagues. So just count me in in the process of having to make hard decisions, even in the defense area.

When it comes to TRICARE premiums, is it sustainable—is the mandatory spending part of the budget sustainable without reform?

Secretary PANETTA. No.

Senator GRAHAM. So the question for the country is, if I don't get courtmartialed in the next couple of years and get to be a retired colonel and receive my TRICARE benefits when I'm 60, it is okay to ask a guy like me to pay more. They haven't been adjusted since the 1990s, is that correct?

Secretary PANETTA. That's correct.

Senator GRAHAM. General Dempsey, you're willing to pay more?

General DEMPSEY. I am, sir.

Senator GRAHAM. I guess the point is that we're so far in debt, no one group is off the table. It's hard to ask those who've done the

most to secure our freedom to give more, but I'm willing to do it. To the retired community, I'm willing to grandfather the current system, but I'm also willing to look outside the box, because if we don't do something in terms of health care growth and entitlement, retiree benefits, you're going to compete the retired force with operational needs, and that's just not where we want to go.

So thank you both. I don't know if \$487 billion is the right number, but I'll work with you to get a number that is robust.

One last question. Do you see a scenario in the next decade where 100,000 American troops could be involved over a sustained period of time? If you do, how would reducing the Army and the Marine Corps by 125,000 affect those operations?

General DEMPSEY. First of all, I don't know the answer to that, sir. But I think we wouldn't want to shape a future where we completely ignored the possibility.

The force we're building on the fiscal year 2013 to 2017 budget is capable, we assess, of stability operations, long-term stability operations or prolonged conflict, up to a force of about 50,000. The other 50,000 would have to come out of the Guard and Reserve.

Chairman LEVIN. Thank you, Senator Graham. You have my proxy at lunch, by the way. [Laughter.]

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Mr. Secretary, General, first let me just say that as somebody who spent 5 years in the Pentagon, one of them as a serving Marine and the other as a defense executive, I appreciate all of the work that's gone into this presentation. We're going to have our disagreements, but, having sat on the Defense Resources Board for 4 years, I know how much effort has gone into what you brought over here.

There are already reports—I was back in my office—on the discussion to slash the Army and the Marine Corps. I think for the record we ought to point out that what we're looking at here is historically consistent with the end point of sustained ground operations. In fact, if my numbers are correct, if you go back to the pre-September 11 military and look at 2017, which you're projecting in your testimony, Secretary Panetta, the Army is going to be about 9,000 higher than it was pre-September 11 and the Marine Corps is going to be again about 9,000 higher than pre-September 11.

So I look forward to working with you on a lot of different issues, and some on which we may have disagreement. But again, I have great respect for all of the energy that's gone into this, preparation of this budget.

I want to talk about basing in the Pacific. Chairman Levin mentioned this in his opening comments. Chairman Levin, Senator McCain and I have spent a great deal of effort on this. I agree, General Dempsey, with what you said. I don't see a pivot here. I think we've always been there, we've always needed to be there. I've been speaking for many years about the need for us to reconfigure our presence in a way not that downsizes or not that confronts or attempts to contain China, as some people are saying, but just as a way to strengthen our alliances and our presence out there.

There's a strong strategic dynamic in the region. There's also a very important and potentially volatile political dynamic in Japan if we don't get this right and if we don't get it right soon. This has been going on for more than 15 years. We can't kick the can down the road—I'm not asking for your comment on this, but this is more along the lines of getting your bank statement. There are a couple things that are due to us and they're very important in our consideration. One is the reporting requirement that is scheduled to come out of the independent study that was mandated by the NDAA. There's a 90-day period for which the bill was signed, which I think was December 31, for the study to come to the Secretary of Defense and then the Secretary of Defense would have up to 90 days, not necessarily mandated, to report to us on this independent evaluation of the basing structure.

It's very important. It's going to happen at the same time that there are environmental statements and other issues taking place on Okinawa about the basing system there. I'm very interested in getting this study and seeing if we can't move forward in a very timely way to resolve this.

The other one is the Marine Corps laydown. I have spoken with the Assistant Commandant about the numbers that they're using. I support this transition in concept. I've had many conversations with the Marine Corps and with others about this earlier. But we do need to see it. We need to see the laydown. It's again a part of the NDAA.

The question that I actually have in this short period of time relates to the evolving situation in Syria. General, I would like to ask if you might characterize for us, for lack of a better term, the on-the-ground opposition that now exists to the Syrian regime? What proportion of this is domestic? What proportion is foreign? What are your observations?

General DEMPSEY. My observations, Senator, are that it is a much different situation than we collectively saw in Libya. I think that's an important point to make, because we don't have as clear an understanding of the nature of the opposition. We're working in the intelligence community to develop it. But there are some significant differences vis-a-vis Syria. There is a chemical and biological warfare threat. There's a very significant integrated air defense system, a very credible military.

We're watching the trend lines on their military to see if they are still under the control of the regime. There's also huge regional implications, big players and actors who have vested interests there. So this is one where we have to not only understand what's happening on the ground, but also look at the regional context in which we're dealing.

Of course, we will, when asked, provide options to the national command authority. But this is a very different challenge.

Senator WEBB. First let me reiterate that I had serious concerns about the Libyan operation and the nature in which the President exercised unilateral authority. But on the Syrian situation, do you have any indication about the makeup of the on-ground opposition to the regime, how much of it is domestic and how much of it is in fact not?



General DEMPSEY. As I sit here today, the Free Syrian Army, which is generally speaking the centerpiece of the opposition, is for the most part domestic, although we also know that other regional actors are providing support for it. That complicates the situation.

Senator WEBB. There were reports over the weekend that al Qaeda has been involved as a part of the opposition. Do you have any confirmation of that?

General DEMPSEY. No confirmation. I saw the same report.

Senator WEBB. But have you discounted it?

General DEMPSEY. No, not at all. Syria is an issue of a Sunni majority rebelling against an oppressive Alawite Shia regime. All of the players—this is what I mentioned a moment ago—in the region it seems have a stake in this. So those who would like to foment a Sunni-Shia standoff—and you know who they are—are all weighing in in Syria. It is the last remaining piece in the puzzle of what you and I probably months ago would have described as the Arab Spring, but this is a very important moment in the region and all the players are weighing in.

Senator WEBB. Thank you, General. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman.

Mr. Secretary and General Dempsey, thank you for being here this morning.

I told Secretary Panetta that I was going back and forth between the Senate Budget Committee and this committee. It's been interesting because I'm really seeing two different points of view and really world views. I commend both of you today and your comments about the need for us to deal with the unsustainable growth on the entitlement or mandatory side of the spending. In response to your question from Senator Graham, is the mandatory spending for the military sustainable, you gave a simple answer, no.

I will tell you, to be honest, having just engaged in the Senate Budget Committee about the President's budget, which was submitted yesterday, it not only adds another \$12 trillion to our debt, taking it up to over \$25 trillion, but it really takes the pass on any of the tough decisions that have to be made on the biggest part of the budget and the fastest growing part of the budget, and that's the entitlements side.

It actually grows, under their own numbers, from about 64 percent of our total budget now—this would be Medicare, Medicaid, Social Security, interest on the debt. That grows from 64 percent now, so the largest part of our budget, to 78 percent during the 10-year window of the President's budget and yet there is no mention of Social Security, no reforms.

On Medicare, the only reform I can see on the beneficiary side happens after the next term of whoever's President, and that's on some slight means testing changes.

So my concern is exactly what you have outlined today, and I quote you from your overview document, where you said: "Our growing national debt, if not addressed, will imperil our prosperity, hurt our credibility and influence around the world, and ultimately put our national security at risk."

General Dempsey, you talked about that during your nomination hearing last year, and I again appreciate the approach you have taken. I'm very concerned that if we continue down the path that has been outlined we will all be here many more hearings like this one, talking not about how to improve our national security, but instead talking about how budgets have been crowded out by unsustainable practices elsewhere in our government and we simply can't afford the force we know we need.

So, with that, if I could focus on two things in terms of the defense budget, because I do think there is room, despite my concern about the bigger budget crowding out defense, within defense to find savings. Two areas I want to touch on quickly if I could are personnel and the area of procurement.

On the personnel side, I appreciate the fact that you both again have focused on compensation, health care benefits. You've proposed a retirement review. These are all tough issues. I think we all agree that our men and women in uniform are our single greatest asset and we need to be very cautious on the personnel side.

On the other hand, we need to be sure that we are not crowding out, even within the defense budget, the need for us to be sure that we have adequate resources for operations and maintenance.

So I would ask you this. When you look at what you have proposed, in essence you've taken out one issue to a commission on the retirement issue, again a very delicate issue, and you have some suggestions on changing compensation in the military health system here, although I would suggest more would have to be done to meet your own criteria you've laid out.

My question to you is, is there a more holistic approach here, in that this does relate to retention and obviously our ability to attract the great professional force that we have now?

General DEMPSEY. We thought about bundling these issues together into, as you described it, a holistic look at pay, compensation, health care, and retirement. The chiefs and I were of the opinion that we wanted to address the issue we saw before us that we knew had to be changed, and that was pay, compensation, and health care, but take the time to study the impact of retirement change, because one of the things we're concerned about is, although it's counterintuitive, you know that about 70 percent of the force retires—not retires, but separates before retirement, but 100 percent of the force, when asked, even at the 5-year mark of their career, will say to you: Don't screw around with my retirement or I may not stick around, even though they know that the chances of them actually retiring is only about 30 percent.

So there's a psychological factor with retirement benefits here that we don't fully understand yet. We want to take some time to understand what the impact of retirement reform would be on both recruitment and retention. That's why we all felt, the chiefs and I, that we should separate these.

Senator PORTMAN. Secretary Panetta, any thoughts with regard to this, given your background on the budget issues?

Secretary PANETTA. I think it's important, as a former OMB Director that I was, that we have to approach this budget based on the fact that there's no holy ground here. You have to look at ev-

everything and you have to question everything. We approached it on that basis.

We talked about allowances, we talked about pay, we talked about pay raises, we talked about all the health care areas. We looked at a number of those areas. We felt we have to take a step to make sure that compensation is part of the answer to what we have to achieve here in savings. For that reason, we selected the areas that we looked at.

I think it's important that all of this has to relate to what it means to the soldier, the uniformed man or woman who is there on the battlefield. How do we make sure that we provide the benefits that are necessary to attract the very best? Frankly, we have the very best operating on behalf of the United States today. How do we do that, how do we maintain that benefit base that's important, but at the same time, understand that we have to control these costs in the out-years?

That was the dilemma that we had to confront. We think we approached it in the right way. Is there more that can be done? Probably.

Senator PORTMAN. I know that members of the committee know this, but maybe for someone watching, this is an increasing part of your budget, just as it is for the Federal budget, as I mentioned, if you look at your percent of spending on TRICARE, for instance, as a percent of your overall budget.

So as one member of the committee—and I think I speak for a lot of other colleagues, including at least one I heard speak earlier—we look forward to working with you on that and trying to be supportive.

On procurement, we don't have time to go into it because my time is up. But just again, to focus on competition, the need for us maybe to spend a little more upfront to be sure we have a competitive process because it'll save so much over time. I look forward to maybe a follow-up question in writing in that regard.

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

Chairman LEVIN. Thank you, Senator Portman.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Thank you all for your service to our country. As some of you know, I have spent a lot of time working on contracting issues as a member of this committee and other committees. I don't need to tell you what a huge piece of your budget contracting represents. The Project on Government Oversight released a report last year that is the first in-depth analysis that's been done in a while about the cost of personal services contracts as compared to the costs of a Federal employee.

That study showed that we are paying contractors 1.83 times more than the government pays Federal employees, and that's including taking into account the benefits package that goes along with the personnel costs of hiring a Federal employee.

I think there's been an awful lot of talk around the Senate about freezing Federal employees' salaries and cutting the number of Federal employees, but there's been very little real difficult work of trying to hold down the cost of personal services contracts.

Secretary Panetta, with the reductions of DOD personnel contained in this budget, what are you doing to ensure that reducing—because what’s happened over the years is, while we’ve tried to hold the line on Federal employees, contracting has just ballooned. You are by far number one in that. Number two is DHS. So I’d like you to address that if you could, either you or Mr. Hale.

Secretary PANETTA. Senator, you’ve provided tremendous leadership on this issue, and it is of great concern to me personally because it is an area that has expanded dramatically. Almost everywhere I go in my new capacity, I see contract employees obviously providing a lot of services. Some of them are very important and they perform a very important role. Some of them I question whether or not we could perform the same role and be able to do it at a smaller price.

We did look at this area as part of our efficiency approach to trying to see if we could gain some savings, and I’d like to ask our Comptroller to speak to that.

Mr. HALE. Just briefly, I think you know, Senator McCaskill, we had an initiative a couple of years ago to in-source jobs where it was cost-effective. We are still looking at where it’s cost-effective. I think with these budget cutbacks we’re looking at what the right mix is. Probably both contractors and civil servants are going to come down over the next few years in our budget.

We have to try to find the right mix. I don’t claim we have an easy formula, but I think we are looking at it in that context, which is the right one: What’s the most cost-effective way that we can get the work done?

Senator McCASKILL. We’re going to have a hearing on this in the Subcommittee on Contracting Oversight of the Homeland Security and Governmental Affairs Committee, and what I will be looking forward to seeing is what kind of strict analysis is DOD embracing to get a handle on contract employees versus full-time Federal employees? Because it surprised me when I got here that not only do we not know how many contractors there were in Iraq, we didn’t know how many contractors there were sitting in government buildings within 5 miles of where we’re sitting right now. That is a huge problem, that the contractors just became task orders, as opposed to keeping a handle on how this monster got out of hand.

We also are going to have some legislation coming from the War-time Contracting Commission that finished its work. I will look forward to direct input from you about the legislation that we will be hopefully filing this week, and we will be working with this committee to try to get some of its provisions included in the defense authorization.

As I look at Afghanistan, \$16 billion GDP, \$2 billion of that is not from us. That is a huge impact on that country. As some of you are aware, I’ve also been looking at the way that the Commanders’ Emergency Response Program (CERP) funds have been used over there in terms of infrastructure and how for the first time in the budget there was actually an infrastructure fund embedded in the budget coming from the military to do the things that traditionally the DOS had always done. That is, large infrastructure. It was like CERP on steroids, is essentially what the infrastructure fund was.

I'm going to quote what the Counterinsurgency Advisory and Assistance Team (CAAT) said. The CAAT, which provided a report directly to General Allen, found that the CERP was not achieving counterinsurgency goals. I'm going to quote this report:

"Current incentives promote spending CERP funds without sufficient accountability. There is no system for determining what projects are likely to advance counterinsurgency effects and no apparent desire to objectively evaluate whether counterinsurgency objectives were achieved. Commanders at various ends of the spectrum are judged by the amount of funds committed, obligated, or spent over actual measures of effectiveness. This situation is not only wasteful, but allows for corruption, insurgent resource capture, and delegitimization of the Afghan state. We retain primary responsibility for project success or failure while the host government and population are spectators."

I know that CERP has been something that has been held near and dear, and now the Afghanistan Reconstruction Fund is an outgrowth of that because we've gotten beyond fixing window fronts to large highway construction projects, without the kind of rigorous analysis in terms of sustainability. As we drop off the cliff in Afghanistan in terms of what we're giving this country of GDP, aren't we creating a scenario that a lot of this money is going to go into the category that it went into in Iraq, and that is, a lot of wasted taxpayers' dollars on Afghanistan infrastructure?

Secretary PANETTA. Senator, I'll have a general comment on the actual use of those funds, but let me say this. I share the concern that you've indicated. As we do draw down and as we turn over these responsibilities to the Afghans, one of the issues that we have to think long and hard about is the sustainability of these efforts.

For example, in the Afghan force that takes over and provides the principal security for the country, what is the level that we need? Is it sustainable? Can this country provide the support system that it has to? What kind of economic base is that country going to have for the future? The issues that you've raised all relate to that question. What are we looking at in terms of the future of this country and can it sustain itself?

That's going to be something we're going to have to give a lot of consideration to. Not only the United States, but obviously all of our NATO allies have to take a hard look at what we do to try to sustain this country in the future if we're going to be successful there.

General DEMPSEY. I'll just add, Senator, I first of all hope we don't drop off a cliff. One of the things we've been discussing is the glide slope in every sense. It's our glide slope, it's the ANSF glide slope. It's our funding glide slope.

If we do drop it off a cliff, it will have the result you just predicted. That's the reason that I would suggest we can't fall off a cliff in Afghanistan. We have to transition this thing responsibly.

As for whether they have the capacity to deal with all of this, that has been—I've done this in several countries around the world, to include Iraq most recently, and that is always the most

difficult part of these missions, is building the capacity, the capability and then the capacity, to—it's really institution-building. It's pretty easy to build infantry battalions. It's pretty easy to partner with them and embed with them. But the institution that sits above it all has to be developed.

I would suggest to you that we've made some pretty significant progress in that regard since about 2008, and it is part of our strategy going forward. But I share your concerns. I'm not sure that I share the understanding of all of the results of that study you just cited, because depending on when it was done and who did it and where they did it, it could have a very different outcome other places. I'd suggest to you that we owe you some information on that going forward.

Senator MCCASKILL. I have to tell you, I think that some of the stuff that we've built in Afghanistan, we can go ahead and build the stuff, we can hire the people to build it, our know-how can provide the leadership to build it, and I think it's been like wishful thinking that the institutional capacity of this country will catch up. We have a power generation facility in Afghanistan that's sitting there as an expensive extra power generator because they can't even use it, and it was hundreds of millions of dollars of American taxpayers' money.

That kind of stuff, we just can't afford to do that. I have a modernization to move some of this money back to the United States for infrastructure, and I think it's important that we do that because of the needs of this country, and the real problem that a lot of this money for security purposes is ending up in the bad guys' hands, and we know that. There's been way too many instances that we've found it.

So I appreciate the more information you can give me about what kind of rigor you're bringing to the sustainability equation, because I can't find that rigor and I've looked for it.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

General Dempsey, Secretary Panetta, Mr. Hale, thank you for your leadership during very challenging times for DOD.

I appreciate very much that we need to find savings in defense in a way that does not undermine our national security, no question. But please count me out when it comes to BRAC, and here's why. I want to echo concerns that Secretary Panetta himself, having gone through this process, raised before the House committee in October, where, Mr. Secretary, you said:

"I went through BRAC. I know that all the dollars that people looked for huge savings in BRAC, and yet they didn't take into consideration the cleanup, they didn't take into consideration all the work that had to be done. They didn't take into consideration all the needs that had to be addressed. In many cases it wound up costing more. In fact, the recent Government Accountability Office report found that it cost us for the 2005 BRAC round 67 percent more than we estimated, and in fact we're not going to see any savings from the 2005 round until 2018, 13 or 14

years down the line. So I have serious questions whether we save any money from a BRAC process. Particularly at a time when we're still making decisions about our global posture and our force, end strength of our forces, I don't think it's the right time for a BRAC process where we may not save a dime, frankly. That's what really concerns me at the end of the day."

I want to ask you, Secretary Panetta, about our reengagement rate at Guantanamo. Director Clapper testified, I believe it was last year or in the spring, that our reengagement rate of those who had been released from Guantanamo Bay was 27 percent. Do you know what the number is now, and has that percentage of 27 percent getting back into the fight gone up?

Secretary PANETTA. I think 27 percent was over the long period stretching back into the last administration, where most of the individuals were transferred. I believe under the ones that have been transferred under this administration that it's less. I can't remember the exact percentage.

Senator AYOTTE. But overall it's been—whatever administration released it, Director Clapper said the overall reengagement rate is 27 percent; is that correct?

Secretary PANETTA. That's true, and I think that number is correct. I'll get back to you on the specifics.

[The information referred to follows:]

Data regarding the reengagement rate of former Guantanamo Bay detainees is collected and distributed by the Office of the Director for National Intelligence (ODNI). In March 2012, ODNI released updated public statistics on detainee reengagement for all detainees transferred from Guantanamo Bay through December 29, 2011: Out of the total 599 Guantanamo detainees transferred, 95 or 15.9 percent are confirmed to have reengaged in terrorist or insurgent activity, and an additional 72 or 12 percent are suspected of so reengaging.

Senator AYOTTE. That would be great. I just want to know if the overall reengagement rate, regardless of who released them, has increased at all.

The reason I asked is, in follow-up to Senator McCain's question earlier about what we've heard could be the administration's potential release of five Guantanamo prisoners in exchange to the Taliban, I just wanted to raise concerns about it on a couple of fronts. Number one, as I see it, according to the Wall Street Journal and the Washington Post, of these five people—let's be clear. If these reports, public reports, are accurate, we're talking about individuals who, senior-most Taliban commander in northern Afghanistan, someone who is an alleged war criminal in his role for the massacre of Shiite Afghans. Two of them are potentially involved in killing of a Central Intelligence Agency (CIA) operative, an American CIA operative. Of the remaining three, one is alleged to have helped smuggle weapons in to attack U.S. troops and is loyal to the Haqqani network, another one is directly associated with Osama bin Laden and Mullah Omar and then the final one may belong to al Qaeda and his release has been called highly problematic.

All five of these individuals were characterized by the administration in 2010, if these reports are accurate about who these indi-

viduals are, all five of them were deemed by this administration in 2010 “too dangerous to transfer, but not feasible for prosecution.”

I know that you have to certify, Secretary Panetta. Two years later, is there something changed about these individuals that we’re unaware of? My follow-up would be, as I understand the administration’s plan, this is in exchange for goodwill from the Taliban. If we are going to release five, if these reports are the case, these public reports of who these individuals are, dangerous individuals who could get back and reengage with our troops, and who aren’t just soldiers, they appear to be leaders among the Taliban and Haqqani networks, that if we were to release them in exchange for a measure of goodwill, it seems to me that, why aren’t we getting a ceasefire if we’re going to put out people that are so dangerous?

So two questions to you: First, has something changed from 2010 of the assessment of these five individuals in terms of being too dangerous to release? Second, do you think this is a good deal if we’re only going to get a goodwill gesture from the Taliban?

Secretary PANETTA. Let me reemphasize that absolutely no decisions have been made with regards to reconciliation. There have been some discussions, but the conditions for reconciliation have been made very clear, that the Taliban has to lay down their arms, they have to renounce al Qaeda, they have to recognize the constitution in Afghanistan. As far as I know, none of those conditions have been met at this point, and obviously would be part of the discussions.

As to whether or not as part of whatever these discussions involve that there was a transfer as part of that, under my obligations as Secretary, I have to certify that these individuals will not return to the battlefield, and I have to be convinced that steps are taken to ensure that that does not happen. Until I am assured that that’s the case, I’m not going to certify.

Senator AYOTTE. I appreciate that, Mr. Secretary. These are very dangerous individuals if they are as they’ve been reported by the Washington Post and Wall Street Journal, and in particular to transfer them for a so-called goodwill gesture. I appreciate your list of conditions of a ceasefire, laying down of arms, and I obviously am very concerned to transfer these individuals at all, given how dangerous they have been in the past.

Frankly, we haven’t always been right about this. We’ve been 27 percent wrong, whatever administration we’re in. In fact, Mullah Zakir was assessed as a medium risk—these guys are all high risk—a medium risk, and he was released, and he’s now leading the Taliban forces fighting the U.S. Marines in the Helmand Province.

So we do our best in these situations, but as a prior prosecutor the best predictor of future behavior is usually prior behavior, and these guys aren’t good. So I appreciate your looking at this certification very carefully.

Thank you all for being here today.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.



Good morning, gentlemen. I'm sure you'd rather spend Valentine's Day with any group other than the Senate Armed Services Committee, so thanks for being here.

It's apparent that the fiscal challenges that DOD faces are those that we face across the Federal budget. We've had a respite given, the end of the war in Iraq. But unfortunately, more broadly—and I'm not speaking to DOD, but I'm speaking more broadly—we've mismanaged our finances across the board, and we've put ourselves in a pretty tough, I would say even unacceptable, financial position.

If you look at our history, we've leveraged our economic and military strength to accomplish our goals, and we can't effectively project our power abroad if we're weak at home. Then we've also undercut our domestic and strategic goals by managing our finances so poorly.

You both know in spades that we have to carefully strike a balance between fiscal responsibility and strategic capability. We can't hollow out the force, we can't eat our seed corn. We have to get this right.

Fortunately, I think we have a lot of history to guide us, and we have to make sure that we incorporate the lessons learned from our successes and both our failures. As a mountain climber, I always learned more when I was on the mountains I didn't climb as the ones I was successfully summitting.

But, General, in that spirit I wanted to turn to the summary that I've heard that DOD has affirmed its commitment to Department-wide research and development programs and the continued development of alternative energy technologies. DOD's always been an innovator and military research has created a number of products that we now consider essential to everyday civilian life.

At the same time, there are concerns that there are operational needs that need to be addressed now. Can you discuss the thinking behind this focus on the future and how that decision affects current operations and those that might be just over the horizon?

General DEMPSEY. On the issue of energy, operational energy, I can.

Senator UDALL. Certainly on energy, but then even more broadly, too—medical advances. I know you have a long list.

General DEMPSEY. We do, sir. In terms of looking out to Joint Force 2020, that's exactly why we want to project ourselves out and then look back and find our way forward. This budget is the first step in that.

I will use operational energy as an example. We lose soldiers, marines, notably airmen and soldiers, on the roads of Afghanistan going from forward operating base (FOB) to FOB, on resupply missions and so forth. So to the extent we can create autonomous or semi-autonomous in terms of energy consumption, power and energy, organizations, net zero in terms of their consumption of power and energy, we'll actually save lives and become a lot more agile because we won't be as tied to some kind of traditional linear line of communications.

So we're all in. The Army has five installations—one of them is Fort Carson, CO, by the way—where we're trying to receive a net zero energy situation. But that's kind of the garrison environment.

Operationally, we're trying to do the same thing with our tactical units. Every Service, frankly, is working on this diligently and I think this budget reflects that.

Senator UDALL. There have been some compelling stories about what the marines are doing in theater, on the front lines at the FOBs. As your predecessor put it well, saving energy saves lives. So I commend you for what you're doing. I look forward to working with you in this important area as we move forward.

Mr. Secretary, if I could turn to you. Congress, as I think you're aware, worked with DOD to establish an Operationally Responsive Space (ORS) Office within the Air Force to rapidly field small responsive satellites that are tactical in nature and tasked by the combat commanders in the field. That's in comparison to the large national systems that take somewhere 6 to 8 years and literally billions of dollars to field.

As I understand it, in fiscal year 2013 DOD is proposing to abolish the ORS Office, zero its budget from \$111 million last year, and integrate whatever capability is left into the Space and Missile System Center. Can you explain DOD's thinking here, when the first satellite they launched was judged by U.S. Central Command (CENTCOM) to be successful? ORS-1 started sending images back to them in the fall of 2011, almost 3 years to the day after the program was started.

One additional question. Is there a possibility that this decision puts the cart before the horse? I assume the budget was probably put together before CENTCOM started using the system. Can you explain the reasoning here?

Secretary PANETTA. Senator, let me have Bob Hale talk to that.

Senator UDALL. Great.

Mr. HALE. Senator, what we've done, as you said, is terminate the program office, but not the commitment to ORS initiatives. It'll be put into Space Command, where it can be looked at in the broader context. We think that's the right decision, as opposed to focusing on one particular approach, but to look more broadly at this initiative. There are a lot of ways to do it. We need to find a cost effective way. So I think that's our approach.

Senator UDALL. I look forward to working with you to make sure we continue to get this right. We talked about smaller, agile forces on the front lines and this is in a way a form of doing that, but in space.

Let me turn to Iraq and Afghanistan. We've ended our mission in Iraq. We're drawing down our surge forces in Afghanistan. We've proposed reducing end strength in all four Service branches, substantially reducing the number of aircraft, ships, and Army BCTs. After all that and more, when adjusted for inflation, the DOD budget for 2017 will still be at almost exactly the same level as it was in 1986. That's the height of the Reagan-era buildup against the Soviets.

Can you talk about the major reasons why we're spending the same amount of money for a smaller force?

Secretary PANETTA. Senator, what we have here is that \$487 billion was in the planned DOD budget over the next 10 years, and that included, obviously, a lot of what we've had to reduce in terms of the budget looking forward. So overall, make no mistake about

it, even though the defense budget shows a slight increase between now and 2017, the bottom line when you add what we had proposed in our budget plus the amount that would be involved in terms of the war costs, we're going to be going down pretty dramatically, by about 20 percent, which is comparable to what we've seen in past drawdowns.

So this budget bites. But at the same time, by virtue of what we've done we've made it much tighter. Obviously, we've had to take down the force structure. We've had to make cuts in ships and planes and in other areas, space, as you said. But the bottom line is we think we have a sustainable budget that will take us to the kind of force we're going to need in order to meet the threats that are out there in the world.

Senator UDALL. Thank you, Mr. Secretary. Thank you, General Dempsey, for your service.

Chairman LEVIN. Thank you, Senator Udall.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

I'm sure at this point in the hearing, Secretary Panetta, that you're contemplating what Danny Akaka said to you and wondering about your career choice. But we do appreciate your service and indeed the service of all of you.

General Dempsey, I want to bring up with you an issue that really troubles me. Since May 2007, Afghan security forces have killed 70 American and allied troops and wounded many more, over 100 more, in 45 separate attacks. One of those killed was a Maine soldier, Private First Class Buddy McLain.

I'm so disturbed by the frequency of these attacks. It raises questions about our vetting process. It raises concerns among our troops when here they're risking their lives to train and assist these Afghan troops, only to have some of them turn on them and kill them.

It's my understanding that a CENTCOM red team report concluded that there was a crisis of distrust that permeated both the Afghan national security troops that we're training and our own troops as well. So here they're being sent out on joint missions, they're training side by side, but they don't trust each other.

Unless steps are taken to stop these attacks on our troops by the Afghan security personnel, that level of trust that is so necessary for a successful strategy is going to be extraordinarily difficult to achieve. After all, these are the very security forces that we're depending on to take over from us so that we can come back home.

So I would ask you, what is being done to address this very serious and destructive problem?

General DEMPSEY. Thanks, Senator. Yes, I'm well aware of this issue. In fact, I just recently briefed the President on it, who shares your concern. As you say, it's actually 47 instances. About 11 of them were related to infiltration or self-radicalization. The remainder were issues of personnel. It's stress, it's tribal. It's not related to Taliban influence or ideological issues. That's an important point. It doesn't make it any better, but it makes it more understandable.

The other thing I want to mention is, it's not just what we call—it's not just them attacking us. They're attacking each other, and

probably at a rate of about three times. So we are interested in this. We have an eight-step vetting process that includes—I don't have the entire thing memorized, but it includes things like letters from tribal elders, biometrics, training, indoctrination, and then the embedding of counterintelligence agents, both United States and coalition, but also Afghans themselves.

Recently, because of this recent issue with the French you may recall, President Karzai and the Ministry of Interior, Bismillah Khan, agreed to embed some counterintelligence agents in throughout the Afghan National Army in order to try to get after this.

So we're seized with it. It is tragic and we are taking steps to improve it. We are not going to get it to zero. It's the nature of this kind of conflict.

Senator COLLINS. It's one thing to tell a family that's lost a loved one that they did so in support of the Afghan people to help them have a secure country and to make our national security better. But it's so different to try to console a family that has lost a son or daughter as a result of Afghan security force members killing them. I just think it's a terrible problem, and the seeming frequency of it is really disturbing.

I realize we're never going to get to zero, but there are too many incidents.

Secretary PANETTA. Senator, if I could, I share your concern deeply. I just returned from the NATO ministerial, where obviously the French were very concerned, having lost some of their troops to this situation. What we did at the NATO ministerial was to task General Allen to report back on the steps that are being taken. Before this, he had actually taken some of the steps that General Dempsey recommended. They are moving aggressively to try to do a better review of those that are going into the Afghan army, better checks, better background checks, in order to ensure that these incidents are cut back.

I would say that, even though no killings this way are in any way justifiable, that it still remains not something that is something that's endemic. It is sporadic, but nevertheless, we have to address it and make sure it doesn't happen.

Senator COLLINS. Thank you. I would ask that your offices keep me informed as you do try to improve the process.

Secretary Panetta, I share a lot of the concerns that my colleagues have expressed about some of the cuts in the budget, particularly those that affect shipbuilding and the size of our fleet. It seems inconsistent to say that we're going to focus on the Asia Pacific area and yet not seek to get to what for years has been the absolute minimum goal of 313 ships.

I am pleased, however, that the budget request indicates that DOD intends to seek a multi-year procurement plan for the DDG-51 destroyers between now and 2017. First of all, do you support that plan, and do you see that as helping to produce the kinds of efficiencies that will lead to a lower cost per unit?

Secretary PANETTA. Absolutely. I think that's extremely important. Two things are important. We want to maintain—we have 285 ships now. We want to be at 285 ships in 2017. In the next 5 years, our hope is to gradually move up to 300 ships by 2020. So

we're clearly intent on having a Navy that is fully capable to project that forward presence that we're interested in.

Second, I think we have to do it in order to protect our economic base. We have to have a strong industrial base here that supports DOD, and for that reason my instructions are to do everything possible, not only to obviously get better competition and better savings, but to make sure that we keep our industrial base busy serving our needs.

Senator COLLINS. That is so important, because once that industrial base is gone, you never get it back. Once those trained workers go into other fields, you've lost them forever, and that would greatly weaken our capabilities. I agree.

Thank you for that response.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Collins.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

General Dempsey, Secretary Panetta, and Mr. Hale, thank you for your service, and it is good afternoon now. Thank you for your leadership, particularly during this time.

Improvised Explosive Device (IED) proliferation is a key concern of mine and it certainly has been for quite a while. I support anything that we can do to counter IEDs and obviously protect our troops, and I also support anything we can do to improve the detection rates and interdict the flow of caches of ammonium nitrate.

Reportedly, last year in Afghanistan IEDs caused over half of U.S. military deaths, and IEDs will continue to pose an enduring threat to our military men and women. I believe we need an enduring capability to counter this threat. However, we have to ensure that our countermeasures effectively deal with the types of IEDs that we face now and in the future, along with the environments that they'll likely be utilized in, and our efforts must be geared toward countering IEDs in any locale.

My figures show that we've spent approximately \$17 billion on various counter-IED initiatives and equipment, not counting the \$45 billion spent on mine-resistant ambush protected (MRAP) vehicles. I see these, our young soldiers, all the time with loss of limbs. We host wounded warrior luncheons in my office. I see them at the airports. I really want to do everything possible we can to counterdict the IEDs.

But at the same time, we're spending billions of dollars to fight a technology that currently is costing the enemy tens of dollars. So I'm wondering, how do we figure out how to alter this investment ratio? What investments will DOD make in developing effective IED countermeasures in order to protect our troops and at the same time avoid restricting their freedom of movement?

General DEMPSEY. Senator, the IED challenge is the enemy's asymmetric tool. I think you're correct in stating that it has been the biggest killer on the battlefield and is likely to remain so. That'll be true, I think, by the way, wherever we're deployed. I think we are so capable that they will find ways to attack us, and typically now that's through IEDs.

The next challenge, by the way, will be precision rockets and missiles. But we'll get to that one.

To your point about IEDs, the way we're trying to address the cost ratio is by expanding—and we have been doing this—the aperture. So it's not just about trying to find technological means to defeat the device. Defeating the device is important—under-armor improvement kits, MRAP, as you say, mine detection, deep penetration radars, or ground-penetrating radars. But it's also training to identify signatures, and I'll explain that briefly in a second, and then also attacking the network.

So you have to do all three. You have to identify signatures, and that is to say the components, the chemicals, and then find ways to identify those components and attack the supply chain. Then it's attacking the network. That includes the financiers and includes those who emplace. Then finally, it's defeating the device.

We've gotten actually quite good at it, but again this is the enemy's principal munition that he uses against us and it does continue to incur casualties. So we just have to stay with it. I don't have any better answer than that.

Secretary PANETTA. If I could, Senator, follow up a little bit on that?

Senator HAGAN. Okay, yes, please.

Secretary PANETTA. Probably one of the best things that was developed was the MRAP, and it has saved a lot of lives and it was done on an expedited basis. So it's a good example, frankly, of trying to produce something needed by our fighting men and women on a fast basis. We're continuing to, obviously, do that kind of research, to try to develop the best ways to try to protect our young men and women.

I agree with you, anybody who's seen the results of an IED has to shudder at the devastating wounds that result from that.

The other piece of this, though, relates to the supply network for these IEDs. In some ways that relates to the safe haven in Pakistan that continues to supply a lot of this. That is an area that we believe we've urged the Pakistanis to address it. We think that whole issue needs to be addressed if we're going to be effective at trying to cut back on these.

Senator HAGAN. That was actually my next question, and I know we've discussed this before: What is DOD doing to put pressure on Pakistan's network of the distribution of ammonium nitrate?

Secretary PANETTA. We have made very clear to them where these threats emanate from. We've identified locations. We've directed them to specific sites. We've urged them to take steps. In some cases they have. In some cases they wind up there too late. But we're continuing to impress upon them that they have to be part of the answer to dealing with this issue.

Senator HAGAN. I think that would help tremendously, and hopefully lowering the number of the IEDs that are placed.

Secretary Panetta, I also wanted to thank you for lifting the Marine Corps variant of the JSF off probation. The decision I believe is essential for the Marine Corps to operate and to move seamlessly from the sea ashore and in the air. It's also key to preserving the strategic value of our amphibious capabilities. Airlift capable of short takeoff and vertical landing (STOVL), a great example is when the F-15 fighter pilot crashed in Libya and these airplanes were able to, I believe within about 90 minutes, take off from a

large-deck amphibious ship, rescue the pilot, and have him back on board. So obviously there is a critical need.

I also understand that the original JSF procurement was currently planned at 2,443 aircraft, and in light of the new Defense Strategic Guidance and budget, the JSF program perhaps is looking at being restructured, which may include fewer aircraft spread out over a longer timeframe. According to Deputy Secretary of Defense Ashton Carter, DOD will slow its approach to full rate production of aircraft.

Do we have a projected timeline to complete the necessary testing and implementation of developmental changes in order to start buying the aircraft in higher quantities, and how is DOD conveying this to the defense industrial base, which Senator Collins was just talking about?

Secretary PANETTA. We think it's extremely important to get these fifth generation fighters out there as soon as we can. Obviously, it's taken time. There's been a lot of testing. They've had to readjust. The STOVL is the best example of that. There were five areas that were identified that put it on probation. They dealt with all five areas. It's tested well. Now, we're basically into software testing right now, and one of the reasons we wanted to slow it is to make sure that we knew what the problems were and we could get ahead of it, rather than go ahead producing these things and costing even more if we're catching up with some of the problems.

So we think we've set the right timeframe. I think our hope is that by, what, 2017, we'll begin to produce these planes?

Mr. HALE. We're buying them now, some tests. But they will be operational aircraft as well. We've just slowed the ramp, so we don't buy so many and then have to fix them later, which is very expensive. So we're buying them now. We'll buy 29 aircraft in fiscal year 2013, and I don't have in my head the number in 2017, but it will be substantially higher than that. We've just slowed down the ramp.

Senator HAGAN. My time for questions is over, but I did want to emphasize that I think it's critically important that DOD continue to invest in S&T programs and the research and development initiatives. These are the seeds that we need to plant and nurture in order to ensure that our military remains the best and most technologically advanced in the world, especially when dealing with the emerging threats. I just don't think we can emphasize enough the need for research and development.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

Gentlemen, thank you for being here. You have my respect and admiration.

You also have a very difficult job, which we've talked a little about. But let me just start with a quote from the DNI, James Clapper, who 2 weeks ago said: "Never has there been in my almost 49-year career in intelligence a more complex and interdependent array of challenges than we face today. Capabilities, technologies, know-how, communications, and environmental forces

aren't confined by borders and can trigger transnational disruptions with astonishing speed, as we have seen."

I doubt you would disagree with his comments. I don't know anybody who would.

But the challenge we're all struggling with—and Senator Lieberman, among others, has expressed this—is our heartfelt desire to have the mission determine the budget and not the budget the mission. You are, of course, constrained by law that Congress passes and that the President signs, so we realize that this is our responsibility. Your responsibility is to try to minimize risks and to maximize our national security, given the money appropriated by Congress.

I appreciate, General Dempsey, your talking about looking beyond the budget window to long-term risk. But let me talk about a near-term risk and something that's already been alluded to here. That is, Secretary Panetta, you and others, have made statements that there are certain red lines with regard to Iran—such as blockading the Straits of Hormuz, building a nuclear weapon. Iran is important to us, it's important to the region, but it's an existential threat to Israel, our ally. I don't believe they're going to wait on anyone else in determining what determines their right to continue to exist and their people's security.

Of course, Iran's already been killing Americans in Afghanistan and Iraq in a low-grade war against the United States and other NATO allies. But if Iran is hit by Israel, what sort of retaliation would you anticipate against not only Israel, but other countries in the region and American personnel in the Middle East?

Secretary PANETTA. The General suggests that we ought to look at a closed session to really address all the implications of what that may or may not mean. Obviously, we're very concerned about it. We're looking at all of the implications and consequences that could result. But it really involves intelligence and we should do that in closed session.

Senator CORNYN. I respect your judgment on that, Secretary Panetta and General Dempsey, and I look forward to further briefings on that.

But it strikes me that, we're not saying we're cashing the peace dividend, but we are certainly making disproportionate cuts to DOD and our national security expenditures. My view is that this is the number one responsibility the Federal Government has—a lot of other things that we do, we could put off or do without. But this is it; this is the most important thing that the Federal Government does. There are very real, not long-term but near-term, potentialities that could embroil not only the United States, but the Middle East and our allies, in a full-fledged war that would have dire economic consequences to our country and obviously to our allies. More than economic, also matters of life and death and existence.

Secretary PANETTA. Senator, without getting into the particulars, let me just assure you that we have very strong capabilities in place to deal with any circumstances that could develop in that region. We feel fully prepared for whatever might take place.

Senator CORNYN. I'm confident you've done everything that you know how to do to prepare and our military and DOD has as well.



It will not be without cost. It will not be without casualties. It will not be without serious consequences, is my only point.

So it troubles me, at a time when our national security apparatus is asked to do more with less, in a world that's getting more dangerous, not less dangerous, that we have a budget that unfortunately engages in—I guess the most charitable words I can use is “phantom savings”—phantom savings. Some might call it budgetary gimmicks and the like.

For example, the so-called trillion dollars in savings from a draw-down in operations in Afghanistan and Iraq that are not currently planned, which have been funded by borrowed money in the past 10 years, and which really represent—here's one headline in the National Journal, it says: “Pentagon budget revives war spending voodoo.” Like I said, I think “phantom savings” is the most charitable thing I've seen.

It just strikes me as extraordinarily dangerous at a time when the risk is deadly serious to have a budget proposal which makes a trillion dollars in savings on expenditures that we never anticipated spending in the first place. At the same time, I will grant you, we don't know what the risks will be in the future.

Let me close on this item. It's a little more concrete. It appears from my reading of the budget that there is a decrease of about 50 percent in the budget for training and equipping of Afghan security forces from 2012 to 2013.

I'd like first, a confirmation that my reading is correct; and second—Mr. Hale is nodding that it's correct, so I will just ask you, if our withdrawal from Afghanistan is conditioned on the ability of the Afghans to defend themselves and maintain stability there, how is a cutting of the budget by 50 percent from 2012 to 2013 consistent with that?

General DEMPSEY. I'll take that one, Senator. The ANSF fund was front-loaded when we had to develop a lot of their infrastructure. We front-loaded the purchase of a lot of their equipment. What you're seeing in this budget is that most of the capital investments, in our terms, have been made in the previous years.

So the reduction is a reflection that we have what we need, and most of the fund now is for replenishment and training and operations. But the simple answer to your question is we front-loaded the investments, the capital investments.

Senator CORNYN. In terms of size of the force and capability, do you see that getting larger or maintaining the status quo?

General DEMPSEY. We are committed to building the Afghan security forces out to 352,000, 195,000 of which is the army. That will be completed here within the next 90 to 120 days. We have not yet decided how long we'll keep it at that size, but that's a question we're looking at as we determine how to get from here to 2014 and deliver the Lisbon objectives.

Senator CORNYN. Thank you very much.

Secretary PANETTA. I might just add, Senator, to follow up on that, one of the things that was important in 2011 was that not only were we able to reduce the level of violence and weaken the Taliban, but one of the important things that took place is that the Afghan army really stepped up and started taking over real responsibility in terms of security.

In the areas that we've transitioned so far—and we're in the second tranche of those transitions—the Afghan army is doing a very good job at taking over security. We just have to make sure we continue to train them, we continue to make them capable to be able to take that responsibility.

General DEMPSEY. Mr. Chairman, could I respond?

Chairman LEVIN. If you can do it quickly.

General DEMPSEY. I will, very quickly.

Chairman LEVIN. Very quickly.

General DEMPSEY. That National Journal article, I don't ascribe to its conclusions because I've been so involved in the process. Some of the changes we made definitely will have an effect on our base budget. Some of those effects will be mitigated in the near-term by OCO. That's what he's talking about, that we've papered over the problem. But I don't accept that.

The Army in particular has 10,000 to 12,000 non-deployable soldiers directly resulting from the repeated deployments, and we're going to pay that bill out of OCO because it is related to OCO.

Senator CORNYN. We don't know what sort of unexpected challenges and threats our country will face in the future, is my point.

General DEMPSEY. We do not, sir, and I accept that. But that's what contingency funds are for.

Chairman LEVIN. Thank you, Senator Cornyn.

Senator Gillibrand, to be followed by, according to my list, Senator Shaheen, Senator Blumenthal, Senator Manchin.

Senator GILLIBRAND. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. Thank you, General Dempsey. I appreciate your service. Thank you, Mr. Comptroller, as well.

I understand you touched earlier today on the value of the Guard and Reserves and how important their service has been, serving shoulder to shoulder in both Afghanistan and Iraq. With regard to your Air Force restructuring strategy, about half the cuts have come out of the Guard, even though they only represented about a third of the costs. I believe the Vice Chairman of the Joint Chiefs did a report talking about managing budget issues, and actually made the point that Guard and Reserves provide capabilities at a lower cost than would be the case were the Nation to rely solely on full-time forces.

So I have a concern about the decisionmaking with regard to the Air National Guard, and specifically because of the assets that New York has. Obviously, we all have specific assets and strategies and resources in our States that we think are particularly important for our national security. But one thing that a lot of our bases and assets have is this National Guard and Reserve component that has been so effective in both Iraq and Afghanistan.

So I would like to urge you to look at that restructuring to see if there are cost savings by maintaining particularly Air Force National Guard and Reserve components as they are, whether it's Zebruski or whether it's in Niagara. Those are important aspects.

The second issue that I want to highlight with regard to New York specifically is the cyber mission that we do. We do such an important mission for cyber security and cyber defense in Rome, Rome Labs, that has been vital, I think, in being at the cutting edge of both technology and research and development.

One thing that I want to bring your attention to is what makes New York so good at doing some of this is the public-private partnerships that have developed with the private sector. A lot of the DOD contracts are being done by private developers, researchers, scientists, that have developed as a hub in all these areas across New York. We have the nanotech center in Albany, we have Rome Labs, we have throughout western New York a lot of research and development that will very much complement the work that the military is doing.

I understand that there will be interest in consolidations and cutting, but you will lose that synergy, that effort towards collaboration and clustering that is so important in the high tech sector, and I don't want you to underestimate how valuable that is for the military.

Then last, just to speak to these particular assets in New York, we are 100 percent staffed. We have no environmental issues. We have a workforce and communities that are so dedicated to the mission that the armed services have placed on these men and women, that you will lose some of that enormous benefit to the extent you have to consolidate or restructure.

We would love to gain missions, particularly with the National Guard and Reserve training, with unmanned aircraft and with cyber. So I wanted to just give you that background.

Secretary PANETTA. Senator, there are just a couple of things and then I'll yield to the General. First of all, on cyber, we are making increased investments there of about \$3.4 billion and even more in the out-years, because we think cyber is extremely important. So obviously partnering with the private sector is extremely important, and being able to develop the technological capability that we're going to need to have for the future, so I think that's important to remember.

Second, with regards to the Air Reserve, I understand the concerns. The Air Force made the decisions. Some of these planes in the past have come out of the Active-Duty Force and that's one of the reasons they tried to look at where some of the reductions could be made based on the age of these planes, as well as their capabilities. But they are trying to do whatever they can to mitigate against those impacts, because again we do need to depend on the Reserves to be there. They've responded in dramatic fashion over these last few years every time we've called upon them to come forward and take their place alongside other fighting men and women in the battlefield, and they've done a great job.

We want to be able to maintain that for the future. But that was the reason some of these cuts were made in those areas.

General DEMPSEY. The only thing I'd add, you mentioned cyber and I want to mention for the record that we strongly support the Lieberman-Collins-Rockefeller legislation, to get us in the proper place in dealing with the cyber threat, which is significant and growing, as well as the Senator Feinstein amendment to that legislation. So I'd like to say that.

Then I'd also say, I'm one of your constituents and how about them Giants? [Laughter.]

Senator GILLIBRAND. Go Giants! [Laughter.]

Thank you all for your service.

I wanted to make sure that there's nothing else that you need in the cyber bill as well, that you have reviewed it, and that it is providing the assets and resources that you need to enhance your mission.

Secretary PANETTA. I think the General is correct, that the bill that I know is being put together by Senator Lieberman and others reflects all of the issues that we think are important to address. So we'll continue to work, however, with the Senate and with Congress to make sure that if a bill does emerge it addresses our concerns about trying to make this country better prepared to deal with the cyber issues that are growing every day.

Senator GILLIBRAND. I would request that you look at the legislation with an eye towards making sure you have all the authorities that you need to support this growing mission, and also the resources necessary to do adequate recruitment, because obviously we want the strongest pipeline for cyber defense that we could create and the flexibility to bring in the talent that you're looking for. We want to make sure that, whether it's civilian talent or through the normal course, we want to make sure you have the flexibility and ability to recruit, train, and keep the best and brightest to do that.

Last, if I have time, Mr. Chairman, it's a very separate issue, but one I feel very strongly about, that I would like your commitment. I've heard you already speak to the issue of sexual assault in the military and the ability of the military to respond effectively to those concerns, to allegations, and to making sure we have the best fighting force we can have. That means that we create the right protocols and the right ability for women to be able to report such incidents and to be heard on those issues.

I'd like your comments, your views on that, and I would like to work with each of you on developing stronger protections for our women who are serving.

Secretary PANETTA. Senator, we look forward to working with you on this issue.

You've provided great leadership on this issue, and it's an area that concerns me greatly, that the incidents of sexual assault have grown. Frankly, my concern is that we have to be able to take action in these situations.

I announced a series of steps to try to improve our response to sexual assault. One of the most important things is to make sure that the command structure responds to these situations, because the longer they take to respond, it inhibits the ability to bring a case, and that's what has hurt us in being able to move aggressively in most of these cases.

So we need to do a broad education effort to make sure that the command structure understands how important it is to respond in these situations. We also need a legislative package and I would like to work with you in trying to address the legislative needs that we're going to need in order to really be able to get this problem in control.

Senator GILLIBRAND. Thank you, Mr. Secretary.

Chairman LEVIN. Thank you, Senator Gillibrand.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you, Secretary Panetta, General Dempsey, and Mr. Hale, for your commitment and your stamina. We appreciate it.

I want to begin actually where you began, Mr. Secretary, that Congress must do everything possible to avoid sequestration, because I certainly agree with that. I share the concerns we've heard expressed from my colleagues. I'm not going to ask you to respond to this, but I would certainly hope that we in Congress would do what you have been willing to do, and that is to put everything on the table and put aside our posturing and come to some agreement that addresses the long-term debt and deficits of this country.

It is inexcusable that we are in this position now with you and all of the men and women who are serving in defense and in our military and across the Federal Government not knowing what we're going to do because we have been unable to act.

So I would like to start with where Senator Gillibrand left off, and that is with the Guard and Reserve. I was very pleased, Mr. Secretary, to see in your statement that you talked about continuing a National Guard that is equipped and ready. I know that the decision to transition our Guard and Reserve units from a strategic reserve to an operational reserve required a significant investment and a change in strategy.

So, General Dempsey, I wonder if you could speak to the original rationale for that transition?

General DEMPSEY. I think it's important to roll back the tapes, maybe all the way back to 1973, when, coming out of the Vietnam war, there were no Joint Chiefs at the time, but the Service Chiefs all realized that one of the problems we had during that conflict was we really never got the American people involved because it was borne on the back of the Active component, with very little reliance upon the Guard and Reserve.

So we built a structure that not only allows for the utilization of the Guard and Reserve, but it makes it absolutely necessary. So the question is not will we use the Guard and Reserve, because fully a third of the capabilities necessary at any given time to do anything reside in the Guard and Reserve.

So we are committed to it. What we've found in this conflict as we went forward, we relearned a lot of those lessons. We made some pretty significant investments and the Guard and Reserve and the Active component have never been closer.

Now, as we go forward, of course, and as the demand goes down, that's going to put some—and the budget goes down—strain on that relationship. You've seen some of that already.

But I can tell you that each Service has a plan in terms of the rotational readiness of its formations, that they will include the Guard and Reserve in that rotation. So the entire Guard will never be operational, any more than the entire Active component is always operational. But I think you can feel secure in the knowledge that we understand and will work toward this goal in a rotational readiness cycle.

Senator SHAHEEN. I appreciate that. As we look forward this year, I know that the Air Force is going to be making some initial decisions on where to base the new KC-46 tankers, and I would hope that the Air Force and DOD will take a look and ensure that at least some of those aircraft are based at Guard bases around the

country. I have one particular in mind, but I'll let you draw your own conclusions.

But can I ask you, is there a commitment on the part of DOD to base some of those new tankers at Guard facilities?

Secretary PANETTA. I think the Air Force is looking at a whole set of options in order to make sure that we mitigate whatever cuts have been made and make use of the facilities that are out there with the National Guard and Reserve. I can assure you that they'll be in consideration.

[The information referred to follows:]

The Department of Defense will make use of the National Guard and Reserve facilities, consistent with operational needs. Regarding where to base the KC-46 tankers, I will reiterate that these facilities will be in consideration.

Senator SHAHEEN. Thank you. I appreciate that.

I would also like to go back to BRAC, which a number of my colleagues have addressed, and I share many of the concerns that have been expressed. I know, Secretary Panetta, that you've said you've seen just about every side of the BRAC process. Can you commit to providing us with a comprehensive assessment of the savings from the 2005 round, and I assume if you're looking at 2013 and 2015, that you also have estimates of savings in those two rounds, and that we would also see those as we're looking at a decision about what to do about the next BRAC round?

Secretary PANETTA. I'll be happy to give you what information we have with regards to the past BRAC rounds, and obviously some ideas about what we would do in terms of future rounds.

As I said, I've been through the process. Frankly, I don't wish the process on anybody, having been through it, because it is tough. 25 percent of my local economy was hit by virtue of a BRAC closure. But we did use it as an opportunity to develop a college-university campus there and it's proved very successful as a reuse.

I think the issue is it did cost a lot more than anybody anticipated, but the fact is, we are achieving in the long-run significant savings as a result of that. That's number one. Number two, I don't know of any other way to deal with the kind of infrastructure savings we have to achieve here as a result of reducing the force without going through that kind of process. That's the problem I have. It's the most effective way of trying to address that issue.

Senator SHAHEEN. Certainly in New Hampshire we've seen both sides of the issue, because Pease Air Force Base was the first base closed in the country. Fortunately, it's doing very well now. The Portsmouth Naval Shipyard, which is on the border between New Hampshire and Maine, was actually removed from the last round by the commission because of their effectiveness.

One concern I have as we look going forward, particularly with respect to our public shipyards, is that there's a real backlog of projects that need to be done at those shipyards. Obviously, the Portsmouth shipyard is not alone in that. They have been producing, I think, very well despite that backlog. They just delivered the USS *San Juan* attack submarine 8 days ahead of schedule, despite some of the challenges with that.

Senator Collins and Senator Ayotte and I had a modernization in last year's defense authorization bill that asks DOD to produce a shipyard modernization plan to address these shortfalls. I hope

that DOD will take that very seriously and produce that, because as we're looking at our security going forward, those public shipyards are a critical part of that.

Secretary PANETTA. Senator, as I stated before and I'll say again, we absolutely have to maintain the industrial base we have, and the shipyards in your area, the other shipyards we deal with, are extremely important to our ability to respond to the needs that we have. So we're going to do everything possible to work with you, not only to increase, obviously, the competitive nature of trying to achieve savings, but also to try to do what we can to provide those upgrades.

Senator SHAHEEN. Thank you.

A final question. Secretary Panetta, one of the concerns that we've heard in a number of reports over recent years has been the challenge of attracting people with the backgrounds that we're going to need, with science, technology, engineering, and math subjects, to be able to continue to do the jobs that are critical to our defense establishment. I wonder if either you or General Dempsey could address what strategy we have for trying to attract those young professionals when the private sector is offering them so many more attractive monetary rewards.

Secretary PANETTA. Initially I shared the same concern. I know when I went out to the National Security Agency and when I look at the people that are involved in that area, not only at my past agency, but other agencies as well, I have to tell you we are attracting some very bright, capable, young people to those jobs. They're very interested, they're very capable, and with the investment we're making in cyber, I'm absolutely convinced we're going to be able to attract the talent to be able to make that work.

Senator SHAHEEN. I think our challenge as a Nation is to get enough young people engaged in those subjects, so we're training the people we need.

General Dempsey?

General DEMPSEY. I think the Service Chiefs will have a view on this as well, and it's actually exacerbated by the fact that—and I think you and I have actually had this conversation—only about one out of every four American young men and women can qualify to get into the military, either based on education or physical issues or issues of making really stupid Facebook posts in their youth or something.

So we are all competing, as you say, academia, corporate America, and the military, for the same 25 percent of the population. So the answer has to be to get after education in this country as well, it seems to me.

Senator SHAHEEN. I totally agree.

General Dempsey, I was very disappointed to hear you mention the Giants. You're fortunate that all the other New England members of this committee have gone. [Laughter.]

General DEMPSEY. My condolences, ma'am. [Laughter.]

Senator SHAHEEN. Thank you.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Blumenthal.

Senator BLUMENTHAL. Just in fairness, General Dempsey, and as a New Englander, I interpreted your remark more as an expression

of battlefield admiration than an endorsement. So I think you're still on fair ground. [Laughter.]

I want to thank all of you for your extraordinarily effective and persuasive explanation of the President's budget and thank you for your patience in answering our questions so effectively.

I want to begin with a subject that the President certainly emphasized, which is undersea warfare capability, and note the slipping, postponing, delaying, whatever the correct term is, of a submarine construction, one submarine from 2014 to 2018. I have heard from Electric Boat and indeed within the Navy about the cost savings that can be realized if we stay on schedule and build two submarines every year. I wonder if there is a possibility for considering and perhaps your hearing our views on that issue, Secretary Panetta?

Secretary PANETTA. This is all about, obviously, having to reduce the budget by half a trillion dollars. We have to look really closely at affordability and cost efficiencies. If anybody comes forward with a better idea as to how to save money, I'm more than open to listen to it.

Senator BLUMENTHAL. I think we may come forward if you'd be willing to consider it.

Secretary PANETTA. Absolutely.

Senator BLUMENTHAL. I would appreciate it.

Let me go to what you have really very convincingly said is the military's greatest asset, which is its people, and you've been discussing it very movingly and inspiringly, most recently to Senator Shaheen, talking about keeping faith and providing many of the men and women, our warfighters who are going to be coming back from Iraq and Afghanistan, with jobs and transition assistance, which has been expanded under the most recent legislation on veterans to be approved by this Congress, an amendment that I offered in a separate bill.

I want to focus on what can be done to aid those veterans before they leave the service to more effectively transition into civilian employment, because as they come back if they enter the Guard or Reserve, to have an unemployment rate which is vastly higher, that is, right now in Connecticut, double the general rate in Connecticut, 15.5 percent as compared to 8.2 percent, will simply be a profound deterrent to anyone going into the Armed Forces. If that is going to be the kind of hurdle they face coming out of the service, it will defeat your best efforts to recruit the brightest and most capable.

Secretary PANETTA. Senator, this is a problem that I worry about a great deal. Frankly, it's one of the risks involved as we reduce the budget by this level, is how to ensure that we take care of those that are returning. We already have a backlog and we're going to be pumping anywhere from 12,000 to 14,000 a year as we go through these drawdowns.

I think it is extremely important that we be able to provide the services as these men and women come back to really be able to counsel them, to gather them, to make sure they're aware of the job opportunities, to make sure they're aware of the education opportunities, to make sure they're aware of the funds that are avail-



able to help them transition, to make sure that their families are cared for as well, as we make that transition.

This has to be a package approach. Each Service now does it in their own way. They do it pretty effectively. But I think we have to make very clear that nobody should fall through the cracks.

Senator BLUMENTHAL. I know the Marine Corps has been doing it more effectively. I've talked to General Amos about——

Secretary PANETTA. They do a great job.

Senator BLUMENTHAL.—his very, very effective work. I wonder if—and you may already be doing it—there's some servicewide approach building on the best models and best practices, would be appropriate.

Secretary PANETTA. We are looking at that.

General DEMPSEY. If I could add, Senator, there are more initiatives on this issue than we possibly have time to discuss. As the Secretary mentioned earlier, we're trying to team ever more closely with the VA to do this. We're starting to take a view that transition begins when you enter a Service, not in the last 6 weeks before you leave it.

But the other thing I want to mention here is some of this can be legislated, some of this can be made a matter of policy, but this is one of those issues that will be best solved from the bottom up when corporate America reaches out to embrace the returning veterans.

By the way, a lot of them are. I can't tell you how many times I'll go to some conference or something and someone will tell me that they have a new initiative to hire 10,000 veterans. So I think it's a matter of merging what can be done at the governmental level, but also what needs to be done at the grassroots level to help this out.

Senator BLUMENTHAL. I would agree with you, General Dempsey, that corporate America is stepping forward more often and more effectively. But I don't believe I'm telling you anything you haven't heard before in saying that there's still a lot of employers who look at somebody who's in the National Guard or the Reserves and who say, not explicitly, but think to themselves: This person's going to be gone for a year or more if he or she is deployed, and better to hire someone I know I can count on to be on the job without interruption.

That is discrimination. It's illegal if it can be proved, but it has to be surmounted as a matter of practice implicit in some of the employers. I believe that we need more effective measures for enforcement to counter that approach, because it will undermine your best efforts, which I admire, to attract the best and most capable to the Guard and the Reserve.

So I'm not asking for your comment, but I hope that perhaps we can work together on the initiatives that we don't have time to discuss here.

Just one last question. The IEDs that all too often are maiming and killing our warfighters, I wonder whether there are new initiatives there that perhaps we can discuss, if not here, at some other point, because I've been interested in it and appreciated Secretary Carter's very important work in accelerating delivery of the so-called biker shorts and the groin protective gear, and also the work

that I hope is being done to discourage the Pakistanis from permitting the fertilizer and ammonium calcium nitrate from crossing the border and going into these roadside bombs.

Secretary PANETTA. Yes, Senator. I know that your time is short on this round, but I'd just assure you that we are seized with this. Our relations with Pakistan have been somewhat challenged. They're improving, and this is one of the points of friction between us that we have to get at.

Senator BLUMENTHAL. Thank you very much and I appreciate your answers to my questions. I want to associate myself with the remarks made by Senator Gillibrand and your remarks about the problem of sexual assault within the military, but also the issue of suicides, which we will not have time to discuss today, perhaps I can follow up with you on.

Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Manchin.

Senator MANCHIN. First of all, I want to commend the three of you for your endurance. I know you've been through this before, and a lot of the questions have probably been touched on that I wanted to ask, but I wanted to go over a few things, if I may.

First of all, the most defining moment in my short Senate career was when Admiral Mullen sat there and the question was asked to him, "what's the greatest threat the United States of America faces?" I thought I would hear some type of a military response, whether it was al Qaeda, whether it was North Africa, or China building up their military. He didn't even hardly hesitate. He came right back and said that "the deficit and debt of this Nation is the greatest security risk." I know you all realize that and take it serious, too, and I know we've talked about it, Mr. Secretary.

I'm looking everywhere I can to cross over the aisle in a bipartisan way to find out how we can make this financial, the where-withals that we have financially, but also get our financial house in order. I know that we talked about cutting back, and everybody—I don't know of anybody in here, Democrat or Republican, that does not support a strong military.

But everybody's afraid of the political ramification if they say one thing. I can only say this to you, that with the growth of the contractors in the military—when I looked at just the period of time, maybe 10 years, and the support of contractors—and I'm not talking about the manufacturing base of contracting, and I wanted to maybe mention, if you would, as I get done with this question, about Buy America and how we can do more in America to make sure that we are supporting the manufacturing base.

But with that being said, in a simplistic way I believe that we could strengthen the military or men and women in uniform by reducing the contractors who are doing the same. I hear an awful lot of them that tell me that. I see them in the airports, and I ask every one of them that are private contractors that are going back to Afghanistan, and I stop and I talk to them. I introduce myself. Were most of you previous military? Yes. Would you have stayed in the military if not for the large paychecks that you might be able to get from the contractors? Yes, we would have if this option wasn't there.

So I can't figure this one out. Then it'll dovetail into the whole thing I'm going to talk to, which I know everybody's talked about, how do we best use our National Guard? We're all extremely proud, but I can give you examples of how we say—but first of all, the purpose of contracting. Can't we cut the amount of contractors that we have that are doing the same jobs as military without facing political ramifications of you're cutting the military? I'm not going to vote to cut the military, but I will cut the contractors, sir.

Secretary PANETTA. Senator, this is an area that we're paying attention to in the efficiencies that we're looking at, which are going to be about \$60 billion. This is one of the areas that we are looking at, contract services, number of contracts that are provided, in order to determine where we can achieve savings.

Any ideas you have, recommendations along these lines, we're more than happy to listen to. This is a big job, going after \$487 billion in savings. So I'm willing to look at any area necessary.

Senator MANCHIN. Mr. Secretary, there was a report—I want to make sure of this—that \$12 million a day for the past 10 years in Iraq and Afghanistan has been wasted, misspent, whatever, by contractors. I think that report was given to you, too. So there's many areas.

But I'm just saying, wherever a uniformed person can do it, why—I know we're cutting 100,000 troops. That concerns me. If anything, I'd rather cut 200,000 contractors and keep the 100,000 uniforms and use the support of our National Guard.

I will say this, that they touched on the veterans, all of us. To me, in the private sector you do the best job of providing the training for a military person, their discipline, their ability to come out and they can do it. Why is our unemployment so high, and what are we doing wrong? We started a caucus, I started it with Senator Kirk, and it's "Hire a Vet." I have two vets in my office and we're looking for more good vets. We always do.

How do we do this to prepare to get them back in? I know that the Senator from New York touched on that quickly.

Secretary PANETTA. I think, and I'll let the General expand upon this, but we really are—look, part of the problem is the economy, the overall economy. These kids are coming back and they go back home, and most of these local economies are having tough economic times, and you suddenly pour some of these young men and women back into their communities and there aren't jobs for the people that are there, much less for these young people that are coming back.

Having said that, we really have had some impressive efforts by the private sector because of the reasons you suggested. These are kids who are disciplined. They usually have a capability and a talent that is extraordinary that can be used. Most of the private sector people I talk to really want to have these kinds of individuals as part of their workforce.

More and more of these individuals are now coming forward. We've set up a web site where we list the jobs that are available in the private sector. More of these private sector individuals are committing themselves to hire our vets as they come back. So there is an important effort going forward, but a lot of it obviously depends on an economy that has to recover as well.

Senator MANCHIN. I think, first of all, I want to commend all of you for working with our office so close on this new caucus. As I just previously mentioned, we just started it, "Hire a Vet." We would like to even expand on that with you. If we would know who's cycling out and what skill sets, so we could network better, we think there's ways that we could improve on this and work together. So I appreciate that and we'll be very close.

General Dempsey, my final question would be to you. I talked about the National Guard. In West Virginia we've been very blessed by having a highly rated National Guard, one of the best in the Nation. A lot of people get a lot of good training, and I'm so proud of them. We saved DOD \$27 million this year alone. If these small town facilities were fully tasked, we could do that, we think DOD could save \$250 million a year.

We're talking about things that basically is refurbishing generators, the Humvees, tents, tire assemblies, these are things that we have been able to do at tremendous cost savings. I'm sure other Guards are doing them also. Is there a way that we can network more of that to use our Guard? We've proven that the savings in just a couple of our little facilities were quite substantial. I don't know how we can expand on that.

General DEMPSEY. I don't either, sitting here today with you, Senator. But certainly we all, to include the Service Chiefs, who really are the leaders of their particular Guard—you're going to have General—I'm not throwing him under the bus here, but you're going to have General Odierno here later in the week, and I think he would be eager to understand that and see if we can take advantage of it.

Clearly, anything we can do to in-source, and I mean Active, Guard, and Reserve—is effort well spent.

Senator MANCHIN. Yes. The other thing, it gives the training to the person we're trying to cycle back into the private sector, so it has a twofold purpose.

I think you all realize the sensitivity of what we're dealing with here, trying to make sure that we give you what is needed to keep this safe and free. On the other hand, the responsibility, when General Mullen said our greatest threat is basically our own finances, so we're taking all that serious. We need your help, and we think contracting—if we can downsize the contracting, reinforce the military and people in uniform, I think you'll have us all on both sides. You might be able to bridge the gap that we can't bridge.

Secretary PANETTA. Senator, if I could just comment. Look, I think DOD has stepped up to the plate. What we've proposed here is real, it's well thought out. We've done a strategy to back up our decisions, and all of that's contained in our recommendations.

But I really would urge you and others to engage in the broader discussion that has to take place with regards to how we reduce the deficit. That has to include a number of areas that, unfortunately, have not been on the table, that have to be on the table if we're ever going to confront the debt crisis that faces this country. This can't just fall on the backs of defense. Other areas have to be considered if we're going to be able to effectively reduce the deficit.

Senator MANCHIN. There's a group of us in a bipartisan effort that are looking at ways that—and we know it takes everything,

getting the money that we're not receiving now that should be paid in revenues, and also make sure we get fraud, waste, and abuse, and run more efficiently. So I think you're going to find quite a few of us on both sides willing to meet with you, sir.

Thank you so much. I appreciate all your service.

Chairman LEVIN. Thank you, Senator Manchin. As I mentioned before, I hope all of us will take a look at the proposals in the budget in front of us to raise an additional \$3 trillion for deficit reduction. It's in the budget that came in yesterday, but it seems a lot of us are unaware of that. Half of that is revenue increases. Upper income tax increases, restoring their bracket, the millionaires tax, a number of other revenue measures, are in this request. I was surprised by so many of our colleagues here today talking about the need for deficit reduction and the importance of avoiding sequestration—which I think, by the way, is a bipartisan goal—were unaware of the fact, because I don't think the administration, frankly, has done a good job of focusing on what's in their own budget in terms of deficit reduction. It meets the \$1.5 or \$1.2 trillion goal.

Senator MANCHIN. Mr. Chairman, we've had this discussion and we can raise the revenues without raising taxes, by closing the loopholes—

Chairman LEVIN. Exactly right.

Senator MANCHIN.—changing our corporate laws, changing and making sure there's a fairness. If the American people think that we're putting fairness to the system, I'll guarantee you they're behind us 1,000 percent.

Chairman LEVIN. They are. It's amazing, when you look at public opinion polls they say that we have to include revenues in deficit reduction. We can do it without raising taxes on middle income Americans.

Senator MANCHIN. We can cut spending, too, sir.

Chairman LEVIN. We can cut spending, too. The balance in this budget that has been given to us yesterday is about 50 percent additional cuts and about 50 percent additional revenues. But frankly, I don't think the administration in its rollout yesterday focused on the fact that this would avoid sequestration. This budget, if we adopted it, avoids sequestration. It does it because finally they're talking about additional revenues.

Now, they've talked about it in the administration, but now they've put it in their budget. We had Republican colleagues today talking about avoiding sequestration, and when I pointed out this budget that was given to us avoids sequestration because there's additional revenues in it, what they were saying is, well, they hope they can vote on it. Well, my answer to that is we also ought to have a Republican alternative, if there is one, so we can see exactly what the options are in that regard.

So we've had silence on the revenue side from our Republican colleagues, and it's that silence which needs to be corrected by the administration, frankly. I would hope that there would be greater focus on what's in the budget relative to the revenues which will help us avoid sequestration. We all want to avoid sequestration.

I think that you are interested in having a bite to eat. We thank you very, very much, and we thank your staffs.

We will stand adjourned.  
[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

NONSTANDARD EQUIPMENT

1. Senator LEVIN. Secretary Panetta and General Dempsey, the Department of Defense (DOD) has acquired millions of dollars in tactical nonstandard equipment to address the evolving threat in Afghanistan (and previously in Iraq), including the enemy's use of improvised explosive devices (IED). To what extent are you considering this nonstandard equipment purchased by Joint IED Defeat Organization (JIEDDO) and others to meet urgent warfighter needs as equipment that should be added as standard equipment to unit requirements?

Secretary PANETTA. DOD has established and utilized processes, such as Army G-3 Capabilities Development for Rapid Transition and Joint Improvised Explosive Device Defeat Organization Transition, Transfer, Terminate Process, to review and transfer equipment and capabilities for service sustainment. A significant amount of equipment (e.g., body armor, CREW, Counter-Rocket, Artillery and Mortar, radios, et cetera) is already transitioning to the Services and the standardized equipment list. Supporting these efforts, DOD is conducting two separate but related studies to identify and review counter-improvised explosive capabilities, including nonstandard equipment that are appropriate to sustain. The studies will also serve to identify a plan to transition the necessary capabilities funded by overseas contingency operations (OCO) to programs of record. These ongoing studies will inform DOD's development of the President's budget for fiscal year 2014.

General DEMPSEY. The Office of the Secretary of Defense (OSD), the Joint Staff, and the JIEDDO work closely with the Services to identify which of the nonstandard equipment purchased to meet urgent warfighter needs should be added as standard equipment. JIEDDO assists in the process by conducting monthly meetings with the Services and Joint Staff to identify if a JIEDDO-funded program should be transitioned, transferred, or terminated based on Service and Joint Staff requirements. This year-long process culminates in direction to the Services from the Deputy Secretary of Defense to assume responsibility for JIEDDO initiatives identified for transfer or transition.

2. Senator LEVIN. Secretary Panetta and General Dempsey, to what extent has DOD identified future maintenance and other sustainment costs for these items that will have to be funded in future base budgets?

Secretary PANETTA. The Deputy Secretary of Defense directed the Under Secretary (Comptroller)/Chief Financial Officer to study enduring activities funded through the OCO portion of DOD's budget. This study, co-led by the Director, Cost Assessment and Program Evaluation, is in process. The study is to inform DOD's decisions regarding, among other items, the approach to fund enduring equipment needs.

General DEMPSEY. The Deputy Secretary of Defense directs the Services to assume responsibility for JIEDDO funded programs and equipment in one of two categories: transferred or transitioned. A transferred program is a proven counter-improvised explosive device (C-IED) capability that is not assessed to be an enduring capability for the Joint Force, but one that requires sustainment for the current conflict. Maintenance and sustainment costs are shifted from JIEDDO to the appropriate Service to be funded using OCO funds. A transitioned program is assessed as an enduring capability for the Joint Force and ownership, management, funding, and future development becomes a base capability of the appropriate Service and is requested in the President's budget.

As part of a larger effort by the DOD, the Joint Staff has initiated a review of the C-IED portfolio to identify enduring requirements. This review will be used to inform Services as they prepare future budgets in the context of DOD's new Defense Strategic Guidance.

3. Senator LEVIN. Secretary Panetta and General Dempsey, what are the plans for placing these estimated requirements into the Services' budgets for fiscal year 2013 and beyond?

Secretary PANETTA and General DEMPSEY. The Joint Staff, Services, and JIEDDO are conducting a comprehensive C-IED portfolio review to determine which of the nonstandard equipment programs established by JIEDDO are enduring and should become Programs of Record. This review will inform the Services as they incorporate C-IED capabilities into their respective budgets for fiscal year 2014 and beyond.

## AFGHANISTAN DISTRIBUTION CHALLENGES

4. Senator LEVIN. Secretary Panetta and General Dempsey, in a 2011 report to Congress, the Government Accountability Office (GAO) found that although U.S. Transportation Command (TRANSCOM) has established some processes for oversight, it does not have full oversight of the distribution of supplies and equipment to the warfighter in Afghanistan. In addition, DOD has taken some steps to mitigate challenges in distributing materiel to forces operating in Afghanistan, however DOD continues to face challenges in distributing materiel to forces operating in Afghanistan including: (1) a lack of adequate radio-frequency identification information to track all cargo movements; (2) no common operating picture for distribution data and integrated transportation systems; (3) complex customs clearance processes in Afghanistan and Pakistan that delay shipments; (4) limited information on incidents of pilferage and damage of cargo; and (5) ineffective tracking and management of cargo containers. To what extent has DOD assessed the impact of supply challenges on unit and equipment readiness?

Secretary PANETTA and General DEMPSEY. While DOD acknowledges that challenges remain in the distribution of supplies and equipment, these challenges have not led to any degradation with respect to supplies or equipment readiness. As GAO's report indicates, DOD has made great strides in improving distribution operations in Afghanistan. It is important to note that GAO's audit occurred during the recent surge of 30,000 additional U.S. forces in Afghanistan. Remarkably, U.S. Forces-Afghanistan was simultaneously able to increase ration stocks from 30 to more than 60 days and fuel stocks from 30 to 45 days of supply on hand. This unprecedented growth reflects a robust supply network, not hampered by delivery timelines. Further evidence of DOD's logistics resiliency is demonstrated by the fact that in spite of our main supply route (Pakistan road networks) being closed since November 26, 2011, our flexible system has allowed us to actually increase on-hand stocks and sustain our troops at a very high rate of readiness. DOD is striving to ensure that we meet these distribution challenges in the most timely, efficient, and effective manner in order to ensure the best possible support to all of our U.S. Armed Forces personnel.

5. Senator LEVIN. Secretary Panetta and General Dempsey, to what extent has DOD improved its visibility over equipment and supplies in Afghanistan?

Secretary PANETTA and General DEMPSEY. DOD is engaged in ongoing efforts to improve visibility over equipment and supplies in Afghanistan. Steps we have taken in the last 18 months include:

1. Leveraging the use of Radio Frequency Identification (RFID) tags for tracking cargo and providing In Transit Visibility (ITV) and Asset Visibility (AV). RFID remains the backbone of our tracking capability.
2. Developed, refined, and fielded tools, such as the Integrated Data Environment/Global Transportation Network Convergence, Battle Command Sustainment Support System-Nodal Management, and the U.S. Central Command (CENTCOM) Logistics Common Operating Picture, to provide commanders down to the tactical level with a comprehensive ITV picture.
3. TRANSCOM is developing a contractual means to implement the use of commercial Active Tracking and Intrusion Detection (ATID) devices on Pakistan and Afghanistan road networks. The ATID devices will provide near-real-time tracking of containerized unit cargo and equipment thereby improving ITV and AV on containerized shipments transiting to and from Afghanistan via Pakistan.
4. Improved pre-deployment training on the proper methods for preparing and installing RFID tags.
5. Developed procedures to identify non-compliance with RFID policy/directives so that the responsible commanders can be notified and corrective action initiated.

As a result of these steps, the visibility that we have over our equipment and supplies in Afghanistan has improved.

6. Senator LEVIN. Secretary Panetta and General Dempsey, to what extent has DOD developed a common operating picture to improve its processes for tracking equipment and supplies in Afghanistan?

Secretary PANETTA. DOD has improved its capability to track equipment and supplies by developing, refining, and fielding tools such as CENTCOM's Logistics Common Operating Picture (LOGCOP), the BCS3-NM, and other automated information technologies (i.e., RFID/Active Tracking Intrusion Detection). These improved tools

provide comprehensive ITV of critical DOD assets to commanders and staffs at all levels of command.

General DEMPSEY. We have reemphasized to commanders at all levels the importance of maintaining visibility over equipment and supplies transiting Afghanistan. We have improved their capability to track equipment and supplies by developing, refining, and fielding tools such as CENTCOM's LOGCOP and the BCS3-NM. These improved tools provide a comprehensive ITV and AV picture to commanders and staffs at all levels of command.

7. Senator LEVIN. Secretary Panetta and General Dempsey, to what extent is DOD anticipating throughput challenges in Pakistan that would limit DOD's ability to remove equipment from Afghanistan?

Secretary PANETTA and General DEMPSEY. Although loss of access to the Pakistan ground transportation routes has not adversely affected U.S. military operations in Afghanistan to date, sole reliance on the Northern Distribution Network (NDN) and air/multi-modal cargo operations would affect DOD's ability to efficiently drawdown equipment and significantly increase costs. Increased NDN usage would maximize its capacity and, although cargo would continue to move, transit times would increase. Reliance on the NDN and air/multi-modal movement also places U.S. Forces and objectives in Afghanistan at significant risk due to the uncertainties associated with the nations that U.S. cargo transits. Politically, any one or a combination of countries that comprises the NDN could halt or impede cargo movement for any reason. The physically fragile critical infrastructure and weather-dependent routing along the NDN can create chokepoints, causing congestion and disruptions and further limiting NDN capacity. Finally, delays in retrograde can create labor and space problems in terms of securing, storing, and maintaining equipment in Afghanistan that would otherwise move out of the theater. Multiple transit routes would provide DOD the most flexibility and save money and time.

8. Senator LEVIN. Secretary Panetta and General Dempsey, to what extent has DOD developed alternatives to the Pakistan routes to be able to remove equipment from Afghanistan?

Secretary PANETTA and General DEMPSEY. DOD began to move U.S. cargo to Afghanistan on the NDN in 2009, with established routes utilizing existing commercial infrastructure through Russia and the Baltic, Caucasus, and Central Asian states. Current efforts to expand the NDN include obtaining permission and agreements as necessary to conduct reverse transit and movement of wheeled armored vehicles. The first proofs of principle executing retrograde transit began in early 2012. Additional multi-modal routes have been added to relieve pressure on the ground distribution system and further increase the velocity of cargo departing Afghanistan.

9. Senator LEVIN. Secretary Panetta and General Dempsey, what challenges remain in developing these alternatives?

Secretary PANETTA and General DEMPSEY. Cost and operational requirements to achieve retrograde velocity to support the projected 2014 drawdown timeline are key factors in considering the alternatives to the Pakistan ground transportation routes (i.e., NDN and air/multi-modal). The monthly overall transportation cost to distribute sustainment cargo, redeploy combat forces, and retrograde materiel is expected to increase by more than two-thirds due to the Pakistan ground transportation routes closure. In addition to higher costs, the NDN's operational drawbacks include longer transit times due to longer distances and lower cargo velocity due to transit restrictions.

#### CHANGES IN EQUIPMENT RESET FUNDING

10. Senator LEVIN. Secretary Panetta and General Dempsey, Congress has aggressively supported DOD's equipment reset funding requests throughout our operations in Iraq and Afghanistan. DOD has recently announced plans to reduce the Army and Marines Corps force structure by 100,000 troops. While the proposed budget does not specifically call for any offsetting reduction in equipment reset funding, it would seem logical that with a smaller force we might not have as large a requirement to reset equipment. To what extent is it important to maintain current funding level for the reset of equipment, despite the planned reduction of 100,000 Army and Marine Corps troops?

Secretary PANETTA and General DEMPSEY. The level of reset funding is set by aligning the required Modified Table of Organization and Equipment (MTOE) to the



programmed force structure and by the type and condition of equipment returning from operations in a given year. As the Services reduce Active Duty end strength by 103,000 personnel, units will be identified for deactivation. The deactivated unit's MTOE equipment will be redistributed throughout the Services. This should reduce the number of items needed to be reset. However, if we fail to fully fund the reset required for the programmed force structure, we would face serious equipment shortfalls as current inventories are used up, expended, damaged, or worn out, and not replaced and repaired in a timely manner. These shortfalls would have a direct impact on unit readiness levels.

Precise reset requirements are dependent on many variables, including equipment condition upon return; we cannot predict exactly what total reset costs will be at this point. However, we do know that the high operating tempo and harsh environments of Afghanistan and Iraq have a substantial deteriorating effect on equipment.

11. Senator LEVIN. Secretary Panetta and General Dempsey, if DOD believes it necessary to retain the same level of reset funding, what is the rationale for this decision?

Secretary PANETTA and General DEMPSEY. Precise reset requirements are dependent on many variables, including equipment condition upon return; we cannot predict exactly what total reset costs will be at this point. However, we do know that the high operating tempo and harsh environments of Afghanistan and Iraq have a substantial deteriorating effect on equipment.

The level of reset funding is set by aligning the required MTOE to the programmed force structure and by the type and condition of equipment returning from operations in a given year. As the Services reduce Active Duty end strength by 103,000 personnel, units will be identified for deactivation. The deactivated unit's MTOE equipment will be redistributed throughout the Services. This should reduce the number of items needed to be reset. However, if we fail to fully fund the reset required for the programmed force structure, we would face serious equipment shortfalls as current inventories are used up, expended, damaged, or worn out, and not replaced and repaired in a timely manner. These shortfalls would have a direct impact on unit readiness levels.

12. Senator LEVIN. Secretary Panetta and General Dempsey, GAO has previously reported that the Military Services tend to build their reset budget requirements simply on the basis of the equipment it anticipates will actually return to the United States in the next year, rather prioritizing or targeting its reset requirements to address equipment shortages or other needs. To what extent do you believe opportunities exist to better focus the requirements for equipment reset, so that reset dollars go farther to meet equipment shortages, and better address our home stationed unit readiness rates?

Secretary PANETTA and General DEMPSEY. To better focus the requirement for equipment reset, DOD considered the MTOE required for the programmed force structure and the type and condition of equipment returning from operations in a given year.

The Services also fully consider the future requirement for the equipment before DOD makes the reset funding request. Equipment reset is integrated with equipment modernization objectives, long-term support, and strategic investment plans.

13. Senator LEVIN. Secretary Panetta and General Dempsey, the administration has called for renewed attention on the Pacific region and the emerging threats there. To what extent do the reset requirements in this budget recognize and take into account this shift and perhaps the different numbers and types of equipment we should be resetting to improve our readiness to address conflicts in that region?

Secretary PANETTA and General DEMPSEY. DOD's budget request aligned the programmed force structure to the new Defense Strategic Guidance, which addresses the Pacific region focus. Reset requirements were then aligned to MTOE requirements for that force structure and the type and condition of equipment returning from operations in a given year, while accounting for a wide spectrum of potential future challenges, many of which are anticipated in the Pacific area of operations.

14. Senator LEVIN. Secretary Panetta and General Dempsey, last year Congress gave the Army \$20 million to begin the competition process for the Humvee capitalization effort known as the Medium Expanded Capacity Vehicle program. However, DOD's fiscal year 2013 budget request plans to terminate that program and commit to the Joint Light Tactical Vehicle (JLTV) program with the Marine Corps. Without pushing the merits of either program, to what extent do we need to lock into some

strategy on our future equipment needs to effectively plan and economically budget to meet defense strategic equipping goals?

Secretary PANETTA and General DEMPSEY. Given the current fiscal environment, this was one of many situations where limited resources drove the need to prioritize areas of overlapping capabilities. The commitment to the JLTV was based on an analysis of alternatives and Joint Requirements Oversight Council (JROC) deliberation, which included consideration of the Medium Expanded Capacity Vehicle program and other modernization options. The JROC reviewed tactical wheeled vehicles from a holistic portfolio perspective to ensure that the correct programs were being pursued to support the national strategy.

#### OVERALL READINESS

15. Senator LEVIN. Secretary Panetta and General Dempsey, DOD's new Defense Strategic Guidance, released in January 2012, as well as the accompanying document, "Defense Budget Priorities and Choices," make a number of statements which have implications for the readiness of the force. For example, the strategic guidance states that, "it (the guidance) is intended as a blueprint for the Joint Force that will help guide decisions about force size and shape over subsequent program and budget cycles." It also notes that, "DOD will manage the force in ways that protect its ability to regenerate capabilities that might be needed to meet future, unforeseen demands." What are the specific capabilities that DOD believes it will be able to regenerate?

Secretary PANETTA and General DEMPSEY. Since September 11, our forces have developed many specialized skills and capabilities—language and culture, rule of law, security force assistance. DOD invested heavily in developing and expanding the supply of these skills and intends to make sure that those investments aren't inadvertently lost as we downsize. Also, the current and anticipated security environment indicates that the demand for this mission set will persist at some level, further emphasizing the need to ensure that ground force capabilities developed over the last decade for counterinsurgency, irregular warfare, counterterrorism, and security force assistance, and partnership engagement remain viable.

The recent strategic review made clear that a smaller, ready, and agile force is preferable to a larger force that is poorly trained and ill-equipped. Therefore, we put a premium on retaining capabilities that provide flexibility across a range of missions and that require a long time to generate—in terms of training, equipping, et cetera. Additionally, other specialized capabilities, often associated with ground forces, stability operations, counterinsurgency (COIN), security force assistance (SFA), building partnership capacity (BPC), et cetera, and most gained over the last decade of conflict, must be carefully managed. We may reduce our capacity in skill sets where we expect a reduced demand and experience indicates retraining can occur quickly. These kinds of skills will need to be retained (the Services are analyzing), although at lower capacity, by keeping the right number of experienced people balanced between the Active component and Reserve component, and the right training curricula and infrastructure to rebuild these capabilities in a timely manner when needed.

16. Senator LEVIN. Secretary Panetta and General Dempsey, given DOD's plans to reduce force structure and decisions to terminate certain weapons systems, platforms, et cetera, or delay procurement, how does it expect to be able to regenerate these capabilities and does it have specific plans that project how long it would take to achieve such regeneration?

Secretary PANETTA and General DEMPSEY. The Services are shaping their future force structure in ways that protect their ability to maintain and regenerate capabilities when needed to meet future, unforeseen demands, maintaining intellectual capital and rank structure that could be called upon to expand key elements of the force. For those critical skill sets, there will be a need to keep on hand some of the specialized infrastructure (people, facilities, training curricula), or seed corn, that will enable a new capability to be developed in a timely manner. Keeping experienced mid-grade officers and noncommissioned officers (NCO) will also be key. The seed corn and the experience will need to be properly balanced between the Active and the Reserve components.

17. Senator LEVIN. Secretary Panetta and General Dempsey, in particular, given the current state of personnel readiness, particularly in the Army, how does DOD propose that it will be able to regenerate Active component end strength and in what timeframes?

Secretary PANETTA. Regenerating Active component end strength is generally a function of the particular forces being requested and the time in which the forces are needed. As the Services draw down, each will analyze their missions—considering the likelihood of need for various capabilities and the time required to regenerate while taking into account industrial base and the Reserve component availability—and make decisions accordingly.

Specifically, it is vital that the Army maintain a strong cadre of noncommissioned and mid-grade officers to form the core of new formations when needed. We are also making investments in Army Special Operations Forces (SOF) to increase their capabilities and provide more options to the President. It will also require a strong, ready, and accessible Army National Guard and Army Reserve Forces.

General DEMPSEY. The new Defense Strategic Guidance released in January 2012, notes that since we cannot predict how the strategic environment will evolve with absolute certainty, we need to manage the force in ways that protect its ability to regenerate capabilities should they be needed to meet future, unforeseen demands. The strategy also notes that we need to retain intellectual capital and rank structure that can be utilized to expand key elements of the force. The Army is examining strategies, policies, and investments that would posture the Army to slow down and reverse drawdowns of Army end strength and formations, and regenerate end strength over the course of a number of years in response to a future crisis.

This will involve reexamining the mix of elements in the Active and Reserve components, maintaining a strong National Guard and Army Reserve, retaining a healthy cadre of experienced noncommissioned and midgrade officers, and preserving the health and viability of the Nation's defense industrial base.

#### REBUILDING READINESS

18. Senator LEVIN. Secretary Panetta and General Dempsey, in the past, this committee, GAO, and others have called for DOD to develop a plan for rebuilding readiness that clearly identifies requirements, prioritizes these requirements, and ties them to resources. DOD has typically pointed to its budget request to reflect such a plan. Given the current readiness levels of each of the Services and plans to reduce the force structure and end strength, to what extent has DOD and the Services developed plans and established priorities for rebuilding readiness?

Secretary PANETTA. DOD is committed to helping the Services maintain adequate readiness to fight the current fight and respond to contingencies across a broad spectrum of conflict. The Services have worked to achieve a balance among their manpower, training, and equipment requirements given anticipated force structure changes, evolving military strategies, and emerging resource constraints. Those decisions on the future force will be reflected to the extent possible in the President's budget fiscal year 2014 submission. Achieving that balance will require ongoing evaluation over the next several budget cycles.

We have addressed full-spectrum training requirements in the current budget. However, as we implement the new Strategic Defense Guidance, the processes we have established will closely monitor whether our current training strategies are sufficient to meet these requirements and adjust as necessary. For example, as we decrease pre-deployment training for the current fight, COIN, we will increase the use of time, ranges, and resources to train for full-spectrum operations.

General DEMPSEY. OSD, the Joint Staff, and the Services continue working on programs focused on maintaining and rebuilding readiness. The Services are reviewing priorities in the context of the new Defense Strategic Guidance to ensure their resources are focused on the most critical readiness issues. Key aspects of this planning include resetting and reconstituting the force, refining force generation models, prioritizing resources, and determining capabilities gaps and associated mitigation options. A key component to the viability of these planning efforts is predictability in resourcing which is directly affected by the passage of appropriation legislation.

19. Senator LEVIN. Secretary Panetta and General Dempsey, specifically, has DOD assessed the manning, equipping, and training priorities for a smaller force, and are these priorities reflected in its fiscal year 2013 funding request?

Secretary PANETTA. Yes. The budget decisions represented in the fiscal year 2013 funding request aligns our investments to the five major tenets of our strategy:

- Rebalance force structure and investments toward the Asia-Pacific region and the Middle East region while sustaining key alliances and partnerships in other regions.
- Plan and size forces to be able to defeat a major adversary in one theater while denying aggression elsewhere or imposing unacceptable costs

- Protect key investments in the technologically advance capabilities most needed for the future, including countering anti-access threats.
- No longer size Active Forces to conduct large and protracted stability operations while retaining the expertise of a decade of war.
- To the extent possible, structure major adjustments in a way that best allows for their reversal or for regeneration of capabilities in the future if circumstances change.

There are many examples in the request, and listed in the Defense Budget Priorities and Choices document that accompanies the new Defense Strategic Guidance: maintaining current bomber and aircraft carriers fleet; retiring some of our oldest aircraft; protecting SOF and Unmanned Aerial Systems; COCOM Engagement and Exercises; Global Security Contingency Funding; protecting Reserve component readiness; sustaining critical segments of the industrial base; and funding for wounded warriors and transitioning veterans.

General DEMPSEY. Yes. The new Defense Strategic Guidance set priorities for assessing our programs, force structure, and spending in the context of the current and forecast security environment. With those priorities in mind, the budget proposal strikes an appropriate and necessary balance between succeeding in today's conflicts and preparing for tomorrow's challenges. It accounts for real risks and real fiscal constraints, and begins the process of rebalancing and aligning our force structure and modernization efforts with our new strategy.

20. Senator LEVIN. Secretary Panetta and General Dempsey, the new Defense Strategic Guidance and related defense priorities call for rebalancing toward the Asia-Pacific region and puts heavy reliance on unmanned systems and SOF. Given that DOD plans to reduce the size of the Army and the Marine Corps, does the new strategy require more reliance on the Air Force and Navy? If so, how will this shift in focus be reflected in the fiscal year 2013 and future budget requests?

Secretary PANETTA. All Services will play integral roles in addressing future U.S. security challenges across all domains. The Army and Marine Corps grew in order to better meet the demands of operations in Iraq and Afghanistan. As those conflicts wind down, some reductions in ground forces are appropriate.

The nature of the future strategic environment will require even greater flexibility and agility in projecting power to accomplish the Nation's security objectives. Increasing operational focus on enhanced presence, power projection, freedom of action, and deterrence in the Pacific and Middle East, will require a range of mutually reinforcing joint activities in these regions to accomplish priority missions.

To this end, over the Future Years Defense Program (FYDP), DOD will fund the next-generation bomber and aerial refueling aircraft. Additionally, the Navy will invest in a design for *Virginia*-class submarines that will allow them to carry significantly more cruise missiles and potentially provide an undersea conventional prompt strike capability. The future years budgets also invest resources in increasing stocks of our most capable cruise missiles, purchasing advanced maritime patrol aircraft, upgrading avionics and communications systems in our current bomber fleet, and enhancing capabilities in space, cyber, electronic warfare, missile defense, and intelligence, surveillance, and reconnaissance (ISR) systems that will be particularly well-suited to operations in the Middle East and Asia-Pacific regions.

General DEMPSEY. The end strength for ground forces has grown over the past 10 years due to high operating tempo and extended contingency operations. As these operations draw down, we are adjusting the size and composition of the Joint Force to meet the anticipated threat in the new strategy.

As we rebalance our global posture to emphasize the Asia-Pacific region and the Middle East, we are adjusting our operating constructs and the systems we employ. The new strategy requires increased emphasis on improving joint operational access capabilities as well as programs that address the proliferation of technology that threatens our access to global commons. Similarly, cyber threats have evolved faster than many could have imagined, so this budget request has an added focus on our military's cyber capabilities. The sourcing of these increasingly important capabilities spans all components.

21. Senator LEVIN. Secretary Panetta and General Dempsey, more specifically, how will resources be divided among the Services?

Secretary PANETTA. DOD undertook a comprehensive review to develop a revised defense strategy and accompanying investment priorities over the coming decade. We made disciplined decisions based on our assessment of future global challenges, key missions that we must be ready to execute, and essential capabilities that we need to perform those missions. The development of the fiscal year 2013 budget was truly a strategy-driven process.

The fiscal year 2013 DOD budget reflects tough decisions that will preserve the strongest military in the world. We made appropriate and selective cuts in overall capacity and force structure while sustaining or increasing investments in key capability areas, including SOF, ISR, long-range strike assets, as well as space and cyber systems, among others, to preserve a ready, agile, flexible, and capable force.

Decisions on allocating resources are grounded in a careful assessment of operational needs of the Joint Force working as an integrated whole to ensure that we have the necessary capabilities to accomplish assigned missions.

General DEMPSEY. This budget must be viewed in the context of a broader strategy to achieve the Joint Force of 2020 and represents an integrated, carefully devised package of decisions that should not be viewed as individual, isolated measures.

Excluding OCO funding, there are no major shifts expected in resources among the Services—the emphasis will be on shifting the priority of the resources to capabilities such as cyber and anti-access/area denial, not on individual Services.

22. Senator LEVIN. Secretary Panetta and General Dempsey, given current readiness of the Air Force and the Navy, has DOD assessed their ability to support this shift in focus?

Secretary PANETTA. Yes. In the future, our Services will generally be smaller, but each will develop future force structure that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats. And, as described in DOD's recently released strategic guidance, we are adjusting missions, posture, and organizational structure in order to adapt to ever evolving challenges and threats.

One way in which the Air Force is posturing itself for the future in light of the strategic guidance is through pursuit of the Air-Sea Battle (ASB) concept in partnership with its sister Services. The ASB concept will guide the Services as they work together to maintain a continued advantage against the global proliferation of advanced military technologies and capabilities. ASB will leverage military and technological capabilities and is guiding us to develop a more permanent and better institutionalized relationship between the Military Departments that will ultimately shape our Service organizations, inform our operational concepts, and guide our materiel acquisitions.

Providing the Nation offshore options to deter, influence, and win in an era of uncertainty is one of the primary contributions of the U.S. Navy. We keep the Fleet forward through a combination of rotational deployments, Forward Deployed Naval Forces, and forward stationing. We will rely on these basing constructs and strategic partnerships overseas that provide places for rest, repair, refuel, and resupply which enable forward presence without increases to the Fleet's size.

General DEMPSEY. Yes. DOD continues to meet global demands while simultaneously conducting a thorough analysis of future force requirements to successfully implement the new strategy. The Services are updating their programs and metrics to evaluate current and future force structure requirements, modernization efforts, force generation capacity, and the resources required to maximize capabilities in support of the strategic priorities. DOD has established a forum that will consider any cross-cutting department management decisions to ensure DOD actions are substantive, synchronized, and coordinated across the defense enterprise.

23. Senator LEVIN. Secretary Panetta and General Dempsey, does DOD plan to reassess its current operational plans and the types of scenarios that it will plan for in the future? If so, did DOD take into account the current readiness levels of the Services?

Secretary PANETTA. The President approves the Contingency Planning Guidance every 2 years, per statutory requirements. DOD frequently assesses its operational plans to ensure that they are realistic and that they cover the range of plausible challenges DOD may face. Those plans on which we place highest priority undergo a detailed review process to examine force availability and readiness against the combatant commanders' intent for phasing a specific contingency, the capability of DOD to project the required force, and competing demands across the globe. Both General Dempsey and I are involved deeply in this critical review process.

General DEMPSEY. The Joint Staff is working with OSD to reassess the operational and contingency plans directed in the Joint Strategic Capabilities Plan. Our shift to rebalance priorities to the Asia-Pacific region may require the Services and combatant commands refine or develop plans to meet the new guidance. We are accounting for the Services' current and projected readiness as we review planning requirements and potential scenarios.

24. Senator LEVIN. Secretary Panetta and General Dempsey, what kind of risk assessment did DOD perform, including in terms of the current force's ability to support the shift in strategic direction?

Secretary PANETTA. The new Defense Strategic Guidance and the decisions in the fiscal years 2013 to 2017 FYDP were informed by risk considerations. Although there are inherent risks in any defense strategy, I believe the risks associated with the new Defense Strategic Guidance are manageable and acceptable.

DOD took several steps to assess and mitigate risk. Preliminary insights from the 2012 Chairman's Risk Assessment (CRA) were instrumental in the development of DOD's strategic guidance. More broadly, during the strategic review, we addressed risk through wargaming, scenarios, trends analysis, and other processes. DOD's risk mitigation plan (submitted March 2012) underscores active mitigation efforts for the specific risks identified in the CRA.

Spending reductions of the magnitude directed by the 2011 Budget Control Act (BCA) require difficult choices that result in additional risk in some areas. For example, by reducing overall end strength and aggregate force structure, we are accepting greater risk in undertaking future prolonged large-scale conventional or stability operations.

But we will mitigate that risk by protecting our ability to regenerate capabilities as needed—the reversibility principle. This includes maintaining intellectual capital and rank structure that could be called on to expand key elements of the force, ensuring our Reserve component is well-equipped and well-trained, and preserving the health and viability of the Nation's defense industrial base.

The Joint Force we are shaping, although smaller and leaner, will be agile, flexible, and ready to confront and defeat aggression anywhere in the world. It will have the capability to surge, mobilize, and regenerate forces and capabilities, enabling us to balance risk appropriately across the full range of military missions and to counter any future threats.

General DEMPSEY. The 2011 CRA which provided the initial baseline assessment for the Comprehensive Defense Review (CDR) and the analysis for the 2012 CRA were executed in parallel. During that review, we conducted an assessment of the nature and magnitude of the strategic and military risks associated with successfully executing the missions called for under the current National Military Strategy as required by Title 10. This assessment leveraged both combatant command and Service perspectives, as well as independent Joint Staff analysis. Multiple risk perspectives provided an opportunity to balance the ongoing operational risks with the force's ability to address future challenges. Accordingly, the risk assessment provided a reasoned basis for our enduring emphasis on the broader Middle East and the increased strategic emphasis on Asia and the Pacific while helping us to focus additional effort on specific future capabilities like cyber and Joint Operational Access.

25. Senator LEVIN. Secretary Panetta and General Dempsey, what analysis did DOD do to support the notion of slowing the pace of building new ships and accelerating the retirement of some existing ships, including examining various cost-benefit alternatives?

Secretary PANETTA. The underlying analysis that informs the President's budget for fiscal year 2013 force structure was the strategic review conducted by DOD in the summer and fall of 2011. During this review, DOD evaluated, among other things, the Joint Forces' presence, surge, and shaping demands. For the Navy, the review identified the number of ships and aircraft required to sustain a forward presence capable of deterring potential adversaries and providing options for immediate crisis response while also ensuring sufficient capacity to execute combatant commanders' plans.

The analysis used to inform the decision to accelerate the retirement of older cruisers and amphibious ships was predicated on the need to balance the cost to upgrade and repair less capable older ships with the cost to procure newer more capable ships. Over the past 10 years, the Fleet has deployed more frequently and sometimes for longer than planned. Consequently, maintenance and repair have sometimes been deferred. The life cycle costs of maintaining and repairing ships to achieve expected service life is normally less expensive than buying new ships. However, the average age of the Fleet is increasing due to the high annual procurement rates of the 1980s and 1990s. With an eye toward sustaining the Fleet's readiness and its capacity and capability to fight and win at sea, DOD decided to decommission some older, less capable ships in advance of their expected service life in order to invest in newer, more capable ships.

General DEMPSEY. Specific resourcing decisions were made through a comprehensive strategic review that included detailed analysis by the Joint Staff, the Services,

and OSD. Cost reductions from the early retirement of some ships will allow DOD to invest in new technology and ships that specifically address the threats targeted by the administration's new strategy.

#### OPERATIONAL ENERGY

26. Senator LEVIN. Secretary Panetta and General Dempsey, in 2009, to address congressional concerns over DOD's heavy reliance on petroleum-based fuels to sustain operations on the battlefield in locations such as Afghanistan, GAO recommended that the combatant commanders and the Military Services establish requirements and guidelines for fuel demand management at forward-deployed locations within their areas of responsibility (AOR). Also, GAO recommended that DOD's operational energy strategy should establish incentives for commanders of forward deployed locations to promote fuel demand reduction at their locations, as well as identify a viable funding mechanism for pursuing fuel reduction initiatives. While we are aware that the combatant commands are documenting operational energy capability gaps, what is the status of combatant commands including CENTCOM formally incorporating requirements related to fuel demand management at forward-deployed locations into policy and guidance?

Secretary PANETTA. The combatant commands, including CENTCOM, are establishing requirements related to fuel demand management at forward-deployed locations into their policy and guidance. On June 7, 2011, Commander, International Security Assistance Forces (COMISAF) issued policy guidance directing commanders to take ownership of unit fuel demand and make energy-informed decisions in their operations. In October 2011, CENTCOM revised its Contingency Base Camp Development Standard Regulation 415-1 to integrate fuel demand management best practices. On December 11, 2011, the new COMISAF issued a policy memorandum that built upon existing guidance and stated that "operational energy equates exactly to operational capability."

This policy and guidance has produced tangible fuel demand management improvements while capturing critical lessons learned for application in other combatant commands. The June 2011 COMISAF requirements memorandum resulted in several power generation and distribution improvements across Afghanistan. For example, the Army's Logistical Contract Augmentation Program (LOGCAP) Program Management Office established an Energy Savings Initiative Policy to engage contractors in fuel demand reduction efforts. This effort has reduced the fuel requirement in Afghanistan by one million gallons per year.

General DEMPSEY. The combatant commands, including CENTCOM, are establishing policy and guidance related to fuel demand management at forward-deployed locations. In June 2011, COMISAF, issued policy guidance directing commanders to take ownership of unit fuel demand and make energy-informed decisions in their operations.

The June 2011 COMISAF requirements memorandum resulted in several power generation and distribution improvements across the Combined Joint Operating Area in Afghanistan. Also, in June 2011, the Army's LOGCAP Program Management Office released its Energy Savings Initiative Policy to engage contractors in fuel demand reduction efforts.

27. Senator LEVIN. Secretary Panetta and General Dempsey, what has DOD done to incentivize commanders and units that effectively reduce fuel consumption?

Secretary PANETTA. DOD's primary incentives to reduce fuel consumption are mitigating operational risk and enhancing combat capability. These fundamental incentives have led the Army and Marine Corps to achieve substantial reductions in fuel consumption by deployed units. DOD also oversees targeted incentive programs such as the Navy's Incentivized Energy Conservation Program, which recognizes naval vessels that reduce shipboard fuel consumption. The Navy also has a similar program for its aviation units called the Navy Air-Energy Conservation Program. In addition, the Air Force's Air Mobility Command aviation fuel efficiency incentives program provides high-performing Mobility Air Force wings financial awards for demonstrating the largest gains in energy efficiency.

General DEMPSEY. Incentives in fuel consumption reduction are mitigating operational risk, thereby enhancing combat capability. DOD oversees targeted incentive programs such as the Navy's Incentivized Energy Conservation Program awards to naval vessels that best apply the program's training to reduce shipboard fuel consumption. The Navy has a similar program for its aviation units, the Navy Air-Energy Conservation Program. In addition, The Air Force's Air Mobility Command

aviation fuel efficiency incentives program recognizes high-performing Mobility Air Force wings that demonstrate the largest gains in energy efficiency.

28. Senator LEVIN. Secretary Panetta and General Dempsey, how does DOD plan to track fuel consumption at its forward-deployed locations?

Secretary PANETTA. The primary fuel management goal at forward-deployed locations is to ensure our forces have a reliable, steady supply of fuel. The Defense Logistics Agency-Energy tracks fuel supplies to forward operations for that purpose, taking into account the full range of incidents and factors, including seasonal and cultural, that can affect fuel availability.

In addition, DOD is taking steps to improve data on fuel consumption at forward locations for the purposes of managing demand. The Defense Operational Energy Board, co-chaired by the Assistant Secretary of Defense for Operational Energy Plans and Programs and the Joint Staff Director for Logistics, has chartered a task group to develop a baseline of operational energy consumption to inform energy performance metrics. DOD will apply these metrics to measure and manage improvements in energy security for the warfighter. Each of the Military Services has taken steps to improve their data collection on fuel consumption in military operations as well.

General DEMPSEY. The Defense Operational Energy Board, co-chaired by the Assistant Secretary of Defense for Operational Energy Plans and Programs and the Joint Staff Director for Logistics, chartered a task group to develop a baseline of operational energy consumption to inform energy performance metrics. DOD will apply these metrics to measure and manage improvements in energy security for the warfighter.

DOD is working to employ new systems to automate data collection down to the tactical level. The Army is undergoing limited fielding of the Tactical Fuel Manager Defense (TFMD) program at several Afghanistan bases. TFMD tracks fuel consumption by the individual piece of equipment to improve fuel efficiency.

29. Senator LEVIN. Secretary Panetta and General Dempsey, in the National Defense Authorization Act (NDAA) for Fiscal Year 2012, this committee put into law that the Chairman of the Joint Chiefs of Staff shall designate a senior official to be responsible for operational energy plans and programs and be responsible for coordinating with the Assistant Secretary to implement initiatives. What progress has been made to date to establish this operational energy element within the Joint Staff, and how do you anticipate the Joint Staff will assist the Services on decreasing their reliance on fuel in current and future military operations?

Secretary PANETTA. In August 2011, the Chairman of the Joint Chiefs of Staff designated the Director for Logistics (DJ-4) as Joint Staff point of contact for operational energy plans and programs.

I also recently signed DOD's Operational Energy Strategy Implementation Plan, which established the Defense Operational Energy Board, co-chaired by the Assistant Secretary of Defense for Operational Energy Plans and Programs (ASD(OEPP)) and DJ-4. I chartered the board to reduce energy demand, expand supply, and balance requirements. The board provides a mechanism for reviewing, synchronizing, and supporting department-wide operational energy policies, plans, and programs.

General DEMPSEY. In August 2011, the Chairman of the Joint Chiefs of Staff designated the Director for Logistics, DJ-4, as Joint Staff point of contact for operational energy plans and programs.

The Defense Operational Energy Board, co-chaired by the ASD(OEPP) and DJ-4, recently published their implementation plan to reduce energy demand, expand supply, and adapt the future force. The board provides a mechanism for reviewing, synchronizing, and supporting department-wide operational energy policies, plans, and programs.

30. Senator LEVIN. Secretary Panetta and General Dempsey, with the additional leadership provided by the Joint Staff on operational energy efforts, what significant changes should we expect regarding how DOD plans and currently manages fuel demand and energy challenges in current and future war time scenarios?

Secretary PANETTA. DOD is following through on the changes to DOD force planning, requirements development, and acquisition processes Congress directed in the John Warner NDAA for Fiscal Year 2009. My expectation is that the work of the new Defense Operational Energy Board and DOD's Operational Strategy Implementation Plan will drive significant changes in how DOD plans and programs. We see operational energy, particularly demand reduction, becoming an increasingly important requirement for our forces because of the inherent vulnerability of fuel storage and logistics lines of communication and the growth of anti-access/area denial (A2/



AD) capabilities to threaten them. The recent Joint Operational Access Concept states that DOD should “decrease the logistical appetite of joint forces in all classes of supply, but especially in fossil fuels,” to decrease the risk of these A2/AD threats.

General DEMPSEY. DOD is following through on the changes to DOD force planning, requirements development, and acquisition processes directed by Congress in the 2009 NDAA. We believe operational energy demand reduction is becoming an increasingly important requirement for our forces due to the inherent vulnerability of fuel storage and logistics lines of communication, and the growth of A2/AD capabilities that threaten them.

31. Senator LEVIN. Secretary Panetta and General Dempsey, have there been discussions on including specific energy efficiency strategies into strategic planning documents?

Secretary PANETTA. The recently signed Operational Energy Strategy Implementation Plan includes specific targets that direct changes to policy, doctrine, and combatant command activities. The Defense Operational Energy Board established a task group to review relevant DOD policies and develop a prioritized roadmap for including strategies to reduce operational demand, assure supply, and adapt the future force. As overarching strategic planning documents are reviewed, the board will provide a focal point for coordinating across the defense components.

General DEMPSEY. The recently signed Operational Energy Strategy Implementation Plan includes specific targets that direct changes to policy, doctrine, and combatant command activities. The Defense Operational Energy Board established a task group to review relevant DOD policies and develop a prioritized roadmap for including strategies to reduce operational demand, assure supply, and adapt the future force.

#### DEFENSE INDUSTRIAL BASE AND SCIENCE AND TECHNOLOGY

32. Senator LEVIN. Secretary Panetta, the new Defense Strategic Guidance stated that DOD will “make every effort to maintain an adequate industrial base and our investment in science and technology (S&T).” DOD’s budget for S&T activities decreased from \$12.3 billion in fiscal year 2012 to \$11.9 billion in this year’s request. While it appears S&T was spared draconian cuts in an attempt to make a commitment in our seed corn for the future, I’d like to better understand what explicit steps DOD is taking. Are there specific areas DOD is increasing its S&T investments in?

Secretary PANETTA. The fiscal year 2013 President’s budget request for DOD S&T is \$11.861 billion, which represents a modest decline of \$386 million compared to the fiscal year 2012 President’s budget request of \$12.247 billion. This is a decline of 4.73 percent, when adjusted for inflation. Within this budget request, DOD decided to strongly support sustainment of Basic Research. While a decline of just under 5 percent in the S&T program does have an impact, it is manageable and reasonable when taken in the context of the overall DOD budget decline of 7.01 percent, adjusted for inflation. Specific areas where DOD is increasing its S&T investments include promising technologies to counter other nations’ development of A2/AD capabilities, cyber operations, autonomy, human systems, electronic warfare, and counter weapons of mass destruction (WMD). S&T funds have also been aligned with the Office of Management and Budget (OMB) and Office of Science and Technology policy priorities in advanced manufacturing, Army medical research, advanced robotics capabilities, advanced training technologies, and clean energy programs. Across the FYDP (fiscal year 2013 to fiscal year 2017), DOD has increased funding for high speed kinetic strike (\$353 million), electronic warfare/cyber (\$195 million), offensive cyber operations (\$400 million) and cyber communications (\$382 million). We believe this budget represents a reasonable reprioritization of the DOD S&T program.

33. Senator LEVIN. Secretary Panetta, are there areas that are facing reductions?

Secretary PANETTA. S&T funding declined 4.73 percent against inflation in the fiscal year 2013 President’s budget request, with reductions occurring in all components. While the funding went down, we believe we are able to manage the risk. Specific technical areas with greater risk in the Army include: military engineering technology development for installations and field operations; applied topographical research for geospatial products; and weapons, munitions, missile, and rocket technology development for small precision munitions, such as mortars. Navy reductions were smaller than the other Military Departments and included technology development to improve logistics operations and sustainment. Within the Air Force, addi-

tional risk was accepted in the following areas: laser protection for anti-access standoff munitions and for aircraft pilot visors; novel navigation techniques for non-permissive environments; space precision navigation and timing; trusted systems for avionics devices; and advanced airborne networked and wide-band communications. Funding reductions also occurred in the following Defense-wide technology areas: National Defense Education Program; human, social, cultural, behavior modeling; Joint Experimentation; Joint Capability Technology Demonstrations; biomaterials technologies; machine intelligence; cognitive computing; command, control and communication systems; and advanced electronics. Although the reductions are numerous, most are below \$20 million in magnitude, and funding for DOD's highest priority technology programs was protected.

34. Senator LEVIN. Secretary Panetta, is the DOD laboratory enterprise facing any potential base realignment and closure (BRAC) facility and workforce reductions?

Secretary PANETTA. BRAC enables DOD to reconfigure its infrastructure to match the demands of leaner, more flexible forces to accommodate our changing strategic emphasis. It is an important tool for DOD to use to make the tough fiscal choices necessitated by current budget challenges. If Congress does authorize the requested BRAC rounds, DOD will undertake the BRAC rounds in accordance with the statutory directive to consider all installations equally and make decisions based on 20-year force structure plan and statutory selection criteria, which give primary consideration to military value. In this context, DOD will examine all its missions and functions, including the laboratory enterprise.

35. Senator LEVIN. Secretary Panetta, what specifically is DOD doing to maintain an adequate industrial base?

Secretary PANETTA. DOD is taking responsible steps to ensure that the defense industry can support our warfighters' needs, now and in the future. DOD's primary mechanism for supporting the industrial base is through the programs that buy the defense industry's products. DOD chooses what to purchase based on warfighter requirements, but DOD can sometimes adjust program schedules or capitalize on synergies across programs to sustain critical industrial base capabilities. In exceptional cases, in certain niches, when current programs will not support the minimum sustaining rate that a niche supplier needs to provide a critical product or service, DOD also uses its industrial base investment resources like the Defense Production Act Title III authority and the Manufacturing Technology Program to ensure the continued health of the selected parts of the defense industry. These rare interventions should only occur in areas where DOD is highly likely to need a product in the future, where the product would be hard and expensive to obtain after a hiatus, and where affordable and innovative approaches are available to use to retain the producers in the interim. Additionally, DOD is doing a continuous, systematic, fact-based review of the defense industrial base, led by the Under Secretary of Defense for Acquisition, Technology and Logistics, called the Sector-by-Sector, Tier-by-Tier (S2T2) project. The S2T2 process, which is still ongoing, will identify critical and fragile niches in the industrial base that need additional monitoring. Combined, all of these efforts help to preserve the dynamic qualities of the industrial base that supply our warfighters with their technological edge.

36. Senator LEVIN. Secretary Panetta, what is the definition of adequate?

Secretary PANETTA. In the context of the defense industrial base, "adequate" means sufficient to provide the capabilities that our warfighters need, including maintaining our technological edge. An adequate industrial base has the capability to produce top-class equipment at reasonable cost today, and an adequate industrial base constantly adapts and invests in future capability.

37. Senator LEVIN. Secretary Panetta, according to DOD's statement of defense budget priorities, "some domestic manufacturers have key skills in the design and manufacture of military systems that cannot be duplicated elsewhere in the economy or regenerated quickly. In support of the strategic guidance's tenet of reversibility, this budget plan sustains, where possible, these segments of the industrial base. However, the industrial base will require careful monitoring in the future." What defense-unique industrial skills in design and manufacture are at greatest risk of loss given the administration's budget?

Secretary PANETTA. The defense industrial base is very diverse, and some sectors and tiers of the industrial base are in stronger positions financially and technically than others. DOD cannot support all parts of the industrial base equally. Some areas that DOD currently views as "at risk" may appropriately decline as new tech-

nologies and the evolving strategic situation change our acquisition requirements. Even in the areas that DOD does need to sustain, we will take advantage of competition whenever we can, and we will invest in forward-leaning, pro-innovation efforts rather than preserving a static, backward-looking industrial base.

DOD is expanding its systematic investigation to identify critical and fragile niches that require especially close monitoring, but we already know of some areas of emphasis. For example, production in the aircraft sector is fairly robust, but for the first time in decades DOD does not have an ongoing tactical aircraft design effort, so we are examining creative and efficient ways to stimulate design capabilities there. In the production realm, demand for some strategic systems and space launch is relatively low at present, but we know that it will return in the future, so we are closely monitoring and investing to sustain and enhance production capability in solid rocket motors. Over time, DOD will make responsible choices with our industrial base efforts, we will rarely single out specific products or suppliers for support, and we will continuously update and adapt the list of niches that we monitor to reflect the changing industrial and strategic environments.

38. Senator LEVIN. Secretary Panetta, which acquisition programs will be given the highest priority in ensuring reversibility?

Secretary PANETTA. DOD continues to apply “reversibility” to ensure DOD maintains the ability to regenerate, mobilize, and adapt our capabilities to ensure options for an uncertain future. The concept applies to our people, our Active-Reserve component balance, our posture, our partnerships, and our industrial base. As we establish priorities for acquisition programs, we aim to preserve select capabilities and critical skills within the industrial base to ensure we maintain skill sets vital to our ability to regenerate and adapt to changing threats. DOD’s S2T2 initiative is assisting the Military Services in identifying critical industrial capabilities and skill sets that are at risk. Our decision calculus will be based upon a combination of many factors, including shocks or evolutions in the strategic, operational, economic, and technological spheres.

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#### QUESTIONS SUBMITTED TO SENATOR JOSEPH I. LIEBERMAN

##### NORTH KOREAN NUCLEAR DETERRENCE

39. Senator LIEBERMAN. Secretary Panetta and General Dempsey, I am skeptical of DOD’s apparent optimism that it will no longer be called on to conduct large-scale stability operations and worried about the consequences of declaring that we do not need to prepare for them. I believe it is important to note that DOD never actually sized the ground forces for large-scale stability operations, resulting in the severe dwell-to-boots-on-the-ground ratios that our soldiers have faced in recent years. It is in light of this skepticism that I am deeply concerned about the speed and depth of the reductions in ground force end strength envisioned in this budget request. Could you describe the specific risks you envision as a result of this decision and how you will mitigate them?

Secretary PANETTA. The new Defense Strategic Guidance states that our forces will retain the expertise, operational lessons learned, institutional knowledge, and specialized capabilities required for stability operations.

In any defense strategy there are inherent risks; we believe the ones in this strategic guidance are manageable and acceptable. While U.S. forces will retain the capacity to undertake stability and counterinsurgency operations on a more limited scale, we are accepting greater risk in undertaking prolonged, large-scale stability operations. To mitigate that risk we will retain expertise, operational lessons learned, institutional knowledge, and specialized capabilities required for stability operations. Further, we will ensure that we have the ability to mobilize and regenerate forces should our assessments of the future scale of stability operations prove inaccurate.

General DEMPSEY. You are correct that the Active component was not sized to conduct large-scale prolonged stability operations in the past; this will carry over to the future. If a large scale force is needed, risk will exist, as it has in the past, to the Active component until Reserve Forces can be recalled and trained to accomplish the mission. To help mitigate the risk, we will continue to rely on the battle-tested Reserve and Guard components of the Joint Force to provide the strategic and rotational depth should the Nation require us to execute a large-scale prolonged stability operation. We further mitigate operational risk to this mission by ensuring that we size the Active component to conduct limited counterinsurgency and other stability operations if required. Institutionally, we will mitigate risk by retaining

the hard-won knowledge and experience in our force through retention of key leaders and emphasis on full-spectrum training. We mitigate risk with regard to future challenges by maintaining the right pace of reductions. If we go too fast, experience shows we will not do a good job of retaining key people and skills. Finally, the most comprehensive risk mitigation activity is a deliberate, comprehensive reset of the Joint Force. If we have fully trained and ready forces, and we do not exceed the current pace of reductions, I am confident that we can maintain military risk to that mission at an acceptable level.

40. Senator LIEBERMAN. Secretary Panetta and General Dempsey, while the new Defense Strategic Guidance states that ground forces will not be sized for large-scale stability operations, it also lists “stability and counterinsurgency operations” as one of the “primary missions” of the U.S. military. Why won’t the ground force be sized to conduct one of its “primary missions?”

Secretary PANETTA. Stability and counterinsurgency operations are primary missions of the U.S. Armed Forces. With the transition of security responsibility in Afghanistan to the Afghan National Security Forces (ANSF) in 2014, and with sufficient time for U.S. forces to reset, we can reduce some capacity in the force for prolonged, large-scale stability operations. U.S. forces will still retain expertise, operational lessons learned, institutional knowledge, and specialized capabilities required for stability operations, as well as the capacity to undertake stability and counterinsurgency operations on a more limited scale. Further, we will ensure that we have the ability to mobilize and regenerate forces if necessary.

General DEMPSEY. It is important to note that stability operations and counterinsurgency will continue to be primary missions for the Joint Force. Mission sets are rarely binary—“high end” or “low end”. Missions are generally multi-faceted and tend to cross the full spectrum of operations. While we will increase emphasis on projecting power we are not forsaking our hard-won proficiencies in stability operations and counterinsurgency. The total ground force will be sized to conduct its primary mission, and we will rely on the battle tested Reserve and Guard components of the Joint Force to provide the strategic and rotational depth for all missions.

41. Senator LIEBERMAN. Secretary Panetta and General Dempsey, how can the force be prepared to conduct this particular “primary mission” without the necessary manpower?

Secretary PANETTA. U.S. forces will retain sufficient capacity to undertake limited counterinsurgency and stability operations, if required. We will also seek to operate alongside coalition forces, whenever possible. Recognizing the uncertainties of the international environment, we will ensure that we have the ability to mobilize and regenerate forces if a larger-scale stability operation becomes necessary in the future.

General DEMPSEY. The force will have the necessary manpower resident in the total Joint Force—Active and Reserve.

42. Senator LIEBERMAN. Secretary Panetta and General Dempsey, the new Defense Strategic Guidance and fiscal year 2013 budget request emphasize investments in SOF. However, SOF personnel are drawn from general-purpose forces that are slated for reductions, and SOF units rely heavily on general-purpose forces for support. As General Dempsey has previously stated, “The SOF can only be special if there’s a conventional force that allows them to conduct their operations and shape the environment.” What are the risks to SOF that will result from decisions to shrink general-purpose forces so significantly? For example, the fiscal year 2013 budget request calls for SOF by 3,000 personnel, while cutting general-purpose ground force end strength. This reduction will impact the pool of personnel SOF can draw from. How can SOF grow without sacrificing standards with a smaller pool of manpower to draw from?

Secretary PANETTA. The remaining programmed growth for SOF is primarily focused on enhancing the organic combat support/combat service support capability in SOF units to provide increased capabilities in those areas, reducing the requirement for General Purpose Force (GPF) support to conduct forecasted operations. For long-duration and large-scale operations, GPF support is necessary, and the Department is currently undertaking a range of different analyses to identify GPF support requirements for SOF, such as logistics and intelligence personnel, and to mitigate potential risks to SOF operations associated with reductions in the GPF.

There is no requirement or expectation to change SOF’s exacting selection standards, even if the pool from which to draw those individuals is reduced. GPF reductions will mean that a greater percentage of the overall force is actually resident in the special operations community and that we manage our force carefully in order

to maintain the requisite talent pool. We must continue efforts to sustain the SOF that we already have most effectively. The Service component's continued support of robust, SOF-focused retention initiatives will have a positive impact on the retention behavior and readiness of our SOF personnel. The Department is working closely with U.S. Special Operations Command (SOCOM) to analyze force preservation challenges carefully.

General DEMPSEY. Recently, the annual SOF manpower growth of 3–5 percent we have sustained has not diluted the force or outpaced the required training and support structure. SOCOM has done a magnificent job of adjusting their processes to maintain the quality of SOF operators and support personnel during this current era of SOF growth. As an example, Special Forces soldiers (officers and enlisted) are drawn from the ranks of the Army's GPF; with the exception of relatively small number of 18Xs recruited "off the street." Any future growth of SF will occur during a general reduction in Army end strength. SF will be recruiting from a smaller pool of candidates, just as all SOCOM components do. SOCOM will not compromise standards in selecting and training future SOF operators. It is vital to maintain the high standards that have been adopted by SOCOM's components since we have asked and continue to ask SOF operators to conduct National Level Missions in strategically sensitive environments. the Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict (ASD(SO/LIC))) will work with the Service Secretaries (through OSD) to ensure that Commander, SOCOMs Special Operations Forces manpower needs are represented.

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QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

SEXUAL ASSAULT IN THE MILITARY

43. Senator AKAKA. Secretary Panetta, DOD has taken a number of positive steps to address the very serious issue of sexual assault in our military. Over the holidays, you announced two new policies that provide greater support for the victims of sexual assault. What action is DOD taking to protect the men and women who so bravely protect us?

Secretary PANETTA. We are committed to doing everything we can to prevent sexual assault in the first place, provide all necessary care and services to victims of sexual assault, and ensure our commanders hold offenders appropriately accountable. Our new Expedited Transfer policy gives servicemembers who file unrestricted reports of a sexual assault an option to request quick transfer from their unit or installation to avoid harassment and separate them from the alleged perpetrator. For victims who made an unrestricted report we now require sexual assault documentation be retained for up to 50 years, making it easier for veterans to file a claim with the Department of Veterans Affairs (VA). For victims who file restricted reports, certain documentation must be retained for 5 years. In addition, we believe we have developed a set of initiatives that fundamentally change the way DOD deals with this problem. Some of the steps that we will work with Congress in trying to include in our legislative package are: enhancing training programs for sexual assault prevention, including training for new military commanders in handling sexual assault matters; establishing a "Special Victim's Unit" capability within each of the Services; allowing Reserve and National Guard personnel who have been sexually assaulted while on Active Duty to remain in their Active Duty status in order to obtain treatment and support; requiring a record of the outcome of disciplinary and administrative proceedings be centrally retained; and requiring commanders to conduct annual organizational climate assessments. Further, in July 2011, we assigned a general officer to lead our Sexual Assault Prevention and Response Office. Some of our other accomplishments are highlighted below:

- a. In April 2011, we activated the anonymous and confidential DOD Safe Helpline which is a sexual assault crisis support and resources service for adult servicemembers of the DOD community. Users may call, click or text anytime, from anywhere for assistance and/or referrals regarding a sexual assault. Our most recent data confirm that this is a valuable tool being used by our servicemembers to facilitate care and reporting.
- b. In January 2012, we reissued our DOD Directive that sets policy for the Department on Sexual Assault Prevention and Response (SAPR). The directive expanded support services to military spouses and adult military dependents, who will now be able to file confidential restricted reports and receive the services of a sexual assault response coordinator and victim advocate.
- c. This Directive also ensures DOD civilian employees and their family dependents 18 years of age and older when they are stationed or performing duties

outside of the continental United States (OCONUS) are eligible for treatment in the military healthcare system at military installations or facilities OCONUS. Additionally, U.S. citizen DOD contractor personnel when they are authorized to accompany the Armed Forces in a contingency operation OCONUS and their U.S. citizen employees are also eligible for the same emergency care and the help of a sexual assault response coordinator and a victim advocate, during that emergency care.

- d. We have established the DOD Sexual Assault Advocate Certification Program which will require our sexual assault response coordinators and victim advocates obtain a credential aligned with national standards. This will ensure our victims of sexual assault receive the best care from a professional who can provide crucial assistance from the moment an assault is reported through case conclusion.
- e. Sexual assault cases are some of the toughest cases to investigate and to prosecute and we must increase the number of subject matter experts in this area. To that end I have increased funding for military criminal investigators and judge advocates to receive specialized training. We are also ensuring that eligible victims have the opportunity to receive expanded legal assistance early in the process of their case.
- f. We now have one integrated data system to track sexual assaults throughout the Department. The Defense Sexual Assault Incident Database (DSAID) achieved initial operational capability 30 March 2012, with the U.S. Air Force and the National Guard Bureau as the first users. By 31 August 2012, it will be fully operational with the integration of the rest of the military Services. This data base will ensure the transparency of sexual assault-related data and enhance support services
- g. Furthermore, because commanders are responsible to maintain good order and discipline of their people, as well as hold offenders appropriately accountable, I have directed an assessment of how we prepare and train our commanding officers and senior enlisted leaders to prevent and respond to sexual assault.
- h. We are collaborating with the Departments of Labor and Veterans Affairs to develop a "continuum of care" for sexual assault victims transitioning out of military service. By leveraging our DOD Safe Helpline infrastructure, the Department is able to present clear and easily accessible information on how to get help with counseling, benefits determinations, transitions and employment. By bridging the gap from DOD to the VA for sexual assault victims, we provide a continuum of care from Active Duty to veteran status.
- i. I recently introduced a new initiative that will elevate the disposition authority for the most serious sexual assault offenses to the "Special Court Martial Convening Authority" level. This reviewing officer is at the colonel or Navy captain level and will ensure these cases receive a high level of command attention.

These initiatives are just a start. The Department is focused on building a safe environment for our men and women—I have no more important mission than to protect the people who protect this country.

#### MENTAL HEALTH IN THE MILITARY

44. Senator AKAKA. Secretary Panetta, ending the stigma associated with seeking mental health care is critical for the well-being of our men and women who serve in our military. I applaud the Department's success in increasing the percentage of those who seek help when needed. As we go forward, what do you see as the remaining challenges to further reducing the stigma associated with seeking mental health care?

Secretary PANETTA. Emphasis on the well-being and fitness of the Force, and the prevention of adverse outcomes for servicemembers, is a national priority. Early intervention through self-referral for issues of concern to servicemembers, and the reduction of stigma that may be associated with self-identification of the need for assistance for mental health conditions, are of paramount importance to leadership throughout DOD. To address these aims, a policy was issued in August 2011, Command Notification Requirements to Dispel Stigma in Providing Mental Health Care to Servicemembers, which emphasizes that mental health providers are generally not required to notify Command when servicemembers voluntarily seek alcohol education or mental health services. This policy is part of the Department's effort to encourage servicemembers to come forward for evaluation and treatment before symptoms are serious enough to result in an alcohol related incident or in situations that might provoke command-directed action.

All of these steps, and monitoring compliance with these measures at commands, should help reduce the stigma associated with seeking mental health care. The Department recognizes that more needs to be done to end that stigma, and we will continue to work toward that end. It is imperative for commanders to reinforce the value of help-seeking behavior within the military healthcare system. This can be done by fostering open discussion of mental health problems, making information regarding the means to access care readily available, and assisting servicemembers with their return to full duty following treatment.

#### GUARD AND RESERVE

45. Senator AKAKA. Secretary Panetta, as this budget submission looks to reshape the military to be more agile, quick, and flexible—and incorporate the lessons learned in 10 years of war—I appreciate the attention you give the Guard and Reserve components. Our Guard and Reserve Forces have been a crucial asset to this Nation and have served us well. The budget proposes force structure adjustments for our Active and Reserve Forces. How do you think the changes will impact the readiness of the Total Force?

Secretary PANETTA. Our goal is to develop a versatile mix of scalable organizations operating on a rotational cycle, to provide a sustained flow of trained and ready forces for the full range of military operations and to hedge against unexpected contingencies at a sustainable tempo for our All-Volunteer Force. At the same time, ensuring access to the Reserve component which is essential to providing the operational depth and flexibility combatant commanders require.

As we have stated, our forces will get smaller; this will emphasize the importance of the Reserve component as an operational reserve. The Reserve component will also become more important as a steward for specialized skill sets to maintain expertise critical to regenerating capabilities when greater capacity is required.

46. Senator AKAKA. Secretary Panetta, upon completing deployments and returning to the civilian world, many in the Guard and Reserve continue to experience problems which may not have been diagnosed upon their return. I understand that sometimes post traumatic stress and other invisible wounds of war do not surface right away. In your opinion, what can be done to better assess and treat these returning Guard and Reserve soldiers?

Secretary PANETTA. DOD has revised its deployment mental health assessment process to provide comprehensive person-to-person mental health assessments before deployment and at 6 months, 1 year, and 2 years after return from deployment. This process applies to Guard and Reserve soldiers who deploy, as well as to members of the Active component who deploy. These procedures comply with requirements in the NDAA for Fiscal Year 2012 (Section 702). The three post-deployment mental health assessments are performed by licensed mental health professionals or designated personnel trained and certified in performance of the assessments. These mental health assessments include an analysis of self-reported responses to mental health questions regarding symptoms of depression, posttraumatic stress disorder (PTSD), and alcohol misuse, detailed follow-up of positive responses regarding previous mental health diagnoses and medication use, and exploration of other reported emotional, life stress, or mental health concerns.

During these assessment sessions, providers weigh risks for suicide or violence, offer education on relevant mental health topics, administer brief interventions, and, as indicated, make recommendations for follow-up assessment and care.

After returning home from deployment, help for any mental health issues, including depression and PTSD, is available through the Military Health System for Active Duty and retired servicemembers, or through the VA for all veterans. Active Duty, National Guard, and Reserve servicemembers who separate and who served in support of a contingency operation are eligible for TRICARE's Transitional Assistance Management Program (TAMP), which provides health benefits for 180 days to assist servicemembers and their families with the transition to civilian life. For those who may be separating from the Service due to medical disability, VA Federal Recovery Coordinators and Service Recovery Care Coordinators assist with servicemember transition from DOD to VA care, treatment, and rehabilitation. The DOD inTransition program is a free, voluntary, and confidential coaching and assistance program that also provides a bridge of support for servicemembers while they are transitioning between healthcare systems or providers.

Each Service has a comprehensive program to address the reintegration needs of wounded, ill, and injured servicemembers, including the Army Wounded Warrior Program, the Marine Wounded Warrior Regiment, Navy's Safe Harbor Program,

and the Air Force Wounded Warrior Program. Across DOD, the Military Family Life Consultants address family distress by providing education and information on family dynamics, parent education, available support services, and the effects of stress and positive coping mechanisms. Military OneSource has counselors standing ready 24/7 by phone and email and are available for face-to-face counseling. The DOD Yellow Ribbon Reintegration Program was established to address the needs of National Guard and Reserve servicemembers and their families by facilitating access to support and reintegration services. The Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCoE) has a number of education and outreach programs, including DCoE's Outreach Center, "24/7 Help," which provides information and resources on psychological health and traumatic brain injury, and the Afterdeployment.org Web site, which assists servicemembers and their families in managing post-deployment challenges.

The Military Services have developed training programs to mitigate the effects of combat-related stress. The Army implemented the Comprehensive Soldier Fitness Program Army-wide; the Air Force uses the Landing Gear program; the Navy has an Operational Stress Control program; and the Marine Corps uses a program called Operational Stress Control and Readiness. Each of these programs seeks to prepare servicemembers to better cope with combat and deployment stress before, during, and after deployment. On a more holistic level, the Office of the Chairman of the Joint Chiefs of Staff has promoted the Total Force Fitness model to address the need for a synchronized, DOD-wide approach to strengthen resilience and maintain optimal military force readiness. This model fosters leadership interventions throughout DOD that strengthen the comprehensive health of servicemembers across many domains: Behavioral, Social, Physical, Environmental, Medical, Spiritual, Nutritional, and Psychological.

#### FEMALES IN THE MILITARY

47. Senator AKAKA. Secretary Panetta, last week DOD announced that it would open about 14,000 combat-related positions to female troops. You also recently announced the President's nomination of the first female four-star general for the Air Force. These are both positive steps. Can you give me a sense of where you think DOD is with respect to diversity initiatives—such as fostering a diverse base of officers from which to select our future senior leaders?

Secretary PANETTA. DOD agrees the future military must be comprised not only of men and women of different racial and ethnic backgrounds, but also of individuals with a wide range of talents, experience, and skill sets. Because the military operates as a closed personnel system, the demographic diversity of accessions and those retained over the course of a career directly influences the potential demographic diversity of future senior leaders; on average it takes 25 years to "grow" a General or Flag Officer. As such, given a limited pool of eligible candidates, outreach, recruiting, and retention strategies play a critical role in attracting and retaining qualified personnel to military service.

DOD has committed a significant amount of resources to expand outreach efforts with affinity groups to strengthen the qualifications of potential candidates. For example, DOD hosts a number of training events particularly in the area of Science, Technology, Engineering, and Math (STEM) to strengthen shortcomings in an area critical to national security. Currently, a DOD pilot program with an East Los Angeles school-age population of roughly 20,000 includes programs to train parents and influencers on how to support STEM education in the home. The program begins in Kindergarten and ties into the California university system. The program is in its fourth year and surveys find that 100 percent of program participants have been positively influenced by the program. Additionally, DOD supports the STARBASE Program, a youth outreach program designed to increase student interest in STEM that will help build and enlarge the talent pool of potential military and civilian personnel needed by DOD. The DOD STARBASE Program operates at 60 locations in 34 States, the District of Columbia, and Puerto Rico. Military Commanders (Active, Guard, and Reserve) have collaborated with 1,086 schools from 387 school districts, serving approximately 64,000 students. Since 1993 more than 609,000 students have participated in the STARBASE Program.

Cooperation and support of affinity groups also positively enhances diversity "in-reach" efforts to enhance career development, mentoring, and networking resources for those currently in uniform. DOD continues to work with components' leadership to address integration of talent management programs process and practices, mentorship, and succession planning to optimize the ability of all servicemembers to make informed career choices from accession to retirement.



## NORTH KOREA

48. Senator AKAKA. Secretary Panetta, in 2011, the United States and North Korea agreed to restart efforts to search for and repatriate the remains of U.S. soldiers missing from the Korean War. Please provide an update on this program.

Secretary PANETTA. The United States and the Democratic People's Republic of Korea (DPRK) signed an arrangement on October 20, 2011, to resume joint remains recovery operations in the DPRK. The U.S. Government has worked diligently to comply with the arrangement and as of this hearing date we are on schedule to resume remains recovery operations in April.

## DON'T ASK DON'T TELL POLICY

49. Senator AKAKA. Secretary Panetta, on December 22, 2010, President Obama signed the law which repealed the Don't Ask, Don't Tell policy. After required certifications were made, the repeal occurred on September 20, 2011. Have you encountered any difficulties in implementing the repeal of Don't Ask, Don't Tell?

Secretary PANETTA. The Services and combatant commands continue to provide monthly progress reports on the implementation of repeal. To date, and based on these reports, repeal is going smoothly and we have had no significant repeal-related issues. We attribute this success to our strong and dedicated leadership, comprehensive pre-repeal training programs, continued close monitoring and enforcement of standards by our military leaders, and servicemembers' adherence to core values that include professionalism, dignity, and respect for all.

50. Senator AKAKA. Secretary Panetta, have any new issues or concerns surfaced since the repeal went into effect?

Secretary PANETTA. No. DOD continues to closely monitor implementation across the Services and combatant commands. Through our monthly progress reports, we have found that the most common concern from the field is about benefits-specifically, whether or not benefits will be extended to same-sex partners.

With regard to benefits, DOD is engaged in a comprehensive review of the possibility of extending eligibility for additional benefits, when legally permitted, to same-sex partners of military members.

## READINESS CHALLENGES

51. Senator AKAKA. Secretary Panetta, some defense experts believe that, with the withdrawal from Iraq last year and considering our plans to leave Afghanistan by 2014, the U.S. military will enter a "post-counterinsurgency" era. This view was reinforced by the administration's January 26 announcement of a strategic shift to the Asia-Pacific and Middle East region. Can you describe what readiness challenges U.S. forces will face as we transition to a new era where engagement and ensuring freedom of access will likely be the strategic norm?

Secretary PANETTA. Our future environment will present an increasingly complex set of challenges and opportunities to include:

- Transition in Afghanistan
- Violent extremism (destabilizing threats)
- Building partner security capacity
- Addressing challenges to U.S. power projection and operational access

For the last decade, the United States has been involved in extensive global operations to secure important national interests. The focus of these operations has overwhelmingly been counterinsurgency and stability operations, and we have focused on preparing ground combat forces for those operations, which means there has been less focus on training for conventional warfare.

As these operations draw down and returning ground forces reset, our strategic approach will transition toward an increased emphasis on meeting future challenges. As it does, our forces will remain ready and able to conduct limited counterinsurgency and other stability operations. We are rebalancing training and equipment and maintaining a broad portfolio of capabilities that will ensure versatility to deal with this environment, to include increasing capacity in language, regional expertise, and associated culture. During this transition, our people and equipment, having endured maximum stress for extended periods, must be reset and sustained. To deter and defeat aggression, we must provide ready forces for current operations as well as prepare for unforeseen crisis and contingency response.

## FOREIGN LANGUAGE SKILLS

52. Senator AKAKA. Secretary Panetta, in July 2009, DOD testified before the Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia on its foreign language capabilities. Concerning foreign languages, DOD testified that it “is a priority for the Department of Defense.” Please discuss how the DOD’s fiscal year 2013 budget request ensures that the men and women in uniform and civilian workforce have the language skills necessary to meet DOD’s mission.

Secretary PANETTA. DOD will continue to focus on expanding, improving, and strengthening language efforts that began in 2005 as a result of the Defense Language Transformation Roadmap. The current budget request ensures that the Defense Language Institute Foreign Language Center provides the men and women in uniform and the civilian workforce the language skills necessary to meet DOD’s mission for the 21st century. Our budget request will continue to support our Language Training Detachments located across the United States for GPF and Special Operations Forces training. We plan to continue funding initiatives such as the Afghanistan Pakistan Hands Program, which create a cadre of professionals with language and regional knowledge equipped to work in regions of U.S. engagement. My staff is working to improve and diversify the career paths of our language professionals and to improve retention and overall linguistic capabilities. At the same time, we are working to improve the process of identifying language requirements to better meet the needs of the Services and combatant commands. On the national level, we will continue to support the ROTC Project GO Programs and the National Security Education Program’s Boren and Language Flagship programs, which collectively improve the school and university pipeline for language-enabled civilian and military personnel.

53. Senator AKAKA. Secretary Panetta, the National Language Service Corps is a pilot program that provides surge language capacity to DOD and the Federal Government during times of emergency and national need. Please explain how the National Language Service Corps contributes to the DOD’s mission and provide specific examples.

Secretary PANETTA. The National Language Service Corps contributes to DOD’s mission by bringing together 3,300 members who collectively speak more than 240 foreign languages in addition to professional level English proficiency. These patriotic individuals can be activated to meet short-term emergency and surge requirements. The National Language Service Corps complements the DOD’s organic and contracted capabilities by providing a full range of language services to include interpretation, translation, participation as subject matter experts in standard setting for language assessment tools, and delivery of culturally-attuned language training. The members have supported DOD operational missions off the Coast of Senegal, critical exercises and training events in Indonesia, Thailand, Jordan and Germany, and have filled gaps in language support for the intelligence and law enforcement communities. We support the National Language Service Corps and consider it a key component of our strategy to mitigate uncertainty in current and future national security language needs.

54. Senator AKAKA. Secretary Panetta, what key lessons has DOD learned from implementing the National Language Service Corps pilot program?

Secretary PANETTA. DOD learned through this proof of concept (PoC) that there is a great deal of interest and need across the Federal Government for short-term foreign language skills that the National Language Service Corps (NLSC) provides. NLSC requests have more than doubled in the last few months and feedback on performance is excellent. We realize there is a great deal of willingness among the large number of U.S. citizens who speak more than one language to offer their skills in service to our Nation in times of need. Without a doubt, the vast majority of individuals who participate in the NLSC are professionals and offer more to the Nation than just their high level of language capability. The program is win-win.

We also know now that proactively engaging in cross-agency partnerships through the NLSC can lead to increased collaboration and efficiencies. For example, the Defense Language and National Security Education Office has leveraged DOD efforts through a relationship with the Department of Justice and have shared best practices at a recent interagency working group.

## QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

## NATIONAL GUARD AND RESERVES

55. Senator McCASKILL. General Dempsey, the National Guard and Reserves have played a major role in combat operations over the past decade. National Guard and Reserve Forces have served faithfully in the Iraq and Afghanistan wars and there is no doubt that our Nation would not have been successful without the contribution of these citizen servicemembers. National Guard and Reserve servicemembers are unique in that they hold full-time civilian positions and jobs in communities across America outside of their military service. This makes the National Guard and Reserves an even more precious resource as our Nation transitions to a new defense strategy.

I have concerns on how this transition will affect our National Guard and Reserve servicemembers and families. The new Defense Strategic Guidance calls for a draw-down of Active Duty servicemembers, which will put more emphasis on the readiness of the National Guard and Reserves. With a smaller Active Duty military, it is imperative that National Guard and Reserve Forces are well-maintained, trained, and adequately equipped to meet the Nation's challenges as they arise. In our current security environment, we must ensure that the National Guard and Reserves are postured for success on and off the battlefield.

Over the past decade, servicemembers serving in the Guard and Reserves have become accustomed to deploying in support of our Nation. As these deployments become less frequent due to the drawdown in Afghanistan, how does DOD plan to retain the institutional and operational knowledge the Guard and Reserves have gained over the past decade?

General DEMPSEY. As we implement the new Defense Strategic Guidance, we must avoid a hollow force and maintain the strongest military in the world. Although smaller and leaner, our military will remain flexible and ready to deploy quickly—an integral part of this agility rests on our ability to mobilize the National Guard and Reserves expeditiously. A properly trained and equipped Reserve component makes for a strong, capable, and ready National Guard and Reserves which is a prudent objective, both operationally and fiscally. Because of the investments made and operational experiences gained over the last decade, the Reserve component is well-postured to contribute valued capacity and capabilities to the Joint Force in the short-term. To sustain this over the long-term, we will continue rotational deployments, more extensively integrate Active and Reserve Forces, and enhance innovative readiness training.

Each Service continues to reassess the rotational deployment plan of its unit formations, including National Guard and Reserves, to optimize total force readiness while being responsive to the combatant commanders' needs. This ongoing evaluation seeks to find the right balance to ensure readiness without overburdening either component against the anticipated demand signal. Keeping the Reserve component ready through periodic, predictable deployments adds value to the Total Force, distributes stress more evenly on all components, and provides force structure options in a resource constrained environment.

The Services plan to retain appropriate levels of Reserve component readiness through continued Active and Reserve component integration of personnel and equipment. This Total Force integration will provide the most efficient training opportunities to all personnel, allow for shared use of resources, and maximize operational benefit and mission capability.

We are reviewing Total Force training structure and strategies looking for ways to improve efficiencies and effectiveness. As deployment opportunities decline, our reliance on training must necessarily substitute to a greater degree for actual operational experience. We will continue to explore innovative ways to leverage technology and our human component as we build and maintain the readiness of the current and future Total Force.

56. Senator McCASKILL. General Dempsey, as we wind down combat operations in Afghanistan, the Guard and Reserves will transition to a posture that involves fewer combat operations overseas. As we plan to maintain the strongest force possible in the coming years, has DOD identified any problems in future recruitment, as many young men and women were drawn to service in a Guard and Reserve Force that was highly likely to deploy because of operations in Iraq and Afghanistan? If so, how does DOD plan to address these recruitment challenges?

General DEMPSEY. In the short-term (3 to 5 years), we expect to continue to recruit and train some of our Nation's most talented men and women in numbers sufficient to ensure combat capability. For the past several years, all of our Military

Services met, or exceeded, their Reserve component recruiting and retention goals with the exception of the Air National Guard. Today's reservists and guardsmen expect to deploy and be more operationally engaged than their counterparts of the 1990s. While the level of combat and other deployment operations is reduced from a few years ago, opportunities for Reserve component mobilization still exist. These opportunities will be on a more periodic and predictable schedule, which is more conducive to the needs of the Reserve component servicemembers, their families, and their employers. Programs such as the Post-9/11 GI Bill, the reduced retirement program, and stressed career field bonuses are a few examples of how we will be able to continue to maintain a strong and effective Reserve component.

In the long-term (5 years and beyond), we may face challenges depending on the state of the economy and changing social norms. Although we seek only the best to join the Profession of Arms, fewer than one in four 17- to 24-year-olds are fully qualified for service, and we must attract over 15 percent of those. Today, only about a third of that percentage show a propensity to join, and that number may decrease as our Nation's economic conditions improve. Additionally, although the Reserve and National Guard bring in accessions directly from the Active component, not enough Active Duty personnel may be available. This will be due to several factors, such as reduced military end strength and the requirement that separation bonuses be repaid upon entry into the Reserve component. As it has in the past, DOD will need to count on congressional support to ensure our military remains the best the world has known.

#### F-35 PROGRAM

57. Senator MCCASKILL. Secretary Panetta, for the third year in a row, DOD has been forced to delay plans for full production of the F-35. Deputy Secretary of Defense Ash Carter has stated that the delay is not a budget issue, but rather a fundamental problem with the F-35 program. Frank Kendall, Acting Assistant Secretary of Defense for Acquisition, Technology, and Logistics, has stated: "putting the F-35 into production years before the first test flight was acquisition malpractice."

While much attention has been given to the problems plaguing the Marine Corps F-35B variant, the F-35A and F-35C both suffer from significant design issues. For example, the F-35C has encountered a problem with its tailhook, a real and significant problem for an aircraft designed to land on an aircraft carrier deck. Last year, the Navy requested additional Super Hornets in order to mitigate delays in the Joint Strike Fighter (JSF) procurement schedule. Fiscal year 2013 marks the third delay in 3 years for the JSF program, but, under current plans, the F/A-18 production line will end in fiscal year 2014, well before the F-35C is projected to be combat ready. Ending a viable aircraft production line before the JSF program will be able to meet full combat capability inevitably assumes a level of risk to the Navy and to the U.S. military.

Does the DOD find that risk acceptable to our warfighters and our national security capabilities?

Secretary PANETTA. DOD remains committed to the F-35 program. The Department of the Navy does not currently plan to keep the F/A-18 production line open beyond the final procurement of EA-18G aircraft in fiscal year 2013 and F/A-18E/F in fiscal year 2014; however, if further delays or significant development or design issues are discovered beyond the current F-35 program, as presented in the fiscal year 2013 President's budget request, then DOD may consider all options, including procuring additional F/A-18 Super Hornets. Currently, the F/A-18 production line shutdown begins with the key long-lead suppliers this summer. Regarding EA-18G unique parts, the final orders to support the final fiscal year 2013 procurement are also being placed this summer. From a force structure perspective, the Navy projects a manageable strike fighter shortfall of less than 65 aircraft in the 2020s. DOD finds this risk acceptable to the Navy, and we are confident that we will have sufficient naval strike fighter capability to meet our national security requirements.

58. Senator MCCASKILL. Secretary Panetta, does DOD have plans to mitigate that risk?

Secretary PANETTA. Yes, DOD is mitigating that risk through a number of means. The Navy is conducting a Service Life Assessment Program of the F/A-18E/F to define the necessary inspection and modifications required to extend the currently defined life limits of the aircraft.

We have mitigated risk to the F-35 program by ensuring that the completion of the development program is adequately resourced and supported by realistic planning factors. The production ramp has been reduced to mitigate cost risk due to con-

currency. This allows us to buy fewer aircraft in the near term that will require modifications while the design matures through continued testing and discovery.

We believe that this risk is acceptable as we strive to shape a joint force for the future that is smaller and leaner but will be agile, flexible, ready, and technologically advanced.

59. Senator MCCASKILL. Secretary Panetta, given the uncertainty that continues to plague the F-35 program, is DOD or the Navy considering options for keeping the F/A-18 line running beyond fiscal year 2014?

Secretary PANETTA. DOD plans to procure the final F/A-18E/F in fiscal year 2014. When those aircraft deliver in fiscal year 2016, DOD will have completed the program of record of 565 F/A-18E/F aircraft. However, if further delays or significant development or design issues are discovered beyond the current F-35 program as presented in the fiscal year 2013 President's budget request, DOD may consider all options, including procuring additional F/A-18 Super Hornets.

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#### QUESTIONS SUBMITTED BY SENATOR MARK BEGICH

##### BASE REALIGNMENT AND CLOSURE ISSUES

60. Senator BEGICH. Secretary Panetta and General Dempsey, the Air Force is proposing to relocate the F-16 Fighter Squadron at Eielson Air Force Base (AFB) to Joint Base Elmendorf-Richardson in fiscal year 2013 to achieve savings in base support costs. The F-16 squadron is the only Active Duty mission at Eielson. The Air Force intends to put Eielson in warm status by 2015. This proposal is the same one put forth by the Air Force in BRAC 2005 and it was rejected by the BRAC Commission due to overestimated cost savings and underestimation of the military value of Eielson AFB. Last week, the Alaska delegation wrote you a letter expressing concern about the proposal, mainly the fact this proposal is outside of the formal BRAC Commission process and may be in violation of statute as a significant number of military and civilian personnel will be impacted. What is your understanding of this proposal?

Secretary PANETTA and General DEMPSEY. The Air Force must achieve spending reductions in the current budget cycle regardless of whether additional BRAC rounds may ultimately be authorized. The Air Force is therefore making adjustments to its force structure, and the transfer of the Aggressor squadron from Eielson AFB to Joint Base Elmendorf-Richardson is among them. The transfer in fiscal year 2013 garners manpower and efficiency savings by consolidating operations/maintenance supervision overhead and base support functions. The Air Force estimates resultant cost savings to be \$3.5 million for fiscal year 2013 and \$169.5 million across the FYDP. These estimates are based on eliminating approximately 640 manpower authorizations that Headquarters-Pacific Air Forces determined were no longer needed at Eielson once the Aggressor squadron relocates. Sufficient capability, however, will remain in place at Eielson to support the remaining Air Refueling Wing and joint partners at Fort Wainwright. Additionally, the base will continue to provide critical training through the Joint Pacific Alaska Range Complex.

DOD has the authority to close and realign military installations outside of a traditional BRAC round, provided that action does not trigger the thresholds established in 10 U.S.C. 2687. Section 2687 specifies that DOD cannot take any action to effect or implement the closure of any military installation at which at least 300 civilian personnel are authorized to be employed, or the realignment of any such installation involving a reduction of more than 1,000 or by more than 50 percent of the number of civilian personnel, whichever is less, unless and until certain requirements set out in the statute are met.

The actions at Eielson do not trigger the thresholds specified in section 2687. Specifically, Eielson AFB is not being closed, and the realignment will not relocate either 1,000 or 50 percent of the permanent DOD civilian positions at Eielson to Elmendorf AFB. Were the triggering thresholds of the statute to be exceeded, the Air Force would have to report on the proposal, provide certain specified analyses, and wait a prescribed period of time before implementing the action.

Finally, if Congress does authorize the requested BRAC rounds, the Air Force's currently proposed force structure changes do not presuppose what will happen to a particular installation during the BRAC analysis. DOD will consider all installations equally with military value as the primary consideration.

61. Senator BEGICH. Secretary Panetta and General Dempsey, both of you have repeatedly stated the formal BRAC Commission process is the most objective, thor-

ough, and non-partisan route to pursue with respect to real property management. In fact, during the 2005 BRAC round, below BRAC threshold actions were included in the formal process in recognition of the fact a comprehensive approach allowed DOD to make better use of real property and make better decisions. Would you agree with this statement? If so, do you support the Air Force's proposal?

Secretary PANETTA and General DEMPSEY. The statutory BRAC process is a fair, objective, and proven process for closing and realigning bases in the United States. I agree that "below BRAC threshold actions were included in the formal process in recognition of the fact a comprehensive approach allowed DOD to make better use of real property and make better decisions." But strategic and fiscal imperatives leave DOD no alternative but to seek efficiencies at military bases here in the United States. While the President has asked Congress for BRAC authority, it is not clear how Congress will act on that request, and we cannot afford to delay in achieving efficiencies. DOD must use every tool at its disposal to address strategic and fiscal imperatives—including acting within its existing authorities pending congressional action on BRAC authorization. The Secretary of Defense has the authority to close and realign military installations outside of a traditional BRAC round, provided that action does not trigger the thresholds established in section 2687 of title 10, U.S.C. Section 2687 specifies that DOD cannot take any action to effect or implement the closure of any military installation at which at least 300 civilian personnel are authorized to be employed, or the realignment of any such installation involving a reduction of more than 1,000 or by more than 50 percent of the number of civilian personnel, whichever is less, unless and until satisfying certain study and congressional reporting requirements and waiting the specified period of time.

The Air Force must achieve spending reductions in the current budget cycle regardless of whether additional BRAC rounds may ultimately be authorized. The Air Force is therefore making adjustments to its force structure. It is important to note, however, that if Congress does authorize the requested BRAC rounds, the Air Force's currently proposed force structure changes do not pre-suppose what will happen to a particular installation during the BRAC analysis. DOD will consider all installations equally, with military value as the primary consideration.

62. Senator BEGICH. Secretary Panetta and General Dempsey, how is the proposal in line with your goal of using the formal BRAC Commission process?

Secretary PANETTA. DOD's force structure changes drove both this proposal and the request for BRAC authorization. They are consistent. However, this proposal does not presuppose what will happen to a particular installation during the BRAC analysis. DOD will consider all installations equally with military value as the primary consideration.

General DEMPSEY. DOD's force structure changes are one of the reasons why the President is requesting BRAC authorization. Simply stated, the cuts in force structure that we are implementing must be accompanied by cuts in supporting infrastructure, including military bases. Absent a process for closing and realigning bases, DOD will be locked in a status quo configuration that does not match its evolving force structure, doctrine, and technology. Moreover, given the expense of our installation infrastructure, if we retain bases that are excess to strategic and mission requirements, we will be forced to cut spending on forces, training, and modernization. That said, recently announced force structure changes do not presuppose what will happen to a particular installation during the BRAC analysis. DOD will consider all installations equally with military value as the primary consideration.

63. Senator BEGICH. Secretary Panetta and General Dempsey, was the Air Force's proposal to realign the F-16 squadron at Eielson reviewed by DOD Legal Counsel to ensure it is in compliance with BRAC law in title 10, U.S.C., section 2687, which mandates a notice and hold period when closing or realigning installations?

Secretary PANETTA. The Air Force's proposal was reviewed by the Air Force Office of the General Counsel, in consultation with the DOD Office of the General Counsel.

General DEMPSEY. The Air Force's proposal was reviewed by the Air Force Office of the General Counsel in consultation with the DOD Office of the General Counsel.

DOD has the authority to close and realign military installations outside of a traditional BRAC round provided that action does not trigger the thresholds established in title 10 U.S.C., section 2687. Section 2687 specifies that DOD cannot take any action to effect or implement the closure of any military installation at which at least 300 civilian personnel are authorized to be employed, or the realignment of any such installation involving a reduction of more than 1,000, or by more than 50 percent of the number of civilian personnel, whichever is less, unless and until certain requirements set out in the statute are met.

The actions at Eielson AFB do not trigger the thresholds specified in section 2687. Specifically, Eielson AFB is not being closed, and the realignment will not relocate either 1,000 or 50 percent of the permanent DOD civilian positions at Eielson to Elmendorf AFB. Were the triggering thresholds of the statute to be exceeded, the Air Force would have to report on the proposal, provide certain specified analyses, and wait a prescribed period of time before implementing the action.

64. Senator BEGICH. Secretary Panetta and General Dempsey, last week, Admiral Locklear, the U.S. Pacific Command (PACOM) commander nominee, recognized Alaska's strategic location, calling the State and its installations critical and significant to his mission. Yet, the Air Force is proposing to place one of the most strategically located bases in warm status. How is placing Eielson in warm status conducive to DOD's strategic goals?

Secretary PANETTA and General DEMPSEY. The right-sizing of Eielson AFB is tied to DOD's strategic goal of reducing the "cost of doing business." This entails reducing the rate of growth of manpower costs, finding further efficiencies in overhead and headquarters, and business practices. Eielson AFB hosts the only single squadron wing in the Active Duty Air Force. The Air Force proposes moving the 18th Aggressor Squadron and associated maintenance support to Joint Base Elmendorf-Richardson in fiscal year 2013. The movement of the Aggressor squadron will garner efficiencies by reducing maintenance supervision overhead and support base functions. Units, such as flightline and backshop maintenance, will relocate to Joint Base Elmendorf-Richardson with the 18th Aggressor Squadron. There is sufficient capacity at Joint Base Elmendorf-Richardson (hangars, flightline parking, and administrative space) to beddown the 18th Aggressor Squadron. Further manpower reductions will be assessed in fiscal year 2014 for fiscal year 2015 and tied to installation restructuring and right-sizing, with remaining manpower/infrastructure supporting surge/war readiness materiel requirements, Alaska Air National Guard's 168th Air Refueling Wing, the Joint Pacific Alaska Range Complex, and exercises (e.g., Red Flag and Northern Edge).

The proposal to retain the 168 Air Refueling Wing at Eielson AFB and maintain the base and runway operating capability while moving the training-coded F-16s to Joint Base Elmendorf-Richardson is directly tied to the strategic importance of this base and this location. The robust training capability for Red Flag Alaska exercises will remain at Eielson, a testament to the quality and capacity for unparalleled, world-class training and readiness emphasis, which is of particular importance to the Pacific theater. While the training-coded Aggressor F-16s are slated to relocate to Joint Base Elmendorf-Richardson, they will still participate in and support these large force, joint and combined exercises, the same way the combat-coded units at Joint Base Elmendorf-Richardson have done for years. The current training and readiness focus of effort will remain under the current proposal while affording the Air Force the opportunity to expand operations, if necessary, in the future specifically to meet the strategic goals in the Pacific.

65. Senator BEGICH. Secretary Panetta, please provide more details regarding DOD's intent to seek authority for BRAC. You have indicated if Congress authorizes BRAC, DOD wants to move quickly on the process and implementation. The last BRAC took 5 years to complete; in fact, DOD sought waivers to extend the deadline for more than five BRAC actions. DOD will be responsible for environmental remediation at sites and community redevelopment which takes years and cannot be circumvented. How does DOD envision completing and implementing BRAC immediately?

Secretary PANETTA. Asking for a 2013 round is aggressive; but given the magnitude of the cuts we are making in force structure, we cannot afford to wait. Moving forward quickly will enable DOD to reap savings quickly and adjust to force structure changes in an effective manner. With this aggressive timeline in mind, we have started the initial preparatory work regarding internal governance for a BRAC process—inventorying our property and evaluating the extent to which we need to update our analytical tools. These efforts will enable us to proceed expeditiously once Congress authorizes BRAC. We will be ready to use the authority effectively and therefore urge Congress to authorize BRAC.

Additionally, in light of the accelerated timeline, our legislative proposal provides us additional time to submit the required Force Structure Plan and Installation Inventory not later than 60 days after the date of the enactment of the legislation for the fiscal year 2013 round.

66. Senator BEGICH. Secretary Panetta, BRAC 2005 cost DOD \$35 billion to implement. GAO estimated savings from the BRAC 2005 round will not be realized

for at least a decade. DOD has to find savings now. How did DOD conclude BRAC is a financially sound decision in the near-term?

Secretary PANETTA. Of all the efficiency measures that DOD has undertaken over the years, BRAC is perhaps the most successful and significant. The first four rounds of BRAC generated \$8 billion in annual recurring savings, which now total \$100 billion. The comparable figure for BRAC 2005 is \$4 billion. The annual recurring savings for all five rounds (\$12 billion) represents the additional costs that DOD would incur every year for base operating support, personnel, and leasing costs without BRAC. Enough money to buy 300 Apache attack helicopters, 124 F/A-18E/F Super Hornets, or four *Virginia*-class submarines.

Because BRAC is a key priority, DOD will apply the resources necessary to support both a robust and thorough BRAC analysis and an efficient and effective implementation process. BRAC begins generating savings almost immediately, and those savings will partially offset its initial costs. BRAC will generate recurring savings far in excess of the upfront investment.

The 2005 round took place during a period of growth in the military, and it reflected the needs and goals of that time—aligning our infrastructure with our military strategy so as to maximize warfighting capacity and efficiency. These efforts contributed significantly to DOD's effectiveness; but they necessarily required substantial investments. Because the focus of the BRAC 2005 round was not on saving money and space, it is a poor gauge of the savings that DOD can achieve through another BRAC round. The prior BRAC rounds—which reduced capacity and paid off in 2 to 3 years—represent a better gauge of such costs and savings. In those rounds, one-time costs ranging from \$2.7 billion to \$6.6 billion resulted in annual recurring savings of \$1 billion to \$2.7 billion.

67. Senator BEGICH. Secretary Panetta, what is DOD's estimated cost of another BRAC?

Secretary PANETTA. The costs of a potential BRAC round will not be known until after DOD has developed its recommendations, they have been reviewed by the independent BRAC Commission and forwarded by the President to Congress, and, finally, Congress has failed to enact a joint resolution disapproving the recommendations. It is only at the end of this process that DOD can develop budget quality estimates of the costs.

68. Senator BEGICH. Secretary Panetta, the budget is decreasing; how will DOD pay for BRAC?

Secretary PANETTA. Because BRAC is a key priority, DOD will apply the resources necessary to support both a robust and thorough BRAC analysis and an efficient and effective implementation process. As a legal obligation of DOD, the normal internal budget deliberation process will determine the source of the BRAC implementation costs.

69. Senator BEGICH. Secretary Panetta and General Dempsey, the Air Force has been the only Service to vocalize strong support for BRAC. The Army has not made necessary decisions regarding end strength decrease force structure impacts. The last BRAC Commission determined another BRAC round would not be required until 2015 at the earliest. The request for BRAC appears to be preemptive and driven by budget constraints, not by national security needs. Was an assessment conducted which determined another BRAC round was required at this time?

Secretary PANETTA and General DEMPSEY. We have not conducted an assessment for a future round; however, parametric techniques used to analyze various capacity measures in 2004 indicated that DOD had 24 percent excess capacity overall relative to the fiscal year 2009 force structure-based requirements. Because BRAC 2005 eliminated only about 3 percent of DOD's capacity, we believe we have significant excess capacity, and force structure reductions will only exacerbate this condition. In accordance with its request for authority to conduct two new rounds of BRAC, DOD will undertake a similar analysis used in BRAC 2005 to give a sense of its current excess capacity.

70. Senator BEGICH. Secretary Panetta and General Dempsey, once infrastructure is lost in the United States, the capacity may never be gained back. What risk is assumed by more base closures?

Secretary PANETTA and General DEMPSEY. As it has done in prior BRAC rounds, DOD will develop closure and realignment recommendations that provide it with the flexibility to adapt to changing circumstances, particularly surge requirements that can arise from contingencies, mobilizations, or extended changes in force levels. Spe-



cifically, DOD uses a 20-year force structure plan and has specific selection criteria<sup>1</sup> that capture the concept of surge capacity. Criterion one requires DOD to consider “current and future” mission capabilities, and criterion three assesses the “ability to accommodate contingency, mobilization, surge and future total force requirements.” Furthermore, through execution of prior BRAC rounds, and as verified in a 1999 study, DOD has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States.

71. Senator BEGICH. Secretary Panetta and General Dempsey, according to DOD’s Base Structure Report for 2011, DOD has 611 military sites overseas. Why is DOD not pursuing a more aggressive effort to identify sites overseas for closure and realignment?

Secretary PANETTA and General DEMPSEY. DOD continuously assesses U.S. defense posture overseas. The President and Secretary of Defense led DOD’s civilian and military leadership through extensive deliberations to develop the most recent Defense Strategic Guidance, which was issued on January 5, 2012. This strategy requires DOD to sustain a global presence, with a rebalancing of our forces toward the Asia-Pacific region and a sustainment of our presence in the Middle East. In Europe, we are sustaining a presence that will meet defense commitments, deter aggression, and place greater reliance on rotational presence and partnership.

Over the last several years, we have made significant reductions in our overseas infrastructure and personnel. Since 2003, DOD has returned more than 100 sites in Europe to our host nations and reduced our personnel by one third. Between fiscal year 2012 and fiscal year 2015, the Army alone will execute 23 additional site closures that were previously approved and announced for return to the host nation. But more can and should be done in light of upcoming force structure changes.

Our European footprint today consists of more than 300 discrete sites, ranging from small communications sites to robust Main Operating Bases. Given the shift in strategic focus to the Pacific, coupled with force reductions in Europe and decreases in required support to CENTCOM, the legacy footprint in Europe is a prime focus. To that end, we are embarking on a European capacity analysis that will seek to reduce long-term expenses through footprint consolidations, while ensuring our infrastructure properly supports operational requirements and strategic commitments.

Our examination will review opportunities across the theater for more extensive joint and coalition utilization of facilities. We will gauge the extent to which our installations can shed excess capacity or absorb new functions from other installations of lesser military value which, in turn, could be reduced or closed. In doing this, we will be careful to assess the cost and savings of each action and prioritize for implementation those initiatives with the highest payback. We expect to identify some preliminary options later this year.

72. Senator BEGICH. Secretary Panetta, did DOD or OMB assess the impact of a BRAC in the next few years on the economy and unemployment rates?

Secretary PANETTA. No. DOD did not assess the impact of a BRAC in the next few years on the economy and unemployment rates. If Congress authorizes BRAC,

<sup>1</sup> Congress specified the following criteria for use in the 2005 BRAC round, and DOD has proposed to use the same criteria for the requested rounds in 2013 and 2015.

*Military Value Criteria:*

1. The current and future mission capabilities and the impact on operational readiness of the total force of DOD, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in Homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

*Other Criteria:*

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.
8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

DOD will develop recommendations for closures and realignments based on 20-year force structure plan and statutory selection criteria<sup>2</sup> that place priority on military value. Economic impact is also one of the criteria. Specifically, criteria 6 is “The economic impact on existing communities in the vicinity of military installations.”

#### ASIA-PACIFIC REGION

73. Senator BEGICH. Secretary Panetta and General Dempsey, with our defense posture shifting to the Asia-Pacific, shouldn't we ensure the military's global footprint is aligned with our strategy?

Secretary PANETTA. Yes, DOD is ensuring that U.S. global defense posture is aligned with our strategy. We will have a Joint Force with global presence emphasizing the Asia-Pacific region and the Middle East, while still ensuring the ability to maintain defense commitments to Europe and elsewhere. Wherever possible, we will develop innovative, low-cost, and small-footprint approaches to achieve U.S. security objectives.

In the Asia-Pacific region, DOD is pursuing a defense posture that is geographically distributed, operationally resilient, and politically sustainable. U.S. defense posture and presence in East Asia, Oceania, and Southeast Asia demonstrates the fact that the United States is a resident power in the region. The budget request for fiscal year 2013 funds enhancements to our presence in Southeast Asia, such as the rotational deployment of U.S. Marine Corps and U.S. Air Force units in Australia, and of Littoral Combat Ships to Singapore. The Navy will also rebalance the fleet to establish a greater presence in the Pacific and all the Services will continue to maintain significant force structure in the region as we work to increase interaction with partners and allies.

We are sustaining and, in some cases, enhancing elements of our defense posture in the Middle East. We will maintain an operationally responsive posture in this critical region to deter threats, as well as assure allies and partners in the face of growing security challenges.

We are also evolving our posture in Europe. Although we plan to withdraw two Brigade Combat Teams (BCT) over the next 2 years, we will maintain a steady state presence of two BCTs in Europe and allocate a U.S.-based BCT to the North Atlantic Treaty Organization (NATO) Response Force, including periodic rotation of a battalion task force and brigade headquarters staff support to Europe for training and exercises to improve interoperability and coalition operations. Reflecting the resource-constrained environment, we will also work with NATO allies to develop a “smart defense” approach to pool, share, and specialize capabilities that address future challenges in Europe and beyond.

General DEMPSEY. Absolutely. Global posture actions are continuously adjusted against requirements to support combatant commanders, and are designed to position U.S. forces to better conduct OCO, ease the burden of a high operational tempo on members of the Armed Forces and their families, and improve the ability of the United States to meet its commitments, while making these commitments more affordable and sustainable.

<sup>2</sup>Congress specified the following criteria for use in the 2005 BRAC round, and DOD has proposed to use the same criteria for the requested rounds in 2013 and 2015.

##### *Military Value Criteria:*

1. The current and future mission capabilities and the impact on operational readiness of the total force of DOD, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, surge and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

##### *Other Criteria:*

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions and personnel.
8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management and environmental compliance activities.

74. Senator BEGICH. Secretary Panetta and General Dempsey, why not utilize U.S. locations, like Alaska, as we shift our focus to the Asia-Pacific region to simultaneously promote economic development and readiness?

Secretary PANETTA. We currently leverage a variety of forces and capabilities stationed in Alaska to support PACOM assigned missions, and will continue to do so as we rebalance toward the Asia-Pacific region. Increasing the utilization of capabilities already stationed in Alaska, or increasing number of the forces stationed there for employment in PACOM-assigned missions, must be assessed against the ability of those forces to provide timely response to crises.

As we implement our strategy, we continually assess the way our forces are arrayed and their effectiveness in providing the appropriate range of political, security, and economic benefits to the United States.

General DEMPSEY. As we continue to adapt our existing military force posture in the Asia-Pacific region, we are examining a number of potential options to ensure that we enhance the Joint Force's ability to surge and regenerate forces and capabilities to confront and defeat aggression anywhere in the world.

#### GROUND-BASED MIDCOURSE DEFENSE SYSTEM

75. Senator BEGICH. Secretary Panetta and General Dempsey, funding for the Ground-based Midcourse Defense (GMD) was protected. How does the fiscal year 2013 request compare to last year's request of \$1.2 billion? Please describe the importance of this system in defending the Homeland and the threat environment.

Secretary PANETTA. The fiscal year 2012 appropriated amount, \$1.159 billion, included a general congressional reduction of \$1.5 million. Program execution includes Control Test Vehicle-1 (CTV-01) and Flight Test Ground-based Interceptor (GBI) (FTG)-06b, completion of the Fort Greeley, AK, power plant, completion of Missile Field 2, delivery of a second fire direction center node at Fort Greeley, and initiate manufacturing for GBIs 48 to 52. During fiscal year 2012, GMD will build up two GBIs to support the return to intercept (RTI) flight tests in fiscal year 2013. To increase GMD system reliability for Homeland defense, the Missile Defense Agency (MDA) will activate the hardened power plant at Fort Greeley this year and increase firepower of the fielded GBIs by continuing to test and upgrade the reliability of GBI components. Of note, on December 2011, GMD awarded the development and sustainment contract to Boeing, which gained efficiencies and savings across the Future Years Development Program.

During fiscal year 2013, GMD plans to complete the RTI testing with CTV-01 and FTG-06b and to restart interceptor manufacturing, incorporating the corrective actions into the GBIs yet to be delivered. GMD will continue manufacturing GBIs 48 to 52 and start manufacturing GBIs 53 to 57. As part of improving Homeland defense, GMD will continue construction on an east coast in-flight interceptor communications system data terminal at Fort Drum, NY, planning for FTG-08 in fiscal year 2014, including the build-up of the second 2-Stage GBI, planning for the FTG-11 first intercontinental ballistic missile (ICBM) and salvo test in fiscal year 2015, and continuing software development for both the GBI and ground systems products. The fiscal year 2013 GMD budget request is \$903.2 million. Reductions in fiscal year 2013 include transferring \$5.8 million for Defense Information Systems Agency (DISA) to the Command and Control, Battle Management and Communications Program and transfer \$20.7 million to the MDA Program Wide Support account for facilities and environmental support at multiple MDA locations. Completing Missile Field 2 and deploying the Fort Greeley power plant in fiscal year 2012 resulted in lower funding requirements.

The fiscal year 2013 budget request continues to support the GMD system as the primary element of the Ballistic Missile Defense System (BMDS) that provides combatant commanders to defend the U.S. Homeland against limited attack by intermediate- and long-range ballistic missiles. The primary components of the GMD system are the GBIs and the ground systems. The GBI is a solid-fuel boost vehicle integrated with a single non-explosive exoatmospheric kill vehicle (EKV). There are currently 30 GBIs emplaced in two missile complexes, at Fort Greeley, AK, and Vandenberg AFB, CA. The system can negate attacks from the current and projected threat from Northeast Asia and Southwest Asia.

General DEMPSEY. DOD requested \$903.2 million in fiscal year 2013 for GMD RDT&E funding to buy an additional 5 GBIs for delivery in fiscal year 2018 and upgrade our current operational fleet of 30 GBIs. This will complete the total purchase of 57 GBIs.

Today, GMD's operational GBIs protect the United States against a limited ICBM raid launched from current regional threats. The ballistic missile threat is increas-

ing both quantitatively and qualitatively, and is likely to continue to do so over the next decade. Current global trends indicate the ballistic missile systems are becoming more flexible, mobile, survivable, reliable, and accurate, while also increasing in range. Regional actors such as North Korea and Iran continue to develop long range missiles that will threaten the United States, but it is not clear exactly when and how this type of ICBM threat to the U.S. Homeland will mature.

76. Senator BEGICH. Secretary Panetta and General Dempsey, the Sea-Based X-Band (SBX) radar is critical to GMD system performance and warfighter confidence in the system. Yet, DOD is proposing to make it a test asset only. What risk is assumed to GMD system performance by making the SBX radar a test asset only?

Secretary PANETTA. SBX's primary mission is discrimination and it is not necessary for tracking. Therefore, SBX is not required to be part of 24/7 operational kill chain today because there is no evidence of sophisticated countermeasures that require discrimination. With indications and warnings, SBX could return to full time status.

In the Limited Test Support Status, the SBX radar will retain its unique contingency operations capabilities and will continue to support testing. Maintaining SBX in Limited Support Status does not add risk to GMD performance.

Its technical performance capability will continue, including connectivity to the GMD Fire Control System. SBX will maintain its American Bureau of Shipping (ABS) and Coast Guard certifications, and will be staffed to maintain the vessel, X-band radar (XBR) and other critical systems for support to both testing and contingency activation.

SBX will continue to participate in BMDS ground and flight testing, while being available to support contingency operations as directed by OSD and the Joint Staff. The MDA is working with Joint Staff and the U.S. Strategic Command's (STRATCOM) Joint Functional Component Command for Integrated Missile Defense to determine the appropriate response time for contingencies. During contingency operations an unfunded requirement reimbursement will be requested.

Under the direction of OSD and the Joint Staff, SBX deployed from Pearl Harbor in less than 72 hours to provide contingency support during the North Korean space launch. This was the first operation of the SBX under U.S. Pacific Fleet tactical control and with Navy ownership and operation of the SBX vessel.

General DEMPSEY. DOD intends to place SBX radar in a limited test operations status due to affordability reasons, but we will be prepared to activate the SBX if indications and warnings of an advanced threat from Northeast Asia become evident. MDA is working with the Joint Staff and STRATCOM's Joint Functional Component for Integrated Missile Defense to determine the appropriate timeline for activation contingencies.

DOD will begin upgrading the Clear Early Warning Radar in Alaska for full missile defense capability by 2016. We are requesting \$347.0 million in fiscal year 2013 for BMDS sensors development for Homeland defense, including support of the Cobra Dane Radar and the Upgraded Early Warning Radars (UEWR) at Beale AFB (California), Fylingdales (United Kingdom), and Thule (Greenland). We are requesting \$192.1 million to operate and sustain these radars and \$227.7 million to procure additional radars and radar spares in fiscal year 2013.

Based on DOD's robust support of current fielded and future sensors, the ability to reactivate SBX, if the threat warrants, minimizes the risks to the overall GMD performance.

#### MEDIUM EXTENDED AIR DEFENSE SYSTEM

77. Senator BEGICH. Secretary Panetta and General Dempsey, the NDAA for Fiscal Year 2012 limited availability of Medium Extended Air Defense System (MEADS) funds to 25 percent until DOD submitted a plan to use the funds as final obligations for a restructured program or termination costs. So why is DOD seeking another \$400.9 million in fiscal year 2013 for this program, a program the United States does not intend to buy?

Secretary PANETTA. The administration has requested funding in the fiscal year 2013 budget to complete the MEADS Design and Development (D&D) PoC effort with Germany and Italy. DOD is seeking \$400.9 million in fiscal year 2013 funds to honor the final year of our MEADS D&D Memorandum of Understanding (MOU) commitment that will enable completion of the MEADS development phase as it is currently planned. The PoC effort enables all three nations to obtain benefit from our collective program investment to date and will bring the development program

to an orderly conclusion. Failure to fund our fiscal year 2013 commitment will be viewed by our allies as reneging on our promises.

During the Chicago NATO Summit on May 20, 2012, NATO allies achieved a major breakthrough on missile defense—10 years in the making—by declaring an interim ballistic missile defense (BMD) capability as an initial step toward establishing a NATO missile defense system. The European Phased Adaptive Approach (EPAA) will be a major contributor to NATO missile defense and is designed to protect the U.S. Homeland, U.S. deployed forces, and our allies against the increasing threats posed by the proliferation of ballistic missiles. Where BMD was once a controversial subject within the alliance, we have reached consensus to operationalize this capability and have the allies share the burden of deterring and defending against those who could threaten us with ballistic missiles. This is a major achievement of U.S. policy; a decision by Congress to prohibit any additional funding for MEADS at this late date would diminish the consensus reached in Chicago.

The United States relies on allies to share the burden of peacekeeping and defense in coalition activities and the development of effective defense capabilities that are of direct benefit to the United States. In this context, I believe it is important to live up to our commitments to our allies. We made a commitment to two of our closest allies—Germany and Italy—to develop MEADS cooperatively to achieve those objectives. Failure to meet our MEADS MOU fiscal year 2013 funding obligations could negatively affect the willingness of our allies to join future cooperative endeavors, bilaterally or through NATO, that have been strongly supported by the administration and Congress at a time when cooperation through concepts, such as Smart Defense, is critical to ensuring NATO and its members are developing needed capabilities for the future. In addition, failure of the United States to provide funding for fiscal year 2013 would likely lead to a dispute with Germany and Italy, both of which have indicated that they would assert that the United States has unilaterally withdrawn from the MOU. On the other hand, full funding of the final year of the MEADS PoC would ensure that the United States receives a return on its 8-year investment in the form of a data archival package for future potential use on other U.S. air and missile defense improvements. We must act now to avoid a situation that would cause harm to our relationships with two of our closest allies.

General DEMPSEY. In accordance with the NDAA for Fiscal Year 2012, DOD has repeatedly consulted and attempted to negotiate with our international partners, Germany and Italy, regarding development of a plan to further restructure the program in the event that Congress does not authorize or appropriate fiscal year 2013 funding to complete our MEADS D&D MOU obligations.

DOD believes that completing the MEADS PoC and securing the benefit of the development program is the correct course of action under the current constraints. The MEADS elements (advanced 360 degree radars, a lightweight launcher with the PAC-3 Missile Segment Enhancement (MSE) missile, and a battle management system), if fully realized and validated by PoC, would add to the capabilities available to advance U.S. air and cruise/terminal BMD architectures.

While DOD understands the need to make difficult choices in the current fiscal environment concerning funding for all of our activities, we also note that failure to meet our MEADS MOU funding obligations for fiscal year 2013 could negatively affect our allies' implementation of current transatlantic projects and multinational cooperation—as well as their willingness to join future cooperative endeavors with the United States—that are strongly supported by the administration and Congress.

78. Senator BEGICH. Secretary Panetta and General Dempsey, what efforts did both of you personally engage in to terminate or restructure the program to ensure last year's appropriation was the final obligation in accordance with the law?

Secretary PANETTA. In accordance with the requirements of section 235 of the NDAA for Fiscal Year 2012, DOD has consulted with the German and Italian participants regarding development of a plan to restructure the program further in the event that Congress does not authorize or appropriate fiscal year 2013 funding for these purposes. We have informed the German and Italian participants that there is significant risk that fiscal year 2013 funding may not be made available by Congress. In response to our attempts to engage in discussions, the German and Italian participants have consistently stated that they remain fully committed to their MOU obligations and expect that all three participants will provide funding in 2013 to complete the PoC effort. Although we have engaged with the German and Italian participants to seek to complete MEADS MOU efforts using only fiscal year 2012 funding, we cannot force them to agree to this course of action.

During his recent visit to the United States, I personally discussed this matter with the German Minister of Defense (MoD). I will continue to engage my German and Italian counterparts on this issue.

General DEMPSEY. In accordance with the NDAA for Fiscal Year 2012, DOD has repeatedly consulted and attempted to negotiate with our international partners, Germany and Italy, regarding development of a plan to further restructure the program in the event that Congress does not authorize or appropriate fiscal year 2013 funding to complete our MOU obligations. Secretary Panetta met with the German MoD in February where the German MoD reiterated his unequivocal support for completing the MEADS PoC.

We have advised Germany and Italy that there is significant risk that fiscal year 2013 funding may not be made available. In response, our partners have made clear to DOD, and Germany has advised Senator Levin directly, that they remain fully committed to their MOU obligations and expect that all partner nations will provide their 2013 funding to complete the PoC effort. They have also made clear that we are too late in the development effort to change course again and that we jeopardize our ability to realize the benefits of the program if we withdraw from our 9-year agreement near the end of the eighth year.

79. Senator BEGICH. Secretary Panetta and General Dempsey, in these austere budget times, how can DOD justify a half a billion dollar investment in a program the warfighters will not use, and justify a request in violation of law?

Secretary PANETTA. The administration has requested funding in the fiscal year 2013 budget to complete the MEADS D&D PoC effort with Germany and Italy. DOD is seeking \$400.9 million in fiscal year 2013 funds to honor the final year of our MEADS D&D MOU commitment that will enable completion of the MEADS development phase as it is currently planned. The PoC effort enables all three nations to obtain benefit from our collective program investment to date and will bring the development program to an orderly conclusion. Failure to fund our fiscal year 2013 commitment will be viewed by our allies as reneging on our promises.

During the Chicago NATO Summit on May 20, 2012, NATO allies achieved a major breakthrough on missile defense—10 years in the making—by declaring an interim BMD capability as an initial step toward establishing a NATO missile defense system. The EPAA will be a major contributor to NATO missile defense and is designed to protect the U.S. Homeland, U.S. deployed forces, and our allies against the increasing threats posed by the proliferation of ballistic missiles. Where BMD was once a controversial subject within the alliance, we have reached consensus to operationalize this capability and have the allies share the burden of deterring and defending against those who could threaten us with ballistic missiles. This is a major achievement of U.S. policy; a decision by Congress to prohibit any additional funding for MEADS at this late date would diminish the consensus reached in Chicago.

The United States relies on allies to share the burden of peacekeeping and defense in coalition activities and the development of effective defense capabilities that are of direct benefit to the United States. In this context, I believe it is important to live up to our commitments to our allies. We made a commitment to two of our closest allies—Germany and Italy—to develop MEADS cooperatively to achieve those objectives. Failure to meet our MEADS MOU fiscal year 2013 funding obligations could negatively affect the willingness of our allies to join future cooperative endeavors, bilaterally or through NATO, that have been strongly supported by the administration and Congress at a time when cooperation through concepts, such as Smart Defense, is critical to ensuring NATO and its members are developing needed capabilities for the future.

In addition, failure of the United States to provide funding for fiscal year 2013 would likely lead to a dispute with Germany and Italy, both of which have indicated that they would assert that the United States has unilaterally withdrawn from the MOU. On the other hand, full funding of the final year of the MEADS PoC would ensure that the United States receives a return on its 8-year investment in the form of a data archival package for future potential use on other U.S. air and missile defense improvements. We must act now to avoid a situation that would cause harm to our relationships with two of our closest allies.

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DOD believes that completing the MEADS PoC and securing the benefit of the development program is the correct course of action. The MEADS elements (advanced 360 degree radars, a lightweight launcher with the PAC-3 MSE missile, and a battle management system), if fully realized and validated by PoC, would add to

the capabilities available to advance U.S. air and cruise/terminal BMD architectures.

Failure to meet our MEADS MOU funding obligations for fiscal year 2013 could negatively affect our allies' implementation of current transatlantic projects and multinational cooperation—as well as their willingness to join future cooperative endeavors with the United States—that are strongly supported by the administration and Congress.

#### DOMESTIC SUPPORT MISSIONS

80. Senator BEGICH. Secretary Panetta and General Dempsey, Congress has vocalized concerns about DOD resourcing domestic support missions repeatedly for the last several years. For fiscal year 2013, the Air Force is proposing to retire the Joint Cargo Aircraft and the Army will proceed with divestiture of the Sherpa. These actions leave the National Guard in many States without needed capability and resources to fulfill domestic support missions. How is DOD ensuring domestic support missions are not undermined?

Secretary PANETTA. Although the C-27 divestiture and subsequent Army C-23 divestiture will reduce National Guard airlift, sufficient airlift capacity remains (over 1,000 rotary-wing and over 400 fixed-wing aircraft) and is spread across the 10 Federal Emergency Management Agency (FEMA) regions that States may leverage in response to an emergency. In situations where State resources are overwhelmed, the Air Force will provide assistance to civil authorities in accordance with the Stafford Act or as directed by the President. As such, the analysis which formed the rationale for the force structure adjustment included supporting civil authorities when requested as part of a larger FEMA-led Federal response.

The 2013 presidential budget request reduced the C-130 fleet size to 318 aircraft to meet the requirement that was outlined in the newly-articulated strategy presented by the President and the Secretary of Defense. When determining the number of airlift aircraft required to meet the new strategy, forces are being sized to meet one large-scale campaign internationally, as well as support two domestic missions, a major regional disaster, and a Homeland defense event. As a follow-on measure, the 2012 NDAA-directed airlift study, due at the end of 2012, will further refine plans to support domestic missions without the C-23 Sherpa.

General DEMPSEY. Defending the Homeland and providing support of civil authorities is a primary mission of the U.S. Armed Forces. As such, DOD carefully considered domestic support missions in our analysis of requirements for the fiscal year 2013 budget submission. Although not every State will retain organic airlift capability, the DOD Total Force remains fully capable of meeting our domestic requirements while at the same time deterring and defeating aggression by any potential adversary. When called upon, we will leverage existing National Guard capabilities along with additional Active and Reserve Forces needed to ensure the safety and security of our citizens.

81. Senator BEGICH. Secretary Panetta and General Dempsey, how did domestic support missions factor in to decisionmaking?

Secretary PANETTA. One of the primary missions of the U.S. Armed Forces is to defend the Homeland and provide support to civil authorities. With regard to airlift, the Air Force routinely conducts defense support of civil authorities and assists at all levels in preventing, protecting against, mitigating the effects of, and responding to manmade or natural disasters when directed by the President or approved by DOD.

DOD conducted the Mobility Capabilities and Requirements Study 2016 and Case 3 (270 C-130s) of the study is consistent with the new Defense Strategic Guidance. This analysis includes airlift to support two domestic missions, a major regional disaster, and a Homeland defense event to form the 270 intra-theater aircraft requirements. In support of the Homeland defense mission, the Air Force continues to meet mission requirements/taskings through the joint Global Force Management process that prioritizes all combatant commanders (i.e., Northern Command, CENTCOM, PACOM, et cetera) requirements.

General DEMPSEY. In last year's Comprehensive Review of the Future Role of the Reserve Component, DOD examined Reserve component support for Homeland defense and Defense Support of Civil Authorities (DSCA). This report concluded that, although Homeland defense and DSCA are Total Force responsibilities, "the Nation needs to focus particular attention on better using the competencies of National Guard and Reserve component organizations. The National Guard is particularly well-suited for DSCA missions." The report added that "except in rare cir-

cumstances, the National Guard can be expected to support civil authorities at the direction of State Governors.”

DOD’s response to the BCA was to provide a balanced force that best protects the Nation, both at home and abroad. Although we necessarily reduced National Guard forces along with those of Active Duty and Reserve, we did so in a manner which allows us to provide capabilities adequate for our domestic support mission. Because many domestic missions emerge in response to unforeseen crises, when called upon we can leverage other State capabilities with the consent of those States’ Governors on an as-needed basis. Should a national emergency arise, we will augment the National Guard using capabilities found within the Active component as permitted by Title 10 and, as a last resort, the Civil Reserve Air Fleet.

#### U.N. CONVENTION ON THE LAW OF THE SEA

82. Senator BEGICH. Secretary Panetta and General Dempsey, do you support the Law of the Sea Treaty?

Secretary PANETTA. I strongly support the United States’ accession to the 1982 U.N. Convention on the Law of the Sea (UNCLOS). DOD’s civilian and military senior leadership have been strong proponents in favor of U.S. accession for more than a decade.

General DEMPSEY. I strongly support the United States’ accession to the 1982 UNCLOS.

83. Senator BEGICH. Secretary Panetta and General Dempsey, how will accession to the UNCLOS enhance our strategic interests and national security?

Secretary PANETTA. Accession to the 1982 UNCLOS would enhance the United States’ strategic interests and national security in several ways. These include the following:

- As a treaty party, the United States can best protect the navigational freedoms enshrined in the 1982 UNCLOS that are key to U.S. global force presence and power projection capability. The current status of the United States requires us to assert our rights through customary international law, subject to change based on state practice.
- The United States would have access to the benefits afforded to treaty parties, which importantly include the UNCLOS’s institutions and meetings. The United States would no longer be relegated to observer status and could fully participate in the ongoing development and interpretation of the 1982 UNCLOS. In fact, nearly every maritime power, our NATO allies, and the other permanent members of the U.N. Security Council are already treaty parties. Being a party would allow the United States to exert a level of influence that is reflective of its status as the world’s foremost maritime power.
- Accession would solidify a truly massive increase in the United States’ resource and economic jurisdiction, not only to 200 nautical miles off our coasts, but to a broad continental margin beyond that.
- Accession would ensure the United States’ ability to take advantage of the opening of the Arctic, including the enormous natural resource potential of the Arctic.
- China continues to flex its muscles in the South China Sea at a time when the United States is rebalancing toward the Asia-Pacific region. Lack of accession continues to put the United States in a weaker position in critical bilateral and multilateral discussions—whereas China seeks to use its status as a treaty party to its advantage. Accession would strengthen the United States’ hand in regional discussions as we seek to build upon the depth and breadth of regional partnerships and access.

General DEMPSEY. Becoming a Party to the UNCLOS would enhance our strategic interests and national security by preserving our strategic influence as the world’s foremost maritime power and strengthening our ability to lead developments in global maritime security. The United States would also be able to reinforce the UNCLOS’s freedoms of navigation and overflight, and the other lawful uses of the sea related to those freedoms, that are essential to the global presence and mobility of our Armed Forces. This includes movement of forces and materiel through strategic international straits such as the Straits of Gibraltar, Malacca, Hormuz, and Bab el-Mandeb. In addition, becoming a party would strengthen combined operations with coalition partners that are treaty parties and advance important national security initiatives such as the Proliferation Security Initiative. Accession would also allow the United States to take better advantage of emerging opportuni-



ties in the Arctic related to navigation, resources, and other activities, as well as enhance our credibility in a large number of Asia-focused multilateral venues where we are seeking to diffuse tensions and encourage the peaceful resolution of disputes in the South China Sea.

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QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

DEPARTMENT OF DEFENSE CONTRACTORS

84. Senator MANCHIN. Secretary Panetta, how many contractors does DOD employ?

Secretary PANETTA. DOD provides this data to Congress annually in the Inventory of Contracts for Services required by section 2330a, title 10, U.S.C., as amended by section 807 of the NDAA for Fiscal Year 2008. On August 28, 2011, DOD submitted the Fiscal Year 2010 Inventory, reporting 622,722 contractor full-time equivalents for the fiscal year.

85. Senator MANCHIN. Secretary Panetta, what is the average salary of a DOD contractor?

Secretary PANETTA. DOD awards contracts for a wide range of goods and services. The salaries of DOD contractor employees similarly span a wide range. Contractor salaries are affected by a number of factors, including an individual's experience, training, expertise, and the location of performance. DOD endeavors to maximize use of competitive procurements. In competitive procurements, the contract award amount is generally a function of the market price and therefore contractor salaries are influenced by competitive market pressures. Except in limited circumstances, such as contracts subject to the Service Contract Act or the Davis-Bacon Act, DOD does not dictate private sector salaries. Although DOD does not maintain a database of contractor employee salaries, our contracting officers use Defense Contract Management Agency negotiated labor and overhead rate agreements with DOD contractors as a basis for negotiating contracts at a fair and reasonable price.

FORCE STRUCTURE

86. Senator MANCHIN. General Dempsey, having served as a governor, I have seen firsthand the value of the Total Force Policy and the cost-effective value of a multi-missioned force such as the National Guard that is rooted in our Nation's communities where we need support. Have you effectively evaluated the cost efficiencies of the Army and Air National Guard?

General DEMPSEY. Yes, and DOD continues to evaluate the cost effectiveness of not only the Army and Air National Guard, but all Active and Reserve components from all Services. While this task is accomplished primarily within the Services themselves, the Joint Staff and OSD monitor and provide oversight of the evaluation process, and frequently coordinate and/or sponsor their own studies to validate the work performed by the Services.

87. Senator MANCHIN. General Dempsey, wouldn't it be advisable to wait on the data from these reports before making any force structure changes?

General DEMPSEY. Both OSD and the Joint Staff conducted assessments of the Joint Force prior to submitting the current budget. The programmed force structure for 2017, which includes force structure changes, was assessed against our strategy and we determined that the resultant military forces would be sufficient to meet the needs of our Nation.

AIR FORCE BUDGET—GUARD AND RESERVES

88. Senator MANCHIN. Secretary Panetta, the fiscal year 2013 Air Force budget disproportionately cuts the Guard and will necessitate losing the expertise gained by pilots and capabilities over a decade of war. Are you confident that this budget meets the requirements to "surge and regenerate forces and capabilities" that the President spelled out in your Priorities for the 21st Century Defense?

Secretary PANETTA. Yes. The new Defense Strategic Guidance for DOD articulates priorities for a 21st century defense that sustains U.S. global leadership. The Air Force approached this challenging task guided by the following principles: ensure the Total Force can fulfill surge requirements; maintain a balance between components that allows us to fulfill continuing rotational requirements at sustainable rates; retain the recruiting, training, and operational seasoning base required to

sustain the Total Force's needs into the future; and ensure the Reserve component remains relevant and engaged in both enduring and evolving missions. Maintaining the appropriate mix of forces between the Active and Reserve components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands within a smaller overall force. The Air National Guard and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active component, and are invaluable partners in helping meet the Air Force's many and varied commitments.

89. Senator MANCHIN. Secretary Panetta, the Air Force leadership has called this an effort to balance the size of the Active and Reserve components. But this seems to work contrary to your plan to "maintain a strong National Guard" to provide the "concept of reversibility." Did the Air Force consider alternative plans that you have said "reduce the cost of doing business," such as relying more heavily on the National Guard and Reserves?

Secretary PANETTA. The Air Force developed a force structure based on several important objectives, most importantly ensuring the Air Force can provide the capability to accomplish the missions outlined in the new Defense Strategic Guidance with a risk-balanced force in the context of fiscal reductions. It would be ill-advised to make "proportional" cuts to the Active component and Reserve component for the sake of being "fair" or return to some Active component/Reserve component ratio from days gone by. It is important that we build the force with an Active component/Reserve component ratio that sustains the symbiotic relationship between the Active component/Reserve component and is based on maximizing our capabilities and balancing the risk across the assigned missions in the new Defense Strategic Guidance with the given funding. This is what the Air Force did in its budget request. Relying more heavily on the National Guard and Reserves does not necessarily reduce costs if either the demand cannot be met or the symbiotic balance to sustain the Total Force cannot be maintained.

The Air Force rigorously evaluated the mix of Active and Reserve component forces to sustain the symbiotic relationship of the components while ensuring the Total Force is postured to meet both surge and post-surge demands in the new strategy as well as the current and near-term demand for forces from the combatant commanders. This deliberate and considerable effort provides the best way to set the conditions for success in the new strategy through a properly sized Total Force, to include maintaining a strong National Guard, Reserve, and Active Force.

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QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

DON'T ASK DON'T TELL

90. Senator SHAHEEN. Secretary Panetta, you may be aware, despite the repeal of Don't Ask Don't Tell, a number of policies and programs within DOD continue to exclude same-sex couples. I understand the limitations imposed by the Defense of Marriage Act (DOMA), however there are a number of DOD policies that could be modified immediately to alleviate many of the lingering inequalities. The Servicemember's Legal Defense Network (SLDN) has identified 11 of these discriminatory policies, which I have included here. Please provide DOD's feedback on the feasibility of altering these policies in a manner consistent with the spirit of the repeal of Don't Ask/Don't Tell.

August 11, 2011

The Honorable Leon Panetta  
Secretary of Defense  
1000 Defense Pentagon  
Washington, D.C. 20301-1000



Dear Mr. Secretary:

We at Servicemembers Legal Defense Network want to express our appreciation for your following through on the work begun by Secretary Gates and issuing the certification that will bring about the end of "Don't Ask, Don't Tell" next month. While this was surely a huge accomplishment, there is more that you can do to bring about a military that is both open and equitable.

First, Department officials, both civilian and military, have repeatedly said that gay and lesbian service members will be treated with respect and dignity and that nothing will stand in the way of their advancing as far as their skills and talents will take them. We applaud these sentiments. What we would like to see is the Department formalize these commitments by including them in Departmental policies and practices. Similar commitments to other groups of Americans are reflected in such documents. The same commitments should be made to gay and lesbian service members.

For example, the Department of Defense Human Goals Charter commits the Department to strive

*"To make military service in the Department of Defense a model of equal opportunity for all regardless of race, color, sex, religion, or national origin."*

On the civilian side the goal is

*"To provide equity in civilian employment regardless of race, color, sex, religion, national origin, disability, age, or sexual orientation...."*

It should be a simple matter to add the words "sexual orientation" to the first commitment, just as they appear in the second. It should be equally simple to bring enforcement of that commitment into the Military Equal Opportunity program, to join the armed forces' commitments as to race, color, religion, sex and national origin.

Second, with the repeal of "Don't Ask, Don't Tell", there will be two classes of service members in the U.S. military — those who receive full family support, pay and benefits and those who do not. We fully understand that the Defense of Marriage Act prevents the Department from extending the same support and benefits to all service members. However, you have the ability, within the confines of that law, to make same-sex married couples and their families eligible to take part in some of the same programs that are available to straight married couples and their families. These include making same-sex married couples eligible for joint duty assignments, family center programs and military family housing. A more complete list is attached.

We thank you for your consideration and look forward to working with you and your team to address these post-repeal opportunities.

Sincerely,

Aubrey Sarvis  
SLDN Executive Director

CC: Dr. Clifford Stanley, Under Secretary for Personnel and Readiness  
Jeh Johnson, DoD General Counsel

**Post Office Box 65301 - Washington, DC - 20035 - 202.328.3244 - [www.sldn.org](http://www.sldn.org)**

## BENEFITS AVAILABLE FOR EXTENSION TO SAME-SEX SPOUSES

**DEERS & Military ID Cards:** A Military ID is required for on-base activities, and there is no statute preventing issuance of IDs to same-sex spouses. An ID would also allow the same-sex spouse to bring dependent children on base without being accompanied by the service member. The ability to bring a child to on-base services such as health care facilities is essential. Currently, DODI 1000.13 governs eligibility for ID Cards, and should be updated to extend IDs to same-sex spouses.

**Morale, Welfare & Recreation:** Family members of service members are authorized for unlimited use of all MWR programs because they are eligible for ID cards and registration in DEERS.<sup>1</sup> "Family Member" includes "Individuals whose relationship to the sponsor leads to entitlements, benefits, or privileges administered by the uniformed services or who are eligible for issuance of a family member identification card."<sup>2</sup> DoD should make clear that this includes same-sex spouses of service members. Current regulations give Installation commanders the authority to open up limited access to certain MWR programs to guests and the general public.<sup>3</sup> DoD should issue regulations requiring that these programs be opened to same-sex spouses whenever possible, even if it declines to include partners in the definition of "Family Members."

**Military Family Housing:** Under DoD regulations, Military Family Housing (MFH) is available only to service members who qualify for housing at the "with-dependent" rate.<sup>4</sup> Gay and lesbian service members with children may qualify for MFH, but same-sex married couples without children are not eligible for this important benefit. DoD should update DOD Manual 4165.63-M to recognize same-sex spouses as dependents eligible for MFH.

Moreover, local base policy may prevent partners of gay service members with children from living with their families in military family housing. DoD should issue guidelines requiring base commanders to permit a same-sex co-parent from living on-base with the service member and their children. The Air Force already permits qualified live-in childcare providers to live in on-base housing,<sup>5</sup> and the Army allows non-family members to live in military family housing (but not unaccompanied housing) with permission from the Housing Office.<sup>6</sup> These policies should be extended to same-sex spouses and effective in all branches of the service.

**Commissaries & Exchanges:** Exchange and commissary privileges are restricted by Congress to "dependents" of service members. However, the statute in question does not define "dependent."<sup>7</sup> The DOD Instruction on commissary management defines "dependent" to include the service member's spouse, dependent children and step-children, parents and parents-in-law, and former spouses that meet certain qualifications.<sup>8</sup> DoD should expand the regulatory definition of "dependent" to include legally married same-sex spouses, and should consider adding children and parents of a same-sex spouse.

**Family Programs:** DoD already uses a flexible definition of "family" for the purpose of implementing Family Centers and programming,<sup>9</sup> but leaves it up to the individual Service Secretaries to determine eligibility.<sup>10</sup> Thus, each branch of the service (and each installation commander) determines the extent to which same-sex spouses have access to these programs, which include deployment support, marriage and family counseling, relocation assistance and financial management. DoD should explicitly same-sex spouses in the definition of "family" contained service-wide regulations in order to dispel any confusion, and limit the discretion of base commanders to exclude gay families from Family Center programming.

**Legal Services:** Free legal services are a statutory benefit limited to "dependents." However, the statute, 10 U.S.C. § 1044(e), leaves it up to the service secretary concerned to define "dependent." DoD should take

<sup>1</sup> See Department of Defense Instruction (DODI) 1015.10, *Military Morale, Welfare, and Recreation (MWR) Programs*, Table 1, July 6, 2009.

<sup>2</sup> See *Id.* at 51.

<sup>3</sup> See *Id.* at Table 2.

<sup>4</sup> 37 U.S.C. § 401, § 403. See also DOD Manual 4165.63-M *DOD Housing Management* at 49-50, October 28, 2010 (defining "dependent," "family," and "family member").

<sup>5</sup> Air Force Instruction 32-6001, *Family Housing Management*, ¶ 2-12, June 26, 2008.

<sup>6</sup> Army Regulation 420-1, *Army Facilities Management*, ¶ 3-15a, March 28, 2009.

<sup>7</sup> 10 U.S.C. § 2481.

<sup>8</sup> See DODI 1330.7, *Armed Services Commissary Operation* at 42, October 8, 2008.

<sup>9</sup> See DODI 1342.22, *Family Centers*, ¶ E2.1.5, December 30, 1992 ("Family Members" includes those individuals for whom the member provides medical, financial, and logistical (for example, housing, food, clothing) support. This includes, but is not limited to, the spouse, children under the age of 19, elderly adults, and persons with disabilities.")

<sup>10</sup> *Id.*, ¶ 5.3.2.

steps to ensure that the Service secretaries define "dependent" to include the service member's same-sex spouse.

**Hospital Visitation:** Federal health regulations require that hospitals participating in Medicare not restrict or limit visitation privileges on the basis of sexual orientation and stipulate that a patient has the right to allow visitation from any person, including a same-sex partner.<sup>11</sup> DoD should ensure that military hospitals that do not participate in Medicare are held to the same standards of non-discrimination.

DoD should also make explicit requirements that both legal parents should be able to visit a child in a military treatment facility regardless of the sexual orientation of the parents or their marital status.

**Joint Duty Assignments:** DoD regulations counsel that married, dual-career military couples are generally to be stationed in the same geographic area.<sup>12</sup> The language of the applicable regulations makes same-sex military couples ineligible for co-location consideration for duty assignments. Instead of limiting same-sex military couples to hardship-based requests for accommodation in assignments, DoD should issue guidelines for joint duty assignments for dual-military same-sex spouses.

**Exemption from Hostile-Fire Areas:** In dual-military families, if one family member is killed, 100% disabled or goes into missing status in a hostile-fire area, other members of the same family may be exempted from serving in such an area.<sup>13</sup> The definition of "family members" should be expanded to include the service member's same-sex spouse.<sup>14</sup>

**Command-Sponsored Dependent Status and Space-Available Travel:** To the extent possible depending on the agreement with a host-country, DoD should give same-sex spouses command-sponsored dependent status.

A command-sponsored dependent is also eligible for greater space-required and space-available travel privileges than non-command-sponsored individuals.<sup>15</sup> The regulation on "Air Transportation Eligibility"<sup>16</sup> uses the definition of "dependent" from the Joint Federal Travel Regulations (JFTR), Volume I, Appendix A1. The JFTR in turn defines "dependent" of a uniformed services member as in 37 U.S.C. § 401, which excludes same-sex partners. However, there is no statutory reason for using this definition of dependent for Space Available Travel. Notably, the Joint Federal Travel Regulations define "dependent" more broadly for civilian employees, to include domestic partners. DoD should take a similar approach for same-sex partners of service members.

**Spousal Privilege in Courts Martial:** The Rules of Evidence in the Manual for Courts-Martial (MRE) gives spouses the privilege to refuse to testify against their spouse in criminal cases, subject to a few exceptions.<sup>17</sup> Because same-sex marriage is not recognized under DOMA, same-sex spouses can be forced to testify against their loved ones and disclose confidential information shared during the marriage relationship. The UCMJ is codified by statute, but the MRE can be changed to include this privilege without an act of Congress.

<sup>11</sup> 42 C.F.R. § 482.13

<sup>12</sup> See DODI 1315.18, *Procedures for Military Personnel Assignments*, ¶¶ 6.2.3.2, E2.1.29, E2.1.33, January 12, 2005.

<sup>13</sup> *Id.*, ¶ E3.11.1.1.

<sup>14</sup> *Id.*, ¶ E3.11.4.

<sup>15</sup> Department of Defense Directive 4515.13-R, *Air Transportation Eligibility*, April 9, 1998. Non-command-sponsored dependents are eligible for space-required or space-available travel under limited circumstances. Non-dependents who are "close blood or affinitive relatives" of a military member who are "dependent on the sponsor for a home" (such as children over age 21, and perhaps a same-sex partner) are eligible for space-required travel in some emergency situations. *Id.*, ¶ D1.1.1.12.

<sup>16</sup> Department of Defense Directive 4515.13-R, *Air Transportation Eligibility*, April 9, 1998.

<sup>17</sup> Manual for Courts Martial, Mil. R. Evid. § 504, 2008 Ed.

Secretary PANETTA. Following the effective date of repeal, September 20, 2011, DOD began a deliberative and comprehensive review of the possibility of extending eligibility for benefits, when legally permitted, to same-sex partners. The joint team responsible for this review is examining the benefits, including those on the SLDN list, from a policy, fiscal, legal, and feasibility perspective. This review is ongoing, and the team will report its findings and recommendations to me once the review is completed.

#### FORCES IN THE PACIFIC AND EUROPE

91. Senator SHAHEEN. Senator Panetta, though I understand DOD's assessment of the geo-political landscape and the need to rebalance our forces toward the Pacific, I remain committed to working with our allies to ensure the strength of the NATO alliance and collective European defense. To that end, I believe the upcoming NATO summit in Chicago will provide an excellent opportunity to reassure our allies that despite the realignment of our forces, the United States remains committed to both NATO and Europe. Will you make that a priority for the upcoming summit?

Secretary PANETTA. Yes. The United States remains committed to both NATO and Europe.

NATO remains of vital importance, and is a net provider of global security. As President Obama has said, "Europe remains the cornerstone of our engagement with the world," and NATO is "the most capable alliance in history." Our NATO allies are our most reliable and capable partners for advancing our shared international security objectives. The transatlantic relationship is critical to confronting the challenges of a complex, dangerous, and fast-changing world. The President, Secretary Clinton, and I have been emphasizing this to allies since we announced our new Defense Strategic Guidance in January and will continue to do so during the NATO summit in Chicago.

92. Senator SHAHEEN. Secretary Panetta, in your view, what can Congress do to help achieve that objective?

Secretary PANETTA. DOD appreciates Congress' support for the United States' commitment to Europe and to working with allies to ensure the strength of the NATO alliance. The U.S. defense strategy reaffirms the enduring importance of NATO. We appreciate congressional support for the upcoming NATO summit in Chicago, including support for achieving our objectives in the next phase of transition in Afghanistan, reforming NATO so that it has the capabilities it needs, and strengthening partnerships beyond NATO's borders.

#### FORCE FLEXIBILITY

93. Senator SHAHEEN. Secretary Panetta, obviously, our strategic shift toward the Asia-Pacific region prioritizes assets in that AOR. However, as recent operations in Libya highlighted, we must maintain the capability to quickly respond to contingencies on the Atlantic side of the country as well. Considering the uncertain and complex world of threats we face today, how important is it to maintain flexibility and balance in making sure a renewed focus on the Asia-Pacific region does not leave us vulnerable on the Atlantic side of the country?

Secretary PANETTA. U.S. forces will continue to be capable of protecting the Homeland—from the Pacific to the Atlantic coasts—and U.S. security interests in every region of the world.

As the Chairman of the Joint Chiefs of Staff and I have said, we are at a strategic turning point. DOD conducted an intensive, strategy-driven review to guide defense priorities and spending over the coming decade. One result of this review is that the United States will emphasize the Asia-Pacific and the Middle East. Yet, even in a resource-constrained era, we remain committed to the strength and security of our allies and partners across Europe. One example of this is the increased missile defense capabilities we are implementing in Europe.

We will maintain a military presence that meets our enduring NATO Article 5 security commitment, deters aggression, and promotes enhanced capacity and interoperability. The real measure of U.S. commitment to Europe is the ability and will to work together to promote shared regional and global interests, and to build and employ collective capabilities as an alliance, as we did in Libya.

Additionally, building partnership capacity globally remains important for sharing the costs and responsibilities of global leadership. We will seek to be the security partner of choice by strengthening existing alliances and partnerships and pursuing

new partnerships with a growing number of nations—including those in Africa and Latin America.

94. Senator SHAHEEN. Secretary Panetta, what are your priorities and objective capabilities for U.S. forces remaining in Europe?

Secretary PANETTA. Even in this resource-constrained era, we remain committed to the strength and security of our allies and partners across Europe. The peace and prosperity of Europe are critically important to the United States, and Europe remains our security partner of choice for military operations and diplomacy around the world. Our priorities include promoting regional security and Euro-Atlantic integration, strengthening NATO, maintaining our Article 5 commitments to allied security, and promoting enhanced capacity and interoperability for coalition operations. The evolving inventory of U.S. forces in Europe will provide the Commander of U.S. European Command with the needed capability to meet operational and training requirements, including activities to ensure that European allies and partners have the capability to conduct expeditionary operations in defense of our common interests. The allocation of a U.S.-based brigade to the NATO Response Force to bolster the training and exercises we conduct with allies is an example of this. Our focus on the evolving security environment includes investing in BMD capability for Europe in response to the emerging threats.

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#### QUESTIONS SUBMITTED BY SENATOR KIRSTEN GILLIBRAND

##### RAPID INNOVATION FUND

95. Senator GILLIBRAND. Secretary Panetta, Congress has been very supportive of the Rapid Innovation Fund (RIF), which is intended to increase research and development of new innovative technologies important for our military. This is such a great program. It is my hope that it fosters more U.S.-made nano and other chip-related technologies to address the very serious insecurity in our IT procurement. Yet DOD has been very slow to roll out contracting for this funding, putting only about \$100 million out, out of \$600 million. And this year's budget has no additional funding. Please explain why DOD does not seem to support this program to foster American innovation in cutting edge military technologies.

Secretary PANETTA. Congress directed the Secretary of Defense to establish the RIF in section 1073 of the Ike Skelton NDAA for Fiscal Year 2011, Public Law 111-383, and identified \$520 million (\$460 million research, development, test and evaluation (RDT&E); and \$60 million in procurement) for the RIF in DOD and Full-Year Continuing Appropriations Act, 2011, which was signed into law on April 15, 2011. Section 1073 establishes a funding limitation of \$3 million and 24-month completion per award.

In response to section 1073, DOD issued guidelines in August 2011 for implementation of the RIF, directing the use of open, competitive, and merit-based processes. DOD subsequently published 4 Broad Area Announcements (BAA) during the period September to November 2011 to solicit proposals; more than 3,500 responses were received.

Given the large number of responses, the source selection period has been justifiably longer than anticipated. Each proposal received a fair and thorough evaluation using source selection criteria included in the four public solicitations. However, DOD intends to obligate all of the fiscal year 2011 \$460 million RDT&E funds prior to October 2012. We anticipate approximately 160 to 180 contract awards. None of the proposals received in response to the four BAAs met the criteria to use the \$60 million procurement funds, and DOD is assessing plans to obligate these funds before they expire in September 2013.

Congress identified another \$200 million for the RIF in the Division A-DOD Appropriations, the Consolidated Appropriations Act, 2012. DOD intends to issue solicitations this summer to use these funds.

DOD worked to structure the RIF for success, but it is too early at this time to determine the overall effectiveness of the program in meeting the goals outlined in section 1073. Contract awards are a necessary but insufficient metric; we will also need to assess the number of RIF-funded projects that are successfully completed and transitioned to a DOD acquisition program. Early next year, DOD will assess the performance and transition potential of the contracts awarded via the fiscal year 2011 funds. At that time, DOD will determine whether it should program funds for the RIF in future budget requests.

## BARRIERS TO SERVICEWOMEN

96. Senator GILLIBRAND. Secretary Panetta, on February 9, 2012, DOD announced a change in the combat exclusion policy that bars women from formally serving in combat roles. The change was in part due to recommendations made by the Military Leadership Diversity Commission in their March 2011 report. Women are now able to formally serve in roles such as intelligence officer and medic at the battalion level, and receive credit for this service toward promotions; however, women are still barred from serving in the infantry, armor, and special operations forces. This new policy has the most direct impact on women serving in the Army and Marine Corps, as the Navy and Air Force have already opened up almost all positions to women. As stated in DOD's report to Congress "the Department of Defense is committed to removing all barriers that would prevent servicemembers from rising to the highest level of responsibility that their talents and capabilities warrant." With this new step forward, what are DOD's future plans for eliminating all of the barriers to our servicewomen?

Secretary PANETTA. The Direct Ground Combat Assignment policy prohibits the assignment of women to certain units and occupational specialties. As documented in the Military Leadership Diversity Commission findings, changes to DOD policies will require time to implement fully. There are serious practical barriers, which if not approached in a deliberate manner, could adversely impact the health of our servicemembers and degrade mission accomplishment. Based on opening of the new positions to women, DOD will assess the direct ground combat unit assignment prohibition to inform future policy decisions. Additionally, DOD will review development of gender-neutral physical standards for occupational specialties.

I have directed the Services to report back to me on their assessment of these newly opened positions in 6 months with an assessment of additional positions that can be opened and barriers to opening additional positions to qualified women.

97. Senator GILLIBRAND. Secretary Panetta, the Coast Guard currently allows women to serve in all career fields. Could this be a model for the other branches of Service?

Secretary PANETTA. As the mission of each of the Services is significantly different, so are the elements of their specific position restrictions. Additionally, there is a wide variance among the Services in the number of occupations closed to women. Given the unique environment of military service, DOD is working to eliminate barriers with the goal of allowing all servicemembers to serve in any capacity, based on their ability and qualifications, and not constrained by gender restrictive policies.

## HAZING IN THE MILITARY

98. Senator GILLIBRAND. Secretary Panetta, over the last year, there have been several high-profile cases of hazing in the military, including those of Marine Lance Corporal Harry Lew, Army Private Danny Chen, and allegedly Marine Private Hamson McPherson, Jr. In the cases I highlighted, the hazing victim committed suicide immediately following a hazing incident. In the past month, both the Army and Marine Corps issued statements reinforcing their policy against hazing in their respective Service. Additionally, last week the Navy discharged eight sailors after video surfaced of a hazing incident aboard a Navy ship. What steps has DOD as a whole taken to address this issue and ensure that all types of hazing cease to occur in our military?

Secretary PANETTA. DOD takes hazing very seriously. As a result, we are examining responsive courses of action in three areas: (1) a reiteration of existing policy prohibitions of hazing across the chain of command; (2) increased emphasis in training; and (3) new reporting options. These proposed actions are all designed to improve our ability to prevent, identify, and take immediate action to address hazing before it leads to serious consequences.

DOD's policy prohibiting hazing is unambiguous, and Service leaders have clearly stated that they take incidents of hazing very seriously. The following recent leadership statements reiterate that hazing is contrary to good order and discipline and is unacceptable behavior: the Secretary of Defense's message of December 2011, the Secretary of the Army's tri-signed message of January 2012, and the Marine Administrative Messages and the revised Marine Corps Order 1700.28A of February 2012. Leadership at all levels will continue to emphasize to subordinates that such behavior will not be tolerated.

Second, DOD is examining methods of improving training to prevent, identify, and provide direction on how to respond to possible incidents of hazing. We are evalu-



ating options including: raising awareness of both existing hazing policy and the associated offenses under the Uniform Code of Military Justice (UCMJ), training to identify leading indicators and to prevent or stop incidents from escalating, training resiliency, training peer groups, and emphasizing this issue at training courses administered by the Defense Equal Opportunity Management Institute (DEOMI).

Third, DOD is considering options to identify hazing distinctly in surveys and reporting mechanisms. Potential courses of action in this area include: adding hazing to the Services' Serious Incident Report thresholds, adding hazing to law enforcement reporting codes, identifying reported incidents of hazing in UCMJ cases, Inspector General hotlines and databases, Sexual Assault Prevention and Response Office's Defense Sexual Assault Incident Database, the DEOMI Organizational Climate Survey, Defense Manpower Data Center Status of Forces Survey, and Services' peer programs.

99. Senator GILLIBRAND. Secretary Panetta, given the remote locations of two aforementioned hazing cases, what systems are in place to protect a victim of hazing when their chain of command is either the perpetrator of the hazing or implicit to the acts of hazing?

Secretary PANETTA. The military chain of command is designed to function in remote locations.

A fundamental function of the military chain of command is communication. Just as the command channel transmits orders from higher to lower levels, the command channel also extends upward to communicate official matters from subordinate to senior. If a servicemember believes he or she has been wronged by his or her superior, then the servicemember has a right to communicate the problem, or grievance, through formal or informal processes.

Each Service has formal complaint procedures to bring issues to the attention of commander. The Services train their members in complaint and problem solving procedures as part of Initial Entry Training. For example, Article 138 (the right to request redress of grievances from a superior) procedures are explained to an Active Duty servicemember within 14 days after the member's initial entrance on Active Duty, again after completing 6 months of Active Duty, and again at the time when the member reenlists.

Protecting servicemembers is also a fundamental function of the chain of command. If the chain of command believes that a servicemember may be at risk of retaliation, the chain of command may immediately apply administrative or operational procedures, including reassignment or removal of the victim to a safer location.

In less isolated locations, servicemembers have several avenues to highlight complaints to personnel and offices other than their chain of command. These include: the Office of the Inspector General hotlines, legal assistance attorney, or law enforcement.

100. Senator GILLIBRAND. Secretary Panetta, since the repeal of Don't Ask Don't Tell almost 6 months ago, gay and lesbian servicemembers have been serving openly without fear of discharge. This was a wonderful achievement for our military, and I commend DOD for continually reiterating its commitment that gay and lesbian servicemembers will be treated with respect and dignity. Are there plans for DOD to formally add sexual orientation to the DOD Human Goals Charter?

Secretary PANETTA. All servicemembers, regardless of sexual orientation, are entitled to an environment free from personal, social, or institutional barriers that prevent them from rising to the highest level of responsibility possible, dependent only on individual talent and diligence. Harassment or abuse based on sexual orientation is unacceptable and will be dealt with through command or Inspector General channels. Therefore, there are no plans to add sexual orientation as a class under the Military Equal Opportunity program, nor to the DOD's Human Goals Charter. Servicemembers will continue to be treated equally, regardless of sexual orientation.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

##### IRAQ INSTABILITY

101. Senator MCCAIN. General Dempsey, in your opinion, is al Qaeda a significant military threat in Iraq?

General DEMPSEY. Al Qaeda in Iraq (AQI) does not have the capacity to overthrow the Government of Iraq, but the group has significant capabilities to strike Iraqi Government targets, including Iraqi Security Forces, as well as Shia civilians. AQI

claims daily small-scale assassination attacks, primarily using small arms and magnetically-attached bombs. These attacks suggest an increase in attack capability following U.S. force withdrawal. We anticipate AQI will maintain a heightened operational tempo in 2012, absent sustained increase in Iraqi counterterrorism pressure. Since the conclusion of Operation New Dawn in late 2011, AQI has claimed responsibility for multiple coordinated suicide and vehicle-borne IED attacks, including December attacks across Baghdad and January and March attacks throughout multiple Iraqi provinces.

102. Senator McCAIN. General Dempsey, can you assess the threat posed by AQI, and whether that threat is growing or diminishing?

General DEMPSEY. The threat from AQI has increased since the conclusion of Operation New Dawn in late 2011 and is growing. The absence of sustained effective counterterrorism pressure has allowed AQI to maintain an increased operational tempo inside Iraq. Although AQI primarily focuses attacks against the Iraqi Government, the group remains an active member of the broader al Qaeda associated movement and is committed to projecting its influence outside Iraq as part of its long-term strategy. The United States and Europe are standing targets for potential AQI attacks and are a recurring theme in its public statements. On 25 January, AQI indicated publicly it would strike the United States abroad now that U.S. forces have departed Iraq—an allusion similarly made in AQI's August 2011 video eulogy for al Qaeda leader Osama bin Ladin.

#### U.S. FORCE LEVELS IN AFGHANISTAN

103. Senator McCAIN. Secretary Panetta, the administration's announcement to end combat operations in Afghanistan in 2013 sends exactly the wrong signal to our friends and enemies in this conflict. It continues the administration's policy of publicly telegraphing exit plans in a way that fundamentally undermines our overall strategy and our determination to succeed. What incentive can the Taliban possibly have to negotiate meaningfully with the Afghanistan Government or with us when they know that the United States is leaving regardless?

Secretary PANETTA. In 2013, coalition forces will continue to transition security responsibilities to the ANSF, and will assume a supporting role as part of the Security Force Assistance strategy. Coalition forces will continue to operate side-by-side with their ANSF counterparts while providing key enabler support to combat insurgent threats. Coalition forces' transition to a supporting role in Afghanistan is a critical and necessary step toward mission accomplishment. Doing this with less coalition combat power on the ground will increase ANSF confidence and lead to their success while reducing insurgent capacity. As the ANSF grows in capacity, capability, and confidence, fewer coalition forces will be required.

At the end of 2014, U.S. forces will complete their drawdown and end combat operations; however the U.S. Government will continue to support the ANSF. The Strategic Partnership Agreement, which is currently under negotiation, will specify the U.S. role in Afghanistan after 2014, and outline the U.S. Government's long-term commitment to Afghanistan.

104. Senator McCAIN. Secretary Panetta, reportedly, the top military commander in Afghanistan privately recommended holding off new U.S. troop reductions until 2014. Is this true and, if so, why did you decide to announce a plan that does not take the views of our military commanders into account?

Secretary PANETTA. I know of no such private recommendation concerning U.S. forces reductions. The force reductions that have occurred and will occur are part of the recovery of the U.S. surge forces, first ordered into Afghanistan at the time of the President's 2009 West Point speech. DOD's recommendations concerning these reductions as well as future force reductions will be made in full cooperation with the Commander, U.S. Forces-Afghanistan. His recommendations will be key to any decision regarding U.S. force strength.

105. Senator McCAIN. Secretary Panetta, exactly what conditions on the ground will be assessed to determine the pace of combat force reductions?

Secretary PANETTA. The campaign plan calls for several conditions to be met before completion of the transition in Afghanistan. The ability of the Afghanistan National Security Forces (ANSF) to provide suitable and sustainable security for a given area will be a key factor in determining U.S. and coalition forces presence.

106. Senator McCAIN. General Dempsey, in your opinion, what is the military value of announcing a U.S. combat force withdrawal schedule as it pertains to the operations of the Taliban?

General DEMPSEY. The administration stated we will reduce 23,000 additional troops by October 2012, thereby fully recovering the surge force ordered by the President at his December 2009 West Point speech. Beyond the surge force, we have not specifically laid out the timeline of further reductions as these will be based on conditions on the ground. We believe the reductions that have been planned support our goal of transitioning lead for security to ANSF. Transitioning security lead will be an orderly process and will ensure the ANSF can retain the hard fought security gains even in the most contested areas of the country. The transition must signal to the Taliban that there will be a capable, indigenous force that will maintain security for the long-term.

107. Senator McCAIN. General Dempsey, wouldn't quickly cutting U.S. troop levels below 68,000 make it harder to clear and hold insurgent havens and complicate efforts to protect supply lines and bases ahead of the scheduled 2014 handover?

General DEMPSEY. General Allen presented the plan to recover the 33,000 member surge force to the President, which will bring the number of U.S. forces in Afghanistan to 68,000. The plan for further reductions will be based on conditions on the ground. There are several initiatives in place that will serve to counter insurgent havens and protect supply lines. Developing a capable and sustainable ANSF will provide long-term security for Afghanistan. Pursuing programs such as the Afghan Local Police will serve to maintain security gains, and building the Afghan Public Protection Force will provide security at bases and along supply routes.

108. Senator McCAIN. General Dempsey, is there a risk of a troop withdrawal below 68,000 before 2014 negatively affecting the rapid-response capabilities that now allow the military to evacuate wounded soldiers to combat hospitals within 1 hour of their injuries?

General DEMPSEY. We currently plan on drawing down to 68,000 with no further plans to go below 68,000 until conditions on the ground allow. Regardless of the number of boots-on-the-ground, enablers such as medical evacuation (MEDEVAC) will be of key importance not only to U.S. troops, but our coalition partners as well. In February, MEDEVAC response times were well below 1 hour in 90 percent of operations.

#### SEQUESTRATION

109. Senator McCAIN. Secretary Panetta, as you may know, the President's proposal to address sequestration with an alternative of tax increases and entitlement adjustments may not make it through Congress. Other than this proposal, this budget proposal does not account for the current spending cap imposed by sequestration for defense programs in fiscal year 2013. You have described the consequences of sequestration as catastrophic. Exactly how would these consequences be catastrophic? Please be specific.

Secretary PANETTA. DOD is concerned that the sequestration process would have significant consequences due to the uncertainty surrounding the process and the rigid formula which Congress has prescribed for its application. Assuming the fiscal year 2013 Defense Appropriations Act Conference Report contains language similar to the Joint Explanatory Statement of the Committee of Conference accompanying Division A-DOD Appropriations Act, 2012, DOD would be forced to reduce each line item within each procurement appropriation by the same percentage and each program element within each research and development appropriation by the same percentage. This percentage would be calculated based on the total budgetary resources, primarily the enacted fiscal year 2013 appropriation and any unobligated balances carried forward at the end of fiscal year 2012. Some obvious examples of the problems this method would cause are found in line items such as those for a ship, where it is not feasible to buy a fraction of a ship, or in a line item funding a multiyear contract where a fraction of the funding would not be sufficient to pay the negotiated cost of the multiyear contract. With over 1,500 individual line items in these accounts, DOD could not fix all of these issues with the transfer authority that Congress typically provides; this would leave broken programs across DOD. Additionally, sequestration would force an immediate reduction in our operation and maintenance accounts which could damage readiness. Funding provided for OCO is also not excluded from sequestration.

110. Senator McCAIN. Secretary Panetta, will you exempt military personnel from sequestration?

Secretary PANETTA. The President's budget makes the necessary budget constrictions to avoid devastating DOD through sequestration. If sequestration becomes an inevitability, DOD will evaluate all options available to comply with the law.

111. Senator McCAIN. Secretary Panetta, when will you provide to Congress a detailed impact of sequester on the fiscal year 2013 budget?

Secretary PANETTA. Congress should enact comprehensive, balanced deficit reduction legislation that avoids sequestration. The President's budget offers one path for doing so. If and when necessary, the administration will address important technical questions concerning sequestration. If there were to be a sequester, a detailed impact of sequester could not be provided until we know what the actual funding level would be for fiscal year 2013 by account and program.

112. Senator McCAIN. Secretary Panetta, when will the Military Services be able to provide Congress with a list of programs and accounts to be reduced or terminated as a result of imposing sequestration caps for the fiscal year 2014 budget?

Secretary PANETTA. The fiscal year 2014 budget will be developed using DOD's Planning, Programming, Budgeting, and Execution process. This process will be implemented in coordination with the White House and OMB. Any changes to our budget required by revised caps on the defense budget will be developed through this process and delivered to Congress in February 2013.

113. Senator McCAIN. General Dempsey, in your opinion, what impact will the cuts have on our ability to carry out operational plans in support of national security interests around the world?

General DEMPSEY. The across-the-board cuts called for by sequestration would pose unacceptable risk in the execution of operational plans. These cuts would significantly reduce military readiness, investment, and force structure, hollowing the force and degrading U.S. military power.

114. Senator McCAIN. General Dempsey, will you provide the President with an operational risk assessment on the impact of sequestration before the end of the fiscal year?

General DEMPSEY. All strategies and their associated budgets carry some risk, but sequestration goes beyond the level of acceptable risk. Sequestration would likely result in a smaller force structure that is ill-equipped, ill-trained, and ill-prepared to meet future challenges. Because of its wide-ranging impact on the health of the force, sequestration would require a complete reevaluation of our defense strategy and priorities to determine the true operational risks involved.

115. Senator McCAIN. General Dempsey, will you also provide this assessment to Congress so that it will be available to inform debate on the issue?

General DEMPSEY. All strategies and their associated budgets carry some risk, but sequestration goes beyond the level of acceptable risk. Sequestration would likely result in a smaller force structure that is ill-equipped, ill-trained, and ill-prepared to meet future challenges. Because of its wide-ranging impact on the health of the force, sequestration would require a complete reevaluation of our defense strategy and priorities to determine the true operational risks involved.

116. Senator McCAIN. General Dempsey, the President has indicated that he will veto any legislation that undoes sequestration without tax increases. Have you raised your concerns on this matter to the President?

General DEMPSEY. The administration and the military and civilian leadership of DOD are united behind the strategy and budget that we have presented. Sequestration, however, would subject DOD to roughly another \$500 billion in cuts across all accounts and would hollow out the force, driving unacceptable risk to national defense.

117. Senator McCAIN. General Dempsey, do you support proposed congressional legislation to protect defense accounts from being affected by sequestration?

General DEMPSEY. The administration and the military and civilian leadership of DOD are united behind the strategy and budget that we have presented. Sequestration, however, would clearly pose unacceptable risk by significantly reducing U.S. military readiness, investment, and force structure, hollowing the force and degrading U.S. military power. We will continue to work with OMB and Congress to properly resource the capability to defend our Nation and our allies.

118. Senator McCAIN. Secretary Panetta, the BCA in August 2011 did not actually mandate a specific reduction to defense budgets of \$487 billion over 10 years. The administration stated on July 31, 2011, that: "The deal puts us on track to cut \$350 billion from the defense budget over 10 years. These reductions will be implemented based on the outcome of a review of our missions, roles, and capabilities that will reflect the President's commitment to protecting our national security." The reduction of \$487 billion in defense budgets was provided to you by OMB in November 2011 after imposing an arbitrary 10 percent reduction to all Federal agencies. The administration's goal was for more than half of the first tranche of reductions in total discretionary spending (\$917 billion) imposed by the BCA caps to come from the national security accounts. Given the significant increase to the risk to our national security from the cuts to military personnel end strength and force structure, why do you believe a \$487 billion reduction is acceptable to incur?

Secretary PANETTA. The defense budget cuts we are absorbing are difficult but manageable. Specific reductions were guided by a comprehensive DOD strategic review which identified missions and capabilities essential to safeguarding U.S. and allied security interests in light of the most likely challenges posed by the future global environment. While U.S. Armed Forces will be smaller in number, we will ensure that they are ready, agile, flexible, and capable forces, with a forward presence that positions them to respond quickly in the event of threats or contingencies. The budget also preserves or enhances investments in key areas of continuing urgency, such as counterterrorism efforts and counter WMD, and areas that will grow in prominence in coming years, such as space, cyber, and missile defense.

119. Senator McCAIN. Secretary Panetta, did you have an opportunity to advocate to the OMB or the President for a smaller reduction than \$487 billion in cuts over 10 years?

Secretary PANETTA. The fiscal year 2013 budget reflects the results of a comprehensive DOD strategic review which identified missions and capabilities essential to safeguarding U.S. and allied security interests in light of the most likely challenges posed by the future global environment. This strategic shift would have occurred regardless of the Nation's fiscal situation. DOD's most senior leaders led the review, which included extensive engagement by the National Security Staff and the President. Given the size and mandatory missions of the other national security agencies, the President was limited in making significant funding allocations among agencies within the security category cap imposed by the BCA. DOD employed a strategy-based process in formulating its fiscal year 2013 budget request. OMB and the White House were represented throughout the process. The budget resulting from this process is adequate to meet our current requirements.

120. Senator McCAIN. Secretary Panetta, aside from the issue of sequestration, do you anticipate that DOD will be asked by this administration to cut defense budgets even deeper than you have proposed in the fiscal year 2013 FYDP or deeper than the \$487 billion in cuts you have proposed over the next 10 years?

Secretary PANETTA. We currently do not anticipate a further reduction in defense spending in future budgets, provided Congress enacts a deficit reduction package and avoids sequestration and the further impact of the BCA. If no action is taken to change the provisions of the BCA, DOD's 2014 budget would be required to be reduced further to meet the revised security limit provided in the Act. The fiscal year 2013 President's budget reflects the administration's national defense plan for the next 10 years. The plan calls for DOD's base budget to grow, albeit slowly, over that period.

#### ASIA-PACIFIC REGION

121. Senator McCAIN. Secretary Panetta, on February 8, 2012, the Governments of the United States and Japan issued a joint statement on the U.S. strategic review of its defense posture in Asia. The two governments have officially started discussions to change the terms the 2006 agreement. What is the new plan and timeline for the relocation of marines from Okinawa?

Secretary PANETTA. Since February, we have been engaged in intensive discussions with the Government of Japan regarding U.S. plans to relocate some U.S. marines from Okinawa to Guam. The size of the U.S. Marine Corps force we establish on Guam will be smaller than previously planned, and this change will be made in the context of our overall laydown of Marine Corps forces in the Asia-Pacific region. The new plan and timeline is pending the outcome of our current discussions with the Government of Japan and the completion of necessary environmental studies.

122. Senator MCCAIN. Secretary Panetta, what are DOD's estimates for costs to build facilities at new locations?

Secretary PANETTA. The Navy has provided the response via a classified briefing to Senate Armed Services Committee staff.

123. Senator MCCAIN. Secretary Panetta, are all of these costs included in the current budget or the FYDP?

Secretary PANETTA. No. The Marine Corps continues to generate, revise, and analyze projected costs associated with Marine Corps force posture revision and bilateral negotiations. As outlined in section 2207 of the NDAA for Fiscal Year 2012, we will present a master plan for construction once completed.

124. Senator MCCAIN. Secretary Panetta, how is the President's strategic direction to rebalance toward the Asia-Pacific region actually reflected in the budget proposal for fiscal year 2013?

Secretary PANETTA. The fiscal year 2013 budget request protects and, in some cases, increases investments that are critical to our ability to rebalance toward the Asia-Pacific region, to include our ability to project power. For instance, this budget funds the development of next-generation bomber and new aerial refueling aircraft. Additionally, the Navy will invest in a design for *Virginia*-class submarines that will allow these submarines to carry significantly more cruise missiles, and potentially provide an undersea conventional prompt strike capability. This budget also invests resources in increasing stocks of our most capable cruise missiles; purchasing advanced maritime patrol aircraft; upgrading avionics and communications systems in our current bomber fleet; and enhancing capabilities in space, cyber, electronic warfare, missile defense, and ISR systems.

The strategy envisions more elements of the Joint Force postured forward in the Asia-Pacific region—reinforcing our stabilizing and deterrence presence in the region, as well as increasing potential combat power. The budget request funds the rotational deployment of marines and U.S. Air Force aircraft to Australia and the potential for rotational deployment of Littoral Combat Ships to Singapore. The Navy will also rebalance its fleet so that a greater percentage is in the Pacific, and all the Services will continue to maintain significant force structure in the region as they look to increase interaction with allies and partners.

125. Senator MCCAIN. Secretary Panetta, since announced plans call for Marine Corps forces to rotate to Australia or Guam, 8,700 marines and their families will be leaving Okinawa to be stationed somewhere else—where will they go?

Secretary PANETTA. Many of the marines based in Okinawa are rotational. These marines deploy to Okinawa unaccompanied under the Unit Deployment Program (UDP). Their family members remain behind at the unit's home base, either in Hawaii or CONUS. Under DOD's current plan, some of these UDP units will continue to deploy to Okinawa, some will deploy to Guam, and others will rotate through Australia. These rotational forces will be supported by small headquarters and logistics elements that will be permanently stationed at these locations and may be accompanied by their families. The planned numbers of marines and their family members at each location is currently under review and has not been finalized.

126. Senator MCCAIN. Secretary Panetta, since the U.S. Government has signaled its intent to delink tangible progress on the construction of a replacement facility for Marine Corps Air Station (MCAS) Futenma on Okinawa from other actions to relocate marines from bases in the southern part of Okinawa, what is DOD's plan for the future of the MCAS Futenma?

Secretary PANETTA. The February 8, 2012, U.S.-Japan Joint Statement confirmed the continued mutual support for the current Futenma Replacement Facility (FRF) plan as the only viable alternative to continued operation of MCAS Futenma. Recognizing that even under the best scenario, the realization of that plan is several years away, we are currently discussing with the Government of Japan conditions under which they can contribute to the sustainment of operations at MCAS Futenma until the FRF is complete.

127. Senator MCCAIN. Secretary Panetta, will DOD abide by the requirements in section 2207 of the NDAA for Fiscal Year 2012?

Secretary PANETTA. We will abide by the requirements in section 2207 of the NDAA for Fiscal Year 2012. I look forward to the opportunity to update the committee on our progress for these requirements later in the year.

## NAVY FORCE STRUCTURE REDUCTIONS

128. Senator McCAIN. Secretary Panetta and General Dempsey, although DOD's new Defense Strategic Guidance emphasizes a rebalance to the Asia-Pacific region—predominantly a maritime theater—the administration's plan calls for the Navy to retire seven cruisers and two other major amphibious ships needed by the Marine Corps earlier than planned. In addition, the administration plans to delay buying a large-deck amphibious ship, a *Virginia*-class attack submarine, two Littoral Combat Ships, and eight high-speed transport vessels. What effect will fewer cruisers, submarines, and amphibious ships have in responding to crises in the Asia-Pacific theater—especially a large-scale one, with an equal or near-equal peer?

Secretary PANETTA. While the fleet size will fall slightly in the next few years, it will return to its current level by the end of the FYDP and even grow slightly into the early 2020s. The Navy will continue to prioritize readiness, and our fiscal year 2013 budget submission fully funds ship maintenance and midlife modernization periods. We are also investing in shipbuilding and aircraft construction to ensure that the Navy will evolve to remain the world's preeminent maritime force in the face of emerging threats and our shipbuilding and aircraft construction investments form the foundation of the future fleet. In developing our aircraft and ship procurement plans, we focused on three approaches: sustaining serial production of today's proven platforms, rapidly fielding new platforms in development, and improving the capability of today's platforms through new payloads of weapons, sensors, and unmanned vehicles.

The Navy can meet the Defense Strategic Guidance with the current and projected force structure provided in the Navy's President's budget submission for 2013. Consistent with the Defense Strategic Guidance, the Navy will posture continuous, credible combat power in the Western Pacific and the Arabian Gulf/Indian Ocean to protect our vital interests, assure friends and allies, and deter potential adversaries. Naval forces remain flexible and agile, able to swing rapidly in response to emergent high priority requirements in other theaters, as well as to surge from U.S. homeports in the event of crises. The Navy can meet these challenges under our current operational tempo and deployment lengths.

General DEMPSEY. Specific resourcing decisions were made through a comprehensive strategic review that included detailed analysis by the Joint Staff, the Services, and OSD. These decisions were made with serious consideration of the risk and our ability to mitigate the risk by balancing fleet forces across the globe.

Planned naval force structure maintains the ability to conduct a large-scale naval campaign in one region while denying the objectives of an opportunistic aggressor in a second region. The strategic review and long-range shipbuilding plan accepted risk in generating the 30 operationally available ships necessary to conduct a two-Marine Expeditionary Brigade forcible entry operation, but lowered risk by building to an average active inventory of 32 amphibious ships in the long-range shipbuilding plan. The 21st Century Battle Force will be informed by the completion of a formal Force Structure Assessment and the ongoing DOD review of operational plans for potential regional contingencies.

129. Senator McCAIN. Secretary Panetta and General Dempsey, the Marine Corps has a standing requirement for 38 amphibious ships to support its amphibious assault mission, which has not changed as a result of the new Defense Strategic Guidance. The Marine Corps and the Navy have accepted risk by allowing the number of amphibious ships to remain at 33. Further reductions below 33 amphibious ships is inconsistent with the Marine Corps mission to maintain a viable amphibious assault capability and is particularly unjustified with a renewed focus on a rotational presence in the Asia-Pacific region. Please describe how decommissioning ships early and delays in buying new ships—as proposed in the proposed budget request—is consistent with: (1) the President's new Defense Strategic Guidance; and (2) the maritime mobility needs of the Pacific and the forces needed to oppose anti-access area denial strategies in the Asia-Pacific region, including China.

Secretary PANETTA. The decision to decommission seven *Ticonderoga*-class cruisers and two amphibious ships was made to ensure sufficient resources were available for readiness while maintaining the proper mix of capability in the battle force in a fiscally constrained environment. The Navy selected ships for decommissioning based on an analysis of the costs required to sustain their material condition and update their combat capability. The selected ships had little or no previous modernization completed, were the oldest ships in their class and would become increasingly expensive to maintain, operate, and upgrade to remain relevant to evolving threats.

The Navy has certified to the Secretary of Defense that we will meet the fiscal year 2013 Global Force Management Allocation Plan and requirements in the Defense Strategic Guidance. From fiscal year 2013 through fiscal year 2020, the Navy ship inventory and extrapolated force presence will increase in the Asia-Pacific and Arabian Gulf regions.

General DEMPSEY. Resourcing decisions were made through a comprehensive strategic review that was aligned to the President's strategic guidance. The review included detailed analysis by the Joint Staff, the Services, and OSD.

The strategic review focused primarily on sustaining Amphibious Readiness Groups and Marine Expeditionary Units forward in the Western Pacific and Arabian Gulf in a crisis response role. It took risk in generating the 30 operationally available ships necessary to conduct a two-Marine Expeditionary Brigade forcible entry operation. To lower risk, the long-range shipbuilding plan strives to maintain an average active inventory of 32 amphibious ships.

#### EARMARKS IN THE DEFENSE BILL

130. Senator MCCAIN. Secretary Panetta, the Fiscal Year 2012 Defense Appropriations Bill contained approximately 100 items and slush funds that were neither requested by DOD nor authorized in the NDAA. These programs, earmarked by the Appropriations Committees, totaled over \$3.5 billion. The proposed reductions of \$487 billion over 10 years does not include rolling back the earmarks that were not top DOD priorities. Since you are restricted from reprogramming earmarked funds to higher DOD priorities by provisions in Defense Appropriations bills that require you to carry out the earmark at the exact levels of funding provided, and given the fiscal constraints you are under, will you work with me to remove these provisions from future appropriations bills in order to provide the flexibility to spend funds on urgent, unforeseen requirements actually validated by DOD?

Secretary PANETTA. DOD's position is that the President's budget requests what is required to meet our mission requirements each year. Upon enactment of an appropriations act, DOD executes the enacted programs, complying with reprogramming and transfer authorities.

131. Senator MCCAIN. Secretary Panetta, if you are presented a request for a formal position on a particular spending item of this nature, can I expect a firm and unequivocal position from you stating why you either oppose or support the spending?

Secretary PANETTA. Yes, DOD leaders and I are always prepared to state opposition to unrequested changes to the President's budget because these changes divert funding from DOD's most pressing requirements, as detailed in the budget.

#### JOINT STRIKE FIGHTER

132. Senator MCCAIN. Secretary Panetta, how well the JSF program does under its contract for the fourth block of low-rate initial production (LRIP-4) aircraft by the end of the year was supposed to indicate how much the program is on track. But, with only about 50 percent of that work completed to date, we are already expecting a total overrun (including concurrency costs) of almost \$500 million. In addition, on November 29, 2011, DOD's F-35 JSF Concurrency Quick Look Report called for serious reconsideration of procurement and production planning. And, just a few weeks ago, DOD's Chief Operational Tester reported that a team consisting of the Services' operational test agencies found that the F-35 program is not on track to meeting operational effectiveness or operational suitability requirements. I know we don't pay for all of the projected overrun on Lot 4, but with that estimate and the assessments I just described, how can taxpayers be confident that we're headed in the right direction?

Secretary PANETTA. The strategic and budget reviews carried out last fall reaffirmed the importance of the JSF program to the future joint force. A number of steps were taken to align the program with the outcomes of the these reviews of the Quick Look Report, including the decision to slow the production ramp rate and align it with advances in program maturity. Control of production costs is being achieved in part by movement from cost-plus to fixed-price-type contracts and developmental maturity progress. The F-35 program team achieved a number of accomplishments over the past year, including the delivery of 13 aircraft and completion of initial F-35B sea trials on the USS *Wasp*. The program completed F-35C static structural testing and improved the schedule and cost performance of assembled



wings and forward fuselage deliveries to the production line mate station. Production F-35A and F-35B have started Local Area Flights at Eglin AFB.

The F-35 LRIP Lot 4 contracts were negotiated as fixed-price incentive-fee (firm target)-type contracts. The prime contractor, Lockheed Martin Aeronautics Company (LM Aero), is projected to overrun LRIP 4 costs by approximately 7 percent. This overrun percentage is approximately half the overrun experienced on the F-35 LRIP Lots 1 to 3 cost-reimbursement-type contracts. On the LRIP Lot 4 contracts, overrun costs on the aircraft and engines are shared equally between the Government and the contractor until the overrun exceeds 20 percent of the target cost, at which point the contractor is responsible for all additional overrun costs.

Overall, there is much work ahead, but, through the multiple successful reviews and corresponding adjustments in the past year, I believe DOD has put the program on sound footing for the future. DOD's assessments over the past year give me reason to believe the basic aircraft designs are sound and will deliver. The remaining development is focused on testing and integration. Schedule and resource adjustments made to the remaining development program underpin a realistic plan to deliver the required capability. While there is still risk in the program, I have confidence in the resilience of the plan to absorb expected further learning and discovery and stay on track as long as it remains sufficiently resourced.

133. Senator MCCAIN. Secretary Panetta, why, given these recent developments, did you believe that lifting the F-35B from probation 1 year early was appropriate?

Secretary PANETTA. In January 2011, Secretary Gates placed the F-35B on what he referred to as probationary status because it was experiencing significant technical issues. F-35B testing was decoupled from the other two variants, allowing the program to increase focus on F-35B-specific issues while testing on the other variants progressed. Of the five specific technical issues identified by Secretary Gates in 2011, two have been resolved and three have temporary fixes in place while efforts to develop permanent solutions are ongoing. All three variants improved their testing performance in 2011. In particular, the F-35B successfully completed more flights (333 completed/293 planned) and more test points (2,636 completed/2,272 planned) than planned.

I made the decision to lift probation of the F-35B because it is now demonstrating development, test, and production maturity comparable to and not substantively different from the other variants. As with the other variants, some additional technical issues have been identified on the F-35B since probation began; however, these are consistent with the kinds of issues to be expected in a development program.

134. Senator MCCAIN. Secretary Panetta, is there a Plan B for the F-35 JSF if both procurement and sustainment costs are not controlled and if so, what could those options be?

Secretary PANETTA. Currently, we are focused on reducing procurement and sustainment costs. The Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) has directed procurement affordability targets that will help ensure that, as the F-35 program reaches the point that it is ready for full-rate production, DOD will be able to afford to procure the quantities it needs. Similarly, the USD(AT&L) established sustainment affordability targets that will allow us to communicate expectations to the contractor so we can control the cost to operate each aircraft, the annual costs to the Services, and how much investment will be required over the total life cycle of the F-35 program.

These affordability targets, and more importantly the actual costs that we realize over the coming years, will provide us a better understanding of whether we can afford to buy, fly, and sustain the current total requirement.

If we are unable to reach affordable F-35 procurement and sustainment costs, our first option would be to reduce the total planned procurement quantities. Currently, the total planned procurement for DOD is 2,443 F-35 aircraft. If the Services and DOD determine that this plan is unaffordable, we would have to look at a reduction to the total buy that is affordable. A reduction in the total procurement quantity would also reduce total sustainment costs. Any review of the total quantity would be conducted by assessing affordability projections and capability requirements.

From a capability perspective, there is no alternative to the F-35. The fifth generation capabilities that the F-35 will provide are essential to accomplishing many of the primary missions identified in the National Security Strategy. An affordable F-35 program will allow DOD to replace legacy aircraft with fewer, more capable multi-role strike fighter aircraft well-suited to meet the leaner requirements of the new Defense Strategic Guidance.

## HEALTH CARE

135. Senator MCCAIN. Secretary Panetta and General Dempsey, the budget proposes further TRICARE reforms which have been endorsed by senior military leaders. What are the risks to DOD—in budget and readiness terms—if Congress fails to enact the administration’s proposed health care reforms?

Secretary PANETTA. If Congress does not provide us with needed support, DOD’s new Defense Strategy Guidance will be at risk. Without the needed authority to implement these reforms, DOD will face further cuts in forces and investment to be consistent with the BCA. DOD’s budget proposal already makes substantial reductions in the investment accounts, so further cuts might fall mostly on forces. This could mean cutting additional Active Duty and Reserve Forces by fiscal year 2017 to such an extent that DOD’s ability to carry out the new Defense Strategic Guidance could be jeopardized.

General DEMPSEY. If Congress fails to enact the proposed health care reforms, DOD will be forced to shoulder the increasing cost of military health care, likely at the expense of force structure and in modernization. DOD’s budget proposal already makes substantial reductions in the investment accounts so further cuts could mean cutting additional Active Duty and Reserve Forces, which would impact DOD’s ability to pursue the new Defense Strategic Guidance.

136. Senator MCCAIN. Secretary Panetta and General Dempsey, what additional reforms are necessary to better manage the current and future costs of military health care benefits?

Secretary PANETTA and General DEMPSEY. DOD will continue to aggressively pursue all possible avenues to better manage the current and future costs of military health care. Changes in beneficiary cost-sharing represent only one of the key steps that we are taking to improve health care and reduce the rate of growth in health care costs. We are also employing other approaches, including: (1) Moving from healthcare to health, investing in initiatives that keep our people well while promoting healthy lifestyle; (2) maximizing internal efficiencies that reduce the administrative overhead of our military health system; and (3) reforming provider payments by responsibly paying private care providers and aligning with Medicare reimbursement levels, as required by law.

## CARE MANAGEMENT FOR WOUNDED WARRIORS

137. Senator MCCAIN. Secretary Panetta, 5 years have passed since revelations by the press of substandard care management for wounded warriors at the Walter Reed Army Medical Center, which brought disgrace on our Nation and our Government. Since that time, many reforms have been instituted, and yet, according to recent testimony by the GAO, implementation of reforms intended to streamline the care management for the wounded, especially those transitioning to civilian life, continue to be plagued by bureaucratic turf battles between DOD and the VA, such that, according to GAO “... the intended purpose of these programs—to better manage and facilitate care and services—may actually have the opposite effect ...” What steps has DOD taken to respond to the recommendations of GAO, as well as the Wounded Warrior Care Coordination Summit, and numerous other studies to improve care management for the wounded?

Secretary PANETTA. First, in response to GAO’s findings and recommendations in the March 2011 Report titled “Federal Recovery Program Continues to Expand, but Faces Significant Challenges,” a majority of them pertained to implementation and oversight of the VA’s Federal Recovery Coordination Program. There are, however, two areas of the report that directly involve DOD:

- Duplication of case management efforts between VA and DOD
- Lack of access to equipment at installations

*Duplication of Case Management Efforts between VA and DOD*

DOD policy is that recovering servicemembers have the service of a Recovery Care Coordinator (RCC), and that some may have a Federal Recovery Coordinator (FRC) closer to when it is known that the servicemember will transition out of the military and become a veteran. The Service Wounded Warrior programs, in coordination with the Federal Recovery Coordination Program, have drafted policy to implement a referral process that is consistent with the Services desire to retain responsibility for their recovering servicemembers.

*Lack of Access to Equipment at Installations*

Currently, there are 11 FRCs located at 5 major military medical treatment facilities. These FRCs have designated workspaces and equipment access.

Second, the Wounded Warrior Care Coordination Summit consisted of four chartered working groups, each focused on a key area:

1. Education and Employment
2. FRC/RCC Collaboration
3. In Pursuit of Excellence—Documenting Best Practices
4. Wounded Warrior Family Resilience

Working group participants included multiple Federal agencies (VA, Department of Labor, DOD's Offices of Wounded Warrior Care and Transition Policy (WWCTP), and Military Community and Family Policy (MCFP)), as well as representatives from each of the Military Services.

Several recommendations are currently being carried out by the Recovery Coordination Program or its component programs. Additional recommendations are being carried out by other participating agencies.

The outcomes of the Education and Employment Work Group were expected to be: the achievement of a comprehensive strategy to provide recovering servicemembers career-focused transition support early in their rehabilitation; development of policy and guidance, including the provision of resources when necessary; and establishment of outcome measures and synchronization and leveraging of existing efforts to ensure a consistent experience by all recovering servicemembers who seek education or employment opportunities.

FRC/RCC collaboration resulted in five recommendations for better integration and synchronization across these two programs. All have been implemented as well as better communication among program leadership and participation in each other's program training venues.

Recommendations of the Best Practices working group are being implemented with the goal of achieving a consistent experience for all recovering servicemembers across the continuum of care, including equal access to resources; and the adaptation of support services to meet the potential changing needs of servicemembers and families.

The Wounded Warrior Family Resiliency Working Group came up with several recommendations, most of which are actively being implemented by the combined efforts of the two DOD offices, MCFP and WWCTP, charged with coordinating and executing these programs.

138. Senator McCAIN. Secretary Panetta, do you have confidence that the Senior Oversight Committee of DOD and VA is capable of strengthening and improving these systems of care for our wounded or is there a more efficient mechanism that should be established in its place?

Secretary PANETTA. Yes, there is a more efficient mechanism that has replaced the Senior Oversight Committee. On January 19, 2012, the Joint Executive Committee Co-Chairs, who are the DOD Under Secretary of Defense (Personnel & Readiness) and VA Deputy Secretary, agreed to consolidate the SOC and JEC forums based on the recommendation from the DOD Recovering Warrior Task Force. The new consolidated Joint Executive Committee was given the guidance to:

- Clearly articulate wounded, ill, and injured servicemember issues
- Include the appropriate level of senior leadership
- Maintain former Senior Oversight Committee Wounded, Ill, and Injured programs

In order to maintain a high level of visibility, the membership of the new Joint Executive Committee now includes the Services Under Secretaries and Vice Chiefs, Special Operations Command, the DOD Comptroller, the ASDs for Health Affairs, and Reserve Affairs, and from the VA the Under Secretaries for Health and Benefits, Principal Deputy Under Secretary for Benefits, VA Assistant Secretaries for Information Technology, and Policy and Planning, among other senior level members.

To ensure that systems of care for our wounded, ill, and injured are maintained, strengthened, and improved:

- All ongoing Senior Oversight Committee issues, programs, and initiatives have been identified and appropriately handed off to the Joint Executive Committee for continued oversight and support.
- In order to ensure any new and emerging recovery warrior issues are quickly and adequately addressed, a new joint Wounded, Ill, and Injured Subcommittee has been created under the Joint Executive Committee to oversee these matters.

- Emerging Wounded Warrior issues are now addressed bimonthly at Joint Executive Committee meeting and quarterly with DOD and VA Secretaries.

The integration of DOD and VA into a single team under the Joint Executive Committee allows a world class continuum of care for our wounded, ill, and injured warriors in such areas as:

- Integrated Disability Evaluation System
- Caregivers
- Environmental/Toxic Exposures
- Integrated Mental Health Strategy
- Suicide Prevention
- Electronic Health Record
- Benefits

Some of the accomplishments to date include:

- Increased sharing of health information between DOD and VA
- Implementation of new approaches to support patients, their families, and caregivers
- Development of new approaches to address suicide, Traumatic Brain Injury, and Post-Traumatic Stress Disorder
- Developed and implemented a Disability Evaluation System pilot aimed toward one disability rating system administered by both DOD and VA
- Coordinated health care, rehabilitation, and delivery of services that resulted in facilitating the highest level of support ever to the wounded, ill, and injured
- Comprehensive legislative and public affairs efforts to keep service-members, veterans, family members, the public, DOD/VA leadership, and Congress informed of new developments in care

#### NON-COMPETITIVE HEALTH CARE CONTRACTS

139. Senator McCAIN. Secretary Panetta, DOD is required by law to enter into sole source, non-competitive contracts with six commercial health plans, known as the Uniformed Services Family Health Plan (USFHP) that provide health care services to a small portion of DOD family members and retirees at a cost of approximately \$1.2 billion per year. Do the contracts in effect today comply with the statutory requirement for cost neutrality? If not, why not?

Secretary PANETTA. Based on the most current data available to DOD (fiscal year 2011), the negotiated rates provided to the USFHP plans currently exceed the amounts mandated under Sec 726(b) of Public Law 104-201.

Beneficiaries Under Age 65—For beneficiaries under the age 65, DOD estimates that the average cost per USFHP Prime enrollee was about 13 percent higher than the average cost per non-USFHP Prime enrollee, even after adjusting for both geography and age/gender mix differences. This cost difference is due to the fact that the fiscal year 2011 USFHP rates were based on fiscal year 2009 costs trended to fiscal year 2011. During the fiscal years 2009 to 2011 period, TRICARE Management Activity introduced the Outpatient Prospective Payment System (OPPS) rates which decreased non-USFHP Prime costs significantly. In addition, TRICARE Management Activity started to receive significant retail pharmacy rebates which also decreased the costs for Prime enrollees. As a result, costs for non-USFHP Prime enrollees increased more slowly from fiscal years 2009 to 2011 than projected. The USFHP rates incorporate the impact of pharmacy changes like OPPS and policy rebates on a lagged basis. As a result, the USFHP rates for future years will reflect these policy changes.

Beneficiaries Age 65 and Over—For beneficiaries age 65 and over, with adjustments for geography or the age/gender mix, the USFHP costs per enrollee were about 29 percent higher than the costs of the average TRICARE For Life (TFL) beneficiary. The key reason for this 29 percent difference is that the fiscal year 2011 USFHP rates were based upon the costs of Medicare fee-for-service beneficiaries, rather than the costs of TFL beneficiaries. Now that reliable and accurate TFL data are available for both the DOD and Medicare portions of TFL beneficiary costs, the government has proposed to use actual TFL experience rather than non-DOD Medicare experience to calculate the fiscal year 2013 ceiling rates, which we expect will lead to a significant decrease in rates for this cohort. A second factor is that the fiscal year 2011 USFHP rates were based upon TRICARE pharmacy costs in fiscal year 2009. Since fiscal year 2009, DOD has started to receive large retail pharmacy rebates. These rebates are incorporated into the USFHP rates on a lagged basis.

140. Senator McCAIN. Secretary Panetta, please provide a comparison of the per beneficiary costs for those enrolled to the USFHP with: (1) those for whom DOD pays for comparable health benefits under TRICARE Prime for under age 65 beneficiaries under its competitively awarded TRICARE contracts; and (2) over 65 USFHP enrollees compared to Medicare/TFL.

Secretary PANETTA. After accounting for differences in both geography and the age/gender mix, the average USFHP cost per enrollee, both under and over 65, was higher than the average cost per non-USFHP Prime enrollee in fiscal year 2011. Due to ongoing contract negotiations, the exact differences are not provided above; however DOD is willing to provide additional data for the committee's use in a non-public forum.

141. Senator McCAIN. Secretary Panetta, if there is any further postponement of transition of future Medicare eligible enrollees to Medicare/TFL, what would be the impact on the DOD budget in fiscal year 2013 and over the FYDP?

Secretary PANETTA. The impact on the DOD budget would depend on the specific period of delayed transition, and whether a pattern of changing this date is perceived. The Medicare Eligible Retiree Health Care Fund (MERHCF) Board of Actuaries responsible for approving the methods and assumptions used to calculate the budget impact must adhere to professional standards, which requires consideration of historically-enacted legislative changes and the past practice or pattern of plan changes. If the Board determines a pattern of delay in the transition date, it will decide to change assumptions regarding the impact of the legislation that will result in a significant increase in cost for the DOD budget in required contributions to the MERHCF. Additionally, any delay in the effective date of the changes enacted last year would increase mandatory spending from the MERHCF during the period of delay.

#### COST NEUTRALITY OF THE TRICARE PRIME BENEFIT

142. Senator McCAIN. Secretary Panetta, under current law, the TRICARE Prime benefit for retirees is required not to exceed the costs of civilian care obtained under TRICARE Standard. Does the cost of TRICARE Prime comply with current law for cost neutrality? If not, why not?

Secretary PANETTA. The Prime benefit is no longer cost neutral compared to Standard/Extra plans. Under current law, the TRICARE Prime is supposed to be cost neutral—that is, government costs for Prime should not exceed the government costs for TRICARE Standard. Section 731(c) of the NDAA for Fiscal Year 1994 required that the benefit that became known as TRICARE Prime “shall be administered so that the costs incurred by the Secretary under the TRICARE program are no greater than the costs that would otherwise be incurred to provide health care to the members of the uniformed services and covered beneficiaries who participate in the TRICARE program.”

When TRICARE was implemented in 1996, the Prime enrollment fee was set at a level higher than the standard fee in order to: (1) offset the substantially reduced out-of-pocket costs, including the elimination of the Standard deductible, the near-total elimination of the 25 percent Standard inpatient co-pay, and the substantial reduction of outpatient co-pays; and (2) make Prime cost neutral to the government. Subsequent enactments regarding TRICARE for Active Duty family members have superseded the NDAA for Fiscal Year 1994 requirement for Active Duty family members, but not for Prime-eligible retirees.

Over the intervening years, a significant disparity in the cost to government between Prime and Standard developed. This disparity was recognized in 2005 and resulted in proposals to adjust cost shares to both Prime and Standard/Extra. DOD was largely prohibited from changing fees and co-pays until fiscal year 2012. The net result is that Prime is not cost neutral in relation to the Standard/Extra plans. For a working retiree family of three, the cost to DOD of providing health care in fiscal year 2011: Prime—\$13,442; Standard—\$11,267. Prime enrollment fees or other cost-sharing would need to be adjusted to make Prime cost-neutral to Standard.

143. Senator McCAIN. Secretary Panetta, is cost neutrality an appropriate test, and if so, what steps should be taken to restore it?

Secretary PANETTA. Cost neutrality is a laudable goal and our efforts should try to move in that direction. However, we cannot get to complete cost neutrality without significantly increasing the cost shares under Prime above the levels proposed in the President's budget. The proposed increases in the Prime enrollment fee are

one part. We also believe that increases in utilization management envisioned under the Patient Center Medical Home concept that we are implementing will bring the cost of Prime closer to Standard.

#### FEDERAL CIVILIAN WORKFORCE

144. Senator MCCAIN. Secretary Panetta, this budget requests a precipitous and dangerous drop in military end strength which I believe puts our Nation's security at risk. Why is there little or no reduction planned for DOD's Federal civilian workforce?

Secretary PANETTA. DOD's fiscal year 2013 budget reflects a balanced workforce that decreases overall spending on military end strength and DOD's Federal civilian workforce, as well as on contract services. It reflects our best judgment today and represents a carefully coordinated approach based on DOD's strategy and policy that balances operational needs and fiscal reality without placing national security and our overall defense posture at risk. Proposed reductions in the military personnel levels reflect declines in our current overseas commitments; revised strategy, posture, and operational planning; and changes to our force structure. Additionally, the budget request includes proposed civilian reductions that are proportional, as a percentage of the overall civilian workforce, to proposed reductions in the military's end strength. Reductions in civilian personnel are predominantly associated with ongoing organizational assessments and mission/function prioritization in an effort to reduce administrative workload. It is important to note that DOD's civilian workforce performs key enabling functions for the operating forces, such as critical training and preparation to ensure readiness, equipment modernization and reset, medical care, family support, and base operating and infrastructure services—all vital services that support our men and women in uniform and help meet the Nation's security needs.

145. Senator MCCAIN. Secretary Panetta, what is the current policy for hiring new employees?

Secretary PANETTA. DOD fills its positions following Merit Systems Principles and Regulations developed by the Office of Personnel Management (OPM). Within these parameters, DOD strives to be a fair and equitable employer offering equal employment opportunity to all qualified citizens. Because of its size and the diversity of its missions, DOD uses a wide range of authorities to fill positions in both the Competitive and Excepted service in virtually every occupation imaginable. Our agencies hire applicants from the public and private sectors, and we place special emphasis on hiring veterans, military spouses, students, and people with disabilities. We strive to be innovative and responsive in our efforts to recruit and retain the best talent available to meet our mission objectives in supporting our warfighters, and appreciate the support we receive from Congress to further this effort.

146. Senator MCCAIN. Secretary Panetta, why is the administration seeking a pay raise for Federal employees who, according to a January 30, 2012, report from the Congressional Budget Office, are compensated 16 percent higher than their private sector counterparts, and enjoy a 48 percent advantage in benefits?

Secretary PANETTA. The pay raise for civilians included in the budget request is not set by DOD, but rather is based on a government-wide determination by OPM on behalf of the President. With the current freeze on salary cost-of-living adjustments for Federal workers, the Federal Government's benefits package is a necessary factor in remaining competitive for a variety of occupations and locations. While the Federal Government may lead the market in the area of benefits, it still lags the market with regard to salaries for some occupations. It is important to note that DOD's civilian workforce performs key enabling functions for the operating forces, such as critical training and preparation to ensure readiness, equipment modernization and reset, medical care, family support, and base operating and infrastructure services—all vital services that support our men and women in uniform and help meet the Nation's security needs. Further salary freezes are not in the best interest of DOD and will have an adverse impact on readiness, mission capability, and could result in increased reliance on contracted services and increased fiscal obligations.

#### ARMY AND MARINE CORPS DRAWDOWN

147. Senator MCCAIN. General Dempsey, I am concerned that a rapid reduction in the end strength of the Army and the Marine Corps will degrade the readiness

of the combat forces and break faith with an All-Volunteer Force that defeated the insurgency in Iraq, that continues to fight in Afghanistan, and may be called on again to defend this Nation against its enemies. I would like you to explain—with specificity, year-by-year—how you foresee the Army reducing its Active Duty strength by 70,000 soldiers in 5 years?

General DEMPSEY. As part of the new Defense Strategic Guidance, the Army will downsize approximately 79,000 soldiers to 490,000 in the Active component, and will reduce its Reserve components by 9,000 from 358,200 to 350,200 in the Army National Guard and from 206,000 to 205,000 in the U.S. Army Reserve by the end of the FYDP. Temporary end strength increase for the Active component was authorized by Congress in 2009. By the end of September 2013, the Army will reduce the 22,000 temporary end strength increase and return back to a permanent Active component end strength of 547,400. Generally, the Army will reduce an average of 11,000 soldiers per year.

148. Senator MCCAIN. General Dempsey, how do you envision achieving these cuts using the manpower management tools available to shape the force with incentives and early retirements?

General DEMPSEY. The Army's preliminary strategy provides a high quality, mission-capable force, using precision, care, and compassion to achieve end strength reductions without jeopardizing readiness. A key precept of planning is that the Army will make the choices, to the greatest extent possible, on who will remain and who will separate from service. Although DOD's force reduction objectives include guidance to maximize the use of voluntary separations, the Army's intent is to apply lessons learned from the 1990s drawdown when the magnitude of the voluntary separations made it difficult for the Army to control the quality of those service-members choosing to separate. To ensure a quality force following the drawdown and maintain faith with soldiers, the Army intends to meet DOD's force reduction objectives by selectively offering voluntary incentives (such as Temporary Early Retirement Act) to soldiers whom the Army deems fully qualified but do not meet the highest standards for continued service.

149. Senator MCCAIN. General Dempsey, do you have a plan to address the nondeployable population of our combat forces, such as about 25,000 Active Duty Army soldiers?

General DEMPSEY. Over 10 years of persistent and protracted conflict has placed stress on the Army. The strain has increased the rate of nondeployers at latest arrival date or date of deployment in our BCT from 10 percent to 16 percent between fiscal year 2007 to fiscal year 2011. From a tactical perspective, commanders at all levels are actively engaged in identifying non-deployable soldiers and, in the case of temporary non-deployable conditions, linking the soldier with the requisite resources necessary to resolve the non-deployable condition. From a strategic perspective, the Army staff is focused on policy and implementation decisions necessary to reduce the non-deployer rates in our units and to gain better visibility on the health of the force. The Army established a Non-Deployable Campaign Plan in April 2011 to develop systemic and policy changes aimed at reducing this population. While we are only half way through fiscal year 2012 and there remain challenges with the units yet to deploy, we have seen a reduction to just fewer than 13 percent so far this year. Since medical issues continue to be the greatest contributor to non-deployables, we are focusing on the Disability Evaluation System to enhance, standardize, and establish measures of performance.

150. Senator MCCAIN. General Dempsey, how do you envision Army leaders will accomplish this without demoralizing the force and breaking faith with soldiers who have sacrificed greatly?

General DEMPSEY. The Army is a values-based organization. The basic values of dignity and respect were integral to its drawdown planning. First, the Army intends to use reduced accessions and minimize the number of currently serving soldiers being asked to leave the Service. Second, the Army will use our proven centralized selection board processes to identify both commissioned and NCOs with the greatest potential for continued service as it shapes the force by grade and specialty. Finally, commanders will be empowered to retain only the highest quality soldiers. When feasible, fully qualified soldiers identified as excess due to strength limitations will be afforded the option to volunteer for reclassification into a shortage skill. In lieu of involuntary separation, voluntary options (when applicable) will be afforded to fully-qualified soldiers targeted to leave the Service.

## REVERSIBILITY

151. Senator MCCAIN. General Dempsey, I am concerned that returning to pre-September 11 personnel levels within 5 years may damage readiness and create structural problems within the Services, while subjecting military members to an economy that hardly is in a position to welcome them with open arms. You have indicated that “the Army will retain more mid-grade officers and NCOs even as their overall end strength decreases to ensure we will have the structure and experienced leaders necessary to regrow the force quickly.” This has been referred to as reversibility. I am concerned that at the basic infantry level, this will degrade combat capability over time. Can you explain what reversibility means and how it will be achieved?

General DEMPSEY. The new Defense Strategic Guidance released in January 2012 notes that since we cannot predict how the strategic environment will evolve with absolute certainty, we need to manage the force in ways that protect its ability to regenerate capabilities should they be needed to meet future unforeseen demands. The strategy also notes that we need to retain intellectual capital and rank structure that can be utilized to expand key elements of the force. The Army is examining strategies, policies, and investments that would posture the Army to slow down and reverse drawdowns of Army end strength and formations, and regenerate end strength over the course of a number of years in response to a future crisis.

This will involve reexamining the mix of elements in the Active and Reserve components, maintaining a strong National Guard and Army Reserve, retaining a healthy cadre of experienced noncommissioned and midgrade officers, and preserving the health and viability of the Nation’s defense industrial base.

152. Senator MCCAIN. General Dempsey, how will you avoid the repeat of the poorly executed drawdown of the 1990s, which slashed recruiting and first-term soldier strength, thus creating gaps that hurt the Army—in order to retain more mid-career personnel?

General DEMPSEY. The Army’s intent is to meet the fiscal year 2017 end strength targets with precision (by grade and skill) while maintaining a high level of readiness and capability with an All-Volunteer Force. We will minimize induced losses by lowering accessions without jeopardizing future Army requirements. We will not sacrifice our investment in leader development and will continue to shape policies to support the Army’s leader development strategy. We will promote best-qualified soldiers to meet requirements. We will empower commanders with the ability to retain soldiers with the greatest potential for continued contributions. We will treat soldiers and their families (both those who stay and those who leave) fairly.

The Army will target select NCOs (by means of a centralized selection process) for involuntary separation when their grade/skill is either projected over-strength or when promotion stagnation jeopardizes viable career development paths in select career fields. Drawdown of the force begins in fiscal year 2014 and continues over a 4-year period. To ensure we prevent talent loss and to retain those individuals with the greatest potential for future contributions, the Army will decide who stays and who leaves; offering voluntary separation options in lieu of involuntary separation when such authority exists.

We will sequentially apply the levers of reduced accessions, selective retention, force shaping boards, and voluntary incentives to ensure that we retain high quality personnel as we achieve mandated end strengths. We will also pursue qualified soldiers for transition to the U.S. Army Reserve and National Guard where they can continue to serve.

153. Senator MCCAIN. General Dempsey, would it not make more sense to plan for a 10-year, conditions-based plan or one that adheres to the original plan to reduce end strength by 49,000 soldiers?

General DEMPSEY. As part of the new Defense Strategic Guidance, the Army will downsize approximately 79,000 soldiers to 490,000 in the Active component by the end of fiscal year 2017. Initial planning for the reduction noted three assumptions that must be achieved: (1) the drawdown in Iraq will continue and that it will be completed by December 31, 2011, (accomplished); (2) forces in Afghanistan will be drawn down in accordance with current administration policy (on track); and (3) Army forces will not be involved in a protracted conflict in the immediate future (not expected). The Army’s deliberate and responsible drawdown plans will take into consideration operational demands and unit readiness. It will proceed at a pace necessary to ensure mission success and retain the flexibility to respond to unforeseen demands at a tempo that is predictable and sustainable for our All-Volunteer Force. After conducting extensive analysis, the Army concluded that maintaining end



strength at 490,000 will meet the demands described in the new Defense Strategic Guidance.

#### NUCLEAR WEAPONS COMPLEX FUNDING

154. Senator McCAIN. Secretary Panetta, last October you told the House Armed Services Committee that you opposed attempts by some to reduce the funding necessary for achieving the President's nuclear modernization plan. When asked about a possible cut by the Appropriations Committee, you stated: "I think it is tremendously shortsighted if they reduce funds that are absolutely essential for modernization ... if we aren't staying ahead of it, we jeopardize the security of this country. So, for that reason, I certainly would oppose any reductions with regards to the funding." The fiscal year 2013 budget for the National Nuclear Security Administration (NNSA) makes a number of significant changes to the President's nuclear weapons complex modernization plan. I understand many within DOD, including STRATCOM, are opposed to these cuts. Do you still agree that a failure to honor the carefully crafted modernization plan risks, as you stated just 3 months ago, jeopardizing the security of this country?

Secretary PANETTA. Modernization efforts remain critical to ensuring a safe, secure, and effective deterrent for the long-term; it will take years of sustained funding and effort to achieve this goal. Infrastructure modernization, in particular, will offer opportunities to reduce the number of reserve warheads needed to hedge against a potential technical failure of a warhead type. The Nuclear Posture Review of 2010 and the reports to Congress, pursuant to section 1251 of the NDAA for Fiscal Year 2010 and section 1043 of the NDAA for Fiscal Year 2012, contain detailed and well-supported modernization plans. Current fiscal realities, however, have driven DOD and NNSA to make difficult decisions in prioritizing plans and funding for these efforts, including the deferral or delay of programs and deliverables. Such decisions were made to allow the two departments to shift resources to certain projects and programs that meet the Nation's most pressing nuclear weapons requirements. We are confident that these decisions allow us to continue the necessary support to achieve the goal of maintaining a safe, secure, and effective deterrent, while also supporting the long-term commitment to modernization of the nuclear weapons enterprise.

#### 2-YEAR DELAY OF THE SSBN(X)

155. Senator McCAIN. Secretary Panetta, I understand the budget proposes delaying the replacement ballistic missile submarine for 2 years and estimates doing so will save \$4.3 billion. Given prior year statements from the Navy claiming that the schedule for procuring the 12 follow-on ballistic missile submarines is "inextricably linked to legacy [i.e. *Ohio*-class] ballistic missile submarine (SSBN) retirements" and that there is "no leeway in this plan to allow a start or any delay in the procurement plan," I am interested in understanding why you now believe that a delay is possible?

Secretary PANETTA. To comply with the BCA, the 2-year delay defers and extends design efforts, freeing up \$4.3 billion in the FYDP, as well as reduces the available SSBN force to 10 ships during the transition from the *Ohio*-class to the *Ohio* replacement. The absence of extended overhauls during this transition period (2029 to 2042) helps mitigate this reduced force level, which will meet at-sea presence requirements with moderate operational risk during the transition period. Unforeseen issues with construction of the *Ohio*-replacement or emergent material problems with the aging *Ohio*-class could present challenges. Full funding for continued design and construction of *Ohio*-replacement to ensure on-time delivery and on-time Strategic Patrol (lead ship in 2029) and properly resourced maintenance of the *Ohio*-class will be crucial to minimizing operational risk during the transition (2029 to 2042).

With the 2-year delay (fiscal year 2019 to fiscal year 2021) to the *Ohio* replacement SSBN, there is no margin for further delay. Additional delay would prevent meeting current sea-based strategic deterrent requirements. The Navy will be closely managing risk during the transition period.

156. Senator McCAIN. Secretary Panetta, does a delay instill additional risk in the Navy's ability to maintain the same at-sea availability rates required under current nuclear force posture? If not, please be specific as to why.

Secretary PANETTA. There is some additional risk during the transition from *Ohio* class to *Ohio* replacement. To comply with the BCA, the 2-year delay defers and ex-

tends design efforts, freeing up \$4.3 billion in the FYDP as well as reduces the available SSBN force to 10 ships during the transition from the *Ohio*-class to the *Ohio* replacement. The absence of extended overhauls during this transition period (2029 to 2042) helps mitigate this reduced force level, which will meet at-sea presence requirements with moderate operational risk during the transition period. Unforeseen issues with construction of the *Ohio* replacement or emergent material problems with the aging *Ohio*-class could present challenges. Full funding for continued design and construction of *Ohio* replacement to ensure on-time delivery and on-time strategic patrol (lead ship in 2029) and properly resourced maintenance of the *Ohio*-class will be crucial to minimizing operational risk during the transition (2029 to 2042).

With the 2-year delay (fiscal year 2019 to fiscal year 2021) to the *Ohio* replacement SSBN, there is no margin for further delay. Additional delay would prevent meeting current sea-based strategic deterrent requirements. The Navy will be closely managing risk during the transition period.

157. Senator McCAIN. Secretary Panetta, does the current strategy include any margin for design or development challenges?

Secretary PANETTA. The 2-year delay (fiscal year 2019 to fiscal year 2021) allows some additional time to mature designs and address the programmatic risks associated with designing new systems and integrating existing technology. To control cost and risk, the *Ohio* replacement SSBN is planned to maximize reuse of *Virginia*- and *Ohio*-class components and designs where feasible. Overall design maturity at construction start will be no less than originally planned, commensurate with the funding provided. However, any further delay to *Ohio* replacement would result in fewer operational ships than necessary to meet today's at-sea deterrent requirements during the transition (2029 to 2042) from *Ohio*-class to *Ohio* replacement. Full funding for *Ohio* replacement design and construction to ensure on-time delivery and on-time strategic patrol (lead ship in 2029) is essential to preventing further delays.

158. Senator McCAIN. Secretary Panetta, does this delay in any way infuse additional risk in our national ability to meet our current strategic requirements in the future?

Secretary PANETTA. There is some additional risk during the transition from *Ohio*-class to *Ohio* replacement. To comply with the BCA, the 2-year delay defers and extends design efforts, freeing up \$4.3 billion in the FYDP, as well as reduces the available SSBN force to 10 ships during the transition from the *Ohio*-class to the *Ohio* replacement. The absence of extended overhauls during this transition period (2029 to 2042) helps mitigate this reduced force level, which will meet at-sea presence requirements with moderate operational risk during the transition period. Unforeseen issues with construction of the *Ohio* replacement or emergent material problems with the aging *Ohio*-class could present challenges. Full funding for continued design and construction of *Ohio* replacement to ensure on-time delivery and on-time strategic patrol (lead ship in 2029) and properly resourced maintenance of the *Ohio*-class will be crucial to minimizing operational risk during the transition (2029 to 2042).

With the 2-year delay (fiscal year 2019 to fiscal year 2021) to the *Ohio* replacement SSBN, there is no margin for further delay. Additional delay would prevent meeting current sea-based strategic deterrent requirements. The Navy will be closely managing risk during the transition period.

#### AFGHAN SECURITY FORCES FUND

159. Senator McCAIN. General Dempsey, U.S. Forces in Afghanistan are to draw down to around 68,000 by September of this year. Secretary Panetta recently announced that the administration seeks to transition lead combat responsibilities to the Afghan security forces in mid- to late-2013—an enormous responsibility for a force that still faces shortcomings in its ability to conduct operations. You have stated: “Key to long-term stability in Afghanistan is the development of the Afghan Security Forces.” Yet, the budget request for the Afghan Security Forces Fund (ASFF)—the primary tool for the training and equipping of the Afghan Security Forces—is cut nearly in half from what was enacted for fiscal year 2012. What is the reasoning behind such a significant cut to the ASFF, particularly given the increased role Afghan forces are to assume next year?

General DEMPSEY. The decrease in the fiscal year 2013 ASFF budget is due to the fact that we are approaching the end of ANSF force generation, equipment field-

ing, and facility construction. We are now moving to a force development phase. The cost of training required in the force development phase decreases for the following reasons: we are no longer building a force from the ground up, so the number of personnel that require training will decrease; and ANSF training facilities are almost finished construction, so facility costs will decrease. We are now beginning to transition ANSF training programs to Afghan control. All of the ANSF's basic training courses, NCO, and officer development courses are currently taught by ANSF personnel. The number of Afghan Master Skill Instructors in the branch schools continues to grow. The current projection is that the entire Afghan training system will be under Afghan control with coalition monitoring by the end of fiscal year 2013. This means that overall cost of training will decrease dramatically as we move from contract to ANSF instructors.

160. Senator MCCAIN. General Dempsey, do you believe the Afghan Security Forces will be capable of assuming lead responsibility for combat operations in 2013?

General DEMPSEY. Yes. In 2013 when the ANSF assume the lead, we will still be standing shoulder-to-shoulder with them. Our forces will still be present to advise and assist the ANSF. This will allow the ANSF to expand their capabilities and capacity without losing access to the resources and enablers that U.S. and coalition forces provide.

161. Senator MCCAIN. General Dempsey, what capability gaps pose the greatest risk to the ability of the Afghan Security Forces to assume lead responsibility for combat operations in Afghanistan?

General DEMPSEY. The ANSF logistics system is our greatest challenge at the moment. Improving their capability in this area is critical to the long-term success of the ANSF as they assume lead for security.

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QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

SYRIA

162. Senator WICKER. Secretary Panetta and General Dempsey, the situation in Syria continues to deteriorate. Thousands of innocent Syrians have been brutally murdered and countless have been wounded. President Obama said in his State of the Union Address that in Syria, he has "no doubt that the Assad regime will soon discover that the forces of change can't be reversed, and that human dignity can't be denied." How do you judge the capabilities of the Free Syrian Army (FSA)?

Secretary PANETTA. {Deleted.}

General DEMPSEY. The capabilities of the FSA have steadily grown in recent months; however, the organization remains beset by logistical shortfalls and lack of unity among its leadership. Several of the FSA's leaders have taken part in a public feud over the future leadership of the movement, with some officers backing its founder, Colonel Riyadh al-As'ad, and others pledging loyalty to Brigadier General Mustapha al-Shaykh. Both men have attempted to put aside their differences in recent weeks by publicly announcing the unification of their efforts to overthrow the Asad regime. FSA leadership unity continues to be evaluated as a bellwether of the movement's capabilities.

The ability, or inability, of the FSA to exercise operational control over the armed opposition bears continued monitoring. In recent months, the FSA has issued several calls for the armed opposition operating within Syria to unite under the FSA's banner, suggesting the group has had difficulties exercising control over disparate armed groups throughout Syria.

FSA members are actively seeking military aid from foreign sponsors, including ammunition, small arms, and advanced weapons systems.

163. Senator WICKER. Secretary Panetta and General Dempsey, members of the administration have stated that we will exhaust all diplomatic options in an effort to avoid any military confrontation though there have been reports that the United States is beginning to rethink its military strategy and support. What would this entail?

Secretary PANETTA. The President has said that Assad must halt his campaign of killing and crimes against his own people, step aside, and allow a democratic transition to proceed immediately.

A political solution is the best means to achieve a stable, democratic transition; military action should always be a last resort. We are acting along several tracks.

First, through the Department of State and the U.S. Agency for International Development, we are providing humanitarian relief to the Syrian people. Thus far, we have provided more than \$25 million to the U.N. High Commission for Refugees (UNHCR), the World Food Program (WFP), the International Committee of the Red Cross (ICRC), and both local and international nongovernmental organizations to provide assistance to those who need it most. Second, the Department of State is leading diplomatic efforts to isolate and weaken the regime by building international consensus through the U.N. Security Council, the Arab League, and the Friends of Syria Group. The Department of the Treasury is doing its part by cutting off the regime's revenue through sanctions. Third, we are assisting the political opposition to strengthen and unite under a clear democratic transition plan that brings together Syrians of all creeds and ethnicities.

Even as we continue to examine and revise military options, I would like to underscore that there are no simple solutions to the situation in Syria, and that military action is not advisable at this time.

General DEMPSEY. We remain committed to supporting the administration's efforts to achieve a diplomatic solution to the situation in Syria. The President has said that U.S. unilateral action would be a mistake and we do not believe that military operations—such as air strikes or other forms of intervention—are advisable at this time. It is important that we continue to shape efforts within the U.N. Security Council and with our regional partners in order to achieve a positive outcome. The military, in conjunction with the U.S. Interagency, continues to explore the provision of non-lethal assistance to members of the peaceful opposition. We are reviewing all possible additional steps, including military options, but this planning does not equate to an intent or recommendation to execute a particular plan.

164. Senator WICKER. Secretary Panetta and General Dempsey, what is the extent of the Syrian chemical stockpile?

Secretary PANETTA. Syria's chemical warfare program is well-established, with a stockpile of chemical warfare agents that can be delivered by aerial bombs, ballistic missiles, and artillery rockets. Syria has the facilities and expertise domestically to produce, store, and deliver chemical agents, and we believe Syria is likely to continue to seek to improve its chemical warfare capability for the foreseeable future.

General DEMPSEY. Syria has a sophisticated chemical weapons program that dates back several decades. Over that time, Syria acquired the capability to develop and produce blister and nerve agents, including mustard gas, sarin, and possibly VX nerve agent. Syria is still dependent on foreign sources for some dual-use equipment and precursor chemicals for agent production.

165. Senator WICKER. Secretary Panetta and General Dempsey, what can be done to secure the chemical stockpile if the Assad regime loses control?

Secretary PANETTA. We remain very concerned about the security of chemical and conventional weapons in Syria. We have developed options to address those concerns, and we are consulting with allies and regional partners about how to address this potential proliferation challenge.

General DEMPSEY. The United States continues to work very closely with the U.N. to support Kofi Annan's U.N. Six-Point Peace Plan. These efforts combined with the Friends of Syria Group provide the proper international context for stability in Syria should the Assad regime lose control. We have plans in place that cover a wide range of potential scenarios and options to address those scenarios. We also continue to work with our allies and regional partners to share information and coordinate activities as we closely watch the security and disposition of Syria.

166. Senator WICKER. Secretary Panetta and General Dempsey, are we working with the Israelis to ensure these weapons do not get into the wrong hands?

Secretary PANETTA. This issue is of the highest concern to us, the Israelis, and the rest of the international community. We are cooperating with allies and regional partners across a range of potential options to prevent the proliferation of weapons, both chemical and conventional weapons. In addition—and in the midst of growing instability in the region—the United States has continued to strengthen the U.S.-Israel relationship in all aspects of cooperation.

General DEMPSEY. Ensuring Syrian chemical and biological warfare does not fall into the wrong hands is clearly a shared security interest with Israel. From past dialogues with Israeli leadership, I know our understanding of the severity of the situation and possible consequences of proliferation or use, whether inadvertent or deliberate, is aligned. We are leveraging our longstanding and close military-to-military cooperation with the Israeli Defense Forces to make certain both of our militaries have an accurate assessment of Syrian chemical and biological warfare capa-

bilities and vulnerabilities. I am confident that should the need to act arise, the United States will be able to deconflict or to coordinate with the Israeli Defense Forces as the situation demands.

167. Senator WICKER. Secretary Panetta and General Dempsey, what, if any, military options do you see for DOD?

Secretary PANETTA. A core function of DOD is to conduct military planning as crises evolve in order to provide options to the President. In doing so, DOD looks into a variety of military options for various contingencies. I cannot get into the specifics of these options in open session, but I will reiterate that, although we continue to examine and revise military options, there are no simple solutions to the situation in Syria, and military action is not advisable at this time.

General DEMPSEY. U.S. unilateral action or military operations are not advisable at this time. However, we continue to plan for a wide range of potential scenarios and provide options to address those scenarios. The Syrian crisis poses complex challenges ranging from control of chemical and biological weapons to humanitarian assistance. It is imperative that we continue to work with our allies and regional partners to share information and coordinate activities within this spectrum. The international community is closely monitoring the Syrian situation and we support shaping any multilateral responses within U.S. Government objectives.

#### TROOP WITHDRAWAL FROM AFGHANISTAN

168. Senator WICKER. Secretary Panetta and General Dempsey, I do not see any tactical or diplomatic sense in your recent announcement about telling the enemy the date we are going to pull out troops. This gives the enemy an advantage on the ground and also eliminates any incentive for the Taliban to engage in substantive political negotiations with the Afghan Government. Our strategy in Afghanistan must be based solely on the conditions on the ground and not on the politics of the 2012 election. How does DOD plan to execute this announced withdrawal while not further endangering the lives of our troops and while still meeting operational demands?

Secretary PANETTA. The administration announced that the U.S. forces surge recovery will be completed by October 2012. We are currently working with commanders in the field to determine additional force reductions after October 2012. Plans for further reductions are developing and not ready for final decision at this time. However, future reductions will be tied to conditions on the ground and the ability of the ANSF to provide security as they assume the lead for security. The safety of our forces and the success of our mission are the primary concerns in our planning efforts.

General DEMPSEY. We announced completion of surge recovery by October 2012. We are currently working with commanders in the field to determine further troop reductions post October 2012. Further options are being developed and not ready for final decision. Future reductions will be tied to conditions on the ground and ANSF capability to provide security as they assume lead for security. The safety of our troops and success of our mission are the primary concern in our planning efforts.

#### ELECTRONIC MEDICAL RECORDS

169. Senator WICKER. Secretary Panetta, I recently met with the senior leadership of the VA to discuss the ongoing integration of the VA database with the DOD database in order to reduce duplication of efforts. What current delays is DOD facing on the integration of electronic medical records with the VA and when do you anticipate this merger will be completed?

Secretary PANETTA. VA and DOD have agreed to an overarching strategy for the integration of health record data. VA and DOD are currently working on the specific implementation plan for execution of the strategy.

#### TRANSITION OF TROOPS TO CIVILIAN LIFE

170. Senator WICKER. Secretary Panetta, you propose a decrease of forces by 22,000 in fiscal year 2013 and 102,000 in the fiscal year 2013 FYDP. This reduction will take place amidst an American economy with a consistent 8 percent unemployment rate. As such, what initiatives do you plan to initiate in order to ensure a smooth transition for our servicemembers to civilian careers?

Secretary PANETTA. Realizing the state of the economy, the requirement to decrease the number of our forces, and the need to ensure a smooth transition of our military members into the civilian sector, DOD has launched several initiatives that will aid separating servicemembers. The initiatives include the:

- **Veterans Employment Initiative Task Force:** In August 2011, the President called for the creation of a Task Force led by the DOD and VA, with the White House economic and domestic policy teams and other agencies, including DOL, to develop proposals to maximize the career readiness of all servicemembers. In coordination with these partners, DOD's role involves implementing and sustaining a comprehensive plan to ensure all transitioning servicemembers have the support they need and deserve when leaving the military. This includes working with other agencies in developing a clear path to civilian employment; admission into and success in an academic or technical training program; and successful start-up of an independent business entity or non-profit organization. This effort is fully aligned with 10 U.S.C. Chapter 58 as amended by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 and is consistent with DOD's commitment to keeping faith with all of our military members and their families, providing them a comprehensive set of transition tools and support mechanisms as they complete their service to our Nation.
- **New Transition Service Delivery Model:** DOD's long-term aim for a new transition service delivery model is to embed the servicemembers' preparation for transition throughout their Military Life Cycle—from accession through separation, from Active Duty service and reintegration, back into civilian life. This will require thoughtful goal setting and planning to apply military experience to longer-term career goals in the civilian sector, whether after a single enlistment or a 20-plus-year military career. Servicemembers and military leadership will be engaged in mapping and refining development plans to achieve post-military service goals—a significant culture change.

#### POST-MILITARY COMMISSION—TRAINING COSTS AND SCHEDULE DELAYS

171. Senator WICKER. Secretary Panetta, my staff has been working with your staff on determining cost and schedule delays for newly commissioned military officers. How much money is being spent across the Services on personnel between their post-commission and pre-specialty training?

Secretary PANETTA. Assessment of a cost of handling the annual accession surge is not readily available and difficult to calculate because of the varied number of valid and meaningful assignments, the large number of military training pipelines, and the number of personnel within those pipelines who may be delayed due to various reasons (medical, weather, et cetera) rather than pipeline inefficiencies.

The wait time a new officer experiences before starting training does not directly correlate to down time or poor use of the officers. Each of the Services works to maximize the utilization of officers awaiting training through meaningful assignments which provide the new officer with valuable professional experiences. The following methods are used across the Services to stagger input to training:

- Stagger ROTC accessions—law and policy allow the Services to commission ROTC Cadets/Midshipmen and delay their Active Duty start for up to 12 months and serve in a non-drilling status in their Services' Reserve component
- Temporarily assign to vacant positions during the time they are awaiting training
- Temporarily assign to supplement recruiting programs
- Temporarily assign to augment staffs and operations to cover work load increases or manning shortages (caused by deployments)
- Assign to ultimate position awaiting training
- Permit the use of extended leave (up to 90 days)
- Complete administrative training courses required for future assignment

172. Senator WICKER. Secretary Panetta, additionally, what measures has DOD implemented to reduce the amount of time and costs associated with this down time?

Secretary PANETTA. About two-thirds of DOD's annual officer accessions graduate and are commissioned each year in May/June from the Service Academies and Reserve Officers Training Corps (ROTC) programs. This presents a huge personnel/training logistical challenge—sequencing over 8,000 initially accessed officers into

constrained specialty training pipelines without causing a training backlog or pool. That sequencing execution is not simple and requires many different methods to attempt to mitigate back-ups. However, the wait time a new officer experiences before starting training does not directly correlate to down time or poor use of the officer. The Services strive to maximize the utilization of officers awaiting training through meaningful assignments which provide the new officer with valuable professional experiences. The following methods are used across the Services to stagger input to training:

- Stagger ROTC accessions—law and policy allow the Services to commission ROTC Cadets/Midshipmen and delay their Active Duty start for up to 12 months and serve in a non-drilling status in their Services' Reserve component
- Temporarily assign to vacant positions during the time they are awaiting training
- Temporarily assign to supplement recruiting programs
- Temporarily assign to augment staffs and operations to cover work load increases or manning shortages (caused by deployments)
- Assign to ultimate position awaiting training
- Permit the use of extended leave (up to 90 days)
- Complete administrative training courses required for future assignment

Training facilities are planned on steady state requirements. Over the last few years, increases in end strength have caused some unusually long backlogs in some training pipelines due to facility limitations. These backlogs are being alleviated and have been reduced by as much as 50 percent. The most common delay in specialty training is caused by weather. For example, in aviation training, an unusually wet season can produce a backlog that may take several months to clear. Each pipeline and schoolhouse is encouraged to minimize time-to-train, and each training commander is evaluated on his/her training efficiency.

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#### QUESTIONS SUBMITTED BY SENATOR SCOTT P. BROWN

##### MEADS PROGRAM

173. Senator BROWN. Secretary Panetta, I understand USD(ATL) Kendall is currently engaged in discussions with his German counterparts to negotiate the termination of the MEADS program. When can I expect a report from DOD on the program's reduced scope?

Secretary PANETTA. On April 26, 2012, DOD provided to the congressional defense committees the plan required by section 235 of the NDAA for Fiscal Year 2012 that describes DOD's use of fiscal year 2012 funds as the U.S. final financial contribution under the MEADS program.

174. Senator BROWN. Secretary Panetta, last year's NDAA fenced 25 percent of funds for MEADS until such a report was delivered. Roughly, how much of the fiscal year 2012 funding has been spent to date?

Secretary PANETTA. Prior to delivery of the NDAA for Fiscal Year 2012 section 235 report on MEADS, DOD provided \$85 million to the NATO MEADS program office, which is less than 25 percent of the \$390 million in fiscal year 2012 funding authorized and appropriated for MEADS. Upon delivery of the report to the congressional defense committees in late April, DOD provided an additional \$250 million to the NATO MEADS program office.

##### GLOBAL HAWK

175. Senator BROWN. Secretary Panetta, with respect to DOD's decision to terminate the Global Hawk Block 30 program, what were the findings of sustainment cost comparisons between the U-2 and the Global Hawk?

Secretary PANETTA. When we initially invested in the Global Hawk Block 30 program, it held the promise of providing essentially the same capability as the U-2 manned aircraft for significantly less money to both buy and operate. As the program has matured, these cost savings have not materialized. In this 5-year budget, the cost of the Global Hawk program was projected to exceed the cost of the U-2, so we cancelled Global Hawk Block 30 and extended the U-2 program, avoiding the cost to complete the Global Hawk Block 30 program and saving roughly \$2.5 billion over the 5 years.

176. Senator BROWN. Secretary Panetta, can the U-2 alone provide the ISR necessary in order to meet current and future operational requirements?

Secretary PANETTA. For high-altitude airborne ISR, the U-2 meets current and future operational multi-intelligence requirements.

- There are two different types of sensors on the U-2 and Global Hawk. When comparing sensors, the U-2 imagery sensor suites are more capable than the Global Hawk sensors, whereas the U-2 and Global Hawk Signals Intelligence sensors are comparable.
- High-altitude ISR is only one part of an aggregate capability of space, airborne, and ground systems. These systems operate together to sufficiently meet contingency and enduring ISR needs.

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#### QUESTIONS SUBMITTED BY SENATOR ROB PORTMAN

##### GROUND COMBAT VEHICLES

177. Senator PORTMAN. General Dempsey, what shortcomings do you feel exist in our ground combat vehicle fleet to operate effectively on future battlefields?

General DEMPSEY. Current legacy platforms are aging and were originally designed within the construct of linear, force-on-force battle against conventional threats. They do not possess a sufficient combination of force protection, survivability, payload, transportability, command and control (C2), and reliability, availability, and maintainability (RAM) required to operate in the full spectrum of potential conflicts against existing and emerging hybrid threats. Current add-on protection systems reduce payload, RAM, and mobility needed to meet future operational requirements and add-on C2, intelligence, and sensor systems exceed the size, weight, power, and cooling constraints of current vehicle platforms. Development programs such as ground combat vehicle, JLTV, and amphibious combat vehicle will address identified shortcomings.

178. Senator PORTMAN. General Dempsey, based upon the development of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems across the Joint Force, do our GCVs possess the necessary capabilities to integrate into these systems?

General DEMPSEY. The current design of ground combat platforms did not envision the sophistication of today's C2 systems. Where feasible, these legacy ground combat systems have been integrated into the C4ISR network, but are often limited by size, weight, power, and cooling constraints. With regard to new systems in development, the Joint Staff has updated the Network Ready overarching Key Performance Parameters to ensure programs in development are designed to be interoperable and supportable with existing C2 programs and other programs under development.

179. Senator PORTMAN. General Dempsey, what risks are associated with the reduction of Heavy BCTs from the Army?

General DEMPSEY. The Army is carefully managing the force structure reduction, ensuring that the resultant force is capable of meeting the anticipated future requirements. We have assessed the planned reduction in Army BCTs against the strategic guidance for DOD, and the programmed inventory of Heavy BCTs is sufficient to meet the demands of our strategy.

##### INDUSTRIAL BASE CONCERNS

180. Senator PORTMAN. General Dempsey, the reduced funding profiles in the President's proposed budget along with proposed program cancellations will put a strain on different parts of the defense industrial base across the spectrum, from the largest prime contractors all the way down to third-tier vendors. You stated in your Defense Budget Priorities and Choices Guidance, that in support of the President's strategic guidance tenet of reversibility, the budget sustains segments of the industrial base to regenerate capability, if necessary. What criteria did you use to determine which parts of the industrial base were sustained?

General DEMPSEY. DOD used information from AT&L's S2T2 assessment project and insights from other internal and external sources to characterize industrial base niches according to their criticality (characteristics that make a product or service difficult to replace, if disrupted) and fragility (characteristics that make small deviations in the status quo likely to have substantial effects on the industrial niche).



181. Senator PORTMAN. General Dempsey, where do you see the vulnerabilities and what decisions did you make that were particularly influenced by industrial base concerns?

General DEMPSEY. Key vulnerabilities that may hinder our global posture rebalance are: (1) a potential for atrophy and loss of key D&D capabilities in the aviation industrial base; (2) a potential lack of engineering and manufacturing skills necessary to support long-range missile development; (3) low volume production in our Nation's shipyards making it difficult for U.S. shipyards to match improvements in technology and productivity seen in international shipyards; and (4) disruption to the space industrial base related to solid rocket motors due to the retirement of the Space Shuttle.

The space industrial base is a good example of DOD's efforts to mitigate industrial base concerns. Multiple DOD components participate in the Space Industrial Base Council Critical Technology Working Group (CTWG). The CTWG is an interagency organization tasked to assess structural issues in key domestic space industrial base sectors and coordinate mitigation activities in areas of shared concern across multiple government space agencies. This coherent, systematic effort is focused on ensuring continued and reliable access to critical cross-cutting space technologies, including associated launch vehicles and support systems for the U.S. Government space community. DOD has also employed authorities of the Defense Production Act to co-finance capital expenditures to mitigate technical and business risks associated with niche government-unique capabilities, including certain batteries, solar cells and arrays, traveling wave tube amplifiers, focal plane arrays, and star trackers.

182. Senator PORTMAN. General Dempsey, how do you intend to monitor the health of the industrial base to ensure reversibility, if necessary, can be implemented in the future?

General DEMPSEY. DOD has adopted an initiative focused on developing a more complete understanding of the complexity of the defense industrial base. This initiative, known as the S2T2 assessment, is a multi-pronged and comprehensive approach for monitoring the health of the defense industrial base. It seeks to identify areas of criticality (characteristics that make a product or service difficult to replace, if disrupted) and fragility (characteristics that make small deviations in the status quo likely to have substantial effects on the industrial niche) that might require DOD intervention and mitigation.

183. Senator PORTMAN. General Dempsey, as program decisions are made over the next 5 years, how will the impacts to the industrial base be taken into consideration and if so, how will the assessment be incorporated into the overall program decision?

General DEMPSEY. DOD continuously considers industrial base impacts and adjusts accordingly. For example, prior to eliminating a defense contract bidder in our acquisition process, we evaluate the competitive marketplace and the consequences to the competitors. At Milestones B and C decisions, through the acquisition strategy, the program assesses the industrial base's ability to produce, support, and improve/upgrade products to meet the program's cost, schedule, and performance requirements—including all key sub-tier suppliers, as well as the prime contractor. When there is an indication that a necessary industrial capability is endangered, DOD will determine if it needs to take action to preserve that capability.

#### COMPETITION IN PROCUREMENT PRACTICES

184. Senator PORTMAN. General Dempsey, the value of competition in our procurement practices is critical to achieving the best-value for our Government and its taxpayers. It has been noted, to achieve the long-term savings of competition, occasionally near-term investments are required, something that may be an easy target of the budget axe with long-term implications. Your documents outline some strategies to overcome these challenges, like dissimilar competition, self-competition, competition for profit, and other alternatives to classic head-to-head, and they also outline some shortcomings in 2011 from achieving the goals: delays from the contractors; the award of several major weapon system programs; and delays and greater fidelity in data. Despite these issues in 2011, we had a high in 2008 of 64 percent of contracts competitively awarded, with a multi-year trend down to 58.5 percent in 2011. You have some modest goals of increasing this number by single digit percentages in the coming years. What are the causes of this downward trend and how do you plan to keep programs to their competition strategies in the face of budget challenges?

General DEMPSEY. Much of the drop in the overall competition rate is due to an increase in non-competitive contract actions involving requirements with only one responsible source for major systems, such as the LPD-26, the DDG-1000 ships, the *Virginia*-class submarine, and several aircraft programs such as the F-22, C-17, C5, JSF, and P-8. While these contracts were competitively awarded initially, the contract actions issued in 2011 were follow-on efforts that were carefully reviewed and determined to be non-competitive, with approved sole-source justifications. Despite the drop in the overall competition rate, there were several high-dollar major-system contracts competitively awarded in 2011 such as the Littoral Combat Ships and the DDG 114–116 *Arleigh Burke*-class destroyers.

DOD is placing renewed emphasis on promoting real competition and improving competition rates under the Better Buying Power Initiative. In order to encourage competition at the prime and subcontract level, a policy was recently put in place that requires program managers to present a competition strategy at each program milestone. Senior leadership in AT&L reviews each of these strategies for Major Defense Acquisition Programs and requires the Component Acquisition Executives to do the same for programs under their cognizance. These initiatives will facilitate DOD's ability to meet the goals established for the upcoming years.

#### QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

##### SEQUESTRATION

185. Senator CORNYN. Secretary Panetta and General Dempsey, according to recent reports, DOD Comptroller Robert Hale has told reporters that DOD is not planning for sequestration, explaining, "I know nobody believes us, but I'd know if we were." According to these reports, this is due to the fact that OMB has not told DOD to do so. Can you confirm that DOD has been so directed by the administration?

Secretary PANETTA. Consistent with direction from OMB, DOD did not reflect the effects of the sequestration in its fiscal year 2013 budget submission. The President's budget proposes over \$4 trillion in balanced deficit reduction, which Congress could enact and avoid sequestration. DOD is not currently planning for sequestration. OMB has not directed agencies, including DOD, to initiate any plans for sequestration.

General DEMPSEY. Per OMB's direction last fall, this budget complies with the BCA caps established by Congress. We will continue to work with OMB and Congress to properly resource the capability to defend our Nation and our allies.

##### REVERSIBILITY OF DEFENSE CUTS

186. Senator CORNYN. Secretary Panetta and General Dempsey, in your strategic guidance announcement last month, both of you highlighted the need to build in reversibility as these significant cuts to our Nation's defense budget are made. The strategic guidance document also states, "the concept of reversibility—including the vectors on which we place our industrial base, our people, our Active/Reserve components balance, our posture, and our partnership emphasis—is a key part of our decision calculus." Reversibility sounds like a euphemism for "we're not totally sure that these cuts represent sound policy." Is it realistic to think that, within a reasonable time frame, we could reverse decisions as monumental as downsizing our ground forces by nearly 100,000 troops (close to pre-September 11 levels), delaying or cancelling major acquisition programs, and retiring significant numbers of current aircraft and ships?

Secretary PANETTA. Reversibility represents a recognition that the security environment is continually changing. DOD will be responsible for a range of missions and activities across the globe of varying scope, duration, and strategic priority. This will place a premium on flexible and adaptable forces that can respond quickly and effectively to a variety of contingencies and potential adversaries. The Joint Force of 2020 will be such a force and I am confident that we will have the ability to mobilize and regenerate forces and capability as needed.

General DEMPSEY. Reversibility is intended to deal with evolutions in the strategic environment. Implementing reversibility will certainly require vigilance to provide sufficient time to adapt to changes. By considering the need for flexibility and the mechanisms to execute future adjustments, we will be better prepared to do what is necessary.

DOD is developing an analytical framework in support of the concept of reversibility. We are beginning to apply this framework to investment decisions now and in the future.

## DOWNSIZING OF U.S. LAND FORCES

187. Senator CORNYN. Secretary Panetta and General Dempsey, according to the Defense Strategic Guidance document, the new strategy must “protect key investments in the technologically advanced capabilities most needed for the future ... [and] no longer size Active Forces to conduct large and protracted stability operations while retaining the expertise of a decade of war.” As a result, you have proposed eliminating about 100,000 soldiers and marines from the force. Although weapons development can usually be accelerated, there is no real way to accelerate the development of quality military leaders during times of crisis. Our force has such leaders in it today, including many thousands of NCOs who learned the hard lessons of Iraq and Afghanistan. But once they leave the force, in most cases they cannot be replaced. Following every war since World War II, the United States has significantly reduced Army and Marine Corps levels while focusing on developing air and sea forces. In recent decades, when confronted with the next crisis—including Korea, Vietnam, and the Persian Gulf—we have been forced to try to regenerate sizeable land forces. How do you plan to ensure that we retain the expertise and experience garnered by our NCOs and other leaders over the past decade, preserving it for the next conflict, while making such drastic reductions to our Army and Marine Corps?

Secretary PANETTA.

*Army*

The new Defense Strategic Guidance released in January 2012 notes that since we cannot predict how the strategic environment will evolve with absolute certainty, we need to manage the force in ways that protect its ability to regenerate capabilities that may be needed to meet future, unforeseen demands. The Strategy also notes that we need to retain intellectual capital and rank structure that could be called up to expand key elements of the force. The Army is examining strategies, policies, and investments that would posture the Army to be able to slow and reverse a planned drawdown of Army end strength and formations, and rapidly expand over the course of a number of years in response to a future crisis. To retain intellectual capital and rank structure, the Army is identifying billets in its Generating Force that can support such expansion.

*Marine Corps*

The planned reduction in the end strength of the Marine Corps results in an increase in the percentage of staff noncommissioned officers (SNCO), NCOs, and field grade officers. Additionally, we did not reduce the size of our Reserve Force; this will provide an opportunity for many to continue to serve and remain prepared for the future.

These NCOs, SNCOs, field grade officers, and Reserve marines are exactly the populations that have the expertise and experience garnered from the last decade. Their expertise and professionalism will ensure the next generation will receive the best training.

Perhaps as important as retaining the leaders is the plan to reduce the force in a deliberate measured way that remains committed to today's warriors. Maintaining the trust and confidence of today's marines will go a long way to retain the confidence that is held by the average American citizen. If and when the time comes for growth—America's sons, daughters, mothers, and fathers will be eager to be associated with the U.S. Marine Corps.

General DEMPSEY. Our NCO corps provides a great value to our Joint Force and in winning our Nation's wars. On the heels of Afghanistan and Iraq, reshaping our personnel across the Services will impact our officers and junior enlisted community as well as our NCOs. Over the next 5 years, as the Services implement their separation and retirement processes to meet new authorized end strengths, we will ensure that we maintain levels of experience and capacity in both our Active component and operational reserve.

The Secretary made it perfectly clear during the budget rollout strategy that the Services need to ensure mechanisms are in place to retain our mid-grade NCOs and officers, so our pool of experience remains balanced, relevant, and ready. My promise to the force in keeping the faith is to ensure that our men and women are properly trained and educated to meet any emerging requirements as may be directed from our Commander in Chief.

188. Senator CORNYN. Secretary Panetta and General Dempsey, given that we are still fighting a land war in Afghanistan, coupled with our historical inability to predict the next conflict, on what do you base the conclusion that we will rely more heavily on air and sea capabilities in the future?

Secretary PANETTA. All Services will play integral roles in addressing future U.S. security challenges across all domains.

The new Defense Strategic Guidance noted that, “given that we cannot predict how the strategic environment will evolve with absolute certainty, we will maintain a broad portfolio of military capabilities that, in the aggregate, offer versatility across a wide range of missions.” DOD’s decision not to divest in the capability to conduct any mission reflects this recognition that the future security environment is uncertain. Given this unpredictability, the new Defense Strategic Guidance commits to managing the force in ways that protect its ability to regenerate capabilities that might be needed to meet future, unforeseen demands.

The abilities of our ground forces to ensure access, reassure allies, deter adversaries, build security capacity and interoperability with partners, and ultimately, respond to and succeed in crises and contingencies, are indispensable and distinguishing features of U.S. military capabilities. The nature of the future strategic environment will require even greater flexibility and agility in projecting power to accomplish the Nation’s security objectives. As the U.S. Armed Forces increase their operational focus on enhanced presence, power projection, freedom of action, and deterrence in the Pacific—while placing a premium on U.S. and allied military presence and support of partner nations in the Middle East—air and sea forces offer distinct strengths in accomplishing these global joint missions, alongside a range of mutually-reinforcing U.S. ground forces’ activities in these regions. In other regions also, the complementary efforts of all the Services across land, air, and sea, and increasingly, space and cyber domains, are necessary to protect U.S. and allied security interests.

General DEMPSEY. As we draw down from the operation in Afghanistan, and reduce our budget to help protect our Nation’s economy, we have assessed risks in keeping our Homeland safe and in our ability to sustain leadership abroad. After weighing numerous options, an area where we accept additional risk is in the size of our land forces—we will not be sized to conduct long-term stability operations within the Active component.

Any campaign we are likely to wage in the future will be fully joint. After a decade of relying heavily on our ground forces, we must ensure that we maintain our decisive edge in the air and maritime domains against future challenges. Many of these sea and air capabilities you speak of are not combat platforms; they are key enablers and essential to power projection of the entire Joint Force, to include ground forces—tankers, high-speed vessels, and ISR platforms. Many of the air and sea combat systems that are being fielded will enable cross-domain strike operations or in the case of BMD, joint protection. In an unpredictable strategic environment, the ability to project power anywhere on the globe is critical to rapidly and effectively responding to emerging threats. Robust air and naval capabilities are, and will continue to be, essential to maintaining that ability.

#### ASIA-PACIFIC REGION AND CHINA

189. Senator CORNYN. Secretary Panetta and General Dempsey, last month you announced the U.S. military would pivot its focus to the Asia-Pacific region. Yet, the significance of this announcement seems to have been undermined by the cuts that were announced simultaneously. Although the President has said that defense cuts “will not come at the expense of the Asia-Pacific,” this promise seems hollow. These deep and broad defense cuts will impact every aspect of our Nation’s defense capability and quantitatively reduce the overall capabilities and forces that are available in the PACOM AOR. At the same time our defense budget is bearing the brunt of our Nation’s fiscal woes, China is investing substantial funds in the modernization and build-up of its military forces. According to DOD, China’s official defense budget has grown by an average of 12.1 percent each year since 2000. Analysts at Jane’s Defence have reported they expect China’s defense spending to accelerate substantially in the next 3 years, at a combined annual rate of 18.7 percent per year. At the same time, Secretary Panetta’s prepared testimony notes that, “when reduced war-related funding requirements are included, we expect total U.S. defense spending to drop by more than 20 percent over the next few years . . .” What is your assessment of the risk the United States assumes by making such drastic cuts to our defense spending while China grows its defense budget and continues its military modernization efforts at an unprecedented rate?

Secretary PANETTA. The United States is a resident power in the Asia-Pacific region with enduring interests in the region. We will maintain, and in some areas enhance, our military presence in the Asia-Pacific region by making our posture more geographically distributed, operationally resilient, and politically sustainable. The

United States will retain the capacity to deter conflict and, if necessary, prevail in any contingency. We are investing in those capabilities most relevant to preserving the security, sovereignty, and freedom of the United States and that of our allies and partners.

Despite reductions in the U.S. defense budget, we are improving capabilities that maintain our military's technological edge and freedom of action, in the Asia-Pacific region and globally. We are increasing investments in both defensive and offensive cyber capabilities. In terms of power projection, we increased or protected investment in capabilities such as the development of a new bomber, cruise missile capacity of *Virginia*-class submarines, a conventional prompt strike option from submarines, and electronic warfare capabilities. We have sustained Army and Marine Corps force structure in the Pacific, and we are increasing our rotational presence—for example, through the deployment of marines to Darwin, Australia.

At the whole-of-government level, reducing risk to U.S. interests is a function of all elements of national power. As stated in the new Defense Strategic Guidance, we will emphasize our existing alliances and expand our networks of cooperation with emerging partners throughout the Asia-Pacific region to ensure collective capability and capacity for securing common interests.

General DEMPSEY. Given our current economic and fiscal situation, reduced defense budgets are and will be a fact of life not just for DOD, but for the U.S. Government as a whole. The defense budget will of necessity be reduced and everyone will be asked to do as much or more with fewer available resources. Our military forces are not exempt from this reality. However, we should also remain aware that managing risk is not simply a matter of how much money we spend on defense.

Reducing risk to U.S. interests is a function of all elements of national power, to include our diplomatic and cooperative efforts. Our relationships with Asian allies and key partners are critical to the future stability and growth of the region. We will emphasize our existing alliances, which provide a vital foundation for Asia-Pacific security. We will also expand our networks of cooperation with emerging partners throughout the Asia-Pacific to ensure collective capability and capacity for securing common interests. It is primarily through these efforts that we can best ensure long-term stability in the Asia-Pacific region and protect U.S. national interests.

However, we are also continuing to make necessary capability investments and adjustments to our force posture in the Asia-Pacific region in order to preserve our ability to project power in denied environments should the need arise. Additionally, we are also protecting other key components of the Joint Force, including Special Operations Forces; unmanned air systems; sea-based unmanned ISR systems; advanced ISR with increased capabilities; and all three legs of our nuclear deterrent. Our focus is to ensure the we are fully prepared to meet any threats to the security of the United States, its citizens, allies, and partners.

190. Senator CORNYN. Secretary Panetta and General Dempsey, according to DOD's 2011 report, "Military and Security Developments Involving the People's Republic of China," China's long-term, comprehensive military modernization improves China's capacity to conduct high-intensity regional military operations, including anti-access and area denial operations. What is your assessment of the intent behind China's military modernization, both in the region and globally?

Secretary PANETTA. [Deleted.]

General DEMPSEY. [Deleted.]

191. Senator CORNYN. Secretary Panetta and General Dempsey, in recent years, our Nation has experienced an increasing volley of cyber attacks and cyber theft emanating from China, and this is of great concern to many Senators. According to an October 2011 report by the Office of the National Counterintelligence Executive, "Chinese actors are the world's most active and persistent perpetrators of economic espionage." The report goes on to highlight that "computer networks of a broad array of U.S. Government agencies . . . were targeted by cyber espionage; much of this activity appears to have originated in China." What is your assessment of this growing threat?

Secretary PANETTA. I agree with the findings of the Biennial Report to Congress on Foreign Economic Collection and Industrial Espionage, 2009–2010: "Foreign Spies Stealing U.S. Economic Secrets in Cyberspace," prepared by the Office of National Counterintelligence Executive. The threats to our Nation in cyberspace continue to grow at an alarming rate. In particular, the extensive cyber-enabled exploitation of U.S. intellectual property and trade secrets is a direct threat to vital U.S. economic and national security interests, including DOD's ability to field the most technologically advanced force. DOD is working closely with its interagency part-

ners, including the Departments of State, Homeland Security, Justice, and Commerce, to facilitate a coordinated approach to cyber threats, not only from China, but from others actors as well. We must develop options to respond to and impose costs on cyber threat actors to deter future exploitation and attack. The President stated in his International Strategy for Cyberspace that the United States reserves the right to use all necessary means—diplomatic, informational, military, and economic—as appropriate and consistent with applicable international law—in order to defend our Nation, our allies, our partners, and our interests against hostile acts in cyberspace.

General DEMPSEY. The number of cyber intrusions appearing to originate in China is extensive, and U.S. businesses and government agencies will continue to see this type of activity in the coming years. China is likely using its computer network exploitation capability to support intelligence collection against the U.S. diplomatic, economic, and defense industrial base sectors that support U.S. national defense programs. The targeted information could potentially be used to benefit China's defense industry, high technology industries, foreign policy decisionmakers, and military planners, who likely are building a picture of U.S. defense networks, logistics, and related military capabilities that could be exploited during a crisis. Observed intrusions have varied in sophistication and Chinese cyber actors appear to have the capability to adapt their methods depending on the cyber defenses of the target.

192. Senator CORNYN. Secretary Panetta and General Dempsey, do you agree that such aggression is unacceptable and does serious damage to U.S.-China relations?

Secretary PANETTA. I agree with the findings of the Biennial Report to Congress on Foreign Economic Collection and Industrial Espionage, 2009–2010: "Foreign Spies Stealing U.S. Economic Secrets in Cyberspace," prepared by the Office of National Counterintelligence Executive. The threats to our Nation in cyberspace continue to grow at an alarming rate. In particular, the extensive cyber-enabled exploitation of U.S. intellectual property and trade secrets is a direct threat to vital U.S. economic and national security interests, including DOD's ability to field the most technologically advanced force. DOD is working closely with its interagency partners including the Departments of State, Homeland Security, Justice, and Commerce, to facilitate a coordinated approach to cyber threats, not only from China, but from others actors as well. We must develop options to respond to and impose costs on cyber threat actors to deter future exploitation and attack. The President stated in his International Strategy for Cyberspace that the United States reserves the right to use all necessary means—diplomatic, informational, military, and economic—as appropriate and consistent with applicable international law—in order to defend our Nation, our allies, our partners, and our interests against hostile acts in cyberspace.

General DEMPSEY. As cyber events carry the potential to affect civilian infrastructure and military readiness, it is important that we communicate our concerns regarding the negative impacts of ongoing cyber security risks. We are working to engage China on this issue to strongly reinforce the potential benefit to our overall relationship by improving efforts to curtail cyber attacks emanating from the mainland.

#### ISRAEL AND IRAN

193. Senator CORNYN. Secretary Panetta, in terms of meeting the Iran threat, the United States has certain military capabilities that Israel and other allies do not. How are we working with Israel to narrow the gaps between our respective capabilities and helping to ensure that Israel is able to defend herself against potential threats from Iran?

Secretary PANETTA. The U.S.-Israel defense relationship is strong, and we are working with Israel more closely than ever before in areas such as missile defense technology, counterterrorism, and across a range of military exercises—to ensure that Israel is always secure. We are engaged in a regular dialogue with senior Israeli officials to understand their security requirements and maintain Israel's qualitative military edge. A critical element of this is providing Israel with the most advanced technology in the region, including the fifth generation JSF. Through a combination of providing Israel technology like this, and our extensive work with Israel on missile defense, we are ensuring that Israel can defend itself.

## FUTURE OF EGYPT

194. Senator CORNYN. Secretary Panetta and General Dempsey, just over a year ago, the Egyptian people took to the street and overthrew President Hosni Mubarak. Today, it appears that Islamist factions are poised to take control of the Egyptian Government and the country's future. What is your assessment of the Muslim Brotherhood?

Secretary PANETTA. {Deleted.}

General DEMPSEY. {Deleted.}

195. Senator CORNYN. Secretary Panetta and General Dempsey, what impact will a Brotherhood-led government have on the longstanding relationship between the U.S. military and the Egyptian military?

Secretary PANETTA. DOD and the Egyptian military have been close partners for many decades, and the United States is committed to a robust bilateral relationship with Egypt today and following the July transition to civilian rule. Through annual military exchanges, foreign military assistance, combined exercises, and other engagement efforts, we look forward to maintaining and strengthening this partnership for decades to come. Regardless of political changes, DOD believes that the fundamentals of this strategic relationship remain strong.

The United States expects that Egypt will maintain its international security commitments, including its treaty obligations with Israel. The Muslim Brotherhood has provided public assurances of its commitment to the international obligations undertaken by the Government of Egypt.

General DEMPSEY. This is a new Egypt and we will need to build new partnerships, even as we sustain the old ones. We intend to engage in a comprehensive review of how our assistance can best meet the needs of the Egyptian people and advance our shared interests and aspirations. This is best accomplished through broad-based consultations with all of the institutions of the new government. The United States and Egyptian militaries have been strong partners, and we expect that partnership to continue.

196. Senator CORNYN. Secretary Panetta and General Dempsey, how are we strategically adapting to the new role the military is taking within the Egyptian Government?

Secretary PANETTA. The United States is committed to a robust bilateral relationship with Egypt today and following the July 2012 transition to civilian rule.

We will take steps both to strengthen old partnerships and build new ones. DOD will engage in close dialogue with Egyptian military and civilian officials on the wide range of security and defense issues of mutual interest to our governments.

Events of the Arab Awakening have clearly demonstrated that military-to-military partnerships are critical for protecting enduring U.S. security interests, and also for providing a channel through which U.S. defense officials can discuss the importance of reform. To this end, we will use annual military exchanges, foreign military assistance, combined exercises, and other engagement efforts, to strengthen our partnership with the Egyptian military and promote reform for years to come.

General DEMPSEY. The strength of our military relationship with Egypt is a source of influence. We saw the importance of the relationship in the early days of the revolution during which the United States urged Egyptians to refrain from violence. The United States now supports the Supreme Council of the Armed Forces and the new parliament in the successful completion of the transition. We need a strong, stable Egypt as our partner. From here, the only path to sustainable stability in Egypt is a successful democratic transition.

Egypt has made important progress toward democracy over the past 12 months. For the first time in 60 years, Egyptians have elected a representative parliament, which now exercises legislative authority, and presidential elections are scheduled for May. These are important milestones in Egypt's transition to civilian government. We look to Egypt for everything from maintaining its peace treaty with Israel, to joint counterterrorism and anti-weapons smuggling efforts, to preferential access for U.S. ships transiting the Suez Canal. The Egyptian military's role in Egypt will continue to change. As that happens, we want to ensure that we protect our longstanding relationships and build new ones.

197. Senator CORNYN. Secretary Panetta and General Dempsey, there has been a great deal of discussion in Congress that military assistance to Egypt should be cut because of the Egyptian Government's actions against American pro-democracy nongovernmental organizations (NGO). In your opinion, should this be a factor when determining future levels of aid to Egypt?

Secretary PANETTA. The administration remains concerned about the ongoing trial of NGO employees, as well as the ability of civil society organizations to work in Egypt. Both publicly and in private conversations with Egyptian officials, General Dempsey and I have discussed the importance of allowing civil society organizations to operate freely in Egypt.

Our strategic relationship with Egypt remains one of the most important in the region. U.S. security assistance to Egypt is an important demonstration of our commitment to supporting Egypt at this moment of historic challenges and remains a cornerstone of our security cooperation and partnership on regional security issues.

Foreign Military Financing (FMF) plays a critical role in efforts to professionalize the Egyptian military, so that the armed forces can better serve the interests of the Egyptian people and jointly advance our mutual security priorities. Notably, the decision by the Egyptian military in January 2011 to avoid firing on peaceful demonstrators and to side with protesters demanding the resignation of former president Hosni Mubarak in February 2011, was a vital step in allowing Egypt's democratic transition to take place.

U.S. bilateral assistance to Egypt is guided by the need to safeguard our strategic interests in maintaining a critically important bilateral partnership with Egypt and in supporting the success of a democratic transition for Egypt that meets the aspirations of all Egyptians.

General DEMPSEY. First and foremost, our security partnership with Egypt, reinforced by FMF, remains critical to our interests across the region. We look to Egypt for everything from maintaining its peace treaty with Israel to joint counterterrorism and anti-weapons smuggling efforts, to preferential access for U.S. ships transiting the Suez Canal. Disrupting FMF right now could put these critical interests at risk. We also have a powerful interest in a successful democratic transition. We need a strong, stable Egypt as our partner. From here, the only path to sustainable stability in Egypt is a successful democratic transition.

198. Senator CORNYN. Secretary Panetta and General Dempsey, what is the strategic thinking behind the continued provision of U.S. military assistance to Egypt?

Secretary PANETTA. Our strategic relationship with Egypt is one of the most important in the region. U.S. military assistance to Egypt remains an important demonstration of our commitment to supporting Egypt at this moment of historic challenges, and reflects the vital U.S. interest in continued security cooperation with Egypt, whose peace with Israel is a cornerstone of regional stability.

U.S. bilateral assistance to Egypt is guided by the need to safeguard our strategic interests in maintaining this important bilateral partnership and in supporting the success of a democratic transition for Egypt that meets the aspirations of all Egyptians.

General DEMPSEY. Continued U.S. military assistance allows us to protect our core national security interests in Egypt. For over 30 years, Egypt's peace treaty with Israel has been a cornerstone of peace and stability as well as security along the Egyptian-Israeli border. FMF supports our critical partnership with Egypt on counterterrorism and their efforts to stop arms smuggling. Lack of success in either mission has the potential to destabilize the region. Issuing this waiver allows Egypt's military to maintain its readiness and interoperability with U.S. forces, which is essential for effective cooperation on regional threats. The recent FMF waiver supports America's force posture across the region which relies heavily on overflight rights and priority access to the Suez Canal.

#### MILITARY VOTING

199. Senator CORNYN. Secretary Panetta, the Military and Overseas Voter Empowerment (MOVE) Act, enacted by Congress as part of the NDAA for Fiscal Year 2010, requires DOD to create a motor voter-style voting assistance office on every military installation, thereby providing military servicemembers and their families with critical voting assistance, regardless of how far they might be from their hometowns. As the 2012 elections fast approach, I am concerned that the Military Services have dragged their feet on fully implementing this requirement. This provision was passed in order to provide servicemembers the same level of assistance that civilians receive under the Federal motor voter law—the National Voter Registration Act—I know you agree that their service and sacrifice demand no less. Why has DOD failed, to date, to fully comply with this requirement?

Secretary PANETTA. The first Installation Voting Assistance (IVA) Office was established in November 2009 and the final IVA Office was established in August 2011. Before finalization of the IVA Office regulations, DOD aggressively moved to



support the Services with training programs and assistance visits. Draft copies of these regulations were provided to the Services throughout that regulatory coordination process both for the Services' comment and for their IVA Office establishment preparation.

DOD also promptly moved to support the Services before finalization of the regulations with IVA Office-in-a-Box training programs, visiting 36 military concentration areas in August and September 2010, providing complete IVA Office training packages, templates, and draft documents, copies of which will be provided to this committee and your office. DOD also initiated its biennial Voting Assistance Office Workshops this spring, with a special training module for IVA Office personnel. During those workshop visits, DOD personnel are also conducting assist-and-assess visits at local IVA Offices to determine compliance with departmental regulations and Federal laws, and to provide direct assistance for IVA Office personnel. Forty assist-and-assess visits have already been conducted this year, and approximately four more are conducted every week. A list of those IVA Offices already visited and to be visited will be provided to this committee and to your office. Additionally, the Services are reporting quarterly on their IVA Office utilization, those reports are posted on the FVAP.gov website, and copies of those reports will be provided to this committee and to your office.

200. Senator CORNYN. Secretary Panetta, are you willing to get personally involved to ensure the Military Services comply with the MOVE Act and the motor voter law on every military installation, as required?

Secretary PANETTA. Yes, and I share your desire to provide our military voters timely and effective voting assistance. I welcome the opportunity to work with you and this Committee to assess whether to allow the Services to execute this voting assistance at the unit vice installation level, increase voter assistance utilization, reducing costs to the Services, and providing voters a seamless unit level voting assistance process.

#### FINANCIAL MANAGEMENT REFORM

201. Senator CORNYN. Secretary Panetta, you have shown an unprecedented commitment to making DOD audit-ready. It is my hope that future Secretaries of Defense will share that impressive level of commitment on this important issue. DOD was previously required by law to be audit-ready for the first time in 2017. Last year, you raised the bar and stated a more ambitious goal for DOD to achieve audit readiness of the Statement of Budgetary Resources for general funds by the end of 2014. What progress has been made to date in achieving this goal?

Secretary PANETTA. In October 2011, I directed DOD to accelerate achievement of several goals in DOD's Financial Improvement and Audit Readiness (FIAR) Plan and place greater emphasis on the overall effort. In response to my October directive, each of the Services and Defense Agencies has reviewed their FIAR Plans and adjusted them to speed progress. They are now hard at work implementing their plans to achieve the accelerated SBR audit readiness date.

The Service Secretary and Chief of Staff for each Military Service have committed to achieving specific near-term goals in support of their plans for achieving auditable financial statements. I have reviewed these commitments and plans and am holding civilian and military senior leaders from across DOD accountable for progress against those plans. Senior executives, both inside and outside the financial management community, now have audit goals in their individual performance plans and we are working to include them in General and Flag Officer performance plans as well. Actual performance against these plans will be assessed each year during annual performance appraisal cycles. This will ensure those under their leadership are getting the message that better control over resources has a big effect on mission success, and everyone has a part to play.

I'd offer some recent accomplishments as examples of both our commitment and progress:

- DISA achieved a clean opinion on its \$6.6 billion working capital fund operations for fiscal year 2011 and it is moving forward with an audit of its fiscal year 2012 general fund business.
- Contract Resource Management of the TRICARE Management Activity received an unqualified opinion on its fiscal year 2011 financial statements.
- The Medicare-Eligible Retiree Health Care Fund received a qualified opinion on its fiscal year 2011 financial statement.
- In November 2011, an examination of five business processes at the initial General Fund Enterprise Business Systems Wave 1 sites rendered a

qualified opinion, establishing a benchmark for expanding the Army's audit readiness program.

- In November 2011, a commercial audit examination validated that the Air Force could successfully balance its Treasury funds at the transaction level.
- In January 2012, an examination validated the Navy's existence and completeness audit readiness assertion for ships and submarines, Trident missiles, and satellites.

Leadership commitment from the highest level is setting the tone and priority for audit readiness. Auditability is a goal that every commander, every manager, and every functional specialist must understand and embrace to improve efficiency and accountability within DOD.

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#### QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

##### BARKSDALE AIR FORCE BASE

202. Senator VITTER. General Dempsey, in your statement submitted today, you say, "We must retrain our personnel on skills used less often over the last decade." I support this, and I also believe that in line with this we must make cuts that do not negatively affect the joint effort of our overall training system that has led the United States to become the highly effective elite fighting force it is today. Which brings me to the Air Force announcement to cut all 24 A-10s from Barksdale AFB (21 eliminated, 3 transferred) according to Air Force documents. It is my understanding that the Air Force plans to largely reduce the total number of A-10s. I believe this hugely effects fundamental joint operations. These aircraft were specifically moved to Barksdale AFB to support joint training at the Joint Readiness Training Center (JRTC) at Fort Polk. My concern is that the A-10s slated to be cut entirely from Barksdale AFB are used to support the joint training mission of the Army in Fort Polk. Have the joint operational training aspects been considered in this decision?

General DEMPSEY. Yes, the Air Force continues to source requests for close air support (CAS) training at Fort Polk, tasking specific units to support various exercises, with the 47th Fighter Squadron fulfilling the requirement once over the last 3 fiscal years. The Air Force has coordinated with the Army and will continue to provide CAS capability as required by our Joint Partners at the JRTC.

The new Defense Strategic Guidance states that U.S. forces will no longer be sized to conduct large-scale, prolonged stability operations. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft overall and a greater utility for multi-role fighters to provide the most flexible capability within each scenario. As a result, A-10 retirements were selected in greater numbers than other combat aircraft and the Air Force made the difficult choice to retire 5 A-10 squadrons comprised of 102 A-10 aircraft. Previous reductions in fighter force structure shifted the Total Force ratio toward Reserve component forces, and Air Force decisions in the fiscal year 2013 President's budget request rebalanced that ratio to create a more sustainable Total Force structure over the long term.

To meet this end, our Reserve component used the following four Capstone principles: (1) ensure aircraft reductions do not negatively impact operational support to combatant commands; (2) ensure force structure movements do not create any new Air Force bills; (3) ensure risk is minimized by optimizing crew ratios to exploit expected increases in mission capability rates; and (4) consider locations that continue to have an Air Force mission due to the presence of another Air Force component. Thus, the Air Force opted to divest A-10s at Barksdale versus the only other alternative; Whiteman AFB. The Air Force Reserve maintains a B-52 training wing and classic association with operational B-52s at Barksdale, and can therefore absorb some of the A-10 personnel into the B-52 wing. Additionally, since the Air Force Reserve can absorb personnel into the B-52 mission, it preserves the potential to migrate them back should the Air Force decide it needs additional A-10 Formal Training Unit support. At Whiteman AFB, the Air Force Reserves' only presence is an A-10 wing and if the wing were to be divested, the personnel assigned to this unit would have limited possibilities to continue their service.

203. Senator VITTER. General Dempsey, additionally, I would like to know if you are aware of any consultation between the Army and the Air Force regarding the removal of this mission from Fort Polk? If so, I would like to see the cost savings

to DOD of bringing A-10s into Louisiana for training when the nearest planes needed for Army training would now be located in Georgia, Florida, Idaho, or Arizona.

General DEMPSEY. The Air Force has coordinated with the Army and will continue to provide CAS capability as required by our Joint Partners at the JRTC. The Air Force has not performed a specific cost analysis of using aircraft outside of Louisiana. The Air Force continues to source requests for CAS training at Fort Polk, tasking specific units to support various exercises. Over the last 12 months, the 47th Fighter Squadron has provided 14 percent of the CAS requirements for nine JRTC exercises while other CAS was provided from outside the State of Louisiana.

204. Senator VITTER. Secretary Panetta, as a follow-up on the joint operations aspect in Fort Polk, this action would appear, instead of reducing overall military spending, to oppose your own recent guidance to reexamine our programs in pursuit of greater efficiencies and affordability to defense operations. I fully understand and support improving efficiencies within the U.S. Government. However, in your own words you have stated, while not specifically addressing the A-10s, that cuts of this nature would do serious damage to DOD's ability to "protect this country for the future ... and we must avoid a hollow force, and maintain a military that will always be ready, agile, deployable, and capable." It is my opinion that we cannot have it both ways. We cannot strip away the A-10s from Barksdale while also maintaining the force necessary at Fort Polk without increasing cost of operations. I am aware there will be A-10s remaining in the inventory should the Air Force retire the ones stationed at Barksdale AFB. But of all the units to be disbanded, it appears to me that the A-10s located at Barksdale AFB were strategically located there to satisfy a specific requirement that is not going away. Is it fair to say that the A-10 training mission at Fort Polk is an existing requirement that is not going away anytime in the near future?

Secretary PANETTA. The new Defense Strategic Guidance states that U.S. Forces will no longer be sized to conduct large-scale, prolonged stability operations. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft and a preference for multi-role fighters to provide the most flexible capability within each scenario. As a result, A-10 retirements were selected in lieu of other combat aircraft and the Air Force made the difficult choice to retire 5 A-10 squadrons comprised of 102 A-10 aircraft. Previous reductions in fighter force structure shifted the Total Force ratio toward Reserve component forces, and Air Force decisions in the fiscal year 2013 President's budget request (20 A-10s from Active Duty, 61 from the Air National Guard, and 21 from the Air Force Reserves) rebalanced that ratio to create a more sustainable force structure over the long term. In conjunction with Air Force Reserve leadership, the Air Force made the difficult decision to select Barksdale AFB as the sole Air Force Reserve A-10 unit closure.

The Air Force does not anticipate any impacts to support training operations at the JRTC. We will continue to fill U.S. Army training requests for air-to-ground support through the normal Global Force Management Allocation process, matching requirements with available CAS-capable units across the Air Force, versus a specific squadron and type of aircraft.

205. Senator VITTER. Secretary Panetta, Global Strike Command at Barksdale AFB was stood up in December 2009 to improve the safety, security, and effectiveness of the Nation's nuclear-capable assets following the 2007 nuclear weapons incident. As DOD reinvests in key areas across the nuclear enterprise, I would imagine Global Strike Command will have a prominent role, including in the development of the new bomber program. What are your thoughts on the triad in general and the Air Force's commitment to keeping Global Strike Command as an independent command at Barksdale AFB, given some of the lessons we have learned?

Secretary PANETTA. Maintaining the nuclear triad is essential to U.S. national security. Each leg of the triad provides characteristics that, combined in a balanced manner, create a synergy producing a total deterrent effect. Air Force Global Strike Command, as the major command with operational responsibility for land-based ICBMs and nuclear-capable heavy bombers, plays an essential role in providing the deterrent effects contributing to strategic stability.

Since Air Force Global Strike Command falls under the Air Force's Title X organize, train, and equip responsibilities, any decisions regarding Air Force Global Strike Command as an independent command would be an internal Air Force decision. With the stand-up of Air Force Global Strike Command, the Air Force aligned its strategic operational nuclear units under a single command to best carry out organize, train, and equip functions. As the Air Force's newest major command, its positive impact was confirmed by the April 2011 Defense Science Board's inde-

pendent assessment of the Air Force nuclear enterprise stating, "The formation of Air Force Global Strike Command has produced a nearly universally positive response in the nuclear operating forces."

[Whereupon, at 1:50 p.m., the committee adjourned.]

**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, FEBRUARY 28, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**U.S. PACIFIC COMMAND AND U.S. TRANSPORTATION  
COMMAND**

The committee met, pursuant to notice, at 9:34 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Webb, Hagan, Blumenthal, Inhofe, Chambliss, Wicker, Brown, Ayotte, and Cornyn.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Jason W. Maroney, counsel; Roy F. Phillips, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: Ann E. Sauer, minority staff director; Adam J. Barker, professional staff member; Pablo E. Carrillo, minority investigative counsel; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Brian Burton, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Gordon Peterson, assistant to Senator Webb; Patrick Hayes, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Ethan Saxon, assistant to Senator Blumenthal; Anthony Lazarski, assistant to Senator Inhofe; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; William Wright, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Dave Hanke, assistant to Senator Cornyn.

# **OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. Today we receive testimony on the posture of U.S. forces in the Asia Pacific and the status of the U.S. military strategic global distribution and deployment capabilities.

On behalf of the committee, I'd like to welcome Admiral Robert F. Willard, Commander, USN, U.S. Pacific Command (PACOM), and General William M. Fraser III, USAF, Commander, U.S. Transportation Command (TRANSCOM). The committee appreciates your years of faithful service and the many sacrifices that you and your families make for our Nation. Likewise, we greatly appreciate the service of the men and women, military and civilian, who serve with you in your commands. Please convey to them our admiration and our appreciation for their selfless dedication.

Admiral Willard, this will be, in all likelihood, your last hearing before this committee after a full and productive tour as commander of our forces in the Pacific. On behalf of the Senate Armed Services Committee, I'd like to thank you for your service and your leadership in this important assignment.

Before and beyond that, your decades of selfless and devoted service to our Nation included assignments as Commander of the U.S. Pacific Fleet, Vice Chief of Naval Operations, Commander of the U.S. Seventh Fleet, and Commanding Officer of the air carrier *USS Abraham Lincoln*.

I note that your wife, Donna, is here this morning, as she has been in past hearings. I'd also like to especially thank her for her many contributions and sacrifices. We all know very well the importance of our military families to the success of our Armed Forces and we wish you and the entire Willard family the very best in the future.

This is General Fraser's first hearing as Commander of TRANSCOM. As we heard from the Secretary of Defense (SECDEF) and the Chairman of the Joint Chiefs of Staff earlier this month, the President's recently unveiled defense strategic guidance includes a reemphasis on the Asia Pacific, a region that is impacted by what has been called the tyranny of distance, which puts a premium on the capabilities provided by TRANSCOM. Capabilities that have been stressed and honed over more than 10 years of military operations in Iraq and Afghanistan. So we also look forward to General Fraser's testimony on the status of TRANSCOM and its important global mission.

Relative to the Asia Pacific, the United States has been, and will continue to be, present and active in the region because of our commitments to our allies and our partners, and also because of the clear U.S. national interests there.

The leadership change in North Korea occasioned by the recent death of long-time dictator Kim Jong Il opens new questions about possible future threats from an oppressive regime that has shown little interest in cooperating with the international community and little concern for the well being of its people. We are mindful that the security situation on the Korean Peninsula remains tense and as of yet there are no indications that the situation will improve under the new regime. North Korea continues to pursue its nuclear and ballistic missile programs and, with its history of deadly

unprovoked military attacks on South Korea, there is little reason for optimism for a prompt resolution of the tensions on the peninsula. In fact, over the weekend North Korea issued its usual threats in response to the military training exercises conducted by the United States and South Korea every year at this time.

China's rising global influence and rapid military growth, coupled with the overbreadth of its claims in the South China Sea and the East China Sea, and its increasing propensity for challenging conflicting claims of its regional neighbors, unsettles the region and raises concerns about the prospects of miscalculation. There are also growing concerns about China's exploration of cyber space for military and for nonmilitary purposes, such as the use of the Internet by Chinese entities to conduct corporate espionage. In the current National Defense Authorization Act (NDAA), we acted against counterfeit electronic parts in defense systems, most of which came from China. Nonetheless, it is important that we continue efforts to engage with the People's Liberation Army (PLA) and to attempt to find common ground and to address common concerns.

There are many other challenges facing PACOM, such as preventing the proliferation of weapons of mass destruction (WMD), countering violent extremism, providing humanitarian assistance and disaster relief, and protecting critical sea lanes of communication.

Against the backdrop of these developments, the Department of Defense (DOD) has been working to realign U.S. military forces in countries like South Korea and Japan and also to posture our forces further to the south in countries like Australia, Singapore, and possibly the Philippines. As we rebalance and realign our presence in the Asia Pacific, it is important that we get it right, not only in terms of strategy, but also in terms of sustainability.

With respect to the realignment of U.S. marines on Okinawa, Senator McCain, Senator Webb, and I have advocated changes to the current plan in ways that support the strategic goals of the U.S. military posture in the region, while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability. The recent announcement that the United States and Japan are reconsidering elements of the plan is welcome news. But the new thinking is not yet adequate.

For instance, there is apparently no intention yet to reconsider the plan to build the unaffordable Futenma Replacement Facility at Camp Schwab on Okinawa. Nor does it appear that the Air Force bases in the region are being considered as part of the solution. It is important that any changes be jointly agreed upon and jointly announced, with the goal of achieving a more viable and sustainable U.S. presence in Japan and on Guam.

So, Admiral, we will look forward to your testimony on our strategy in your area of responsibility (AOR) and how the fiscal year 2013 budget request adequately addresses the threats that you face and how it reflects the reemphasis on the Asia Pacific.

General Fraser, we know that things have been busy for you as well ever since you assumed your job at TRANSCOM. TRANSCOM continues to play a vital role in transporting our military men and women and the supplies and equipment that they need to Afghanistan and other overseas contingency operations. In carrying out

this mission, TRANSCOM faces numerous challenges, included among them, uncertain lines of supply due to the disruption or closure of routes through Pakistan. TRANSCOM has successfully shifted much of the delivery of non-lethal supplies and equipment headed for Afghanistan to the Northern Distribution Network (NDN) through Eastern Europe, the Caucasus, and Central Asia.

During the past year, TRANSCOM forces were involved in supporting forces engaged in operations in Libya and humanitarian relief efforts such as those supporting victims of the Japanese earthquake and tsunami. We applaud all of these efforts.

With the drawdown of U.S. surge forces and further reductions of U.S. forces in Afghanistan through 2014, TRANSCOM now faces the daunting task of managing the redeployment home of these forces and their equipment. We know that TRANSCOM performed commendably in managing the removal of millions of pieces of equipment from Iraq by the December 31, 2011, deadline, consistent with the U.S. obligations under the U.S.-Iraq strategic agreement. We would be interested, General, in learning how the lessons learned from the withdrawal from Iraq inform TRANSCOM's planning and operations as U.S. forces are drawn down in Afghanistan.

A number of other issues confront TRANSCOM. One is modernizing the force. One acquisition program supporting TRANSCOM has received a lot of visibility and that's the Strategic Tanker Modernization Program. There have been indications that the contractor may overrun the original development contract price, which we will discuss with the Air Force at the Air Force posture hearing later this month.

TRANSCOM has received congressional additions to the budget to buy C-17 aircraft in excess of what DOD and TRANSCOM said were needed to support wartime requirements. Last year, the Air Force was granted authority to retire additional C-5A aircraft as it was taking delivery of those added C-17s. This year, the Air Force is seeking authorization to retire all remaining C-5A aircraft because they believe that they do not need the extra aircraft under the new DOD strategic planning assumptions and that they cannot afford to operate them.

We need to be sure that the Air Force's planned retirements do not leave us short of the strategic lift capability that we need, and General Fraser, you can speak to that issue.

TRANSCOM is also facing other, less well-known modernization challenges. The Ready Reserve Force (RRF), a group of cargo ships held in readiness by the Maritime Administration, is aging and will need to be modernized with newer ships at some point in the not too distant future. Sealift may not be quite as glamorous as airlift operations, but sealift support is critical to our Nation's capabilities. We have relied on sealift to deliver more than 90 percent of the cargo to Iraq and Afghanistan, and that is similar to previous contingencies.

So, Admiral, General, it's a pleasure to have you with us this morning. We look forward to your testimony on these and other challenging topics; and I now call on Senator Inhofe.



# STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman, and thank you, Admiral Willard and General Fraser, for your selfless service for so many years and your willingness to cooperate and have personal conversations. Thank you so much.

Admiral Willard, I agree with everything you wrote in your final assessment of the strategic environment in the Asia-Pacific region and its significance to the U.S. security. However, I am concerned about what appears to me to be a shift in focus to Asia and to the Pacific. The United States is a global power. We have global threats out there and we need to be on all fronts. History has taught this Nation that it can't ignore its global responsibilities and threats.

I am deeply concerned about the proposed \$487 billion cut in defense in the next 10 years. When you stop and think about it, the possibility of sequestration could double that amount. It's very disturbing to me. I think these cuts jeopardize reset of equipment and delay modification and maintenance of key equipment, cut overall research and development (R&D), delay modernization, and increase the burden on a shrinking military force.

Our military must possess the ability to deter aggression and, if required, aggressively defeat any threat against our citizens at home and around the world. Both TRANSCOM and PACOM are essential elements to our national defense strategy and must be manned, equipped, and maintained to ensure our national interests throughout the world.

In PACOM's AOR, I am increasingly concerned about North Korea and the rising power in China, both economically and militarily. North Korea has historically proved difficult for the intelligence community to gather information. I will have some specific questions about that, some of the things that have happened in the past, and I want to get your assurance as to where we're going to be going in the future. We're obligated by law to support Taiwan. We all want to do that anyway. We have to continue to sell advanced military equipment to them to ensure their safety and security.

General Fraser, your statement portrays a very active supporting commander role. TRANSCOM and its components—the Air Mobility Command (AMC) and the Military Sealift Command (MSC)—have accelerated the redeployment of over 60,000 troops from Iraq and Afghanistan. It continues to provide logistical support to Afghanistan forces and to deploy and redeploy troops and cargo worldwide. It has supported military operations in Libya and delivered relief support in response to natural disasters at home and around the world. No other country could provide such in-depth support anywhere.

While President Obama's 2013 budget submission represents a snapshot of the Services' overall requirements, it also raises several questions about our military airlift and sealift programs. Is the Air Force taking appropriate action to mitigate the potential gap in airlift and the operational implications of that gap? What is the risk in TRANSCOM's ability along with its maritime component, MSC, to provide logistics around the globe in response to the combatant commanders' requirements? How does the proposed force structure

cut fit with the findings of the mobility, capabilities, and requirements study of 2016, written in 2009?

Given the current climate for fiscal austerity, we have to do our part in executing our jobs more efficiently. It's very disturbing to a lot of us that when we have the President's—now that all the results are in on his budget, that he's actually given us this \$5.3 trillion deficit and the only area that I can see where we've had reductions in capability and in funding are in the area of military. So it's something that's very disturbing to me. I know in these hearings it's hard to get down to these things, but I do enjoy the personal conversations and the concern that's been expressed by a lot of our military that I run into here as well as abroad with what's happening to our military right now.

So I'm looking forward to this hearing, Mr. Chairman. Thank you.

Chairman LEVIN. Thank you very much, Senator Inhofe. Admiral.

**STATEMENT OF ADM ROBERT F. WILLARD, USN, COMMANDER,  
U.S. PACIFIC COMMAND**

Admiral WILLARD. Thank you, Chairman Levin. Mr. Chairman, in order to accommodate the committee's questions sooner, I'll keep my remarks brief and ask that my full statement be included for the record.

Chairman LEVIN. It will be. All statements will be included.

Admiral WILLARD. Chairman Levin, Senator Inhofe: Thank you for this opportunity to appear before you to discuss PACOM and the Asia-Pacific region. I'd like to begin by thanking you for recognizing my wife, Donna, who's present here today and has been by my side for nearly 38 years. She's an outstanding ambassador for our Nation and a tireless advocate for the men and women of our military and their families. Together we've thoroughly enjoyed this experience with our counterpart foreign friends and with all of you who advocate for our men and women in uniform.

I'd like to acknowledge this committee's enduring support for our joint forces and by your actions their contribution to our Nation's security. Your visits to the region have been and will continue to be an important reminder of U.S. interests there.

President Obama and SECDEF Panetta recently reaffirmed the strategic importance of the Asia-Pacific region and our Nation's future focus on its security challenges in the document titled "Sustaining U.S. Global Leadership, Priorities for the 21st Century Defense." It appropriately addressed the opportunities and challenges that PACOM faces in a region covering half the world and containing the majority of great powers, economies, populations, and militaries.

Importantly, our five treaty allies, Australia, Japan, South Korea, Republic of the Philippines, and Thailand, together with many regional partners, represent the greatest opportunities for the United States and PACOM to contribute to a broad security association in the region. Of particular note, we seek to advance our important relationship with India in South Asia.

We're making progress in adjusting PACOM's force posture towards Southeast Asia following overtures from Australia, Singa-

pore, and the Philippines to help enable an increased rotational U.S. military presence in this important sub-region.

As was evidenced by U.S. support to Japan during their epic triple disaster last March, close military cooperation, frequent exercises, and interoperable systems merged to enable rapid and effective combined military responses under the most trying conditions.

In contrast, North Korea, the world's only remaining nation divided by armistice, continues to threaten peace and security in northeast Asia, now under the leadership of a 29-year-old son of Kim Jong Il. We're observing closely for signs of instability or evidence that the leadership transition is faltering. As General Thurman will attest when he testifies, we believe Kim Jong Eun to be tightly surrounded by Kim Jong Il associates and for the time being the succession appears to be on course. That said, we also believe Kim Jong Eun will continue to pursue his father's course of strategy that embraces nuclearization, missile development, WMD proliferation, provocations, and totalitarian control over North Korean society.

Management of the U.S.-China relationship continues to be a challenge at many levels. Our military-to-military relationship is not where it should be, although a strategic-level exchange of views with DOD persisted during 2011. The PLA continues to advance its military capabilities at an impressive rate. It's growing bolder with regard to their expanded regional and global presence, and China continues to challenge the United States and our partners in the region in the maritime, cyber, and space domains. Nonetheless, we remain committed to evolving this security relationship, with the objective of coexisting peacefully and both contributing constructively to regional security.

Throughout the Asia Pacific, numerous transnational threats such as violent extremist organizations, proliferation, trafficking, piracy, and perpetual natural and manmade disasters challenge our Nation and our allies and partners in the region. Across this wide spectrum of current and potential future threats, PACOM must provide persistent oversight, ensuring our Nation retains continued strategic access and freedom of movement in the global commons there.

Amidst these challenges, every day our soldiers, sailors, airmen, marines, and civilians devote their efforts to contributing to Asia Pacific security. Their success has long been enabled by this committee's enduring support, including the resources and quality of life you provide them to accomplish their important missions.

During the 2½ years that I've been in command, you've allowed me and my commanders to share our perspectives with you, sought to understand the dynamics of this complex region, and traveled and met with our military families and foreign partners. Yours has been a powerful message in demonstration of United States commitment to the 36 nations within the PACOM AOR. On behalf of the more than 330,000 men and women of PACOM, thank you for your support and for this opportunity to testify one final time.

I look forward to your questions.

[The prepared statement of Admiral Willard follows:]

## PREPARED STATEMENT BY ADM ROBERT F. WILLARD, USN

## INTRODUCTION

Chairman Levin, Senator McCain and distinguished members of the committee, thank you for this opportunity to present an update on U.S. Pacific Command (PACOM). I consider myself fortunate to have served as its commander for the last 2½ years and look forward to providing what will be my final assessment of the strategic environment in the Asia-Pacific region. The President has directed his national security team to make America's "presence and mission in the Asia Pacific a top priority." The testimony that follows will highlight the opportunities we seek to illuminate and address the challenges we must overcome to sustain U.S. leadership in this critical area of the world.

## STRATEGIC ENVIRONMENT IN THE ASIA PACIFIC

The security of the PACOM Area of Responsibility (AOR) is of vital national interest to the United States—a fact underscored by the President's hosting of last year's Asia Pacific Economic Cooperation (APEC) Leaders Meeting. The region contains the world's three largest economies and supports over \$10 trillion of annual bilateral merchandise trade, including more than \$1 trillion of U.S. commerce.

The Asia Pacific also hosts the world's largest populations, largest militaries, and includes three nuclear armed states (excluding the United States) and the Democratic People's Republic of Korea (DPRK) which aspires to be a nuclear power. While the Asia Pacific has remained relatively peaceful and stable for the past 6 decades, myriad challenges to its future security will try U.S. resolve, raise the magnitude of our relationships with five treaty allies and many strategic partners, and test PACOM as a principle guarantor of security in the region.

Seven major security challenges confront the United States across this region, which encompasses half of the Earth's surface, including:

- Defense of the Homeland, U.S. territories, and compact states in the Pacific.
- The need to continuously manage and optimize U.S. alliances and strengthen regional partnerships, in particular, advancing the relationship with India.
- The threat posed by the DPRK's nuclear aspirations, proliferation, provocations, and potential to cause regional instability.
- China's military modernization—in particular its active development of capabilities in the cyber and space domains—and the questions all these emerging military capabilities raise among China's neighbors about its current and long-term intentions.
- Three nuclear armed states, including Russia, China, and India, and North Korea's nuclear aspirations, together with the threat of weapons of mass destruction proliferation.
- Numerous transnational threats, ranging from proliferation, trafficking of narcotics and persons, and piracy, to persistent natural and manmade disasters.
- Challenges to freedom of access to, and security within, maritime and air domains, and space and cyberspace, by both state and non-state actors.

By contrast, the Asia Pacific also affords immense opportunities, particularly through strong ally and partner associations, that can lead to a cooperative and constructive security environment for the foreseeable future. In large measure, cooperative engagement activities leveraging PACOM posture and presence contribute to advancing military self-sufficiency and security contributions by our partners in the region.

*Force Posture Assessment*

Generally, PACOM has been well served with regard to on-hand, ready forces with the ability to respond to the demands in the Asia-Pacific region. This has occurred despite a decade of wars in the Middle East, to include the Command's continual contributions to those wars. As a consequence of both history and the nature of challenges in Northeast Asia, PACOM forward, permanently based forces are concentrated in Japan and the Republic of Korea. While affording a strong deterrent against challengers such as North Korea, this has placed a premium on PACOM's ability to deploy and sustain forces elsewhere in order to maintain the required presence in sub-regions such as Southeast Asia, South Asia, and Oceania.

PACOM's input to the most recent Global Posture Review expressed a need to redistribute postured forces closer to Southeast Asia and South Asia, in order to more efficiently meet the force presence and response demands of those Asia Pacific sub-

regions. The recent decisions to rotationally operate a Marine Air Ground Task Force (MAGTF) from Darwin, Australia and to operate U.S. air forces from Australia's northern air bases were initial efforts to rebalance PACOM force posture for the future.

While the Asia Pacific is often regarded as inherently maritime and contains some of the world's most expansive archipelagos, strategic chokepoints and largest seas and oceans, its militaries tend to be army-focused. For PACOM, this generates posture and presence considerations to both adapt forces to the maritime challenges of the region and to account for the necessary and effective role that Army, Marine Corps, and Special Forces play in engaging with the dominant foreign services of our regional partners.

#### NORTHEAST ASIA

Northeast Asia (NEA) contains many of the most significant economies and militaries in the Asia Pacific and the world, including Japan, South Korea, China, and Russia. U.S. forward presence, permanent basing in Japan and South Korea, habitual accesses, and host nation support in this important sub-region enable PACOM's front line of homeland defense, extended deterrence for allies Japan and South Korea, regional deterrence against actors such as North Korea, and rapid response to natural disasters and other contingencies that occur in the Asia Pacific.

The DPRK continues to pose one of the most likely and persistent threats to the United States, its allies, and to peace and security in Northeast Asia. North Korea's conventional military threat to the Republic of Korea remains of serious concern and its nuclear program, missile development, proliferation activities, and asymmetric military provocations are destabilizing. Collectively, these threats demand that PACOM Intelligence, Surveillance, and Reconnaissance (ISR) capabilities and capacities be sufficiently robust to view across the DPRK's military apparatus and warn of unfavorable developments. North Korea's continuing pursuit of nuclear weapons and advanced ballistic missile systems places a premium on PACOM ballistic missile defenses and close cooperation with allies. Japan and the Republic of Korea are strong U.S. allies that host U.S. forces, benefit from U.S. extended deterrence, and stand with the United States in containing DPRK aggression in addition to meeting other regional and global security challenges.

#### *Japan*

The 52-year-old alliance between the United States and Japan remains a cornerstone of security in the Asia Pacific. As was evident in U.S. support to the Japanese Self Defense Forces (JSDF) during the epic triple disaster in eastern Honshu last year, the extremely close association and inherent interoperability between tenant U.S. forward forces and their Japanese hosts enable prompt and extremely effective contingency responses under the most trying of circumstances.

Despite delays in implementing some elements of the Defense Policy Review Initiative (DPRI), including the Futenma airfield replacement facility in Okinawa, which has occupied policymakers for nearly 20 years, the alliance remains strong and is a powerful strategic stabilizing force in the region. It is important to note that of the 19 separate elements contained in DPRI, the vast majority are on track and progressing.

In the past year, Japan has increased its regional engagements and association with partners such as Australia, India, Singapore, Indonesia, and the Republic of Korea, to name a few.

#### *Republic of Korea*

The U.S.-Republic of Korea alliance remains a strong and visible deterrent to war on the peninsula. This alliance is also transforming in a variety of ways to remain current and relevant in the midst of an ever-evolving Asia-Pacific region, changing leadership in North Korea and as a consequence of lessons learned following the deadly provocations by the DPRK in 2010.

Current alliance initiatives are underpinned by the planned transition of wartime operational control from the Combined Forces Command to the Republic of Korea in December 2015. Ongoing transformation also includes the repositioning of on-peninsula U.S. forces, headquarters, and bases.

Like the JSDF, Republic of Korea military forces are engaging throughout the Asia Pacific at an increasing rate, and contributing to international security initiatives, such as peacekeeping, counterpiracy, and counterproliferation efforts.

#### *Trilateral Cooperation*

While modest in scope, trilateral cooperation between the United States, Japan, and the Republic of Korea continues to progress. This important initiative seeks to

strengthen the natural synergy among three powerful and interoperable Northeast Asia allies. While the countries will have to overcome longstanding historical, cultural, and political dynamics to fully realize the potential of trilateral cooperation, policy advances and increasingly frank dialogue among the three allies are encouraging.

#### *Russia*

Russia's Pacific armed forces are very gradually emerging from their diminishment following the end of the Cold War. Increased naval and strategic air force operations, cyberspace activities, and arms sales throughout the Asia Pacific are signaling Russia's emphasis on improved posture in the region. PACOM enjoys a generally positive military-to-military relationship with Russia, particularly between respective Pacific fleets. In coordination with U.S. European Command and in accordance with the bilateral Military Cooperation Work Plan, PACOM seeks improved engagement with Russia's Pacific forces in areas such as counterterrorism (CT), peacekeeping, and search-and-rescue operations.

#### *Mongolia*

Mongolia is a small but important partner in Northeast Asia. Its active military pursues close engagement with PACOM through our annual Khan Quest exercise series and contributes effectively to coalition efforts in Afghanistan as well as global peacekeeping operations. With Russia to the north and China to the south, Mongolia must finesse its relationships in NEA with its broader security interests. As a consequence of its experience as part of the Soviet bloc in the 20th century, the Mongolian armed forces continue to maintain ties to European nations such as Germany and even the DPRK, making them a PACOM partner with unique and insightful perspectives.

#### *The People's Republic of China*

China's growing presence and influence in Asia, and the opportunities and uncertainties that have resulted from it pose the greatest test for PACOM among its seven challenge areas.

In January 2011, President Obama and Chinese President Hu Jintao agreed to "build a cooperative partnership based on mutual interest and mutual respect," which also included a commitment to develop "continuous, stable, and reliable military-to-military relations." To meet this mandate, PACOM is effectively positioned to contribute to advancing military engagement with the PRC. However, military-to-military relations continue to lag well behind other U.S.-China engagements for three main reasons: differences in philosophy regarding the purpose of military-to-military relations in which China emphasizes strategic dialogue and the United States seeks comprehensive military contact from the strategic to tactical levels as a way to build confidence; China's tendency to suspend military-to-military following U.S. arms sales to Taiwan and, more generally, its linkage between certain U.S. defense policies and continuous bilateral military relations; and inherent Chinese distrust of U.S. regional intentions resulting in demands that perceived impediments to the relationship be conceded before military relations can advance.

Despite these challenges, China's increasing participation in regional and international security activities and forums such as multi-lateral exercises, counter piracy operations, and peacekeeping can foster informal, but useful U.S.-China military engagement.

Improvements in China's military capabilities and the regional uncertainties this has created also test PACOM's ability to manage the evolving security dynamics in the Asia Pacific. Areas in which U.S. national interests or those of U.S. allies and partners are being challenged include cyberspace and space as well as maritime security in the international waters around China. China's anti-access/area denial (A2/AD) capabilities extend well into the South China Sea. China asserts these military developments are purely defensive in nature and that it poses no threat to neighbors in the region. Yet, combined with broad maritime and sovereignty claims and incidents with lawful operators in the South China Sea and East China Sea, there is ongoing international concern regarding China's activities in the South China Sea.

#### *Taiwan*

Following Taiwan's recent Presidential and Legislative Yuan elections in January 2011, many analysts are hopeful that improvements in cross-Strait relations will continue, with a focus on building economic and cultural ties. This is in the security interests of the United States and of Asia. It is important to note, however, that Taiwan remains the most acute sovereignty issue for China and the main driver of its military modernization programs. The military balance across the Taiwan Strait

continues to shift in favor of China. PACOM engages regularly with Taiwan's military within policy guidelines and in accordance with tenets of the Taiwan Relations Act and three communiqués.

#### SOUTHEAST ASIA

Southeast Asia (SEA) is an extremely diverse sub-region, rich in natural resources, and strategically located at the crossroads of the Pacific and Indian Oceans. It is host to a mix of democratic and authoritarian governments, varied economies, contrasting military capabilities, and mixed cultures. Prospects for continued economic growth are promising, mainly due to China's substantial economic influence, steady U.S. regional investment and trade, and universal global interest, by the European Union and others, in capitalizing on Asia's rise. Many advancing U.S. partnerships and two U.S. treaty allies, the Republic of the Philippines and the Royal Kingdom of Thailand, are concentrated in this sub-region. Further, the Association of Southeast Asian Nations (ASEAN) and its numerous forums, together with the East Asian Summit (EAS) and APEC, have advanced to become the most effective Asia Pacific multilateral organizations.

That said, SEA is not without its challenges. Disputed islands and features in the South China Sea, including territorial disputes with China, have generated broad unease in SEA, and maritime security has become a regular theme in multilateral forums. Transnational threats, including violent extremist organizations (VEOs) such as Abu Sayyaf Group (ASG) and Jemaah Islamiya (JI); trafficking in narcotics and humans; piracy; proliferation; and natural and manmade disasters regularly combine to challenge PACOM, U.S. allies and partners in this sub-region. Resources such as water, food and energy are being pressurized across the region, as illustrated by the Mekong River Delta crisis. Geography is also a factor as SEA contains some of the most extensive archipelagos in the world, including Indonesia and the Philippines, and some of the world's most strategic choke points, such as the Strait of Malacca. Despite this vast maritime domain where naval capabilities and capacities are called for, most SEA militaries are army-centric and assigned internal security responsibilities. Consequently, few nations are self-sufficient militarily. PACOM's has focused its engagement on advancing the self-sufficiency of the partner militaries in the region. Programs such as International Military Education and Training (IMET) are vital to enhancing the education level of military leaders and promoting a network of military-to-military relations that contribute to broader security cooperation in SEA.

#### *Philippines*

Underpinned by the 1951 Mutual Defense Treaty, the U.S.-Philippines alliance is an important strategic icon in SEA. Adjoining the South China Sea, this vast island nation straddles several strategic sea lines of communication (SLOCs) and chokepoints, claims a number of disputed islands and features in the South China Sea, and contends with several internal insurgent movements and VEOs, such as JI and ASG, with assistance from U.S. forces. Possessing an army-centric military as a result of its internal security challenges, the Philippines has recently begun to focus on improving the ability of its navy and air forces to secure the vast maritime area defined by the Philippine archipelago. As a consequence, PACOM security assistance is focused primarily on supporting the Armed Forces of the Philippines (AFP) in CT efforts in southern Mindanao and the Sulu archipelago, and advancing AFP naval and air capabilities. Improving maritime domain awareness is another primary focus of U.S. security assistance, and we hope to provide a second Hamilton-class Coast Guard cutter to the Philippines this year.

Joint Special Operations Task Force-Philippines has operated in a strictly non-combat role in support of the AFP for the past 8 years in the largely successful efforts to contain ASG and JI VEOs. Additionally, PACOM engages with the Philippines through the Joint Staff-sponsored exercise Balikatan, as well as through annual military-to-military consultations, periodic Pacific Partnership missions, and numerous Service component-led exercises.

We welcome recent U.S.-Philippine discussions regarding opportunities to increase joint training with our AFP counterparts, possibly supported by enhanced rotational access to AFP facilities by PACOM forces.

#### *Thailand*

I would begin by offering my personal condolences to the Thai people for the losses they suffered in 2011 during the most devastating flood their country has experienced in 50 years. Their response to this disaster, particularly with regard to containment of potential infectious diseases, was a testament to Thailand's resilience and self sufficiency.

Thailand is an enduring U.S. ally in SEA and a valuable security partner. They are co-host (with PACOM) to the largest multilateral exercise series in SEA, Cobra Gold, and provide liberal access and logistics support for transiting PACOM aircraft and ships at their military facilities. The United States and Thailand have twice partnered to combat piracy off the Horn of Africa, deploying Thai naval vessels with U.S. Navy personnel onboard to Combined Task Force-151, which Thailand will take command of in the coming year. Additionally, the Royal Thai Army assisted U.N. humanitarian relief operations in Darfur with a battalion of peacekeepers.

Despite facing challenges such as land and maritime border disputes with neighboring Cambodia, refugee incursions from Burma, a longstanding ethnic insurgency in the south, and transnational challenges such as narcotics and human trafficking, the Thai armed forces are capable and generally self-sufficient.

#### *Singapore*

Our bilateral relationship with Singapore continues to strengthen and broaden. Singapore armed forces comprise a small, but extremely capable military. Their main focus continues to be security within the Strait of Malacca and Singapore Strait and they cooperate with Indonesia, Malaysia and Thailand in conducting security patrols within the Straits against piracy and other illicit activities. Singapore's armed forces are also deployed to Afghanistan, working alongside coalition partners to develop the Afghan National Security Forces. Within the context of the 2005 Strategic Framework Agreement, both militaries are seeking to increase engagement across all PACOM Service components. Singapore's offer to host U.S. Littoral Combat Ships (LCS) at Changi naval station will enhance PACOM's SEA posture.

#### *Indonesia*

As the relationship between the United States and Indonesia—the world's fourth most populous nation, third largest democracy, and largest Muslim-majority country—continues to advance, the PACOM-TNI relationship is progressing, as well. Following a decade of political, economic, and military reform, Indonesia has surfaced as a vibrant democracy, an emerging economy, and a competent military power. In areas such as disaster risk reduction, CT, Humanitarian Assistance/Disaster Relief (HA/DR), and peacekeeping operations, Indonesia is increasingly recognized for its leadership role. Indonesia and the United States were recently designated co-chairs of the Experts Working Group on Counterterrorism for the ASEAN Defense Ministers Meeting-Plus. This initiative seeks to encourage greater regional CT cooperation, build capacity, and collectively address regional security issues in an open consultative forum.

Following a 12-year hiatus, PACOM has reestablished security cooperation activities with the Indonesian Kopassus army special forces. The measured pace with which this engagement has advanced has included key leader dialogues and small-scale subject matter experts exchanges in areas such as military decisionmaking, medical planning and law of war/human rights. More activities of this type are planned for 2012 and will gradually expand at a pace commensurate with the demonstrated progress in Indonesian Armed Force transparency and institutional reform.

#### *Vietnam*

Military relations with Vietnam continue to grow in areas such as disaster management, search and rescue, conflict resolution, personnel recovery and medical operations. Vietnam is modernizing its military and looks to the United States as a partner in maintaining security and stability in SEA, particularly in the South China Sea. Vietnam's successful chairmanship of ASEAN in 2010 affirmed its emerging role as a leader and spokesman among SEA nations, as has been evidenced by their current role in lower Mekong River delta HA/DR initiatives. Vietnam and China have a long history of competition in the South China Sea. Both nations' disputes over islands and features, as well as natural resources, have led to confrontations in the past. Vietnam's continued leadership among SEA nations will be a critical component of eventual conflict resolution in this highly important and strategic area. PACOM will carry on working closely with Vietnam to advance our military relationship and cooperation in providing security across the Asia Pacific while remaining mindful of concerns about human rights.

#### *Malaysia*

Malaysia's vibrant economy, advanced military, strategic position near Malacca and the Singapore Straits, bordering both the South China Sea and Indian Oceans, and regional leadership combine to define it as an important partner for the United States and PACOM, and a key actor within SEA. Malaysia contributes to Strait of



Malacca patrols, maritime security in the South China Sea, and efforts to contain transnational threats, such as piracy, and VEOs, such as ASG and JI. Its direct action against pirates in the Gulf of Aden was evidence of increased confidence and capability. In 2011, Malaysia conducted its second deployment of medical support units to Afghanistan and remains committed to supporting coalition efforts there until 2014. U.S. naval vessels frequently call in Malaysian ports, and military-to-military exchanges and joint training have expanded over recent years.

#### *Cambodia, Laos, Brunei and Timor-Leste*

The United States has extensive interests across the rest of SEA, and PACOM seeks to continue advancing military relations with Cambodia, Laos, Brunei, and Timor-Leste. Cambodia has been a strong supporter of U.S. military engagement in recent years and demonstrates a strong desire to increase military-to-military activities with PACOM. Military engagements with Brunei, Laos and Timor-Leste have expanded, albeit modestly, over the past year with particular emphasis on relationship-building and enhanced regional cooperation.

#### *Burma*

To the extent that any military-to-military relationship exists with Burma, it is extremely limited due to U.S. policies and sanctions directed at the former junta and its actions. However, the Burmese Government steps towards credible political and economic reform and working toward ceasefires with armed ethnic groups in the past several months together have improved U.S.-Burma ties, resulting in several initiatives announced during Secretary Clinton's December trip to Burma. Prisoner of War (POW)/Missing in Action (MIA) recovery operations, is the first opportunity for military-related engagement with Burma since 2004. It is estimated that the WWII remains of as many as 730 Americans may be present there. Burma's assimilation into the broader Asia-Pacific regional security order would be a positive event.

### SOUTH ASIA

South Asia as a whole is of major strategic importance to the United States. Anchored by India and containing major SLOCs for the transport of energy and other commerce to Asia and the Americas from the Middle East and Europe, South Asia security partnerships are increasingly vital to PACOM's mission.

South Asia is home to a confluence of challenges, including nuclear armed rivals India and Pakistan, numerous transnational VEOs such as Lashkar-e-Tayyiba (LeT), piracy, trafficking in narcotics and persons, disputed borders, and insurgent movements that have plagued India, Nepal, and Sri Lanka. South Asia is particularly prone to natural disasters, including cyclones, tsunamis, and earthquakes. Bangladesh has long suffered from annual cyclones and flooding and Nepal is expected to suffer a major earthquake in the coming years. PACOM engages throughout South Asia, assisting its militaries to counter and contain VEOs such as LeT, cooperating in maritime security activities such as counter piracy, conducting disaster response planning and training, and exercising extensively, service-to-service.

#### *India*

Pursuing a U.S.-India strategic partnership through a close alignment of respective regional security interests is a priority for the U.S. Department of Defense and PACOM. Our security relationship involves strategic to tactical-level dialogues, increasingly robust military exercises, security assistance, and personnel exchanges. The United States and India have made steady progress in military-to-military cooperation over the past decade.

It is important that the leaderships and staffs of PACOM and U.S. Central Command continue to coordinate our respective military activities in this sub-region, especially as they concern India and Pakistan.

#### *Bangladesh*

Bangladesh has emerged as a particularly effective partner in the fight against terror, cooperating with India as well as the United States to counter VEO activity by actors such as LeT. Further, Bangladesh's military is advancing its capabilities and contributes broadly to U.N. peacekeeping operations. Also, the Bangladesh army is primarily responsible for and has achieved major advancements in the protection of its citizens during the annual cyclone season and the inevitable flooding and related disasters with which Bangladesh repeatedly contends.

#### *Maldives, Nepal, Sri Lanka*

Although South Asian nations share similar concerns and challenges, they are uniquely individual.

Due to its proximity to major commercial sea lanes, the Maldives is concerned with piracy and other illicit activity in its Exclusive Economic Zone (EEZ). For that reason, it is striving to advance its maritime security capabilities by reshaping its coast guard, marine and special operations forces. Further, curbing recruitment of its youth into VEOs and narcotics trafficking and addiction are Maldives' areas of focus.

Nepal has emerged from a lengthy Maoist insurgency in 2006 and is seeking to integrate some of the former insurgents into the Nepal Army. In partnership with PACOM, Nepal's armed forces are preparing to respond to a future earthquake.

Sri Lanka, too, is focused on developing its maritime security capabilities while preventing a resurgence of the Liberation Tigers of Tamil Elam. Sri Lanka's military forces continue to assist in de-mining and other recovery operations following 25 years of civil war. PACOM's engagement with Sri Lanka will continue to be limited, until the Government of Sri Lanka demonstrates progress in addressing human rights allegations.

Each of these nations' militaries partner with PACOM at varying levels, including leadership exchanges, exercise series, PACOM Assist Team CT capacity building actions and activities, and security assistance.

#### *LeT*

While several VEOs conduct facilitation, recruitment, and seek safe havens throughout South Asia, LeT presents a particularly acute problem. Responsible for many attacks in India, including the horrific attacks into Mumbai, LeT is headquartered in Pakistan, affiliated with al Qaeda and other VEOs, and contributes to terrorist operations in Afghanistan and aspires to operate against Asia, Europe, and North America. PACOM's fiscal year 2011 Indian Engagement Initiative that resourced and hosted Mumbai CT specialists for training, exercises, and exchanges throughout the United States, together with capacity-building activities with South Asian partners are mainly focused on containing LeT and contributing to CT self-sufficiency of the sub-region's militaries.

#### OCEANIA

The U.S. alliance with Australia anchors PACOM's strategy in Oceania. Australia, with additional contributions from New Zealand, invests extensively in security and assistance efforts in this sub-region. The Australian continent notwithstanding, most of Oceania is comprised of Pacific Island nations spread across the vast expanse of the South Pacific Ocean. Security challenges associated with natural resources in this sub-region tend to predominate. In particular, illegal fishing, resource damage attributed to climate change and global warming, and the susceptibility of low lying island nations to typhoons and tsunamis define PACOM and U.S. Coast Guard approaches to engagement in Oceania, often in concert with Australian and New Zealand actions. Two new Shiprider Agreements with the Pacific Island nations of Nauru and Tuvalu together with those already in place with the Marshall Islands, Micronesia, Palau, Tonga, and Kiribati enable transiting U.S. ships to assist in characterizing the maritime domains and providing a mechanism for shiprider-nation responses to irregularities within these island nations' territories.

Oceania is also home to the Compact of Free Association nations of the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands, each of which PACOM is obligated to defend as part of Compact arrangements putting their territory off limits to all armed forces except those of the United States (and other countries we have invited). Compact agreements with these three nations provide PACOM a strategic buffer along the southern flank of the highly strategic U.S. territory of Guam. PACOM is increasing its collaboration with the Department of the

Interior which administers Federal policy in U.S. territories in Oceania and administers assistance funds to the Compact Nations. We soon expect to have a liaison officer from Interior join the PACOM staff.

#### *Australia*

The U.S.-Australia alliance, our most significant partnership in Oceania, benefits from two new force posture initiatives, the rotational deployment of a Marine Air Ground Task Force (MAGTF) to Darwin and enhanced access to airfields in northern Australia. These initiatives will enable deeper interoperability of our respective forces, expand training opportunities with third countries in the region, and improve access to SEA and Oceania. Australia is also the largest non-NATO contributor of forces to the coalition efforts in Afghanistan.

A trilateral relationship between Australia, Japan, and the United States continues to advance and has the potential to enable multilateral approaches to the re-

gion's challenges. Bilaterally, the U.S. and Australian militaries collaborate extensively in areas such as information sharing; ISR; HA/DR; combined arms training in exercise Talisman Saber; and space and cyber security.

#### *New Zealand*

New Zealand is also a recognized leader in Oceania. It is a strong partner of the United States, and in accordance with the forward-looking spirit of the 2010 Wellington Declaration, PACOM will continue to look for ways to further strengthen the relationship despite differences over nuclear policy. The United States and New Zealand share many security concerns and are cooperative partners in areas such as intelligence sharing, HA/DR and maritime security. In the interest of advancing the partnership, New Zealand is participating fully in the Rim of the Pacific (RIMPAC) exercise for the first time in 2012.

We value New Zealand's contributions to Afghanistan. New Zealand also supports stabilization efforts in Timor-Leste and the Solomon Islands, Armistice enforcement in Korea, and UN peacekeeping efforts globally.

### EXERCISE AND ENGAGEMENT PROGRAMS

#### *Exercises*

In order to maintain ready forces and to plan, train, and exercise to accomplish the full range of military contingencies, PACOM requires annual congressional support for the Combatant Command Exercise and Engagement (CE2) program. PACOM's portion of this essential program consists of 18 major exercises involving joint military forces, interagency activities, and 27 of 36 PACOM partner nations. CE2 directly impacts PACOM's ability to conduct Joint training exercises and theater security engagement events across the Asia Pacific, and therefore plays a vital role in contributing to security of the AOR.

#### *Engagement Programs*

Two very significant engagement programs are Pacific Partnership and Pacific Angel. In 2011, the USS *Cleveland*, with personnel from 11 nations, conducted a 4-month deployment to Tonga, Vanuatu, Papua New Guinea, Timor Leste, and Federated States of Micronesia. Combining medical, dental, and engineering support, the mission treated over 38,000 patients, conducted scores of community relations projects, and completed much needed engineering and infrastructure repairs. Likewise, Pacific Angel 2011, utilizing C-17 aircraft, cared for thousands of patients and completed numerous civic action projects in Mongolia, Cambodia, Timor Leste, and Indonesia.

Both of these engagement programs serve to improve regional partnerships, while enhancing the resiliency of object nations to deal more effectively with their own humanitarian crises due to natural disasters or other causes. Moreover, the experience that our Service components gain by working alongside nongovernmental organizations and other participating militaries in these controlled conditions improves their abilities to conduct disaster response when time is of the essence and lives are on the line. PACOM considers Pacific Partnership and Pacific Angel to be high payoff engagements in the Asia-Pacific region.

### GLOBAL SECURITY CONTINGENCY FUND

The Global Security Contingency Fund is a new tool available for PACOM and country teams to develop and deliver security sector assistance in a coordinated fashion, enhancing the capabilities of military forces, other security forces, and relevant government agencies. The fund also supports the justice sector (including law enforcement and prisons), rule of law programs, and stabilization efforts.

### PACOM ORGANIZATIONS

The following direct-reporting units uniquely contribute to the PACOM mission:  
*Asia Pacific Center for Security Studies*

Asia Pacific Center for Security Studies (APCSS) fills a unique role in multi-national security cooperation and capacity-building efforts by equipping and empowering APCSS fellows and alumni to make substantive changes to their countries' security architectures. APCSS brings together communities of interest and influence, comprised of presidents, vice presidents, ministers of defense and foreign affairs, chiefs of defense, and ambassadors, to enable collaborative solutions to critical regional security challenges. Because the APCSS engages regularly and often concurrently with Chinese on both sides of the Taiwan Strait, as well as Hong Kong, it

is uniquely positioned to assist in moving the U.S.-China military-to-military relationship towards a "sustained and reliable" level of contact.

*Joint Intelligence Operations Center*

The PACOM and the U.S. Forces Korea-Combined Forces Command (USFK-CFC) Joint Intelligence Operations Centers (JIOC) deliver strategically-focused, operationally-relevant, and predictive intelligence products to support Commander PACOM and our subordinate commands. The JIOCs operate within a larger PACOM intelligence federation that capitalizes on national intelligence, surveillance, and reconnaissance capabilities as well as two-way information sharing activities with allies and partners. The JIOCs serve as a focal point of intelligence collaboration in close coordination with PACOM Component Commands; National, Defense, and Service agencies; other combatant commands; subunified commands; and allies and partners. This federated approach to intelligence provides for invaluable theater situational awareness and advanced threat warning to enable decisionmaking.

*Joint Interagency Task Force West*

Through the execution of PACOM's counternarcotics program, Joint Interagency Task Force West (JIATF West) has significantly affected illicit methamphetamine precursor chemical trafficking originating in Asia ultimately bound for the Western Hemisphere by focusing its efforts on Asian, Iranian, Eurasian, and other transnational criminal organizations in the PACOM AOR. In fiscal year 2011, JIATF West's support to U.S. and partner nation law enforcement agencies resulted in the seizure of over 1,000 metric tons of illicit chemicals used in meth production. The seizures were critical in interrupting distribution within the United States and contributed to the disruption of Asian and Mexican drug trafficking organizations.

*Joint POW/MIA Accounting Command*

Joint POW/MIA Accounting Command (JPAC) successfully accomplished 58 investigation and recovery operations globally last year and is projected to execute 78 investigation and recovery operations in 2012.

Expanded operations begin in fiscal year 2012 as JPAC resumes investigation and recovery operations in the DPRK. JPAC is also preparing to resume discussions with the government of Burma to renew personnel accounting efforts there during fiscal year 2013. JPAC accounting operations are ongoing in the People's Republic of China, while discussions between JPAC and the governments of India and the Philippines continue in an effort to resume investigation and recovery operations in those countries.

CONCLUSION

As characterized by the President, the United States "face[s] an inflection point." The evolving geopolitical climate and shifting fiscal environment, which are significant factors in this change, point toward the Asia Pacific and emphasize the ever increasing consequence of this theater. The preceding testimony highlights the importance of optimizing U.S. posture in this region and underscores the specific challenges PACOM faces, as well as the opportunities PACOM seeks. I have spent the majority of my career in the Asia Pacific and have never been more convinced of its remarkable nature, partnership capacity, and criticality to U.S. security.

In closing, your assistance has enabled the more than 300,000 members of PACOM to accomplish their mission. Further, your personal interest in, and visits to the Asia Pacific have sent a strong signal to this region regarding U.S. national interests and staying power. On behalf of every PACOM member, thank you for your enduring support for our Armed Forces and for this unique and important part of the world.

Chairman LEVIN. Thank you so much, Admiral. Thanks for your statement and again for all you and your family have done for this Nation.

General Fraser.

**STATEMENT OF GEN. WILLIAM M. FRASER III, USAF,  
COMMANDER, U.S. TRANSPORTATION COMMAND**

General FRASER. Chairman Levin, Senator Inhofe, and distinguished members of this committee: It is indeed my distinct privilege to be here with you today representing TRANSCOM. We are a total force team of approximately 150,000 men and women, mili-

tary and civilian, dedicated to deploying, sustaining, and then returning home our Nation's most precious resource, our men and women in uniform. TRANSCOM is a lean, dynamic organization which plays a critical role in supporting our joint force around the world.

Today I am privileged to be here with my good friend, Admiral Bob Willard, Commander, PACOM, whom I've had the honor of partnering with closely over many years. As already mentioned, I know Admiral Willard will be retiring in the near future and I would publicly like to personally thank him for his many years of dedicated service to our Nation and his wife's continued sacrifices and dedication. Sir, it has been indeed an honor and a privilege to serve with you.

During 2011, TRANSCOM added a new command, the Joint Enabling Capabilities Command (JECC), led by Rear Admiral Scott Stearney, to our component command leadership team, which is comprised of AMC, led by General Ray Johns, MSC, led by Rear Admiral Mark Buzby, and the Surface Deployment and Distribution Command (SDDC), led by Major General Kevin Leonard.

Over the last month I have witnessed firsthand the spirit and ingenuity of our subordinate commands during my travels throughout the United States, Afghanistan, Central Asia, the Pacific, and Antarctica, just to name a few. This past year has been particularly challenging as our team of Active Duty, Guard, Reserve, civil servants, merchant mariners, and commercial partners maintain an unusually high operations tempo, supporting combat operations, sustainment efforts, humanitarian relief, and crisis action responses both at home and abroad.

These efforts from the evacuation in Japan following the devastating earthquake and tsunami, to supporting the warfighter in Afghanistan, to our withdrawal from Iraq at the end of 2011, were made possible by the amazing TRANSCOM professionals, who are committed to ensuring our joint force maintains global logistics dominance.

As we now enter a very challenging fiscal environment focusing on capabilities needed for the 21st century, as defined in the President's defense strategy, our challenge is to continue to find fiscally responsible efficiencies to deliver the required capability. TRANSCOM strongly supports this transition and will remain focused on supporting our forces around the world. This will not be an easy task. The new strategic guidance requires a military that is smaller and leaner, while at the same time being more agile, flexible, and ready.

Having an integrated distribution system will be important to our Nation, and TRANSCOM will meet the challenges of this new environment. We will continue to build our relationships with the interagency, our other nongovernmental organizations, commercial, and international partners. Together we will ensure our Nation's ability to project national military power and be able to confront other national challenges any time and anywhere.

Since taking command last fall, I've been amazed to see the unique capabilities that are inherent in the command. I could not be prouder of the TRANSCOM team and our partners. No one in the world can match our Nation's deployment and distribution ca-

pability. The foundation of this enterprise is the enthusiasm, the dedication, and efficiency of the TRANSCOM team.

Chairman Levin, Senator Inhofe, and all the members of this committee, I want to thank you for your continued superb support of TRANSCOM and of all of our men and women in uniform. I am grateful for the opportunity to appear before this committee today and I ask that my written statement be submitted for the record. I now look forward to your questions.

Thank you.

[The prepared statement of General Fraser follows:]

PREPARED STATEMENT BY GEN. WILLIAM FRASER, USAF

#### MISSION/ORGANIZATION

It is my privilege as the Commander of the U.S. Transportation Command (TRANSCOM) to present you my posture statement for 2012. Our Total Force team of Active Duty, Guard, Reserve, civilian, commercial partners, and contractors leads a world-class Joint Deployment and Distribution Enterprise (JDDE) that provides unfailing support to our warfighters and their families around the globe. Through efficient and effective execution of our transportation and supply chain distribution mission, the TRANSCOM team is revolutionizing military logistics to meet the challenges of the 21st century, while adapting to the President's Defense Strategy. Our team of dedicated and trained professionals working in unison with our joint, commercial, and international partners is ready to meet those challenges today and in the future.

#### SUPPORTING GLOBAL OPERATIONS

Our Nation's greatest asymmetric advantage is our ability to project and sustain our forces across the globe supported by the political, military, and business relationships that enable this expansive network. To maintain this advantage, the President assigned TRANSCOM the Global Distribution Synchronizer responsibility to synchronize planning for global distribution operations. This new responsibility enables the Department of Defense (DOD) to shape the distribution environment to meet growing access challenges and ensure sufficient distribution lanes across multiple theaters to underwrite our Nation's ability to successfully project and sustain forces globally. Collaboratively, we will "knit the distribution seams" among multiple Combatant Commands (COCOM) to ensure support for their theater campaign and contingency plans. To this effort, our vision is to achieve a global network that anticipates demands, maximizes strategic flexibility, mitigates potential risks, and provides resilient end-to-end distribution.

While TRANSCOM leads the enterprise, our component commands execute the mission. In 2011, Air Mobility Command (AMC) and its Air Force Reserve and Air National Guard partners maintained a high operations tempo supporting Operations Unified Protector (OUP), New Dawn (OND), Enduring Freedom (OEF), and other crises around the world. At the peak of global air mobility operations in 2011, AMC deployed a rotational force of over 60 C-130 tactical airlift aircraft, plus 120 KC-135 and KC-10 aerial refueling aircraft. AMC also employed an additional 21 C-17s in dedicated support of U.S. Central Command (CENTCOM). Additionally, across all COCOMs on a daily basis, at least one third of AMC's air mobility fleet was utilized in support of global operations.

On the surface, the Military Sealift Command (MSC) and the Military Surface Deployment and Distribution Command (SDDC) moved over 19.9 million tons of cargo worldwide. MSC's tankers delivered 1.6 billion gallons of fuel to support global operations. SDDC expanded into multimodal operations by moving over 3,500 pieces of mission essential cargo by commercial liner sealift with follow-on airlift into Afghanistan.

Our newest subordinate command, Joint Enabling Capabilities Command (JECC), deployed more than 750 personnel to support four Humanitarian Assistance/Disaster Relief (HA/DR) operations and seven contingency operations worldwide. The Geographic Combatant Commands (GCC) and U.S. Special Operations Command employed the JECC's expertise for a variety of real-world missions including Odyssey Dawn, Tomodachi, Pacific Passage, Continuing Promise, Odyssey Guard, OUP, OEF, and OND. Though the missions were of varying size, scope, and complexity, in each instance the JECC provided immediate, short-duration support to increase the effectiveness of joint command and control at the operational level.

## SUPPORT TO U.S. CENTRAL COMMAND

In 2011, the President directed the final drawdown in Iraq by 31 December 2011 and the start of the Afghanistan surge recovery. Through partnership with CENTCOM and aggressive scheduling, TRANSCOM and its component AMC accelerated the redeployment of over 60,000 troops (over 50,000 from Iraq and 10,000 from Afghanistan) returning 99 percent home by 24 December and 100 percent by the New Year.

Equipment retrograde was highlighted by the aggressive push to redeploy over one million pieces of equipment from Iraq in calendar year 2011. In addition, TRANSCOM and our interagency partners have received permissions from some governments of European, Central Asian, and Baltic countries to start retrograding materials from Afghanistan through the Northern Distribution Network (NDN).

The Pakistan Ground Lines of Communication (PAK GLOC) provide logistical support through the movement of cargo to Afghanistan. In 2011 more than 35,000 containers were delivered on the PAK GLOC by surface transportation. When open, the PAK GLOC remains the quickest and most cost-effective route.

The NDN provides an additional route for cargo to Afghanistan. Over the past year, we moved an average of 40 percent of all cargo in support of OEF through the NDN's multiple truck, water, rail, and air routes in an expanding distribution network. In 2011 a total of 27,000 containers were delivered by surface transportation on the NDN, an increase of 15 percent from 2010. TRANSCOM will continue to work with the interagency and governments of the NDN countries to expand NDN routes and permissions. This expansion will increase velocity and the number of new routes into and out of Afghanistan.

## SUPPORT TO OTHER GEOGRAPHIC COMBATANT COMMANDS

TRANSCOM supported all GCCs, responding to their unique requirements, often testing the ingenuity of the team to develop new and complex transportation solutions. In March 2011, TRANSCOM provided a top priority movement to all six GCCs—a TRANSCOM first.

In U.S. Southern Command's area of responsibility (AOR), TRANSCOM continues to support the transport and security of detainees during detainee movement operations (DMO). Since 2002, TRANSCOM in coordination with the Office of the Secretary of Defense, the Office of the Secretary of State, Joint Staff, and supported COCOMs has successfully completed 88 DMO missions, transporting 1,206 detainees without incident.

In U.S. European Command's (EUCOM) AOR, TRANSCOM deployed and redeployed more than 3,500 troops and 1,400 tons of cargo in support of the Kosovo Balkan force, providing a safe and secure environment in the region.

In U.S. Africa Command's (AFRICOM) AOR, TRANSCOM deployed and redeployed 2,491 troops and 1,340 short tons of cargo in support of Commander Joint Task Force Horn of Africa.

Supporting both AFRICOM and EUCOM and in response to the United Nations Security Council resolution to end Libya's military advance on its civilian population, TRANSCOM provided tankers and other lift assets to support Operations Odyssey Dawn and Unified Protector.

U.S. tankers flew 435 sorties delivering 23 million pounds of fuel to coalition strike aircraft. TRANSCOM also directed 63 time-critical airlift missions delivering 886 passengers and 2,220 short tons of cargo.

In U.S. Pacific Command (PACOM) AOR, TRANSCOM responded within hours to the immediate needs of the Japanese people, who were devastated from the earthquake and tsunami and follow-on nuclear crisis, with Operation Tomodachi. TRANSCOM delivered relief supplies, nuclear response equipment, a 50-person JECC team, search and rescue teams, and disaster response experts totaling over 3,400 short tons and over 6,700 passengers as part of that operation. TRANSCOM simultaneously supported Operation Pacific Passage, the voluntary authorized departure of DOD dependents from Japan, by evacuating more than 7,800 passengers on over 25 missions.

Each year, TRANSCOM provides airlift and sealift assets to transport personnel, equipment, and supplies in support of the National Science Foundation's (NSF) research in Antarctica as part of Operation Deep Freeze. Using unique capabilities such as the Air National Guard's ski-equipped LC-130s, TRANSCOM delivered more than 3,250 passengers, 10,000 short tons of cargo, and five million gallons of fuel to McMurdo Station, Antarctica. In 2011, TRANSCOM assets airlifted the King of Malaysia and the Prime Minister of Norway to Antarctica in recognition of the 100 year anniversary of man's first expedition to the South Pole.

In U.S. Northern Command's (NORTHCOM) AOR, TRANSCOM supported training exercises that provided realistic homeland defense and defense support to civil authorities training for joint and interagency partners. TRANSCOM also deployed the Modular Airborne Fire Fighting System (MAFFS) equipped C-130 aircraft to fight fires in Texas, New Mexico, Arizona, and Mexico in support of the National Interagency Fire Center. The MAFFS aircraft flew 396 sorties and released more than 9.7 million pounds of fire-retardant during their 74 days of deployment.

TRANSCOM's WC-130 Hurricane Hunter aircraft flew 129 sorties into 30 storms to collect valuable hurricane data for the National Oceanic and Atmospheric Administration during the 2011 hurricane season. In addition to collecting storm data, TRANSCOM airlifted the Federal Emergency Management Agency Region II Defense Coordination Officer emergency response vehicle to Puerto Rico to assist with monitoring Tropical Storm Emily.

#### IMPROVING BUSINESS PRACTICES

To reduce transportation costs, TRANSCOM continues to pursue both military and commercial multimodal transportation solutions. Multimodal transportation solutions use both surface and air assets, e.g., moving Mine Resistant Ambush Protected (MRAP) vehicles by ship to a major port and using cargo airplanes for the final delivery to the warfighter. By embracing multimodal transportation solutions, TRANSCOM manages the supply chain, controls cost, and creates efficiencies.

In 2011, commercial multimodal operations began in the CENTCOM AOR. Multimodal operations into theater included contracted sealift carriers and airlift services through the commercial seaports and airports in Dubai, United Arab Emirates, and Aqaba, Jordan. Commercial multimodal transportation routes maximize the use of commercial carrier capabilities from origin to destination while "freeing up" vital military capabilities. Multimodal hubs proved invaluable when the PAK GLOC routes were no longer available for use in late November. Several hundred containers from 39 different ships bound for forces in Afghanistan were diverted to Dubai and Aqaba where they were stored and then airlifted as needed into Afghanistan to ensure sustained support to combat operations.

Afghanistan's mountainous terrain and poor infrastructure require an increased reliance on aerial delivery. In 2011, over 80 million pounds of cargo were airdropped, up 20 million from 2010, making 2011 a record year. We continue to add new capabilities like Low-Cost, Low-Altitude Delivery and to explore an extracted container delivery system capability to improve aircraft survivability and aerial delivery accuracy.

Piracy continues to threaten our commercial partners, predominantly in the Horn of Africa region. TRANSCOM and its component, MSC, continue to be active participants in interagency and industry efforts to reduce the vulnerability of the U.S. commercial fleet. TRANSCOM is a strong advocate for the use of private security teams aboard commercial vessels.

#### PRESERVING THE JOINT DEPLOYMENT AND DISTRIBUTION PROCESS

The DOD supply chain is a vast, interdependent enterprise reliant on infrastructure availability across the globe. To safeguard this infrastructure, we work closely with entities across the DOD and Intelligence Community to stay apprised of threats to our transportation and distribution assets and to provide global strategic force protection oversight for these assets. Our relationships and planning efforts with GCCs facilitate threat mitigation and risk reduction of vulnerabilities and hostile/criminal activities.

Preserving and improving our strategic en route infrastructure system remains a critical requirement. A relatively small number of en route airfields and seaports are available to support global mobility operations, so we must champion these "enduring bases" that enable seamless movement across the various areas of responsibility. TRANSCOM advocates for military construction projects that maintain and improve the capabilities and capacities of the military's deployment and distribution infrastructure. Using analytical data, TRANSCOM's En Route Infrastructure Master Plan (ERIMP) identifies construction projects that will improve the military's global routes. Adequate infrastructure and access agreements allow the United States to maintain the ability to project forces globally.

With the Defense Logistics Agency (DLA), TRANSCOM continues to lead DOD supply chain transformation efforts through a series of Distribution Process Owner Strategic Opportunities (DSO) initiatives. Since 2009, five focused process improvement initiatives generated \$400 million in cost savings and cost avoidance. The initiatives enhanced readiness, improved velocity, and reduced costs, while delivering higher levels of service to the warfighter.



## BUILDING TOWARD THE FUTURE

As TRANSCOM continues to improve our processes across the deployment and distribution enterprise, we stand ready to support the President's Defense Strategy that maintains a full spectrum force ready to deter conflict, project power, and win wars anywhere on the globe.

In the Pacific, Guam is critical to U.S. national defense as a strategic security and stability location providing TRANSCOM access to global lines of communications. Guam is a key multimodal logistics node to mobility success in the region and has been analytically validated in the Global Access and Infrastructure Assessment, TRANSCOM's ERIMP, and AMC's En Route Strategy White Paper. TRANSCOM supports infrastructure improvements on Guam to ensure successful distribution operations in East Asia and Oceania. We have partnered with the DLA and, with congressional approval, invested \$101.3 million in the recapitalization of the fuel hydrant infrastructure and \$61 million in a JP-8 pipeline between Apra Harbor and Andersen Air Force Base.

A key element of the President's Defense Strategy is to strengthen defense cyber capabilities to operate effectively in cyberspace and to counter cyber attacks. Because of TRANSCOM's strong reliance on commercial partners, over 90 percent of the distribution and deployment transactions are handled in cyberspace. TRANSCOM strives to ensure both the integrity of our data and availability for our users and essentially serves as an information broker for deployment and distribution operations across the globe.

TRANSCOM is partnering with U.S. Cyber Command (CYBERCOM), industry, and educational institutions to introduce innovative new technologies and methodologies to protect our essential command and control systems and information from attack. Collaborating with military and commercial partners to define standards for the process and handling of data allows us to improve the security of our information and its accuracy. Implementation of these standards will streamline our information flow, improve transparency to authorized users, and leverage new technologies. The result is trusted and timely information supporting a more responsive transportation enterprise while reducing costs.

TRANSCOM's Agile Transportation for the 21st Century (AT21) initiative will use industry best practices plus government and commercial off-the-shelf optimization and scheduling tools to deliver best value, end-to-end deployment and distribution. Business process reengineering will improve transportation planning, forecast accuracy, and on-time delivery of forces and sustainment to COCOMs at a lower cost. Corporate Services Vision will align IT systems with reengineered business processes to create a one-stop IT shop.

TRANSCOM is DOD's lead proponent for In-Transit Visibility (ITV) of cargo, equipment, and personnel during deployment and distribution options. ITV enables a more effective and efficient supply chain by tracking the total volume of supplies moving through the logistics pipeline. Active Radio Frequency Identification (RFID) remains the primary automatic identification technology for large consolidated shipments in the defense transportation system while incorporation of passive RFID tags provides great benefits in warehousing, prepositioning, and tracking of DOD materiel. We continue to expand capabilities with our ITV systems/portfolio.

## REALIGNING ORGANIZATION AND PERSONNEL

The disestablishment of U.S. Joint Forces Command reassigned the JECC to TRANSCOM on July 1, 2011. The JECC's Joint Planning Support Element (JPSE), Joint Communications Support Element (JCSE), and the Joint Public Affairs Support Element (JPASE) provide mission tailored joint capability packages to COCOMs. These units facilitate rapid establishment of Joint Force Headquarters enabling Global Response Force execution and the bridging of joint operational requirements.

The JECC employs a Total Force mix to deliver scalable mission tailored packages providing immediate, short duration support establishing and organizing a joint force headquarters. The JPSE is an employment package composed of experienced personnel in the planning and execution of joint military operations. The JCSE delivers secure command, control, communications, and computer capabilities. The JPASE provides an early entry capability enabling the Joint Force Commander to gain and maintain the initiative in the information domain.

## TRAINING AND EXERCISES

TRANSCOM Combatant Commander's Exercise Engagement (CE2) program directly supports U.S. national security interests by increasing military capabilities,

strengthening alliances, and retaining strategic access around the globe. CE2 enables joint force readiness by enhancing interoperability of the JDDE. The CE2 program has maintained strategic access for the DOD in an era where many forward deployed capabilities are becoming CONUS based. The program allows Combatant Commanders to exercise quick deploying contingency capabilities in response to real world crises like contingencies and HA/DR operations and allows DOD's strategic reserve fleet to remain ready, while saving resources by reserving operating capabilities.

TRANSCOM participated and supported COCOMs in 20 top priority command post and field training exercises, including 147 secondary training events in 2011. During the exercises, TRANSCOM provided command and control, deployed strategic mobility personnel and assets, and provided ITV, including patient movement tracking systems and global air transport. TRANSCOM also partnered with NORTHCOM, Federal agencies, and State and local emergency planners in the development and execution of a staff and patient movement exercise as part of the National Level Exercise.

#### AIR MOBILITY READINESS

The President's Defense Strategy relies on rapid global reach and rapid global response to deter aggression and deliver worldwide capability. An important linchpin to U.S. military dominance in any conflict is maintaining the airlift and air-refueling capability required for rapid delivery of the Joint Force Team over long distances, guaranteeing access to any location in the world. Our initial analysis shows the planned air mobility force structure meets the strategic airlift and air-refueling requirements for a single large scale operation, while maintaining the flexibility and adaptability to support the Joint Force in another region.

C-17s will continue to meet TRANSCOM's future requirements through currently funded purchases, upgrade programs, and fleet rotation. The newest C-17s arrive with the latest capability and reliability improvements installed, while the older aircraft enter into the Global Reach Improvement Program to increase their capability and sustainability. Aircraft are monitored and analyzed for stress and rotated to maintain structural integrity of the fleet.

The C-5 fleet is critical to our oversized and outsized air cargo capability and management of the fleet focuses on retirement of some of the oldest aircraft and increased reliability for the remainder. The Reliability Enhancement and Re-Engining Program (RERP) increases the C-5 fleet mission capable rate (MCR) from 55 to 75 percent. All C-5 Bs and Cs and 1 C-5A will undergo RERP for a total of 52 C-5Ms. The Air Force's new programmed depot maintenance process changed from a "failure of major components" to a preventative replacement process. C-5A retirements will improve aircraft availability by removing maintenance intensive jets from the fleet.

Last year the Air Force awarded a contract for the engineering and manufacturing development phase of the KC-46A program. The KC-46A will replace a portion of the Air Force's aging fleet of KC-135 Stratotankers and will provide the DOD and allied nation coalition aircraft with more aerial refueling capacity, improved efficiency, and increased capabilities for cargo, passengers, and aeromedical evacuation. These 179 KC-46A tankers are the first increment of a three-phased tanker recapitalization approach driven by fleet size and fiscal constraints.

The C-130 continues as an in-theater workhorse supporting humanitarian, peacekeeping, disaster relief, and combat operations. TRANSCOM supports DOD and Air Force plans to size the tactical airlift fleet to align with the President's Defense Strategy and to meet the warfighter's demand for intratheater and Direct Support airlift missions. Our initial analysis of the planned total purchase of 134 C-130Js, plus 184 modernized C-130Hs, shows the Air Force fleet of 318 C-130s will be sufficient to support the warfighter's demands.

To operate our mobility aircraft safely in threat environments, I strongly support continued defensive systems such as the Large Aircraft Infrared Countermeasures system and continued development of the Advanced Situational Awareness and Countermeasures capability for operations in low to medium threat environments.

The Joint Operational Support Airlift Center (JOSAC) develops and implements CONUS Operational Support Airlift (OSA) solutions to provide movement visibility for the DOD. The small passenger aircraft provide quick, cost-effective transportation for senior officials and special cargo. Recently, the JOSAC assumed the responsibility of scheduling OSA aircraft in support of the NORTHCOM AOR, including parts of Alaska, Canada, and Mexico.

Operational Support Airlift and Executive Airlift (OSA/EA) is a key component of our Global Air Mobility Enterprise. From the President to senior civilian and mili-

tary leaders, immediate airlift is required to carry out diplomatic and military missions across the spectrum of activities supporting our National Security, National Defense, and the National Military Strategies. While we continue to modernize the OSA/EA fleet, we plan to develop a single scheduling and management system with a common multiservice database and operational picture. The goal is to achieve total and real-time asset visibility of worldwide senior leader and OSA/EA movements to enable all stakeholders, including key leadership to exercise command and control of their fleet assets within their area of responsibility.

TRANSCOM's Civil Reserve Air Fleet (CRAF) is a force enabler, providing us the ability to rapidly deploy forces and equipment in response to global events. The institution of incentives for commercial carriers directed in the 2009 National Defense Authorization Act have proven successful in transitioning the CRAF to a more modern fleet that increases reliability, improves fuel efficiency, and lowers contract rates. TRANSCOM continues to incentivize the use of modern CRAF aircraft while eliminating the aging, less efficient aircraft. The CRAF Executive Working Group (EWG) of TRANSCOM, AMC and commercial aviation leaders has been a continuing success by allowing open discussion of fleet modernization, Federal Aviation Administration flightcrew duty and rest requirements, fleet reliability, and supporting operations.

Routing mobility airlift over the polar ice cap opens an additional corridor to the CENTCOM AOR mitigating the threat to single lines of communication and saves time, fuel, maintenance, and personnel costs. West coast bases' routing KC-135 swap outs over the North Pole saves 20 percent in time and costs over the traditional European-Caucasus routing, while long-range cargo aircraft routed over the polar ice caps save up to 14 percent. In 2011, TRANSCOM directed AMC and its commercial partners to utilize polar routing in order to improve operational experience and capability.

Air Force Contingency Response (CR) forces provide an essential capability to support rapidly evolving contingencies throughout the world. AMC maintains four Contingency Response Groups and additional expeditionary Global Mobility forces to support the airbase opening and Joint Task Force-Port Opening missions. These forces directly support TRANSCOM and Joint Force Commanders' expeditionary mobility requirements by expanding options for early entry force application and sustainment. Rapid response capability along with opening and operating from distant and austere bases with a small footprint and minimum support requirements is a tremendous force enabler. CR forces can deploy within 12-hours notice to quickly assess airbase capabilities and begin the base opening process to achieve full mission capability in the shortest possible time. CR forces provide combatant commanders with initial air base opening and global air mobility support capability during wartime, contingency or humanitarian assistance/disaster response operations.

In 2011, TRANSCOM performed 24,410 safe and rapid aeromedical global patient movements, transporting 14,678 patients to definitive care. In the days after the liberation of Libya, TRANSCOM, through the Global Patient Movement Requirements Center, supported a Department of State request and transported wounded Libyan personnel by military airlift to medical facilities in Europe and the United States.

TRANSCOM continues to increase its ability to meet the DOD's expanding patient movement mission requirements. We have matched advanced in-flight medical care teams to the specific medical needs of our Wounded Warriors, forged and field tested unique DOD Health and Human Services deployable air evacuation staging facilities, and standardized and integrated theater patient movement regulating centers. These improvements will build a safer, more agile, and efficient world-wide patient movement system.

#### SEALIFT READINESS

Sealift is the primary means for delivering the preponderance of equipment and sustainment for ground forces, and is essential to building up combat power and seizing the initiative during major combat operations. In a typical operation, over 90 percent of all cargo is delivered by sealift. As one of the largest single shippers of ocean cargo worldwide, DOD spent approximately \$2 billion in fiscal year 2011 on commercial transportation through our Universal Services Contract. By partnering with commercial carriers, we gain beneficial access to their global infrastructure. In return, they benefit from our long-term commitment to their ships and networks. When necessary, we activate our government-owned vessels from the Maritime Administration's (MARAD) Ready Reserve Force (RRF) and MSC's Surge Fleet.

TRANSCOM's partnership with the U.S. commercial sealift industry and the Department of Transportation (DOT) has been vital in developing new routes for con-

veying cargo around the globe, particularly to regions with undeveloped infrastructure. Through formal programs such as the Maritime Security Program (MSP), Voluntary Intermodal Sealift Agreement (VISA) and the Voluntary Tanker Agreement (VTA), DOD gains critical access to U.S. commercial capabilities, while ensuring the availability of a viable U.S. flag maritime industry and U.S. citizen mariner pool in times of national emergency.

The MSP was recently extended an additional 10 years to 2025. TRANSCOM looks forward to working with members of Congress to continue to refine the program between now and its implementation date in 2015. The most critical vessels in our fleets are the Roll-On/Roll-Off (RORO) vessels. TRANSCOM also looks forward to working with our partners in developing a joint approach to recapitalize our organic fleet through the purchase of vessels available at minimal cost due to the declining worldwide markets. Doing so keeps U.S. citizens operating these vessels, thereby strengthening our maritime base and generating business for U.S. shipyards to complete all conversion and life-cycle maintenance work on these ships. Additionally, preserving DOD's organic fleet of nine Large Medium-Speed Roll-On/Roll-Off (LMSRs) and 48 Ready Reserve Force ships is vital to having the surge sealift capacity necessary to meet future contingencies.

TRANSCOM works closely with DLA Energy to meet DOD's fuel requirements. Early in 2011, MSC assumed operational control of the second of two U.S. built, U.S. flagged State Class tanker vessels. These new double hulled 331,000 barrel ships replaced four older T-5 tankers that have served us well for the past 25 years. The Motor Vessel (MV) Empire State and her sister ship, MV Evergreen State, will carry refined petroleum products primarily between commercial refineries and DOD storage and distribution facilities worldwide. Additionally, I support MARAD's proposed Tank Vessel Security Fleet which, if approved, would replace the VTA and provide incentives for U.S.-flagged tankers to operate in U.S. foreign commerce in return for assured access to DOD in support of worldwide operations.

Finally, I urge continued congressional support of the National Defense Sealift Fund and the MSP. TRANSCOM is working diligently with Navy, MSC, and MARAD to instill efficiencies and cost savings in the way these critical assets are managed. Support of the MSP, in addition to supporting a U.S. flagged commercial fleet, is critical to maintaining the U.S. merchant mariner base which provides the manpower needed for surge operations.

The delivery of fuel to combat forces is an absolutely critical component to any modern combat operation. As we plan for contingencies we must always consider the possibility that the normal fuel infrastructure may not be in place or may be unusable. The Offshore Petroleum Discharge System on MV Wheeler is one unique way to ensure fuel support. This system provides up to 1.7 million gallons of fuel from up to 8 miles offshore. This one of a kind vessel is programmed for purchase in August 2012, and will become part of the organic fleet to ensure continued support to the warfighter.

#### SURFACE READINESS

The declining condition and operation of our highway infrastructure between military installations and ports is a concern for the DOD. TRANSCOM will continue to work with DOT to identify DOD's rail, highway, and port requirements so they are thoroughly integrated into the civil sector planning cycle and maintained for the JDDE.

In addition to maintaining the infrastructure, DOD must also maintain railcar capacity to meet military transportation requirements. We are working closely with industry to ensure contracted railcar capacity is available to augment government-owned railcar capacity in the event of any contingency lift requirements.

Infrastructure improvement projects at the U.S. Army Military Ocean Terminal Concord (MOTCO), in Concord, CA, are essential to TRANSCOM's support of PACOM's operational plans and DOD's military capability in the Pacific theater. Due to the nature and size of this military mission, no suitable alternatives to MOTCO exist on the West Coast. We continue to work within DOD to find necessary resources to alleviate any ammunition throughput issues in the Pacific Theater.

TRANSCOM also manages the Defense Personal Property System (DPS). DPS is a next generation web-based system designed to manage personal property shipments and help improve the move experience for servicemembers through procurement of best value transportation services. In addition, DPS achieves other key Defense Personal Property Program objectives to include: Full Replacement Value protection, streamlined direct claims settlement between the customer and the Transportation Service provider (TSP), faster automated payments to TSP, 24/7 self-coun-

seling, on-line status tracking, and reduced storage costs. In fiscal year 2011, DPS executed more than 532,000 shipments and can now accommodate approximately 90 percent of all household goods shipments for DOD military and civilian personnel and their families.

#### DEVELOPING NEW CAPABILITIES

TRANSCOM is overcoming deployment challenges to enhance our global response capabilities. Joint High Speed Vessels (JHSVs) represent a transformational sealift capability by offering an enhanced logistics response to military and civil contingencies around the globe. These vessels close the gap between high-speed low-capacity airlift and low-speed high-capacity sealift. Forward deployment of JHSVs in combination with warehoused stocks of equipment and supplies will leverage their speed and capacity into quick delivery of needed cargos for Service, joint, and inter-agency efforts. We are analyzing ways to further capitalize on this capability with the Services and other COCOMs.

With delivery by airdrop nearly doubling yearly since 2005, TRANSCOM's investment in a High Speed Container Delivery System (HSCDS) will increase airdrop accuracy and payload weights supporting forward deployed warfighters. This capability also enhances threat avoidance and tactical maneuverability to aircraft and aircrews. HSCDS has successfully completed technology demonstrations with a summer operational assessment planned.

#### FISCAL STEWARDSHIP

The JDDE generated \$786.9 million in cost avoidance predominately through the use of multimodal operations (the cost-effectiveness of ships and the flexibility of the C-17s) and forward based warehousing in fiscal year 2011. A continuing example of multimodal operations is the movement of Mine Resistant Ambush Protected All Terrain Vehicles (MATVs) to Afghanistan. The vehicles were shipped to seaports in theater then airlifted five at a time aboard C-17s into country. TRANSCOM delivered the majority of the 850 MATVs from October 2010 through September 2011 using multimodal operations.

TRANSCOM is committed to being part of the DOD solution to long-term deficit-reduction challenges by continuing to lead the certification effort for alternative fuels. AMC C-17s underwent flight tests and certification on cutting-edge renewable bio-jet fuel blended with JP-8 in August 2011. Additionally, all aircraft in AMC's fleet are approved to fly on a synthetic blend of coal or natural gas-based fuel and regular jet fuel.

Additional efficiency efforts include the Mission Index Flying Tool, the Next Generation Cargo Capability Program, and other mission area enhancements. The Mission Index Flying Tool has allowed AMC to reduce aviation fuel consumption beyond expectations. The Next Generation Cargo Capability program standardizes air cargo build-up from depot suppliers and AMC aerial ports to maximize volume/weight utilization, increasing operational effectiveness, and reducing fuel costs while meeting the end customer's delivery requirements. Collaboration with our supported customers has moved more materiel via surface modes to our CONUS strategic aerial ports, thus minimizing aircraft costs while effectively meeting warfighter requirements. Finally, to optimize over-ocean shipments and reduce enterprise operating costs, we continue to identify opportunities to aggregate cargo at appropriate locations.

#### FINAL THOUGHTS

While the Nation and TRANSCOM face significant challenges at home and abroad, we recognize there are great opportunities for positive change. Such changes will improve effectiveness and efficiency for the warfighters and for the citizens who have entrusted us with the responsible use of our Nation's resources. The dedicated men and women of the TRANSCOM team take enormous pride in providing the world's best deployment and distribution support to our great Nation. "Together, we deliver."

Chairman LEVIN. Thank you so much, General.

Let's try a first round of 7 minutes. We have pretty good attendance, so we probably won't have time for a second round.

Admiral, let me start with you. The United States and Japan are reconsidering certain terms of the 2006 roadmap agreement to move U.S. marines off of Okinawa. Specifically, we apparently now

have agreed to de-link the movement of 8,000 marines off Okinawa from the development of a Futenma Replacement Facility. However, the plan to build the replacement facility at Camp Schwab apparently still remains unchanged.

Senators McCain and Webb and I believe that the plan to build that replacement facility at Camp Schwab is unrealistic and is unworkable and unaffordable. Earlier this week the Japanese Prime Minister met with the Governor of Okinawa and the Governor apparently has reiterated his opposition to that replacement facility plan and has repeated his call for the airfield to be located outside of Okinawa.

So it seems clear that we need an alternative to the plan to build a replacement facility at Camp Schwab. Otherwise, the current Futenma Air Station is going to stay open and operational for the foreseeable future.

Now, in the NDAA we have a number of requirements relative to this issue that will need to be met before any funds, including funds that are provided by the Government of Japan, may be obligated or expended to implement realignment. There is the Marine Corps Commandant's submission of a report of his preferred force laydown. There's a requirement that we see a master plan for the construction of the facilities and infrastructure necessary to implement the Commandant's preferred force laydown. We need a certification by the SECDEF that tangible progress has been made on the replacement facility, and a number of other requirements.

Are you participating or have you participated in meeting those requirements that are laid out in our defense authorization bill?

Admiral WILLARD. We are participating, yes.

Chairman LEVIN. In each of them?

Admiral WILLARD. Yes.

Chairman LEVIN. Do you know how far along they are? When do we expect that that will be filed with us?

Admiral WILLARD. I don't have a date for you, Senator. I can tell you that the deliberations have been continuous. In fact, before those conditions were laid down to DOD we were offering a variety of options to the SECDEF as events in the Okinawa area were stalled over the past couple of years. So PACOM has been involved in sharing about 25 options with DOD over time and the preferred laydown that you refer to is one of those. So we are very much engaged and will continue to assist in determining the final answers to your questions. Obviously, the Japanese get a vote in this in terms of progress.

Chairman LEVIN. Right. Whatever we do, we intend to do it jointly with the Japanese, and that's an important part of our intent.

Relative to China, you've testified a bit on the growth of the Chinese military. What do you expect the effect of the administration's refocus on Asia to be on China's military growth and posture in the region?

Admiral WILLARD. We've not seen China's military growth affected by the announcement, nor do we expect it to be. It has continued relatively unabated. The Chinese are obviously very interested in the statement that the United States intends to focus on the Asia-Pacific region. I think they see themselves in that state-

ment, perception or not, and will continue to observe very closely the actions that the United States takes to back up those words.

Chairman LEVIN. Admiral, you've made reference to the strategic guidance that was released by the administration recently. Do you support that new strategy?

Admiral WILLARD. I do.

Chairman LEVIN. Are you satisfied that the fiscal year 2013 budget supports that new strategy?

Admiral WILLARD. I am. As we look at the budget submission, the strategy establishes global priorities. The budget establishes force structure in terms of acquisitions across the Services. How that acquisition strategy is applied to the strategic priorities globally will, in effect, answer the strategy or not. So this is about the application of what we buy, I think, more than anything.

Chairman LEVIN. Admiral, you have, I believe, indicated that you support the United States becoming a party to the United Nations Convention on the Law of the Sea (UNCLOS). I would like to press you, because this is your last hearing before us, a bit more on that. Can you tell us whether, in your judgment, joining this treaty, this convention, will support our military operations in the Asia Pacific and whether not being a party to that convention disadvantages the United States?

Admiral WILLARD. Thank you, Mr. Chairman. I think it's a great question and timely. I do think that not being a signator disadvantages the United States in a particular way. I would offer that since 1994 the U.S. Armed Forces have been adhering to the legal framework that is consistent with the UNCLOS, and we continue to, and we continue to share UNCLOS issues and debate UNCLOS legal definitions with our counterparts throughout the Asia Pacific.

Chairman LEVIN. "UNCLOS" is Law of the Sea?

Admiral WILLARD. Law of the Sea.

What the United States doesn't have as a non-signator is a seat at the table when the convention is debated or as the convention evolves by the various countries that have ratified it. I think it's important that the United States have a seat at that table. At the end of the day we believe that the elements that caused the convention to be set aside in the 1980s, generally in the area of the commercial-related articles within it, have all been corrected and should at this point be candidate for ratification. We, again because UNCLOS is so important as a framework for determining the actions that all nations take in the maritime domain around the world, believe strongly that the United States must have a voice in this and a seat at the table when we debate UNCLOS in the future.

Chairman LEVIN. Does China have a seat at the table?

Admiral WILLARD. They do.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First, let me just respond to the last line of questioning. I want to make sure our witnesses know that I'm probably not the only one on this side of the table here who disagrees with the administration's position on UNCLOS. In fact, I'd like to make a formal request, and I will do so in writing, Mr. Chairman, that we actually

have a hearing on this treaty. I think that would be very appropriate to have.

I know that about 10 years ago we had two hearings, one by this committee and the other by the Environment and Public Works Committee that I was chairing at that time. But I won't get into that now.

I would like to have you send me something for the record, Admiral Willard, as to what specific things have changed since the 1980s, actually in two shifts, since the 1980s and the 1990s, that should change our position on UNCLOS, if you would do that for the record.

[The information referred to follows:]

The legal regime reflected in United Nations Convention for Law of the Sea (UNCLOS) promotes two fundamental tenets of the U.S. strategic perspective on security and stability in the world: (1) preservation of freedom of access and use of the seas, and (2) the rule of law.

- The Convention preserves freedom by codifying the rights, freedoms, and uses of the sea for all nations, including the United States. This, in turn, promotes our economic and security interests.
- The Convention upholds the rule of law by effectively balancing the interests of coastal states and user states, through precise terminology and concise legal rules. As a coastal state and user state, the United States benefits from a stable legal regime, immune to easy manipulation by others.

U.S. accession to the Convention would send a strong message to the world that we are serious about preserving maritime freedoms and upholding the rule of law.

- In the U.S. Pacific Command (PACOM) area of responsibility (AOR), nations with longstanding excessive maritime claims (e.g., Philippines and Vietnam) are modifying those claims, consistent with UNCLOS.
- These member-states cite upholding the rules-based approach of the Convention to resolving the South China Sea disputes as a reason for their efforts.
- Throughout the PACOM AOR, my staff, my component commanders, and I are often asked, "will the United States ever join UNCLOS?" We interpret this question as a call by our allies and partners to support efforts to uphold the Convention against those who seek to manipulate it and the underlying customary international law.
- U.S. accession would send a strong message to the nations of the Asia-Pacific region that the rule of law reflected in the Convention is worth upholding and preserving.
- U.S. accession could encourage other nations in the region to reform their excessive maritime claims as Vietnam and the Philippines have begun to do.

Continuing to operate as an outsider to the legal regime significantly undermines our credibility when we attempt, on a recurring basis, to challenge and protest the failure of other nations to adhere to international rules governing uses of the oceans.

- We routinely cite the rules contained in UNCLOS, regarding maritime navigation, maritime safety, sovereignty, and jurisdiction, among others as being universally applicable.
- We rely on the rules in UNCLOS when criticizing nations for various actions that we find inconsistent with international law in the maritime domain.
- The effectiveness of our challenges to violations of international law regarding uses of the oceans, are handicapped by the fact that members of UNCLOS respond "How can you lecture us about failing to comply with UNCLOS when you are not even a party to it?"
- Consequently, U.S. objections are often ignored or dismissed.
- Becoming a party to UNCLOS would significantly strengthen our standing and credibility when demanding adherence to international law in the uses of the oceans.

The United States faces a different world today in which some rising nations seek to challenge the existing rules-based international order.

- When UNCLOS was negotiated, the United States shared a converging interest with its leading competitor (i.e., the Soviet Union) in preserving the rights, freedoms and uses of the sea.



- Today, there are rising nations (e.g., China) that do not share this converging interest in preserving these freedoms. Moreover, those nations also do not fully respect the concepts behind adherence to the rule of law. Instead, they view the law as a tool to be used when useful and ignored when necessary. China refers to this concept as “Legal Warfare.”
- In our view, the best way to prevent that manipulation of the law is to guard it closely from within the system.
- So long as the United States remains outside the established rule-set of the Convention as a non-party, we face an unnecessary impediment to our ability as a nation, diplomatically and militarily to preserve the rules embodied in the Convention.

The United States cannot preserve freedoms and uphold the rule of law by our military presence or activities alone.

- Unlike conventional law, customary law is constantly subject to change and evolution over time through state practice of all nations.
- Critics of U.S. accession who argue that U.S. military superiority alone can uphold the legal regime reflected in UNCLOS as customary law ignore the reality that the United States cannot depend solely on one element of national power to protect national interests.
- Relying on the U.S. military as the sole means to protect U.S. interests sends the wrong message to rising nations, such as China, that they too should rely upon their militaries to resolve international disputes, such as those in the South China Sea.
- To maximize the likelihood of achieving our strategic objectives, the United States should leverage all elements of national power, including diplomatic, informational, and legal.

The primary concern of President Reagan with the final text of the Convention involved the issue of deep sea-bed mining. According to President Clinton, and as agreed to by Presidents Bush and Obama, those concerns were effectively mitigated between the time that President Reagan decided not to sign the Convention in 1982 and 1994 when changes to the Convention were agreed.

- President Clinton submitted the revised Convention to the Senate for ratification in 1994, stating that the changes addressed President Reagan’s concerns.
- Presidents Bush and Obama implicitly agreed with President Clinton when they supported Senate ratification.

According to Presidents Clinton, Bush, and Obama, all of our national security interests were preserved in the final text of the Convention.

- When the Convention was negotiated in the 1970s and early 1980s, the United States was a leading nation at the table throughout.
- Three successive Presidents, from both parties and leaders of the U.S. military have consistently supported U.S. accession to the Convention.

As described above, U.S. accession would bolster, not impede, global U.S. military activities.

- Codifies rights, freedoms and uses of the sea critical to the global mobility of our military forces, including the rights of innocent passage, transit passage, archipelagic sea lanes passage, the freedoms of navigation and overflight, and “other internationally lawful uses of the sea” (e.g., military activities, operations, and exercises).
- The U.S. military will not be subject to compulsory dispute settlement procedures (i.e., international courts or arbitration).
  - The Convention expressly permits member-states to opt out of those procedures for “disputes concerning military activities.”
  - The Convention expressly exempts foreign “warships, naval auxiliaries, and other vessels or aircraft owned or operated” by a member-state from coastal state regulations of the marine environment.

Senator INHOFE. Admiral Willard, I have always been concerned about the quality of our intelligence on North Korea. There have always been a lot of surprises there. I won’t repeat the details: my observation back in August 24, 1998, when we asked the question how long it would be until North Korea would pose an Intercontinental Ballistic Missile threat and they were talking about around 3 to 5 years, and it was 7 days later, on August 31, 1998, that they actually did fire one. It was a Taepodong 1.

I'm concerned about their progress now and the three-stage rocket that they actually were able to launch in 2009. So I guess I'd just ask you, are you satisfied with the quality of the intelligence we're getting on North Korea?

Admiral WILLARD. Senator, we know a great deal about the various structures in North Korea, including the efforts they're making to nuclearize and develop ballistic missile delivery capabilities. That said, there is never perfect information with regard to North Korea in virtually any area.

I'm also satisfied with the emphasis that's being placed on North Korea, given the importance of what you've suggested, and the efforts specifically by the entire intelligence federation to provide me the kind of information that we require to track North Korean developments day to day.

Senator INHOFE. Okay, I think that's significant.

In terms of the 29-year-old replacement for Kim Jong Il, my impression is that it's just more of the same and perhaps not really going to be a major change in terms of decisionmaking. What is your opinion of Kim Jong Eun?

Admiral WILLARD. We think that in general he's a Kim and he's surrounded by—

Senator INHOFE. He's a Kim, yes.

Admiral WILLARD. He's surrounded by an uncle and Kim Jong Il's sister and others that I think are guiding his actions. So in that sense we would expect, as you suggest, more of the same. The strategy has been successful through two generations. It wouldn't surprise us to see an effort to make the strategy work for a third.

That said, he's a young man and relatively untested and those around him may have some differences of opinion regarding the direction that North Korea heads. So we are interested in seeing the influence of a treaty ally like China or the direction that they take in various security areas, including proliferation and nuclearization.

Senator INHOFE. All right, I appreciate it. I'm going to ask you something about what you said on China, but first I want to ask General Fraser.

I've had a particular interest in Africa and U.S. Africa Command (AFRICOM) for quite some period of time. I'd like to ask you, what type of support is TRANSCOM able to give AFRICOM in their AOR today?

General FRASER. Thank you, Senator. As we look to AFRICOM, we've managed to meet all their requests and their requirements. That has come in the form of support to the Libyan operations, where we were able to provide both lift and tanker support. They had follow-on requests for Libya, which we provided some support for. We sailed in some ships to provide equipment into Libya. That's one form. We still provide support also to the Combined Joint Task Force for the Horn of Africa, meeting those requirements.

But also our new command, the JECC, has had several requests for our planners. So Admiral Stearney and his folks have moved forward to help out General Hamm in some of the planning that he's been doing. So we have not failed to meet any of the requests from AFRICOM.

Senator INHOFE. Is it your opinion that AFRICOM is getting adequate resources to carry out the mission?

General FRASER. Yes, sir, it is.

Senator INHOFE. If you find that it's not, if you'd let us know it would be very helpful.

Getting back to something that maybe I misunderstood, in terms of China's military buildup, we know that it's been an average of what, 18.75 percent a year now. I remember back during the Clinton administration when they were even more aggressive than that. Did I understand you to say that you don't witness the growth in their capabilities or you do? Would you clarify your statement as to your observation of China's threat and capabilities?

Admiral WILLARD. I think I tried to characterize it as growth unabated, so they continue to advance their capabilities and capacities in virtually all areas.

Senator INHOFE. In all areas. That's something significant because it's conventional forces, and then they seem to be having it all. I look at that as a great threat. I remember early on when I was first elected. Actually, that was over on the House side. There was a book by Anthony Kubek called, "Modernizing China." I don't know whether you've ever read it or not, but I think for anyone who is dealing with China and Taiwan, it would be worthwhile reading that.

Let me ask you, do you still feel the same way about my favorite programs, 1206, 1207, 1208, International Military Education and Training (IMET) and these programs?

Admiral WILLARD. We do, very strongly, Senator. 1206 in particular because of the work that we're doing with the Philippines and others in counterterrorism has been very helpful, and we continue to rely very heavily on those funds.

I would just comment that we think IMET is a most powerful tool in terms of exposing our foreign counterparts not only to U.S. education, military education, and standards and values, but also in bringing the nations, the allies, and partners together in the region as alumni. So these are very, very important programs as it relates to strengthening our allies.

Senator INHOFE. The IMET program has been so successful in our change in focus that we recognize we're not doing them the favor, really they're doing us the favor. Once an allegiance, a close relationship, is established, it stays forever.

Admiral WILLARD. I agree.

Senator INHOFE. Yes, sir.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, Admiral Willard and General Fraser, for your service.

Admiral, thanks for all your years of service, and to your wife also. You've really given great service to our country and great leadership in the years I've come to know you through my membership on this committee. I must say that I've been impressed over the years that you've not only proven yourself to be an exceptional military leader, but I think you've always had an ability, while carrying out the details of your military responsibilities, to see the

larger picture in which you and the United States have been operating, and I've always found my conversations with you to be very instructive.

So I appreciate that very much and wish you the best in your next chapter.

Admiral WILLARD. Thank you.

Senator LIEBERMAN. So let me begin, having said that, with a larger picture statement and question, which is that in the travels over the last year that I've been able to do in the PACOM AOR, and meeting people here as they come from the region, it strikes me that this rebalancing of our foreign and military policy toward the Asia Pacific is not just an initiative on our part in pursuit of our economic and security interests, but it is really a reaction to a kind of demand from within the region that we be more involved.

It's striking, I think, and perhaps not appreciated enough by people around the country, at a time when there's a lot of concern about America being in decline, America the unpopular, that not only among the more traditional allies has our relationship grown stronger, but that there are whole new groups of countries that are seeking stronger relations with us, such as Vietnam and Myanmar, for instance.

So I would to ask you at the beginning if you agree that that's the case and, if so, why? Is it just about fear of China and the hope that we will balance China as part of our rebalancing? Or is there more to it than that?

Admiral WILLARD. Thank you. I do agree with your statement, and I think I've testified in the past, the amount of encouragement that has come from the region, from virtually all the actors in the region, with regard to their desire for U.S. staying power and influence in the region and increased engagement.

There was a perception over the course of the last decade of warfare that our presence in the Asia-Pacific region was diminished, and, in fact, our ground force presence was decremented by about 10 percent as we in PACOM rotated forces in and out of the theater of wars over the past 10 years. But our ship presence, and our aircraft presence, remained relatively steady, albeit working the ships and airplanes hard to do it. So we've maintained a presence, but there was a sense in the region that the U.S. commitment to the region had been somewhat diminished for a variety of reasons.

I think that refrain has not stopped. I don't think it's just about China. I do think that the fact that China has advanced its military capacities to the extent that it has certainly is one element of that. But I think there has been a desire, a strong desire in the Asia-Pacific region, continuously for U.S. engagement economically and otherwise. I think they regard a U.S. presence there as unquestionably contributing to the security and stability of the Asia-Pacific region.

It's not lost on anyone that for nearly the past 6 decades we've enjoyed relative security and growing prosperity.

Senator LIEBERMAN. Right.

Admiral WILLARD. So I think there's a desire for U.S. engagement regardless, and certainly there is, I think, a great deal of optimism in the region as a consequence of the recent announcements that have been made.

Senator LIEBERMAN. That, in fact, the role that America has played in providing stability and security in the Asia-Pacific region over the last 6 decades, as you've said, has been one of the preconditions of the enormous growth and prosperity in the region over that time.

Admiral WILLARD. Absolutely.

Senator LIEBERMAN. Is it fair to also say that part of what draws a lot of people and countries in the Asia Pacific toward us may well be our form of government, that during this period of time not only has there been an economic prosperity growing in the Asia Pacific, but democracy has expanded as well?

Admiral WILLARD. It has. I think when you look at countries like India and the engagement that's ongoing between the United States and India; Indonesia, which has a relatively nascent democracy, that has been very successful, and its desire for increased engagement with the United States, and others, that you are right. There are a lot of U.S. values that are highly regarded in the region and I think our form of governance is one of them.

Senator LIEBERMAN. So in the midst of all that, I worry that as we get this move toward us and urging us to be more involved for mutual economic security, even political governance interests, that we're sending a message out by the cuts in defense that are part of the Budget Control Act (BCA), leaving aside sequestration, that maybe we're not going to be able really to deliver on our promise of increased involvement or, at worst, that people in the region and countries will think it's rhetoric.

So I wonder how you feel about whether the cuts required under the BCA of last year, not the potential sequestration, could impose risks on our strategy in the PACOM AOR, and whether you've heard any of those concerns from political or military leaders in the region.

Admiral WILLARD. I think the region broadly recognizes two things: one, that post-two wars a decade long that, as the United States has in the past, a reduction in the defense budget following those wars has generally always occurred and is occurring once again. I think when you combine that fact with the fiscal circumstances and challenges that our country faces in debt and deficit, it does raise questions in the region regarding what the true extent of cuts to the defense budget could be.

I think the second dimension to this issue is how in a reduced budget environment the Asia Pacific will be attended to with regard to force structure and readiness in the future. So I think on the one hand it's not particularly surprising to anyone in the region that our defense budget is being reduced, sequestration aside, but I think that it has raised questions and we're asked to clarify how in the reduced budget environment that's being widely publicized that we will meet our requirements in the Asia-Pacific region. Again, I would offer that the answer to that is, regardless of the adjustments in force structure that take place, how we emplace that force structure, bias that force structure into regions of the world that matter most, is I think in the end, what will answer the mail.

Senator LIEBERMAN. Well, to me that's a significant answer, and it's one that I hope we will keep in mind as we go forward with

our work on the defense authorization bill and our colleagues in the Appropriations Committee do the same on the DOD budget. I hope we can find ways to add on to what the administration has requested pursuant to the BCA.

I thank you very much again for your service, your leadership, and your testimony today.

Admiral WILLARD. Thank you, Senator Lieberman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Admiral, to you, let me just echo what others have said with respect to thanking you for your service to our country. You have certainly served in multiple roles of leadership during the time that you have served America and you're to be congratulated for that. Thanks also to your wife for her commitment. I'm just pleased to hear you've made the wise decision of retiring to the Atlanta area. I look forward to continuing to take advantage of you and your expertise since you'll be close by.

Let me talk to you for a minute about China. You discussed in your statement the continuing growth of China and their increasing military power, obviously. Specifically, you comment that China's military modernization, and in particular its active development of capabilities in cyber and space domains, and the question all these emerging military capabilities raise among China's neighbors about its current and long-term intentions, is one of the main security challenges confronting the United States across the region.

China is developing anti-access and area denial capabilities that may shift the balance of power in the region. The types of platforms and capabilities that China is developing have been interpreted by some to limit freedom of movement by potential adversaries and also to require potential adversaries to conduct military operations at increasing distances.

Can you comment on what you believe needs to be done in the Pacific theater to preserve the United States' and our allies' freedom of movement and access across the region?

Admiral WILLARD. Thank you, Senator. I think first of all it needs to be understood that in terms of U.S. military presence, we remain present throughout the region and in all areas where freedom of action is required. So whether we're talking the South China Sea, East China Sea regions, Philippine Sea, or elsewhere in the Asia Pacific, the United States remains present.

In terms of operations in what could be a potentially denied environment, I think it's very important that the United States make the necessary investments to ensure its military access to those regions. I would just offer that in the South China Sea alone the sea lines of communication carry \$5.3 trillion of regional commerce, of which \$1.2 trillion is U.S. commerce, and the U.S. military must be present there to ensure the security of those sea lines of communication and that important economic commerce for the United States and for our regional allies and partners.

So we will be present, and it's important that we make the necessary investments to assure that presence even in a denied area scenario.

Senator CHAMBLISS. In that same vein, part of the assets that you have in the inventory there now are a limited number of F-22s, limited by the fact that we only have a limited number that have been produced. We've maintained air superiority and air dominance in that region since the Korean War and it's a vital part of our defensive mechanisms and posture there. Now, with those limited number of F-22s and it looks like potentially a slowdown of the production of F-35s, are you concerned long-term? I realize short-term maybe not, but long-term do you foresee this as a problem when it comes to maintaining air dominance and air superiority?

Admiral WILLARD. Sir, I'm satisfied with, as you suggest, short-term, the number of F-22s that are on hand and available to us. I think we're all somewhat concerned long-term to see that the F-35, in its development, provides the kind of capabilities to our Air Force, Navy, and Marine Corps that it was designed to. So very interested to see that program remain healthy and deliver the capabilities that we require out there.

Senator CHAMBLISS. Would you consider that weapons system imperative for the long-term capability of air dominance and air superiority?

Admiral WILLARD. I would. I think fifth generation capability is mandated. We have others in the world that are developing those capabilities and, as you suggest, if we required dominance in the air in the event of a contingency, then certainly the fifth generation fighter capability is part of that equation.

Senator CHAMBLISS. General Fraser, the President's 2013 budget plans to cut strategic airlift and retire over 200 aircraft in fiscal year 2013 and nearly 300 aircraft over the Future Years Defense Program. The President's budget will reduce mobility capacity by retiring all C-5As, retiring or cancelling procurement of all planned C-27Js, and retiring 65 C-130s. After these retirements there will be a fleet of 275 strategic airlifters and 318 C-130s. In addition, the Air Force will retire 20 KC-135s and maintain a fleet of 453 air refueling aircraft.

With such a reduction of strategic mobility and airlift and the cancellation of a whole airplane program, how do you plan to maintain supply, personnel transport, and logistics chains that require significant airlift capabilities? What additional airlift requirements do you foresee in the future for the various theaters in which TRANSCOM operates, and how confident are you that you're going to have the airlift capabilities that you need?

General FRASER. Senator, thank you very much. First off, I would start by saying that we have a new strategy. The force structure that is put forth supports that strategy and it is also backed by some analysis that we have actually completed in looking at that strategy, and also in working with the combatant commanders.

With respect to specific platforms that you talked about there, I would comment first on the tankers. You mentioned a 20-tanker reduction. I certainly support that. What we have seen that is actually enabling more capability and capacity with respect to tankers is that depots have gotten better. So as we look to the future and they have streamlined their processes, we're seeing fewer

aircraft in the depot, which certainly allows us to take out some of the more costly aircraft there and therefore the reduction with respect to those tankers.

Historically, as I recall, they've always planned on about 19 percent of the force being in depot and we're seeing something more along the lines of 10 percent in the future. So that's added capability, coupled with the contract, the KC-46, which is key to the future, and bringing that system online, will give us both air refueling and some lift capability as we transition that aircraft into the Active Duty and are able to support the various theaters around the world. So the KC-46 is a part of that movement to the future and modernizing that fleet.

There's also a modernization effort on the KC-135s that we need to continue, which enables them to continue to perform in the future. They're going to have to bridge to the future tanker assets as they come aboard.

As I look at the 130s, the numbers that they're talking about are supportable. When I look at the 318, that also includes approximately 50 C-130s to continue to provide direct support to the Army, which is something that the Air Force has moved in over time and has shown that we can do that in the theater. I think, based on my discussions with the commanders in the field, they are very pleased with the support that they are getting with the assets that are there.

The C-27, I had the opportunity recently to be in the theater. I talked to the folks there. It's performing well and I'm very proud of the service and what those men and women are doing. But I'd also comment that it's a costly platform. It's a niche platform. So as we look at the strategy and we look to move into the future in a multi-capable aircraft, something like the C-130, a modernized C-130J as we look to the future, something that's going to give us more capability at reduced cost, which is something that is certainly worth considering.

So when I look at that from a holistic standpoint, it's certainly supportable. The C-130Hs are going to be modernized. That's a program that is ongoing and the Air Force needs to do that as they enter into some items that are on that aircraft that are going to time out and give them access. So as they optimize that fleet of the future, it will be a very capable force, a modernized force of 318 C-130 aircraft.

To the strategic lift, looking at that, I am supportive of the strategy that's put forth, and as we evaluated those numbers and looking at the positive things that are happening with the C-5M, for instance, it has a higher mission capability rate, which gives us greater capacity and capability. It's currently the only aircraft that we can actually fly the polar routes on. You can't do that with the C-5As, for instance, and load much on it. So there's great capacity in these Ms as we move to the future.

So modernizing the C-5s and going to 52 C-5Ms in the future gives us greater capacity and capability, with increased mission capable rates, from what we're seeing currently on the As now, around 55 percent, to about 75 percent. So there's greater capacity there, and so that's very positive with respect to the strategic airlift.



Also along the same lines, the C-17s continue to perform magnificently in the theater. Every time we have turned to the C-17, it has always been there. So as we move to the future with the C-17s that we have, there will be plenty of them, and so that's how we're able to come up with the strategic airlift to be able to support the theaters in the future.

It will support the strategy as I mentioned, and the two-war construct remains in effect. We just have to manage those forces, it's what we'll have to do, and that's what you were talking about there. We in TRANSCOM will ensure that we do that to support the combatant commanders' requirements.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator REED.

Senator REED. Thank you very much, Mr. Chairman.

First let me begin by thanking and commending Admiral Willard and Mrs. Willard for their extraordinary service to the Navy and to the Nation. Thank you, sir, for what you've done. Ma'am, thank you too, and your personal kindness also.

Let me just quickly follow on the point that Senator Chambliss made, General Fraser, about strategic airlift. I think it should be noted that Senator Ayotte played a very critical role last year in addressing this issue of C-5As, and we lowered the threshold to 301. Now your proposal, as you indicated, is 275 strategic airlifters.

Just to follow on the points you made, which I thought were excellent, it is not just a question of supporting current operations, but also the obligation to reconstitute quickly, if necessary. Are you prepared to reconstitute and increase efforts if called upon, given the proposed 275?

General FRASER. Sir, we are postured well to support any of the requirements that we have. As you are aware, we have had pop-up requirements, and with the flexibility that we have within our system as the distribution process owner and synchronizer we're able to reach in and get assets when we need them. I could give examples of where we're able to do that, reaching in with the ability to pull in-service or in-transit aircraft to do a different mission.

A case in point would be support for aeromedical airlift that we were asked to do out of Libya. After Libya operations, we were asked to find the necessary assets and, using those in-service assets, diverted and utilized a C-17 to actually pick up some critically injured individuals and bring them back to the United States with a critical care team. The other thing that we were able to do was work with U.S. European Command, utilize some of their assets that they actually had for C-130s, to bring other injured back.

We have a very flexible, a very resilient system and process to be able to respond to these pop-ups.

Senator REED. Is it fair to say that, rather than just the number of platforms, it's the capability of individual platforms and the system you use that that gives you advantages and gives you the comfort that you can reduce the number of platforms?

General FRASER. It is, sir. It's also the support, the tremendous support that we actually get through the Civil Reserve Air Fleet (CRAF) program. The CRAF and our commercial partners play a big role. An example of that is how they were able to turn and sup-

port us when we were asked to bring the troops out of Iraq before the holidays. That's a very busy time of the year, and with the accelerated timeline that we were given, we were able to get 99 percent of the troops back to the United States before the holiday period. That last 1 percent came home before the end of the year as they were turning in some final equipment.

So that's the flexibility that we have within the system for both organic and our commercial aircraft.

Senator REED. Thank you.

Let me change topics. General Fraser, the NDN is increasingly key to our operations in Afghanistan. Primarily at this point it's a one-way system, but you and your colleagues are trying to make it a two-way system, not only delivering material into the country, but also planning to withdraw material out. Can you comment on the status and the potential importance and growth of the NDN through Kyrgyzstan and other countries?

General FRASER. Sir, thank you very much. We have had tremendous support through the NDN. Currently, with the border closed in Pakistan, we're able to continue to support ongoing operations in Afghanistan and we can continue to do that because of the NDN, which is allowing us to bring goods in.

But I would also comment along the same lines, it's not just the NDN that's allowing us to do that. It's the other aspects that we have with multi-modal. Multi-modal is allowing us to move our assets to the theater via surface and then fly them in there at the end. So we have a resilient system that gives us more than one way to support the theater, which is not allowing us to have a single point of failure.

Along the lines of the retrograde, it's a daunting task, I will admit that. But I'll also say that one of the first trips that I made was to Central Asia back in December, a very positive trip, and had a very good outcome from that trip. We now have two-way approval to move non-lethal equipment back out of Afghanistan. In fact, we have already set ourselves up for a proof of principle and have received approval from the countries to do this through what we call the KKT route, which is through Kyrgyzstan, Kazakhstan, and Tajikistan. Also, Russia has approved this and Uzbekistan recently approved this. Not only have Russia, et cetera, approved the non-lethal, but we also have approval to do wheeled armored vehicles. This is something that we didn't have before.

We continue to develop these relationships, and so that was a very profitable visit going over there. So now we'll run this proof of principle to check the processes, to check the procedures, but also check the velocity of what could be in the future.

I will also comment, though, that with the amount of equipment, and working with the folks on the ground there, we need the Pakistan Ground Lines of Communication (PAK GLOC) open because of the large numbers that we're talking about that we need to bring out in a timely manner. We're tasked this year to bring another 23,000 troops out by the 1st of October. We're already identifying excess equipment now with the commanders on the ground. We have approval to set up a materiel recovery element team that's in theater, which is going to help facilitate this.

The other thing I would comment on is, we're also setting up some multi-modal operations, where we are now being more flexible with all aircraft that are flying in the theater. As every aircraft goes in, if it has pallet positions and it has capacity on it, then we are making sure that we put something on that aircraft and bring it back out, in order to maximize that lift and try to get ahead of it as best we can.

We have a number of things that are going on, two-way flows, all those other things that I mentioned.

Senator REED. Thank you.

Admiral Willard, if I may, you have many challenges in the Pacific and you can categorize them in general terms in many different ways. But one is basically access. One impression I have is that for surface ships access is more problematic because of the ability to detect ships and engage with precision weapons, and that as a result submarines in the Pacific have a greater capability to access places. Is that a fair generalization?

Admiral WILLARD. It is.

Senator REED. So that makes, in your view, the submarine a key aspect of your strategy and your ability to gain access in contested areas?

Admiral WILLARD. It does.

Senator REED. Thank you very much.

Chairman LEVIN. Thank you, Senator Reed.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

So, General Fraser, is it true that we're having difficulty going through Pakistan to provide transport. Is it more difficult now?

General FRASER. Sir, the PAK GLOC is shut down at this time.

Senator BROWN. Right. We give them billions of dollars in aid. That's why, Mr. Chairman, I'm floored that we're giving a country billions of dollars in aid and they can't accommodate us to allow for the safe transport of goods through their country. So that's something I hope, Mr. Chairman, we try to address. That's not for you, but it's more for us, sir.

I just want to take it a little step further. What level of risk do we assume by reducing the C-5 fleet, particularly in the area of oversized air cargo capability?

General FRASER. Sir, backed by analysis and against the new strategy that has been put forward, we think that any increased risk is manageable as we look to the future. Oversized/outsized cargo, when we look at the scenarios that we run, we can meet the mission.

Senator BROWN. Do you believe that having a robust strategic airlift capability on the east coast is part of that overall strategy?

General FRASER. Sir, the inherent flexibility that we have with air is, of course, we can shift and we can swing it to where we need it. It is not uncommon for us to take forces from one theater to another dependent upon the operations that are needed, whether it's supporting a Haiti operation where we have support of aircraft out of the Pacific, or whether it's in support of a Libyan operation, where we engaged the total force, we have a number of volunteers to support the tanker bridge.

These types of things, the flexibility of our air fleet we can position it where we need it.

Senator BROWN. But in particular with regard to the east coast of the United States, do you think that it's important to have a strategic airlift capability in this part of the country?

General FRASER. Sir, again it's not about where it is located; it's the inherent flexibility that I have that I'm able to position it where I need it, and where it comes from is not something that I focus on.

Senator BROWN. Well, it's something that I focus on as a Senator, and especially when we have a base like Westover, that has incredible airlift capability, has a long and historic relationship providing those services, not only with great honor, but with great capability. So I was wondering if you could comment on how TRANSCOM's mission is affected if that capability is degraded?

General FRASER. Sir, we'll still get the support as we work with AMC no matter where the assets are located. They've always stepped up and provided what we need.

Senator BROWN. Admiral Willard, the Littoral Combat Ship (LCS), how important is that ship with respect to meeting the regional threats?

Admiral WILLARD. I think it will be very important. I think the ship has attributes that certainly we favor out there, including its speed, capacity, and shallow draft. So if the mission modules are properly adapted, I think it will have a wide range of capabilities that can be used in contingency or peacetime.

Senator BROWN. So do you think your mission will be affected by going below the acquisition program of 55 ships? If so, how?

Admiral WILLARD. Capacity is a capability in and unto itself. I think it's important that we maintain the capacities of force structure where we need them. I think the total acquisition program is less important to PACOM than the number of LCSs that ultimately wind up in that AOR. So however we bias those ships, I think it's important that the LCS is there to meet the needs that PACOM has.

Senator BROWN. General Fraser, back to you. How does the reversibility plan factor into the overall strategy? In other words, do you feel comfortable that with 275 strategic airlifters we'd be prepared to transport troops and equipment to the region in response to unforeseen contingencies? If so, what sort of risks are involved in that decision?

General FRASER. Sir, I am confident in the number 275. We also have to understand that we are backed by a tremendous commercial partnership that we have through the CRAF program and the ability to move both passengers and cargo. They have been instrumental in continuing to provide support to the theater, whether it's direct or actually through multi-modal operations.

Senator BROWN. Admiral, do you agree with that? Do you think that we need only 275 airlift mobility assets to meet the mission requirements?

Admiral WILLARD. I agree with General Fraser's assessment of how we will make that number work, yes.

Senator BROWN. I'm deeply concerned about the Air Guard and Air Force Reserves, General Fraser. I know it's a big part of your

operations, and as the Air Force begins to downsize some of the things I've heard from a lot of the Air Guard, especially concerns about the gutting of that asset—I'm wondering if you could maybe talk about that and how it affects, it factors into TRANSCOM's overall strategy, because I have always felt that that's where the best bang for the buck is, and I'd just like to get your thoughts on that.

General FRASER. Sir, our Total Force—the Guard, Reserve, and Active Duty—have always come together to meet the mission. We very much value the contributions that our Guard and Reserve continue to provide us. They have always been there when the call went out. I would use the operation in Libya again as an example, in that when we needed to set up the tanker bridge we turned to AMC, who then reached out to our Guard and Reserve. They looked for volunteers. They were ready, they raised their hand, and they went forward. So they've always been there and volunteered to support the mission.

Senator BROWN. Are you getting a handle on the container detention fees that resulted in millions of dollars in penalties, and can you comment on what has been done to mitigate these fees?

General FRASER. Sir, we're taking a number of different actions with respect to the container detention fees. We continue to monitor it very closely. A couple of things that we have done recently, I have personally engaged the commanders not only at U.S. Central Command, but also I talked to General Allen about this when I was in the theater, as well as other commanders that are in the field in Afghanistan.

We have learned some lessons from the past in Iraq with respect to our containers and how we manage them. A couple of things that we're doing is to try and make sure that when we're in Afghanistan, we try to use as many government-owned containers as we can and then return those that belong to our commercial carriers back into the system as rapidly as we can.

There's an accountability process that we're also going through to make sure that we have a container management system that more accurately tracks where these containers are.

We're actually going to address it in our next universal services contract (USC) as we move from what we call USC 6 to USC 7. So there are some actions that we're taking within that contracting vehicle to, one, give us more flexibility, in other words increasing the days of "free-time" before detention charges start accruing. Also, the fact that we'll go from a minimum of 90 days to 60 days before we can buy the container, which drives the container purchase price down. So these are things that we're working with commanders, with education on how important it is for commanders to get the containers back into the system. It's a holistic approach.

Senator BROWN. Thank you.

Senator LIEBERMAN [presiding]. Thanks, Senator Brown.

Senator INHOFE. Just a unanimous consent request, if I could, Mr. Chairman.

Senator LIEBERMAN. Go right ahead.

Senator INHOFE. Regarding my opposition to the UNCLOS, I ask unanimous consent that an article written by John Bolton that ap-

peared in the Wall Street Journal on September 29, 2011, be made a part of the record.

Senator LIEBERMAN. Without objection. Thank you.  
[The information referred to follows:]

## Time to Kill the Law of the Sea Treaty—Again

*If the Senate ratifies it, China will have its best weapon yet to limit U.S. action in Asia.*

By JOHN BOLTON And DAN BLUMENTHAL

The Law of the Sea Treaty (LOST)—signed by the U.S. in 1994 but never ratified by the Senate—is showing some signs of life on Capitol Hill, even as new circumstances make it less attractive than ever. With China emerging as a major power, ratifying the treaty now would encourage Sino-American strife, constrain U.S. naval activities, and do nothing to resolve China's expansive maritime territorial claims.

At issue is China's intensified effort to keep America's military out of its "Exclusive Economic Zone," a LOST invention that affords coastal states control over economic activity in areas beyond their sovereign, 12-mile territorial seas out to 200 miles. Properly read, LOST recognizes exclusive economic zones as international waters, but China is exploiting the treaty's ambiguities to declare "no go" zones in regions where centuries of state practice clearly permit unrestricted maritime activity.

Take the issues of intelligence, surveillance and reconnaissance, both by air and sea. LOST is silent on these subjects in the exclusive zones, so China claims it can regulate (meaning effectively prohibit) all such activity. Beijing also brazenly claims—exploiting Western green sensibilities—that U.S. naval vessels pollute China's exclusive zone, pollution being an activity the treaty permits coastal states to regulate out to 24 miles.

China wants to deny American access to its nearby waters so it can have its way with its neighbors. Beijing is building a network of "anti-access" and "area denial" weapons such as integrated air defenses, submarines, land-based ballistic and cruise missiles, and cyber and anti-satellite systems designed to make it exceedingly hazardous for American ships and aircraft to traverse China's exclusive zone or peripheral seas.

If the Senate ratifies the treaty, we would become subject to its dispute-resolution mechanisms and ambiguities. Right now, since we are the world's major naval power, our conduct dominates state practice and hence customary international law—to our decided advantage.

This dispute is not really about law. China simply does not want the U.S. military to gather intelligence near its shores. And other nations quietly support China's position, including Russia, Iran, Brazil and India. Given China's incessant incursions into the exclusive zones of other Asian nations such as Vietnam, the Philippines and Japan, these states may seek to restrict international maritime activities in their exclusive zones as well, further complicating U.S. efforts.

All Washington wants is to continue doing what it has been doing since it became a maritime power: use its Navy to enhance international peace and security, deter conflict, reassure allies, and collect intelligence. LOST undercuts these strategic imperatives, and that is why it has always been a bad idea for the U.S.—a formula for endless legal maneuvering and the submission of conflicting claims to the treaty's international tribunal, where our prospects are uncertain at best.

One hopes India and Japan will stop reflexively supporting LOST. They have significant alternatives to check China's growing power, including closer cooperation with the United States. The treaty is not an answer—it is only a beguiling, flawed escape hatch from the hard work America and others must do to meet China's challenge.

That hard work must include properly funding and equipping the Navy and exercising it in China's exclusive zones, including especially on intelligence missions, based on long-established state practice. Together with diplomacy to prevent nascent conflicts from escalating, these steps will reassure allies of full U.S. support in resolving disputes with China.

*Mr. Bolton served as U.S. ambassador to the United Nations from 2005 to 2006. Mr. Blumenthal was a senior country director for China and Taiwan in the Office of the U.S. Secretary of Defense. Both are fellows at the American Enterprise Institute.*

Senator LIEBERMAN. Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

I just wanted to express my deep appreciation and thanks for your service, Admiral Willard and General Fraser, and particularly, Donna Willard, thank you for all of your commitment, hard work, and service to our country, too.

Admiral Willard, China continues to assert its claim to the South and East China seas at the expense of its neighbors. Would you expand on the excessive maritime claims the Chinese are making in these waters, to include increases in aggressive behavior?

Admiral WILLARD. Thank you, ma'am. I will, although I would offer that China is not the only claimant in those waters whose claims are regarded as excessive. So there are, as you'll recall, six claimants in the South China Sea: Taiwan and China, Philippines, Vietnam, Malaysia, and Brunei. All lay claim to features and/or islands in the South China Sea region. Some have submitted to UNCLOS their continental shelf claims and so on, and in many cases they're disputed.

What makes China unique is that they've laid claim to virtually all of it. The assertion that the South China Sea writ large is China's historical water and that all the features and islands and consequent resources that are located there should be regarded as Chinese I think is the contentious issue within the region and among those contiguous nations that also claim many of those features.

We've seen fewer confrontations in 2012 than we did in previous years. 2010 was quite a landmark in terms of the confrontations that were ongoing. That's not to say they're not occurring now.

So China continues to challenge any vessels that are conducting resource surveys, oil and gas surveys for example, that are within their claimed space. They continue to often shadow military ships and activities that are occurring within that claimed space, and they're making continuous legal assertions and demarches to reinforce their claims.

So they remain aggressive. I would offer, Association of South-east Asian Nations (ASEAN) is carrying out discussions with China and has been effective as a multinational forum in keeping maritime security and issues with regard to excessive claims in the South China Sea on the table, and they are in discussions with China.

Senator HAGAN. Why do you think the conflict has been less in 2012 versus 2010?

Admiral WILLARD. I think that the reaction by the ASEAN members, the reaction by the United States in Secretary Clinton and Secretary Gates' very strong statements at the ASEAN regional forum and Shangri-La dialogues, combined with many ASEAN members protesting strongly, and the fact that it was made somewhat public I think took China aback and has caused them to reconsider that particular approach to their South China Sea claims, such that they are endeavoring to continue to pursue it, but in a more thoughtful manner.

Senator HAGAN. Let me follow up on China's impact in Southeast Asia. Their impact will only grow as its economy and drive for energy, raw materials, and markets expands. It's precisely this behavior that challenges various countries in Southeast Asia to debate their policies and look for regional and extra-regional allies. In effect, countries in the region are playing several strategic games at once, with each move requiring consideration of relationships that they have with China, the United States, and other regional actors.

How can the United States maneuver in this environment to develop deeper ties and ensure a positive and organically integrated presence in the region to contribute to long-term stability?

Admiral WILLARD. Thank you. I don't disagree with your summary statement in terms of the situation in Southeast Asia, although I would add that China's economic growth has benefited the entire region and has certainly benefited the United States and our economic ties to China. So I think it would be unfair to imply that China's influence in Southeast Asia should only be regarded from the standpoint of the challenge that it poses.

I think Southeast Asian nations, most of whom now regard China as their number one trading partner, are benefiting greatly from that association, as is the United States. So from a standpoint of regional prosperity, I think China's rise has benefited us all, and we should continue to promote that rise and the advance of the Asia region for what it connotes.

That said, the nations, as it relates to security and even as it relates, I think, to their economic reliance on any single partner, do desire to strike a balance between China, the United States, the



European Union, and others, rising economies like India and established economies like Japan and South Korea.

So there is a balance that has to be struck and the United States, I think, is accomplished in maneuvering in that space, where we're attempting to either sustain or obtain a greater share of market in areas where the United States can affect trade in either direction. Trans-Pacific Partnership is a fairly recent initiative to try and advance some of this, and we have as a consequence of the Asia Pacific Economic Cooperation and the East Asia Summit I think advances that have occurred there.

Senator HAGAN. Thank you.

General Fraser, in your written statement you speak to a wide variety of missions, everything from humanitarian response to obviously supporting our warfighter. Would you highlight some of these missions and speak to how you are able to accomplish them, given a very constrained environment?

General FRASER. Thank you, Senator. The mission that we have is indeed a global mission, and it is one that I am continually amazed at the flexibility that we have within the system to respond in many different areas. One area that we were most proud of was with the accelerated withdrawal out of Iraq and the ability to be able to partner together with our commercial partners, with our organic assets, to then accomplish the mission before the holidays was tremendous.

We've also been able to continue to partner to support other organizations. I would highlight the National Science Foundation (NSF) recently. I made mention in my opening remarks about Antarctica. Something that a lot of people don't realize is the support that TRANSCOM gives to NSF.

Recently, there were issues with the ice pier at the McMurdo Station and it was going to put NSF and their experiments at risk for next year, as well as the winter-over force that stays both at the South Pole and at McMurdo. Our people were asked to be innovative and so together we worked with the Army for a modular causeway system that had not been used like this before, in such a harsh environment, which we then used our Surface Deployment Distribution Command, who worked to move it from the east coast to the west coast. We worked with MSC to then get on contract with a contractor to load this onto a ship that also had the containers to take the supplies and NSF equipment to McMurdo.

We then sailed down, NSF got the icebreaker in there, and we were able to then deploy the causeway system, offload the containers, and so we got mission success. That's another agency that we wind up supporting. So that's one end of the spectrum.

We talked earlier about other support to operations, but I'd highlight the support that we give our commercial partners through piracy operations. This actually goes back to AFRICOM and support we give there. Working with our commercial partners, we work to ensure where we have military cargo headed towards the theater and transiting that area, that we put security teams aboard.

Since we have been doing that, we have not had one of our ships pirated, and we are very supportive of the initiative in the international community to protect the ships. Normally those that are what they call high-board, above 25 feet, and moving at high

speeds, above 20 knots, are not as much at risk, but recently we had one hijacked from another country just within the past week or so. So it's a dangerous environment. So these are other types of things that we do, not only just supporting our troops that are engaged in the theater, but a couple of quick examples of other operations that we're very proud of, of what we do, all while still supporting the warfighter, still doing the things that we're asked to do in the theater. They're not wanting for anything with respect to the current closure of the PAK GLOC, either. I'm very proud of them.

Thank you.

Senator HAGAN. So supporting the private containers, and that's only when DOD supplies are on board?

General FRASER. That's correct.

Senator HAGAN. As far as security forces on board?

General FRASER. That's correct.

Senator HAGAN. Thank you. I really appreciate your help with the NSF. I think R&D goes a long way in everything we do, and your support in that area is outstanding.

Thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman, and thank you, gentlemen. We appreciate the service that both of you have provided and are providing.

Let me begin with Admiral Willard. You were correct in your oral testimony to go quickly to the issue of Korea and North Korea, to mention the transition there and the uncertainty that it brings. Our allies in the Republic of Korea, South Korea, have a fleet of F-16s, which is known as the KF-16 in Korean service. They're eager to replace their mechanically scanned array radar with active electronically scanned array (AESA) radar, and you can't blame them for wanting to do that.

Admiral, in case something broke out that involved a conflict, do you agree that air dominance will be a key differentiator for allied forces during the first 24 hours of any potential conflict, including the Korean Peninsula? If you do, do you then agree that cooperating with the Koreans and supporting their desire for expeditious Korean procurement of existing defense technology is a good idea so that they can meet their operational requirements?

Admiral WILLARD. I do agree, particularly on the Korean Peninsula, on the importance of air dominance early in any particular conflict that would occur. I also agree that we should strive to maximize the level of cooperation between ourselves and our Republic of Korea allies with regard to the acquisitions they require to continue to advance their capabilities.

Senator WICKER. So you agree that the U.S. Government should fully support the Republic of Korea's air force requirements and their acquisition timeline in acquiring United States export-compliant AESA?

Admiral WILLARD. I support the level of cooperation that is required to advance the Republic of Korea's military capabilities, including their aviation capabilities. With regard to that, to whether AESA radar and the exchange of that particular technology is appropriate on Korea's timeline, I think that should continue to be

subject to discussions between the two countries. There are certainly compliance requirements on the part of the Republic of Korea, as well as the releasability requirements on the part of the United States.

This is not the first country we've had this discussion with. But in general, sir, to your assertion, I truly believe that we should strive to maximize the potential of our Republic of Korea ally, including their military capabilities. In fact, more important now perhaps than in the past, as we strive to reach December 2015 and operational control transition to the South Koreans.

Senator WICKER. Thank you very much. Let me ask you then, staying with North Korea: U.S. and North Korean envoys met last week for talks on dismantling North Korea's nuclear programs; included in that will be discussions of food aid, economic help, diplomatic concessions from the United States of America.

What is your current assessment of the humanitarian food situation in North Korea, and do you believe North Korea is being sincere and truthful and forthcoming in entering these negotiations with the United States?

Admiral WILLARD. I think the food situation in North Korea is always an issue of global interest. World Food was in there conducting an assessment early last year, as I recall, trying to ascertain just what the extent of crop success was in North Korea. There is always a level of food shortage that exists there, and always humanitarian need, as we've witnessed it there.

In terms of the negotiations that have been ongoing, I have been supportive of them with regard to the United States' proposals for conditional food aid into North Korea and the preconditions that have come with it, which now include discussions of cessation of nuclearization and ballistic missile testing and the allowance of the International Atomic Energy Association perhaps back into Yongbyon. So there are conditions that are going along with the negotiations with regard to the extent of food aid. They've received food aid from many other countries this year, and I remain supportive of the progress that we're making in the talks with North Korea to the extent that they occur.

Senator WICKER. You don't blame some of us on this side of the panel for having a healthy degree of skepticism with regard to North Korea's intentions?

Admiral WILLARD. I have a healthy degree of skepticism with regard to North Korea's intentions, and I think we need to observe both their actions and requests with a great deal of scrutiny. Certainly we've been through the cycle many times in the past, and I know, Senator, you're aware that these requests for concessions often lead into a breakdown and a resulting next provocation.

So we are skeptical as well. But with regard to the extent of these current negotiations, I think particularly when there's a new regime or a new leader in place in North Korea, it will be important to ascertain any degree of success that we might obtain through these diplomatic channels.

Senator WICKER. I suppose it's worth a try, but I'm not holding out much hope and remain very troubled, as I'm sure you are.

Quickly, let me ask about the 30-year shipbuilding plan and the minimum sustaining rates contained therein. Many observe this

could pose challenges to fulfilling the force requirements and possibly give rise to a sealift capability gap and an aviation lift gap in 2015. With the pivot to this vast Asia-Pacific region and your AOR and the Navy's inability to meet its own requirement for 313 ships, how will this minimum sustaining rate affect your ability to protect American security interests?

Did you support this in discussions with your superiors, and are you satisfied that you can fulfill the mission with this 30-year ship-building plan?

Admiral WILLARD. Thank you, Senator. I would fall back on the statement that I made earlier. The total acquisition program that the Navy has put down to try and sustain itself and the capacities of our fleet and eventually grow those capacities over time is important and certainly as a naval officer something that I've observed with great interest over many years.

But as the PACOM commander, it's more important with regard to how we bias those ships globally and whether or not the AOR that, as you suggest, is a vast maritime one in the Asia Pacific, is being adequately serviced. To date, I am well serviced with regard to the Navy. I think Navy capacities are very important. Our industrial base capacity is very important that they be sustained.

These minimum sustained production rates that you're talking about are intended to maintain our minimum acceptable industrial base. All of these things are important for our Nation, certainly.

In terms of PACOM, I think it's important that the right number of ships and the right type of ships be present there.

Senator WICKER. Thank you.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to say aloha to the two military leaders before us today. It's good to see you.

Gentlemen, first I want to say thank you so much for your dedicated service to our country and also to the communities that you've served. We have really gained from your responsibilities and your actions.

Admiral Willard, I would like to add my appreciation to you and congratulations on your upcoming retirement, which is soon. I want to tell you that I agree 100 percent with your UNCLOS position for our country. It's about time that we become serious about that. Also, I want to commend you for the balance which you've brought during your time as PACOM commander, and I would tell you, you've made a huge difference in the Pacific, so thank you for that, and to tell you that your departure will be a significant loss to the Navy and to our country.

I want you to know, and Donna to know, that it has been a pleasure to work with you in Hawaii and for our country. You've served Hawaii and you've been there on multiple assignments. I think you know, I don't have to tell you, that you have a deep relationship and connection with the community in Hawaii. I want to congratulate you and wish you well in your future with Donna and the family.

Admiral WILLARD. Thank you, Senator Akaka.

Senator AKAKA. Admiral Willard, it is impossible to overstate the importance of our military engagement in the Asia-Pacific region. As I said, I commend you for your nurturing of balance there in the entire area. If you look at continuing developments in the Pacific, our conventional adversaries are improving their capabilities, too, as we work together on this balance.

My question to you, Admiral, is, given this rebalance to the Pacific and the responsibilities we have in the theater, how would you assess our force structure plans in relation to military and diplomatic goals for the region as we look to the future?

Admiral WILLARD. Thank you, Senator Akaka. Before I answer your question, I would offer that the State of Hawaii and the City of Honolulu have been great supporters of the military families and members that are stationed there. Thank you for your continued support for us in the region.

I think as we look at force structure there is the issue of the type of forces that are present in the Asia-Pacific region and there is the issue of posture and where they're present in order that we can maintain the continuous presence in the region that's so important to its security and long-term stability.

The initiatives, such as the nation of Australia, the nation-state or city-state of Singapore, and now in discussions with the Philippines, that are occurring are going to assist us in the posture-related issue, which is getting the force structure where it can do the most good in terms of providing a mechanism to maintain the presence that we need in the region.

As we view the acquisition programs and force structure of the future in this budgetary environment, we, like every other combatant, remain focused and guarded as we watch these defense reductions occur, to ensure that we don't cut into the kind of forces and the quantity of forces that our strategic priorities call for.

We spent time very recently walking through a global laydown of forces and looking at the forces that this current program will deliver and our ability to meet the strategic needs of our Nation, including in the Asia Pacific, and I think collectively as combatant commanders and Service Chiefs we felt we could do that. I think it's an important study to maintain ongoing and there are two additional events that are presently scheduled. But I have been well-served in the Asia-Pacific region and I'm confident that the force structure that is envisioned can continue to serve PACOM well.

Senator AKAKA. Thank you very much.

General Fraser, the recently announced rebalancing calls for a shift in focus to the Asia-Pacific region, a vast geographic area encompassing 9,000 square miles, 36 nations, and 16 time zones, all of which I'm sure Admiral Willard knows really well. My question to you, General Fraser, is, while the details of this strategic balancing, rebalancing, have yet to be finalized, do you have any preliminary thoughts on how a refocus to the Asia-Pacific region could impact TRANSCOM?

General FRASER. Senator, thank you very much. As we look at this shift, we've already seen a lot of engagement in the PACOM theater of operations as we have continued to support ongoing exercises, as we've continued to support other types of engagements within the theater. I think as we come back out or have come back

out of Iraq already, but as we further reduce the force out of Afghanistan, we'll free up some other assets maybe for other opportunities for engagement, and then we'll have the opportunity to do that.

It is one that's going to take balance and it's going to take a lot of good planning on our part to make sure that we properly support each of our ground combatant commanders in their various theaters of operations. They all have theater engagement plans. We're taking a look at them to ensure that we provide the necessary support.

One of the things that we are able to do in our command is not just with our organic assets; it's our commercial partners, both sea and air, that will allow us that flexibility in utilizing their networks and their connections to also continue to provide support. So as those forces are available for various engagements, it does not have to be just organic. So in peacetime versus wartime, we're able to utilize those assets, which is good for the economy, which keeps that industrial base alive, too, both across the sea and the air side of the business.

So we're confident that we'll be able to provide that support.

Senator AKAKA. Thank you very much.

Admiral Willard, with the new strategy rebalancing our forces with a focus in the Pacific, the need for strategically located maintenance facilities, like the Pearl Harbor Shipyard, appears critical to the readiness of our fleet. Can you discuss the role you see Pearl Harbor Shipyard playing with this rebalancing, as well as the importance of continuing the modernization efforts at the shipyard in order to support the fleet in the future?

Admiral WILLARD. I can, thank you, Senator. You know as well as I do not only the strategic importance of Pearl Harbor Naval Shipyard, but also the other aircraft depots and shipyards throughout the Asia-Pacific region that we rely on, from the west coast of the United States to our ability to conduct voyage repairs in foreign ports such as Singapore.

But I have stated for the past 5 years and I will continue to state the vital strategic importance of the Pearl Harbor Shipyard and what it provides. It's unique in the sense that it not only conducts the overhauls of our surface ships and our submarines, but it also conducts day-to-day maintenance and voyage repairs for the ships that are positioned forward.

It's located, as we all know, in the middle of the Pacific Ocean, which is the largest ocean in the world, and provides ready access into the Asia Pacific. The three submarines that we have homeported in Guam utilize the Pearl Harbor Naval Shipyard for their maintenance and overhaul activities and rotate back, and don't have to go all the way back to the west coast of the United States to obtain that maintenance.

So it is a vital and pivotal strategic asset for us. The need to keep it continually modernized is as important as any shipyard that we have in our Nation. It is, I think, a very important partner. When we talk about the industrial base, not just production but maintenance, it's a vital part of that industrial base.

Senator AKAKA. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman. I appreciate it.

General FRASER, I wanted to ask you, the Air Force is finalizing its KC-46A basing criteria for the Air Force. One of the concerns that I have, and I'm hopeful that the Air Force will do this, is that the criteria that comes out for the basing of the KC-46A will be objective and transparent, in terms of what criteria you're using in deciding who will receive the KC-46A first. I wanted to ask you about that process, where it was at, in particular what the balance will be between the Active Duty and the Guard bases, and whether it will be taking into account what I think is very, very important, which is some of our Guard units already have an existing partnership with the Active Duty, including my own, that I've been quite impressed with, and I think that will be important in terms of utilization. So can you help us with that?

General FRASER. Senator, thank you very much. As you've stated, it's an Air Force process, which we are not a part of in TRANSCOM. But, having been in the Air Force when we were doing this, I think you accurately stated that it is an objective process, it's open, it's transparent, it's repeatable. The fact that they are very open about that and establishing the criteria as to what is going to be needed in those discussions that go on in a very open manner with a number of different locations, I think, is something that you can look forward to as they go through that process.

You asked where the process is. I don't know where the process is right now. I know they are actively engaged in working with AMC discussing who will be the lead command for the KC-46.

Senator AYOTTE. Thank you. I had to raise the issue because when we were home I went up with our 157th Air Refueling Wing and had a chance to see them do their work up there, and have been incredibly impressed. We actually had the highest utilization rate in the entire Air National Guard at Pease Air National Guard Base last year for the KC-135, and we already have an Active Duty partnership established.

So it's one of those situations where, I think, if we do this in an objective and transparent way to speak to the accomplishments of our own unit in New Hampshire, they have quite the objective accomplishments and close proximity to the refueling track. So I hope that you'll convey, obviously, to the Chief of Staff and to your commander how important it is that this be an open and objective process.

General FRASER. Yes, ma'am.

Senator AYOTTE. Thanks so much, I appreciate that.

I wanted to ask about, Admiral Willard, an issue that I was concerned about last year in the National Defense Authorization Request. It's something that I learned about that was of deep concern to me, and that's the Maritime Prepositioning Force (MPF). As I understand it, and this may be a better question for General Fraser, whichever of you it is the better question for, but last year the Navy announced plans to place 6 of its 16 ships from the 3-squadron MPFs for the Marine Corps into reduced operating status beginning in fiscal year 2013.

When I learned about this, I was concerned about what this would mean in terms of our readiness. I asked the Marine Corps about it and the Commandant of the Marine Corps felt that it needed additional analysis. So, in last year's NDAA, there is actually a requirement that the Marine Corps, as well as the Navy, submit an analysis about the readiness implications of reducing our MPFs. As I understand it, there may be further reductions there in the proposed 2013 budget.

So I just wanted to ask both of you if you were aware of that portion of the Defense Authorization in 2012 and where that readiness assessment was and if you can share anything with respect to where we are with the MPFs?

Admiral WILLARD. Thank you, Senator. From PACOM's perspective, yes, we're aware of the proposal to put one of the three squadrons in a reduced readiness status. Of importance, the two most active squadrons, one located in Guam and one located in Diego Garcia, are not candidates for that. So those that are there to respond to the major contingencies in the Asia-Pacific region remain intact and are, frankly, utilized frequently and exercised on a periodic basis in order to ensure their readiness.

So from the standpoint of readiness in terms of Asia Pacific contingencies and the contingencies in the Middle East that these prepositioned ships service, we remain in pretty good shape.

I can't answer to the tasker that the Services come together on their assessment of how this could impact longer-term readiness as that third squadron is placed in a limited readiness status.

Senator AYOTTE. I certainly appreciated your answer and I'm hoping that we'll have a follow-up, which I will obviously pursue with the Navy, because the NDAA from 2012 requires that the Commandant of the Marine Corps provides a report assessing the impact of the move on military readiness, and the SECDEF has to certify that the risks to readiness from such a move are acceptable. So I think you'll be consulted, I would think, in that analysis.

My concern is, particularly with what we see happening around the world right now, having those MPFs becomes very important because, unfortunately, we've been noticeably bad at predicting where the next conflict is going to come, and those MPFs become very, very critical in terms of our readiness posture.

Admiral WILLARD. I think we agree with you that the MPFs are vital to us.

Senator AYOTTE. Great. Thank you so much for that.

I just wanted to follow up. I believe at your confirmation, Admiral Willard, I'd asked you about the fiscal year 2013 budget, and the Chief of Naval Operations (CNO) had said last spring that in order for us to meet all of our needs around the world that we needed a ship force of 313, and this budget really maintains us at 285. One of the concerns that I have is it delays, for example, production of one *Virginia*-class submarine, as well as some LCSs and some others in terms of where we are in production.

One of the concerns I have is what the strategic analysis or strategic thinking was for not meeting the 313 and maintaining us at 285 and really delaying production of some of our important assets; and I just would like to follow up on that and ask you whether you



have an answer to that, particularly with our shift now to the Asia Pacific?

Admiral WILLARD. As you well know, the Navy surface force has maintained itself, pretty much sustained itself, at that 280 to 285 number now for numerous years. In fact, for about the last decade we've been struggling to get above that and reach the 313 floor, or however it is currently being termed by our Navy, in terms of what we aspire to have, to meet all the global requirements that the Navy maritime strategy has determined we need.

It's important that over time we recognize where we are decremented in comparison to the overall strategic design for the Nation as a Navy, as a military. The strategic priorities that have been established are intended, I think, to guide us in terms of where the maritime commitment should be and will pay off the greatest for the United States. The Asia-Pacific region has been called out as one of those areas, where it's not only vast and inherently maritime, but as a consequence of its economic importance to the United States and our allies and partners and many of the challenges associated there, it places a particular demand on maritime assets.

So provided that within that body of 285 ships we're able to bias those forces properly into the right areas of the world where the payoff is great, then I'm satisfied. I think the CNO would tell you that in his longer-term view of shipbuilding that, while the 2013 budget and the programs that it represents doesn't show the 285 on the increase toward the Navy's goals, if you look at more than one program, if you look at this long-term, that he does eventually begin to make some progress as a Navy in terms of shipbuilding.

So I think it's important to recognize that we've been in this situation for a while. There is the cost of doing our business, of acquiring ships, that continually needs attention and gets great help from this committee. We need to reduce ship costs and other acquisition costs as we can. But I think what's most important is that we put the ships where they'll do the most good, and we think that the Asia-Pacific region is one of those areas of the world where that will happen. The Middle East is obviously going to continue to require our attention, too.

Senator AYOTTE. Thank you, Admiral.

Thank you very much, General.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Admiral and General, thank you both for being here today.

I want to follow up, General Fraser, with Senator Ayotte's question about the basing criteria for the KC-46. We share an interest in that since we both represent New Hampshire. We don't often get the opportunity to double-team you all in quite the same way we are this morning, so I have to take advantage of that.

In New Hampshire we believe that under any objective criteria our strategic location in the Northeast, our proximity to operational and training air refueling tracks, our current tanker task force mission, and our Active Duty association, that we would be a unique choice and would result in a very cost-effective utilization of the placement of the KC-46s. So we hope that it is a very transparent

and open process. I won't ask you to comment on that since you've said you can't.

Senator Ayotte talked about New Hampshire National Guard's 157th Air Refueling Wing, which has been providing continuous operations since September 11th, both for Homeland defense and in support of overseas conflicts. Like other Air National Guard units, they've done so at a fraction of the cost of Active bases around the country. In fact, the Air National Guard represents only 6 percent of the Air Force budget, and yet it provides nearly 35 percent of its capabilities.

We've seen in the last couple of days, concern expressed by 49 Governors about the cuts to the Air Guard as part of the proposed budget from the Air Force. Again, I know you can't comment on that, but I wonder if you could comment on the role that our Air National Guard has played in providing critical transport for our operations around the world?

General FRASER. Thank you, Senator. I do appreciate that. I can't tell you how much I do appreciate all that our Guard are doing. They've always been there when the call came, not only when they were mobilized, but when they were asked to volunteer and willing to support any mission that may arise.

As you know and you commented on, we have been heavily tasked in a number of different areas. That's where I think the great strength comes, the balance that we have within the total force and the ability to use the Active Duty, the Guard, and the Reserve in this manner to meet the mission. Therefore, our commanders have not had to want for something else and not be supported.

It's that total team effort to get this done. But you have to have the right balance. The Guard has been heavily tasked. They are also doing a lot more with respect to their boots-on-the-ground (BOG)/dwell, as we call it, the BOG and the dwell time they get back at home, and it's not at the desired rate.

So, hopefully, if we have the right balance and as we make some of these necessary adjustments, we'll then be able to get to the desired rates for both the Active Duty as well as the Guard and the Reserve. This is something that we're all striving to do as we look forward to the future. But we very much value and appreciate all the contributions they've made.

Senator SHAHEEN. Thank you very much. I appreciate that. I think your point about the total force is an important one. I do share the concerns of the Governors in looking at the total budget reductions that would have the Air Guard absorbing 59 percent of those aircraft budget reductions and about six times the per capita personnel reductions. So again, I know you can't comment on that, but I'm interested to hear the rationale at the appropriate time.

Admiral Willard, India has become a much more prominent partner of the United States and potential ally on military-to-military issues in the last several years. Last year, the United States cleared the way for the resumption of high technology defense and aerospace exports to India. However, it does seem that there is still room for growth in our relationship. I wonder if you could talk about what PACOM's priorities are for the U.S.-India security relationship and how those are affected by both China and Pakistan,

recognizing that Pakistan isn't part of your purview, but critical, obviously, to what happens with India?

Admiral WILLARD. Thank you very much, and thank you for raising India. It's a very important partner in the region and one that, as you suggest, there remains room for growth and advancement in our partnership. It has advanced in the past 2½ years that I've been at PACOM, and in the previous 2½ years as Pacific Fleet Commander we were very much engaged with India and attempting to advance the relationship then.

If you range back to our history with India, we are in a fairly nascent stage of engagement nation-to-nation, given that this is the largest democracy in the world, like-minded in many ways, and in a troubled region of the world in South Asia, but a very important partnership.

From a security standpoint, we are engaging across all our Services with India at an increasing rate every year. There are challenges in the relationship. We overcome still the trust deficit as it relates to having departed South Asia years ago and having terminated relationships with both India and Pakistan following nuclear tests in the late 1990s. But I think that the current dialogue that is from the President on down and certainly at a military level is very robust in overcoming all of this. There is certainly a China factor in India. They have a long-term border dispute that continues to be a challenge for both countries, and they fought a war over it in 1962.

China is a very strong partner of Pakistan and Pakistan-India have the relationship that we're all aware of, both nuclear-armed and with a long-term history of animosity between the two of them.

To India's credit, they're maintaining ministerial-level dialogue with Pakistan and have for the past nearly 2 years, even post-Mumbai and all of the tension that that created.

So, I think your emphasis on India and its importance is exactly the right one. From a security standpoint and a security assistance standpoint, they remain very important and a partner of focus for PACOM.

Senator SHAHEEN. Thank you very much. My time has expired.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator CORNYN.

Senator CORNYN. Thank you, Mr. Chairman.

Admiral, General, thank you for being here. Thank you for your service.

I want to tell Senator Shaheen I appreciate her questions about the U.S.-India relationship, as one of the co-founders of the U.S.-India Caucus in the Senate, which has a strong and robust membership and a lot of interaction. I appreciate your acknowledgment and statement about the importance of that relationship from a security standpoint, an economic standpoint, and across the board.

My questions, you'll have to forgive me, General, I'm going to ask Admiral Willard some questions about China and particularly Taiwan.

Admiral, you say in your prepared testimony that: "Taiwan remains the most acute sovereignty issue for China and the main driver for military modernization programs. The military balance across the Taiwan Strait continues to shift in China's favor."

Would you agree that were China to launch some sort of military offensive against Taiwan that such a scenario would have the potential to draw the United States into a dangerous large-scale conflict in the region?

Admiral WILLARD. Thank you, Senator. Certainly the Taiwan Relations Act (TRA) and three communiqués combined, but the TRA in particular, establishes the position the United States would take on such coercion were it to be launched against Taiwan, and it then becomes a decision by our President and by Congress to decide what the U.S. reaction to that would be.

But does it have the potential? We regard the defense of Taiwan as a PACOM responsibility. So, yes, it would have the potential to draw the United States into conflict.

Senator CORNYN. According to DOD, China's official defense budget has grown by an average of 12.1 percent since 2001. So it seems as we are talking about scaling back our defense budget, China has continued to grow by leaps and bounds.

Would you agree that the likelihood of Chinese aggression against Taiwan becomes more likely as Taiwan's ability to defend itself deteriorates?

Admiral WILLARD. I'm not sure that I would contend that. I think it's important and we've established the importance through policy for a long time that Taiwan should have a self-defense capability, and our responsibility in working with DOD and in working with you is to ensure that the defense articles and services that we assist Taiwan with provide for that self-defense.

As we've seen the administrations change on Taiwan and the reelection of President Ma and his administration just this year, we would offer that the tensions across the Strait have, in fact, relaxed during his administration and that advancements in relations between the People's Republic of China (PRC) and Taiwan have occurred. So, I think it would be presumptive to assume that simply that imbalance in combat power would necessarily encourage conflict. That said, there's no question that the balance of combat power resides with the PRC.

Senator CORNYN. I recently wrote a letter to President Obama—actually it was last November 18, 2011—and received a response on February 15, 2012, from James N. Miller, Acting Under Secretary of Defense for Policy. Mr. Chairman, I'd like to ask unanimous consent to have both letters made part of the record.

Chairman LEVIN. They will be made part of the record.

[The information referred to follows:]

JOHN CORNYN  
TEXAS

**United States Senate**

WASHINGTON, DC 20510-4305

November 18, 2011

The Honorable Barack Obama  
President of the United States  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear President Obama:

I write today to express serious concern over the continuing deterioration of Taiwan's air force and your Administration's clear failure to comply with its obligations under the Taiwan Relations Act of 1979, which requires the U.S. to provide Taiwan the defense articles necessary to enable Taiwan to defend itself.

Taiwan's air force is both shrinking in size and nearly obsolete, while China's military capabilities are growing at an alarming rate. As a result, the current cross-Strait balance of airpower now tips sharply in China's favor. China has 2,300 operational combat aircraft, while our democratic ally Taiwan has only 490, according to the Defense Department. Moreover, Taiwan remains squarely in the crosshairs of China's massive military buildup. The DoD, in its 2011 report on China's military capabilities, observed that China's air force will remain primarily focused on "building the capabilities required to pose a credible military threat to Taiwan and U.S. forces in East Asia."

I remain disappointed by your de facto denial of Taiwan's request to purchase 66 new F-16C/D fighter aircraft, and I believe it sends a damaging message to nations in the Asia-Pacific region and beyond that the U.S. is willing to abandon our friends in the face of Communist China's intimidation tactics. This is a dangerous state of affairs for both Taiwan and the U.S. Understandably, your decision to withhold from Taiwan the military assistance it needs most has been interpreted by many as a sign of China's growing international clout and America's relative strategic decline in the Western Pacific region.

It is clear that Taiwan's air force suffers from both quantitative and qualitative deficiencies. I support your decision to sell Taiwan the package of upgrades to its existing fleet of 145 F-16A/B aircraft, but that modest step addresses only the qualitative problem. Regrettably, it does nothing to address the more serious, quantitative problem – Taiwan's looming fighter shortfall. In short, Taiwan's fleet of fighter aircraft will rapidly shrink in size over the coming decade, potentially falling to as few as 145 fighter jets by 2020, and your current plan fails to prevent that from happening.

Shortly after your Administration announced the F-16 A/B upgrade package, I wrote to President Ma to ask him for clarification on Taiwan's military requirement for new F-16C/Ds. On Oct. 14, I received an unequivocal response, stating that Taiwan needs both the upgraded F-16A/Bs and the new F-16C/Ds to fulfill its "self-defense needs in qualitative and quantitative terms." The sale of new F-16C/Ds to Taiwan also has the backing of 47 Democrats and Republicans in the Senate and 181

The Honorable Barack Obama  
November 18, 2011  
Page 2

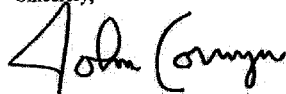
Democrats and Republicans in the House of Representatives who this past year have sent letters of support to your Administration.

In your recent speech to the Australian Parliament, you stated that "The United States is a Pacific power, and we are here to stay." I applaud this rhetoric, but it will ring hollow unless it is followed by meaningful action, such as supporting our longtime friend Taiwan by providing it the defensive weaponry it has sought to purchase from us for over five years.

America's credibility in the Asia-Pacific region is at risk, and our policy towards Taiwan is symbolic of our overall position and influence there. Many of China's neighbors, including U.S. allies, are rightly concerned about China's military buildup and territorial ambitions. U.S. allies around the world, including Israel, are paying close attention to how the U.S. treats Taiwan. The U.S. should neither give in to intimidation and threats from China, nor should we cede regional leadership there. We must not abandon the free people of Taiwan and our longstanding strategic interest in the stability of East Asia.

The issue of F-16 sales to Taiwan is especially pertinent in light of the Senate's consideration of your nomination of Mark W. Lippert to serve as the next Assistant Secretary of Defense for Asian and Pacific Security Affairs. I hope to be able to support the confirmation of this nominee. However, I ask that you decide on a near-term course of action to address Taiwan's looming fighter shortfall, and provide me with the specific actions you intend to take. Thank you for your prompt attention to this serious security matter.

Sincerely,



JOHN CORNYN  
United States Senator



UNDER SECRETARY OF DEFENSE  
2000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-2000

POLICY

FEB 15 2012

The Honorable John Cornyn  
United States Senate  
Washington, D.C. 20510-0304

Dear Senator Cornyn:

I have been asked to respond to your letter to President Barack Obama dated November 18, 2011. The Obama Administration is committed to our one-China policy, which is based on the three joint U.S.-China communiqués and the Taiwan Relations Act.

I share your concerns about Taiwan's defense capabilities and can assure you that we are working closely with Taiwan to ensure that this Administration complies with the Taiwan Relations Act. In the past two years, we have demonstrated our commitment to Taiwan by notifying over \$12 billion in arms sales to Congress.

As discussed by Acting Assistant Secretary Peter Lavoy during hearings for the House Foreign Affairs Committee, as well as with you in subsequent briefings by the Department of Defense, a key conclusion in the Report to Congress on Taiwan's Air Defense Force is that Taiwan's approach to defense cannot match the Mainland one-for-one. Taiwan defense spending cannot match the Mainland's, nor can it develop the same type of military the Mainland is developing. The report concludes that Taiwan needs to focus its planning and procurement efforts on non-traditional, innovative and asymmetric approaches, and we are working with Taiwan to do so. The report's findings also indicate that a capable air force is important – indeed critical – in a variety of scenarios and to maintain peacetime deterrence. We believe the F-16 A/B upgrade effectively meets Taiwan's current needs.

As a Pacific power, the United States remains deeply committed to our allies and friends across the world and particularly in the Asia-Pacific region. We remain committed to making available to Taiwan the defense articles and defense services that are necessary to enable it to maintain a sufficient self-defense capability. We have not ruled out future arms sales packages, and we will continue to consider Taiwan's requests. Likewise, we will continue to work closely with Taiwan to support the transformation of its military to an effective fighting force that has the innovative and asymmetrical capabilities necessary to deter China.

Sincerely,

James N. Miller  
Acting

Senator CORNYN. Let me just quote a couple of sentences from this letter. Mr. Miller says: "A key conclusion in the Report to Congress on Taiwan's Air Defense Force is that Taiwan's approach to defense cannot match the Mainland one-for-one. Taiwan defense spending cannot match the Mainland's, nor can it develop the same type of military the Mainland is developing. The report concludes that Taiwan needs to focus its planning and procurement efforts on nontraditional, innovative and asymmetric approaches, and we are working with Taiwan to do so."

That was not a very encouraging letter I received from Secretary Miller. But let me just get down to some of the specifics with regard to operational combat aircraft. According to DOD, the PRC has 2,300 operational aircraft and the Government of Taiwan has

only 490 operational aircraft. The administration recently notified Congress of its intent to upgrade some of the existing F-16 A and B versions, 145 of those, and I support the retrofit for these older F-16s.

But it does nothing to replace the growing obsolescence of Taiwan's fighter jets. By 2020 it's estimated that virtually all of Taiwan's fighter jets will have to be retired except for the 145 F-16 As and Bs that we sold Taiwan during the George Herbert Walker Bush administration, and which are now the subject of this upgrade.

Can you give me a little more confidence that we are meeting our obligations under the TRA and the three communiqués you mentioned? Because it seems to me that China is growing its military capability while Taiwan is losing its military capability, and the United States, which is legally obligated to provide defensive material to Taiwan, is not meeting its full obligations to equip them with what they need to defend themselves against the potential of a Chinese attack.

Admiral WILLARD. Thank you, Senator. I've been on the record in the past acknowledging that eventually Taiwan's aviation capability will have to be recapitalized. I too was encouraged when the F-16A-B upgrade was approved. I think that is the right thing to do. I think it does, in fact, enhance the reduction of their air forces. It was an upgrade much needed and it will improve their capabilities.

I'm not sure that a comparison of combat capability or capacity with the PRC and Taiwan is a fair one to make. Nor do I believe that there is any reasonable desire for or ability to achieve parity between the two. China is as big as the United States, maintains a fighter fleet, as you suggest, of over 2,000 aircraft, but has a lot of territory to cover. Taiwan's an island 200 miles long, maintains a fighter force of about 450 aircraft.

So an apples-to-apples comparison, I don't think, is necessarily the argument in this particular instance. The argument is whether or not Taiwan is sufficiently defensible in the context of the TRA and what was intended from a policy standpoint. We contribute to some of that at PACOM in our engagement with the Taiwanese military and trying to understand their needs. But we look more broadly than just their aviation needs and try to look across their armed forces and in all domains how well they are equipped and manned to defend themselves.

I think that balance is important for us to recognize and also sufficiency in that regard across all of those various areas. So, I see the recapitalization needs having been in the near-term met. As you suggest, I'm not sure that in the longest-term it's going to meet all their needs in the aviation area. But in their other services, they have needs as well, and I think the defense budget of Taiwan needs to be reflective of a balanced approach to achieving a sufficient amount of defense.

Senator CORNYN. If I can conclude, Mr. Chairman, just with this one comment.

Thank you for your answer, but I'm concerned as I see China continuing to grow its military, Taiwan's military capability continues to recede in comparison, that that will cause perhaps a



greater potential that the United States would be required to come to the aid of our ally under the TRA and the three communiqués you mentioned.

It strikes me that the more capable that Taiwan is to defend itself, the less the likelihood that the United States might be called upon to share in that defense in the event of an attack.

Thank you both, gentlemen.

Admiral WILLARD. Thank you, Senator.

Chairman LEVIN. Thank you, Senator Cornyn.

I just have a few questions for the second round. First, I was also glad, Admiral, to hear your answers relative to our relations with India, our security and military relations. It's a very significant partner in the region. The growing and robust relationship, I believe, is good news and the right way to go, and your answer is very reassuring to me, as it was to other members of the committee.

Admiral, relative to North Korea, has the change in leadership of North Korea impacted the agreement which was reached in October 2011 with North Korea to allow U.S. personnel back in North Korea to resume the recovery of remains of U.S. servicemembers missing from the Korean War?

Admiral WILLARD. Senator, there was a pause in discussions, but no pause in terms of initiative on our part to proceed with what was agreed to in terms of Joint Personnel Accounting Command (JPAC) returning to North Korea to seek additional remains. We currently have a ship in Nampo that has been offloading a first wave of equipment to support that.

My concern is for the security of the personnel from JPAC that would execute these missions, and so I continue to view into North Korea carefully to assure DOD and myself that these individuals will be treated in accord with the agreement that we struck in 2011.

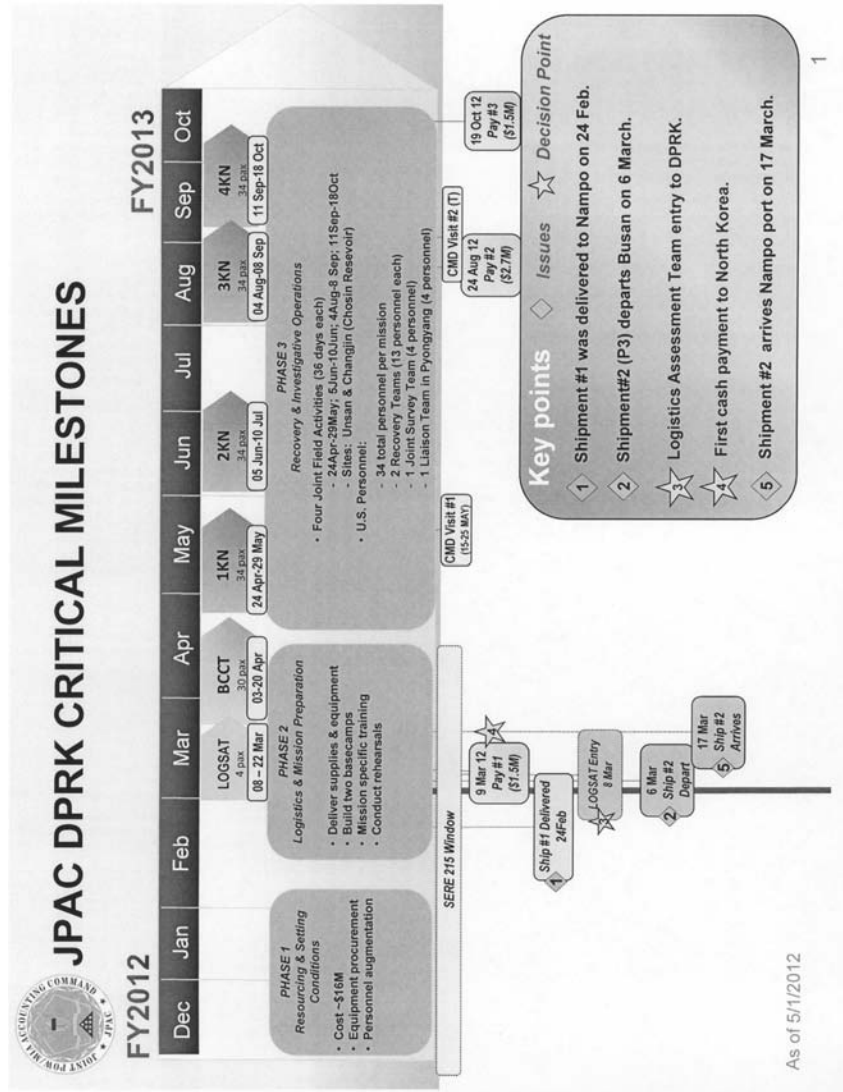
Chairman LEVIN. Is there a timetable for that effort to take the next step?

Admiral WILLARD. There is. This particular offload is occurring. We have another one scheduled. There are a series of steps that we have planned, and I'd be happy to provide those to you if that would be helpful.

Chairman LEVIN. That would be good, if you would do that for the record.

[The information referred to follows:]

The attached slide lists Joint Personnel Accounting Command (JPAC) Democratic People's Republic of Korea (DPRK) critical milestones.



Chairman LEVIN. Relative to the record, General, if you could for the record, give us some detail about the critical needs of TRANSCOM for cyber security. You made a comment in the press about TRANSCOM being the most cyber-attacked command in DOD, and if you could for the record, give us a list of your critical needs and whether those needs are being met, and whatever you can tell us in an unclassified way about attacks on your systems and progress that you might be making in defending those systems.

It's a large question. It's an important one that we're grappling with in a major way here in Congress. So if you could give us kind of a whole review for the record, it would be helpful.

General FRASER. Sir, thank you very much. I have stated that we are aggressively attacked. In fact, as we were looking at the numbers just this last year as it was wrapping up, from 2010 to 2011, we have seen an increase of about 30 percent of the number of attempts to get within our systems.

As this committee also knows, though, the majority of our business is done on the unclassified net. We are working very aggressively on a number of different fronts, though, and it's not only within TRANSCOM, but also with our commercial partners. Because of 90 percent of that business being done on the unclassified net, which is where our commercial partners are, we need to partner with them to strengthen our defenses. We're working that through contracting actions and looking forward to continuing to partner with industry.

Within TRANSCOM, we aggressively have a program whereby we train all of our individuals. Before they get in and on, they have to go through initial training. Then there's annual training. In fact, I just finished completing it. It takes over an hour and you're not going to get out of it, because once you're into it you're going to go through the whole thing. It's very thorough.

So we have to work that aspect of it. So there's a training piece to this as we harden our people and make them aware of what's going on.

There's also another piece to this with respect to our systems. So with a corporate services vision for the future, we have a number of systems out there that we're trying to bring into our net so that we can collapse the net and not have as broad a base so that the bad guys will be able to attack us. It'll be easier to defend if we're able to collapse the net, have less hardware out there, and actually be able to control that.

The other thing is that we're very aggressively certifying our net defenders. Over 99 percent of our net defenders that we have within TRANSCOM now have professional certification. So this is helping us.

So I go back to the 30 percent increase. We do not know of any known successful attack into our systems this last year. We are working with our people and with the hardware piece to our system. There's some business practices out there that we're also bringing in. We continue to partner with the Defense Information Systems Agency. We partner with U.S. Cyber Command and also with U.S. Strategic Command, as well as the National Security Agency, as we try to strengthen the net as best we can.

As the distribution process owner, looking forward to what we call a secure enclave, too. As we partner with these other organizations, they're very encouraged by what they're seeing and the initiatives that we're taking. We're working it from a holistic standpoint and we are properly funded within TRANSCOM right now.

Chairman LEVIN. If you could keep this committee informed, we would appreciate it.

General FRASER. Yes, sir, I will.

[The information referred to follows:]

Sir, during my earlier testimony you had asked for a list of U.S. Transportation Command's (TRANSCOM) critical needs and whether those needs were being met, and attacks on TRANSCOM systems and progress that we are making in defending those systems.

I previously addressed the latter aspect and mentioned that we noted a 30 percent increase overall from 2010 to 2011 in attempts to penetrate our network. I had also briefly addressed our approach in defending against those threats by training and certifying our cyber defenders and overall workforce. I also mentioned another important part of our cyber strategy is regular engagement with our commercial transportation partners to make them aware of the common threat we face, as well as common solutions.

Regarding your request for a list of TRANSCOM's critical needs and whether those needs were being met, we are holding the line today, but are working to improve cyber defense capabilities to ensure we remain adequately postured for the future. First, we need to ensure our commercial partners have the tools and business practices necessary to protect TRANSCOM information residing in their environments. We are continuing to reduce this vulnerability in partnership with our commercial partners, our internal cyber defense staff, Federally Funded Research and Development Centers, and other partner agencies. Additionally, we need to enhance protection of our high value command and control systems, and also provide a secure development environment in which our cleared defense contractors can develop software supporting our deployment and distribution functions.

We also need to improve the capability to distinguish adversarial actions from authorized users actions within systems and networks. If the adversaries are successful in gaining entry to our networks, we will need more effective mechanisms not only to detect them, but also to contain and limit their potential damage to our information, and rapidly rebuild any damage done to our networks or information so we can continue to execute our mission.

A holistic and unified response to threats across the Department of Defense and the U.S. Government remains one of our greatest challenges, and is planned to be a major area of discussion at our upcoming cyber summit. Cyber security will remain a top priority for TRANSCOM in all of our engagements with partners, whether they are commercial companies, the U.S. Government, or DOD entities.

Chairman LEVIN. This is really a major subject for all Members of Congress.

Admiral, you were asked, I believe, by Senator Inhofe to give us for the record in writing, how some of the objections which were raised to UNCLOS some time ago have been met, and that is important for all of us. If you can do that, if possible before you leave, it would be something, another item on your agenda to complete, I hope that's not too burdensome, but it would be very helpful.

Admiral WILLARD. I'll get right on it.

Chairman LEVIN. Also, you made a comment, Admiral, that I just want to see if you might wish to clarify. In response to a question of Senator Inhofe, and this had to do with North Korea, you indicated that their strategy has been successful for two generations. I assume that what you meant by that was that their strategy is to stay in power, essentially, and that's basically what they care about, and that strategy has succeeded, but not in terms of any success for their country?

Admiral WILLARD. That's exactly what I intended. This is a coercive strategy that has about five dimensions to it, all of which are bad news for the region and a challenge for our Nation.

Chairman LEVIN. Bad news for their own people.

Admiral WILLARD. Very bad news for their own people.

Chairman LEVIN. We thank you both, and it's been a very, very useful hearing. Best of luck to you and your family, Admiral, again as you take on new responsibilities, new challenges, new wonders.

Admiral WILLARD. Thank you, Senator Levin.

Chairman LEVIN. General, thanks so much.

General FRASER. Thank you, sir.

Chairman LEVIN. This hearing will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### OPERATIONAL RESPONSIVE SPACE-1 SATELLITE

1. Senator LEVIN. Admiral Willard, U.S. Central Command (CENTCOM) recently brought on line a small tactically responsive satellite, Operational Responsive Space-1 (ORS-1), based on an urgent needs statement it issued. The satellite was assembled, launched, and brought on line in less than 32 months for cost below \$225 million. My understanding is that CENTCOM has been very pleased with the capability of the satellite, which it directly controls with Air Force Space Command, to satisfy tactical reconnaissance needs in denied access regions. My understanding is that other combatant commands have tasked CENTCOM to use this satellite for urgent needs in their area of responsibility (AOR), offering for the first time the use of a small satellite outside the normal tasking sequence for space assets with direct control by the combatant command. Given the success, cost, and innovation of ORS-1, does U.S. Pacific Command (PACOM) believe that a similar system dedicated to PACOM would have a positive impact on reducing PACOM's intelligence, surveillance, and reconnaissance (ISR) collection gaps?

Admiral WILLARD. PACOM has been working closely with the Operationally Responsive Space (ORS) program on a satellite of our own. ORS-2 is in development and is scheduled to be launched in 2015. While it has a different payload than ORS-1, the capability will definitely have a positive impact on PACOM ISR collection gaps.

CENTCOM has shared feedback with us on the utility and quality of ORS-1 collection. Based on CENTCOM's success with that system, we've had recent discussions with the ORS program on developing an ORS-1 system for PACOM as well.

These systems will be particularly useful in enhancing PACOM's ability to collect in denied areas that we cannot reach with airborne systems.

2. Senator LEVIN. Admiral Willard, in addition, given the extremely large denied airspaces in PACOM's theater and widely dispersed land masses surrounded by large bodies of water, how would a tactical ISR satellite system dedicated to PACOM compare to a series of airborne ISR assets?

Admiral WILLARD. A tactical satellite system dedicated to PACOM would be very useful, particularly with regards to collection in denied areas that airborne sensors cannot reach. However, there are limitations that make a straight comparison to airborne assets very difficult. Sensor quality, orbit, data throughput, and timeliness of collection can constrain our ability to answer many intelligence requirements. Airborne platforms often provide the persistence, flexibility, and fidelity that cannot be matched by tactical ISR satellite systems. Airborne ISR also provides a visible presence in the theater that creates a deterrent effect against potential adversaries and strengthens our commitment to our partners and allies.

Used together, overhead and airborne systems complement each other extremely well and serve to mitigate our collection gaps.

3. Senator LEVIN. Admiral Willard, given the recent statements by the Defense Intelligence Agency (DIA) Director, General Burgess, regarding the counterspace capabilities being developed in the PACOM theater, could a system of ORS-class satellites help in increasing the resiliency and responsiveness of PACOM's space capabilities?

Admiral WILLARD. Yes. The future potential for rapid reconstitution of overhead systems in the face of adversary counterspace capabilities is very important to increasing the resiliency and responsiveness of PACOM's space capabilities. PACOM is a strong proponent of ORS-class satellites.

4. Senator LEVIN. Admiral Willard, could ORS-class satellites be beneficial in reconstituting a thin line, good enough to win, space layer to support PACOM operations in a campaign in which space was a contested domain?

Admiral WILLARD. [Deleted.]

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#### QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

##### CONTAINER MANAGEMENT

5. Senator MCCASKILL. General Fraser, the Department of Defense (DOD) is spending nearly \$720 million in late fees for leased shipping containers used for delivery of parts, supplies, and other items for overseas contingency operations. At times the late fees have even been more costly than if the containers were bought outright. I realize that using leased containers makes sense in a number of situations. However, wasting millions of dollars on late fees is inexcusable. What has U.S. Transportation Command (TRANSCOM) done to address this issue?

General FRASER. As mentioned in your question, there are instances when keeping carrier-owned containers longer than the anticipated time period to meet operational requirements makes fiscal sense. Whether containers are required to enhance the force protection of our warfighters or required for critical temporary storage capability in an austere environment, we keep a mindful eye on the fiscal impact of these decisions. TRANSCOM, in coordination with the Surface Deployment and Distribution Command (SDDC), is actively working several measures to mitigate container detention in the CENTCOM AOR. We are taking the following actions to reduce detention costs: making improvements in contract provisions in the forthcoming Universal Services Contract-7 (USC-7); transloading from individual carriers to U.S. Government-owned containers where practical; accomplishing container buyouts earlier when carrier-owned containers are required to meet mission objectives; expanding container management training and support for Mobile Container Assessment Teams; aggressively enhancing key leader engagement on adherence to established policies and procedures; and developing a single container management system capability.

6. Senator MCCASKILL. General Fraser, how can the cost of late fees be reduced in the future?

General FRASER. TRANSCOM, in coordination with SDDC and other Joint Deployment and Distribution Enterprise stakeholders, are taking several proactive steps to mitigate container detention. First, we have included improvements to container-related provisions in the USC-7 tentatively set for an effective date of 15 August 12. Based on analysis of detention for containers delivered to Afghanistan over the last 2 years, the additional 5 days of free time in USC-7 would have represented a 22 percent reduction in detention costs for an annual \$12.6 million in cost avoidance. Second, we continue to implement successful lessons learned from our experiences supporting operations in Iraq, most notably increased usage of government-owned containers where practical. Third, we continue to work with theater leadership to enhance their cargo reception capability and infrastructure support to return carrier-owned containers within the prescribed timelines. Last, we continue to leverage technology to improve our intransit visibility of cargo and management of our critical distribution assets.

7. Senator MCCASKILL. General Fraser, have steps been taken to renegotiate container contracts and the leases currently in place?

General FRASER. Yes, TRANSCOM negotiated more favorable container detention and purchase terms for the USC-7. The contract is due to start this summer. The terms include lower purchase prices for the containers, more "free-time" before detention charges start to accrue, and allowing purchase of containers 30 days sooner. The enclosed fact sheet (in response to previous Senate questions on container costs) provides the estimated cost impact of the new terms.

More importantly, in addition to the contract terms, TRANSCOM, through its component, the Military SDDC, is actively engaging the Military Departments and Government agencies to improve container management procedures and contractual terms and conditions that will reduce container detention costs. As DOD's Global

Container Manager, SDDC has decreased container detention charges by instituting improved processes, such as standing up sites to transload from commercial to Government containers in theater. SDDC is also working to prioritize cargo in the carrier holding yards, improve procedures for receipt and release of containers, and enforce accuracy standards and completion of monthly inventories. Another significant effort is the development of a single container management system that will enable better container tracking and reporting to further decrease detention charges.

Proposed Universal Services Contract (USC)–7 Container Detention and Purchase Fact Sheet

The following information is provided in response to questions the Military Surface Deployment and Distribution Command (SDDC) received from Senator Tom Carper's and Senator Scott Brown's staffs during a December 14, 2011, teleconference.

1. Free time<sup>1</sup> cost comparison between the current requirements in USC–6 and the proposed changes for USC–7, which are tentatively scheduled to take effect June 1, 2012:
  - Under USC–6, the U.S. Government is currently authorized 15 days of free time before detention fees begin for containers delivered in Afghanistan.
  - Under USC–7's proposed language, an additional 5 days would be added, for a total of 20 days free time before detention charges begin on containers in Afghanistan.
  - Based on analysis of detention for containers delivered to Afghanistan over the last 2 years, the additional 5 days of free time would have represented a 22 percent reduction in detention costs for an annual \$12.6 million in cost avoidance.
2. Containers are often used for storage, force protection, and other purposes, given the lack of infrastructure in theater. The Department can purchase containers to mitigate detention costs in one of two ways.
  - Deliberate container purchase cost comparison using the current requirements in USC–6 and the proposed changes for USC–7:
    - Currently with USC–6, in order to purchase a container, 90 days worth of detention costs must be paid. To purchase a container under the proposed USC–7, the number of days' worth of mandatory detention costs drops to 60 days.
    - On a per container basis, purchase of a 40-foot dry container under USC–6 at the earliest possible time (Day 91) would cost \$5,100 to purchase the container plus 90 days of mandatory detention (\$35/day) \$3,150, for a total of \$8,250.
    - Purchase of a 40-foot dry container under the proposed USC–7 at the earliest possible time (Day 61) would cost \$4,590 to purchase the container plus 60 days of mandatory detention (\$35/day) \$2,100, for a total of \$6,690.
    - USC–7 proposed changes would have resulted in a cost avoidance of \$1,560 per purchased container (18.9 percent reduction).
    - These purchase cost reductions are due to lowering mandatory detention payment from 90 to 60 days, earlier commencement of credit on day 61 versus day 91, and the reduced container purchase prices negotiated by U.S. Transportation Command (TRANSCOM) under the proposed USC–7.
  - Container purchase in the event containers are indefinitely retained by the U.S. Government (cumulative Credit Against Purchase (CAP)), using the current requirements in USC–6 and the proposed changes for USC–7:
    - Currently with USC–6, daily detention costs are capped at day 358 for a 40-foot dry container and day 1,090 for a 40-foot refrigerated container, at which time credit paid through detention costs equals the purchase price of the container and the container becomes the property of the DOD. For example, under USC–6 the CAP cost of a 40-foot dry container is \$12,530 (\$35/day × 358).
    - Under USC–7, daily detention costs are capped at day 350 for 40-foot dry containers and day 700 for 40-foot refrigerated containers, at which time credit paid through detention costs equals the purchase price of the container and the container becomes the property of the DOD. For example,

<sup>1</sup> Container detention charges are imposed by shipping lines for containers kept beyond the assigned "free time" and not made available for pickup within that period.

under USC-7 the CAP cost of a 40-foot dry container is \$12,250 (\$35/day  $\times$  350).

- This reduction in detention days would have resulted in a 9 percent reduction in detention costs for an annual \$3.2 million in cost avoidance.

3. SDDC is also actively engaged in reducing commercial container detention costs through the increased use of U.S. Government-owned containers, where cost effective. As this business practice proved extremely successful in Iraq, we continue to look for opportunities to implement it in Afghanistan, when appropriate.

#### PAKISTAN GROUND LINES OF COMMUNICATION

8. Senator MCCASKILL. General Fraser, TRANSCOM and our interagency partners have received permission from governments of some European, Central Asian, and Baltic countries to start retrograding materials from Afghanistan through the Northern Distribution Network (NDN). As we begin the drawdown of troops in Afghanistan in the next few years, the retrograde of materials and equipment from Afghanistan will increasingly become more important. The Pakistan Ground Lines of Communication (PAK GLOC) provides logistical support through the movement of cargo to Afghanistan. When open, the PAK GLOC remains the quickest and most cost-effective route. If the PAK GLOC is not open for retrograde operations, what additional cost will the United States incur in order to move equipment out of Afghanistan?

General FRASER. The financial impact of the PAK GLOC closure continues to be analyzed as TRANSCOM gains more fidelity on the factors related to costing. At this time it is difficult to determine with any degree of confidence what that additional cost will be. TRANSCOM continues to explore and develop multiple retrograde options in order to meet warfighter operational requirements in the most cost effective manner.

9. Senator MCCASKILL. General Fraser, has TRANSCOM conducted an analysis of what will be necessary to ensure the PAK GLOC is open?

General FRASER. No. TRANSCOM does not control the conditions on the ground that would be necessary to conduct such an analysis on the PAK GLOC. However, CENTCOM states Pakistan leadership has made it clear to us that reopening the PAK GLOC, as well as all other issues related to Pakistan's relationship with the United States, must go through a process which begins with recommendations produced by their parliament. The administration plans to send a negotiating team to Pakistan to discuss the steps required to reopen the PAK GLOC, consistent with parliament's recommendations and U.S. laws and interests.

#### NORTHERN DISTRIBUTION NETWORK

10. Senator MCCASKILL. General Fraser, the NDN provides an additional route for cargo to Afghanistan. Over the past year, around 40 percent of all cargo in support of Operation Enduring Freedom (OEF) was moved through the NDN's multiple truck, water, rail, and air routes in an expanding distribution network. TRANSCOM continues to work with the interagency and governments of the NDN countries to expand NDN routes. However, many of the NDN countries do not want materials from Afghanistan to retrograde back through their countries. If the NDN is not open or partially open for retrograde operations, how will this affect the retrograding of materials and equipment from Afghanistan?

General FRASER. TRANSCOM currently has two-way permissions on all our NDN routes for commercial-type items. Additionally, one of the NDN routes (the Russian route) is authorized to move wheeled armored vehicles. At this time, TRANSCOM is executing multiple proofs of principle to exercise these permissions. The lessons learned will be used to determine the best way to employ each route in the overall retrograde operation. Any additional permissions from countries supporting the NDN would further enhance retrograde flexibility, capacity, and redundancy with potential cost savings.

11. Senator MCCASKILL. General Fraser, what additional costs will the United States incur in order to move equipment out of Afghanistan if the NDN route is closed?

General FRASER. Assuming the PAK GLOC remains closed and the NDN closes, the cost to move all equipment out of Afghanistan would be significantly higher. The only option remaining would be airlift equipment and supplies direct air back to the



States or to multi-modal locations. While this option is feasible it will not meet the current departure timelines. TRANSCOM has been working Proof of Principles to test using the NDN for limited cargo coming out of Afghanistan, but this is still in the very early stages and the costs associated with cargo leaving Afghanistan has not been determined.

#### STRATEGIC AIRLIFT

12. Senator McCASKILL. General Fraser, our defense strategy relies on rapid global reach and rapid global response to deter aggression and deliver worldwide capability. An important component of maintaining U.S. military dominance is maintaining the airlift and air-refueling capability required for rapid delivery of our forces and equipment over long distances. C-17s will continue to be the workhorse for strategic airlift. Even though TRANSCOM is currently funding purchases, upgrade programs, and fleet rotation, I still have concerns that the stress of supporting two wars over the past decades will cause our current C-17 fleet to age faster than expected. What is being done to ensure that we do not have any gaps in our strategic airlift capabilities as the current C-17 fleet begins to age?

General FRASER. The C-17 fleet averages more than the planned 1,000 actual flight hours per year, but the life-limiting effects felt by the fleet are within limits. The C-17 fleet will meet its service life of 30 years, and based on historic usage severity, should be available much longer. Targeted fleet service life extension programs (SLEP) are being utilized to refresh specific aging aircraft drivers (wing upper cover, landing gear) as appropriate to enable continued safe/reliable/economic C-17 operations. A requirement for an overall aircraft SLEP has not been established.

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#### QUESTIONS SUBMITTED BY SENATOR MARK BEGICH

##### ORGANIZATIONAL REVIEW OF ALASKAN COMMAND

13. Senator BEGICH. Admiral Willard, I understand at your direction PACOM has been conducting an organizational review of Alaskan Command. Although I am cognizant the renewed focus on the Asia-Pacific region is driving a need to shift PACOM resources, I firmly believe Alaskan Command is and will remain an integral component of enabling PACOM to carry out its mission. As you may know, Alaskan Command was founded due to a lack of unity of forces in Alaska during World War II. With more than 22,000 Active Duty personnel in Alaska, Alaskan Command provides PACOM mission assurance in the State, ensures a ready force, and expedites the deployment of forces in support of contingencies. I am aware that after the creation of U.S. Northern Command (NORTHCOM), some of the missions in Alaska are now under that combatant command, and organizational challenges have surfaced. Resolution of these organizational challenges will require coordination between PACOM and NORTHCOM. Could you please describe the scope of the PACOM organizational review of Alaskan Command?

Admiral WILLARD. In accordance with the 2010 Secretary of Defense efficiencies tasking, PACOM performed a review of all PACOM missions and associated manpower requirements to identify potential savings and internal efficiencies. The scope of the Alaskan Command study included a determination of requirements for manpower support to gain a better understanding of the roles, missions, and responsibilities that impact Alaskan Command. The scope of the study also included mission analysis and functional capabilities analysis as related to wartime requirements and a review of level of support provided to PACOM missions assigned to Alaskan Command.

To date, no final decision has been made. PACOM will ensure that any course of action is fully coordinated with all stakeholders prior to a final decision being reached.

14. Senator BEGICH. Admiral Willard, what is the desired outcome?

Admiral WILLARD. PACOM began looking at Alaskan Command as part of the Secretary of Defense Efficiency Review in late 2010. During a detailed examination of Alaskan Command, it was determined that the operations performed for PACOM in Alaska do not require a permanent Joint Headquarters and the potential operations performed for NORTHCOM can be handled by Joint Task Force-Alaska. Based on joint doctrine, there is no reason to maintain a permanent subordinate unified command in Alaska. Subsequently, Operation Tomodachi validated an identified need to operationalize U.S. Forces-Japan (USFJ) to increase the capacity/capa-

bility of USFJ as an operational headquarters to support the defense of Japan from increasing threats.

This need coupled with the direction in the recently released "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," PACOM intends to shift some of its joint staff positions to strengthen relationships with Asian allies and key partners specifically Japan through a more robust USFJ capability. This relationship is critical to the future stability and growth in the Asia-Pacific region. Shifting these joint staff positions from Alaskan Command to other, more critical priorities is one step in strengthening these relationships in a period of constrained resources.

PACOM does not intend to move any units, exercises, or activities out of Alaska, as these are critical to maintaining forces that are able to respond in a crisis in Alaska or throughout the Asia Pacific.

15. Senator BEGICH. Admiral Willard, would you please describe coordination with NORTHCOM to reach an organizational solution mutually beneficial to both combatant commands?

Admiral WILLARD. In November 2011, I directed the PACOM staff to develop a way ahead for achieving the desired end-state of shifting joint staff billets and civilian positions from Alaskan Command to higher priorities in the theater. The PACOM staff formed a planning team which consisted of representatives from the staff directorates, the Service components (Army, Air Force, Navy, and Marine Corps), Alaskan Command, and NORTHCOM. The purpose of the planning team was to examine the situation and offer recommendations based on competing priorities.

In February 2012, the planning team offered their recommendation to retain Alaskan Command as a Subordinate Unified Command to PACOM and shift 45–50 joint staff billets and civilian positions to higher priorities with critical allies. Both the Commander of Alaskan Command and the Chief of Staff for NORTHCOM offered dissenting recommendations to transfer Alaskan Command and the majority of its 65 joint staff billets and civilian positions from PACOM to NORTHCOM. I directed my staff to examine the question of whether Alaskan Command still fits the criteria of a Subordinate Unified Command and deferred making a final decision.

#### ALASKAN COMMAND MANPOWER SUMMARIES

16. Senator BEGICH. Admiral Willard, would you please provide manpower summaries (military, contractor, and civilian billets) for Alaskan Command for fiscal year 2012, and projected for fiscal years 2013 through 2017?

Admiral WILLARD. The manpower authorizations for fiscal year 2012 are as follows:

Military - 42 (Joint Table Distribution (JTD) shows 43, one position identified as billpayer for DOS)  
Civilian - 23  
Total - 65

Fiscal year 2013 through 2017 may or may not be the same as fiscal year 2012, depending on the outcome of PACOM's Alaskan Command review.

#### NORTHERN EDGE FUNDING LEVELS

17. Senator BEGICH. Admiral Willard, Northern Edge is a critical exercise to prepare forces for contingencies in the PACOM AOR. Would you please provide funding levels for the exercise for fiscal year 2012 and projected for fiscal years 2013 through 2017?

Admiral WILLARD. [Deleted.]

#### QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

##### MILITARY QUALITY-OF-LIFE CONCERNS

18. Senator MCCAIN. Admiral Willard, please identify the top quality-of-life concerns for military families assigned within PACOM.

Admiral WILLARD. America's All-Volunteer Force is our greatest strategic asset and we commit our full support for the 300,000 PACOM servicemembers and their families. We know quality-of-life for Active Duty soldiers, sailors, airmen, marines, and their dependents continues to be a key enabler and retention factor for these Americans serving in the PACOM AOR.

We must ensure that the needs of our servicemembers and their families continue to be met, even during this time of fiscal constraint. We must sustain critical quality of life programs and make improvements where needed in the quality-of-life of assigned personnel. Current key focus areas include:

- **Military Pay and Compensation**
  - With the numerous challenges that come with military life, pay and financial difficulties should not be added stressors. We need to ensure that our servicemembers and their families are provided with a comfortable life which includes fair pay and compensation. The National Defense Authorization Act (NDAA) for Fiscal Year 2012 provides an increase of 1.6 percent for military basic pay. This raise is equal to the Employment Cost Index as of 30 September 2010, as prescribed by law, and will keep military pay increases in line with those in the private sector. In addition, the NDAA funds bonuses and other incentives to meet recruiting and retention quality and quantity goals—especially for our most critical skills and experience levels.
- **Care for Wounded, Ill, and Injured Military Members**
  - We continue our intense focus on the care of our wounded, ill, and injured military members—those who sacrificed so much in defense of our Nation. We are working to achieve the highest level of care and management to ensure quality care and as smooth a transition back to normalcy as medically possible.
  - Recent key initiatives include:
    - Achieving a seamless transition to veteran status for members leaving the military and superlative cooperation between DOD and the Department of Veterans Affairs (DVA).
    - Ensuring a high standard for facilities caring for wounded warriors, i.e., first rate hospitals and trained staff.
    - Enhancing case management of individuals needing care and transition to civilian life.
    - Establishing an Integrated Disability Evaluation System—to create a simpler, faster, more consistent process for determining which members may continue their military service and helping them become as independent and self-supporting as possible.
    - Working with the DVA to create Virtual Lifetime Electronic Records—critical to improve veteran care and services.
    - Continuing investments to modernize the Electronic Health Record—to improve provider satisfaction, system speed, reliability, and to record all healthcare encounters from the battlefield through each phase of treatment.
  - The NDAA for Fiscal Year 2012 provides \$2.3 billion for enduring wounded, ill, and injured military member programs. Of this amount, \$415 million provides for the continued support of cutting edge wounded, ill, and injured medical research. This research is highly focused on psychological health/post-traumatic stress disorder (PTSD) and traumatic brain injuries (TBI), but also includes prosthetics, vision loss, hearing loss, and other conditions directly relevant to the injuries our soldiers are currently receiving on the battlefield.
- **Prevention of Sexual Assault**
  - Sexual assault is criminal conduct punishable under the Uniform Code of Military Justice and will not be tolerated. Our commitment is zero tolerance of sexual assault or related behaviors within the PACOM AOR. We will not allow sexual assault to injure our personnel, our friends, our families, destroy our professional values, or compromise readiness.
  - Requirements included in the recently released DOD instruction 6495.02, Sexual Assault Prevention and Response Program Procedures, are:
    - Policies and procedures for all commanders, at all levels, to take action to prevent sexual assault, protect and support victims, hold offenders accountable, and to ensure a safe and healthy environment.
    - All uniformed members, spouses, civilians, and contractors are afforded victim services.
    - Victim advocates will be well-trained and credentialed.
    - Funding will be provided for training investigators and lawyers.
    - All commanding officers and senior enlisted leaders will be fully trained, and committed to eradicating sexual assault.

- Ensure the length of time sexual assault records are kept is standardized for all Services.
  - Victims filing unrestricted cases will now have the option to request an expedited transfer from their unit or installation.
- Suicide Prevention
  - The suicide rate among our servicemembers and their families is at a record high. We have an obligation and responsibility to take care of the men and women who volunteer to sacrifice for our country. Our military servicemembers and their families are resilient and strong, but we want them to know that they should not needlessly suffer through depression and anxiety. Suicide prevention is a leadership responsibility from the most senior leaders down to front-line supervisors.
  - Marine Corps (Marine Forces Pacific (MARFORPAC)): Improving the Family Readiness in the Marine Corps has been accomplished by implementing Behavioral Health programs to protect and strengthen the health and well-being of Marines and their families. Behavior Health programs consist of Combat and Operational Stress Control, Suicide Prevention, Family Advocacy, Sexual Assault Response and Prevention, and Substance Abuse Prevention.
- Spouse Employment
  - Maintaining a career in the face of frequent moves is an issue that has plagued military spouses for years. Job availability and employer willingness to hire transient spouses is always a concern. With one in three working spouses holding jobs that require licenses or certifications, transferability of professional credentials from one State to another complicates the employment issue. In many overseas locations, availability of these professional jobs can be limited, resulting in unemployment or under-employment. Many young spouses don't have the requisite background for the civil service jobs offered and the status of forces agreements or other foreign assignment areas prevent military exchanges and commissaries from opening all positions to U.S. candidates.
- Education
  - K-12 Education (Hawaii): Data is being collected at PACOM to interpret if there is a recruiting or retention issue for military families with school-aged children stationed in Hawaii.
  - K-12 Education (DODEA): The Department of Defense Education Activity (DODEA) Pacific oversees 49 schools in 3 countries and 1 Territory, with a population of 23,500 students. DODEA is currently unable to support varied educational options desired by families, e.g., providing universal preschool within all DOD overseas schools and home school families' access to the DODEA Virtual School.
- Child Care and Youth Programs
  - Sufficient, reliable, yet affordable child care is a key readiness issue for servicemembers and their families. Our highest priority is ensuring 100 percent availability of child care, especially in overseas locations. Additional unmet child care needs include access to care during nontraditional hours to accommodate servicemembers' work schedules, limited availability of child care slots for lower priority families requiring care (i.e., not Single Parent and Dual Military), and drop-in and respite care for families with a deployed servicemember.
  - Army (U.S. Army Pacific): Army Child Development Centers (CDCs) are available on post with a full day, part day, and hourly care for children. The Youth Services are designed specifically for middle school youth and teens and ensures services such as sports, fitness and health, life skills, leadership opportunities, academic, and intervention support and services are available. Transportation to and from school to the center is available in various locations. The Army Family Child Care (FCC) home is another child care choice for military family members, DOD civilians, and DOD contractors in which family members work as independent contractors in individual housing units located on a military installation. Special services may include 24-hour and long-term care during mobilization and training exercises, evening and weekend care, and care for special needs children and mildly ill children. Parents can expect to receive the same quality of care in an Army FCC home as in an Army CDC or School-Age Program. FCC providers receive the same training and support as facility-based staff.

An additional program available is the Armed Services YMCA (ASYMCA), which provides military families, Active Duty personnel, the National Guard, and military reservists with access to youth development, family strengthening, and health and well-being programs. The Boys and Girls Clubs of America inspires young people to become responsible citizens. The Clubs create a safe place for kids to grow, provide mentoring by a professionally-trained staff and caring volunteers, nurture character development and life-enhancing skills, and provide hope and opportunity.

- **Housing**

- Housing availability and affordability is a recurring readiness issue for servicemembers and their families. Waiting lists for base housing can vary from immediate occupancy to waits exceeding 24 months, depending on rank, installation, and required housing unit size. Overseas Housing Allowance (OHA) or Basic Allowance for Housing (BAH) is paid to servicemembers stationed in overseas locations (OHA) or in Hawaii and Alaska (BAH) and is designed to provide equitable housing compensation when government quarters are not provided. However, servicemembers still report significant out-of-pocket expenses while living off-base when on-base housing is not available.

- Joint Base Pearl Harbor-Hickam (JBPH-H): Public-Private Venture (PPV) housing has improved the quality of our homes for our servicemembers over the last few years. There is high demand for PPV homes as their quality exceeds most of what is available in the community. PPV only satisfies a portion of our housing requirement, as we are expected to rely on the local community. In some instances, we are not keeping up with the demand for housing for several pay grades, specifically Senior Enlisted and Field Grade Officers who are experiencing wait list times of 6 to 12 months.

- Navy (Navy Region Hawaii (NRH)): PPV housing has improved the quality of our homes for our servicemembers over the last few years. There is high demand for PPV homes as their quality exceeds most of what is available in the community. PPV only satisfies a portion of our housing requirement (4,451 homes), as we are expected to rely on the local community. NRH continues to meet the requirements for housing. However, we are not keeping up with the demand for housing for several pay grades, specifically Senior Enlisted and Field Grade Officers who are experiencing wait list times of 6 to 12 months.

- Army (U.S. Army Pacific): Availability of housing for servicemembers is another top quality of life concern. Servicemembers pay several hundred dollars more a month in rent living in the same quality home off-post when on-post housing is not available upon their arrival. Additionally, when on-post housing is subsequently available, some to all costs associated to the move is the responsibility of the servicemember, resulting in additional out-of-pocket costs affecting many of our new military families and creating financial hardship.

19. Senator MCCAIN. Admiral Willard, what progress has been made in those areas, especially spouse employment opportunities, child care, and education programs and facilities for DOD dependent school-aged children?

Admiral WILLARD.

- **Spouse Employment**

- Navy (NRH): The Navy manages the Joint Employment Management System (JEMS), an online job bank dedicated to military spouses, dependents, and retirees of all services. JEMS was first established in September 1985 to serve as a single point of contact for the business community to offer employment opportunities to job seekers from the military community. JEMS averages 2,000 job openings at any given time. In fiscal year 2011, over 4,800 spouses, dependents, and retirees registered in JEMS and were seeking employment. JEMS holds one job fair per year at JBPH-H, averaging over 800 attendees and 100 companies. JEMS also holds one job fair at Marine Corps Base Hawaii averaging just over 300 attendees with 40 companies.

- Navy (Navy Region Singapore): For those spouses who want to work outside the home, there are jobs available locally and on base primarily with Morale, Welfare, and Recreation (MWR), the Navy Exchange (NEX), and Navy Federal Credit Union. Spouses have also found employment at the American Embassy and Singapore American School. All civil service jobs

are open for overseas spouses and dependents as local. The Family Services Office has provided assistance to many spouses seeking employment.

- Navy (Navy Region Marianas): Spouses who meet the minimum qualifications are always given first priority when it comes to NAF employment.
- Navy (Navy Region Japan): To support successful job searching, installation Fleet and Family Service Centers (FFSC) provide Job Search Strategies and Federal Employment and Résumé Writing classes on a regular basis. On average, more than 3,000 spouses participate in these one-on-one and group seminar programs annually. To further enhance spouse employment opportunity, Navy Region Japan worked with the Navy Civilian Human Resource chain of command to permit foreign spouses of uniformed military personnel to receive special appointment hiring authority to non-sensitive civil service positions.
- Air Force (Pacific Air Forces (PACAF)): Priority Placement is approved by DOD for employment of spouses already employed by the U.S. Government prior to arrival at overseas bases. The DOD Military Spouse Employment Partnership (MSEP) website and job fair support programs are now accessible to all PACAF bases.
- Army (U.S. Army Pacific): MSEP has helped military spouses access career resources and connects with corporations who are ready to help spouses explore career options for their mobile lifestyles. MSEP has partnered with numerous companies such as H&R Block, Army Career and Alumni Program, Army Air Force Exchange Service, Wal-Mart, Verizon, Dell, et cetera, to smaller community-based, local companies together working to aid military spouses in finding and identifying portable jobs, as well as reducing the wage gap between military and civilian spouses. In addition, MSEP has increased the U.S. partnerships by collaborating with the Civilian Personnel Advisory Center (CPAC) to assist spouses of military members stationed in South Korea find local positions, gain awareness/education on home based business options, and awareness of local job fairs.
- Child Care and Youth Programs
  - Marine Corps (Marine Forces Pacific): To alleviate the childcare challenge, the Marine Corps established numerous CDCs over the past several years and have more planned. Adequate funding will ensure CDC Military Construction (MILCON) will take place as planned.
  - JBPH-H: JBPH-H has made significant progress in the area of child and youth programs.
    - CDCs: Peltier CDC reopened on 08 Mar 2012. The Peltier CDC renovation and expansion enabled the consolidation of children from two older CDCs and netted 16 additional spaces bringing the net total to 130. Three additional CDCs are scheduled to open across JBPH-H. The Wahiawa CDC (replaces older CDC at Wahiawa) is scheduled to open on 26 April 2012, increasing capacity from 46 to 70 spaces. The new Center Drive CDC opens the end of May this year with a capacity of 304 spaces.
    - The new Ford Island CDC is scheduled to open mid-July this year with a capacity of 304 spaces. When all 4 are opened, JBPH-H will have a total of 9 CDCs operating on Oahu with a total capacity of 1,306, including one 24/7 CDC accommodating 10 children day and night. This unit is designated for use by swing shift personnel and has the capacity to expand if need is identified. Anticipate reducing the overall wait list by at least 50 percent. There are no additional projects to increase CDC capacity on Oahu. Pacific Missile Range Facility (PMRF) continues to be able to accommodate all CDC requirements in its 34 space CDC. The new CDCs will result in 230 new jobs.
    - School Age Care: JBPH-H has two School Age Care centers that accommodate 290 children. The PMRF on Kauai has seven children enrolled in their School Age Care program. Neither location has a waiting list.
  - Navy (Navy Region Singapore): There is no Child and Youth Program in the region to assist families with young children. Residents in Family housing are allowed to hire foreign domestic workers or live-in-aides. This currently alleviates the need for a CDC. For parents who would rather have their children supervised at a facility, they can choose to pay for care on the economy. Many of these facilities are within walking distance from the base. For children 5 years and under, the region offer a "Little Tykes" program that is provided 3 days a week. The program offers interactive social-

ization, crafts, and story hours. Navy Region Singapore currently does not have the population to justify a CDC. Funding is another obstacle if the population increases.

- Navy (Navy Region Marianas): Child care is available for youth of all ages as well as before and after school care, Child Development Homes, youth sports, and youth leisure/recreation classes on both bases.

- Army (U.S. Army Pacific): Army CDCs are available on post with a full day, part day, and hourly care for children. The Youth Services are designed specifically for middle school youth and teens and ensure services such as sports, fitness and health, life skills, leadership opportunities, academic and intervention support and services are available. Transportation to and from school to the center is available in various locations. The Army Family Child Care (FCC) home is another child care choice for military family members, DOD civilians, and DOD contractors in which family members work as independent contractors in individual housing units located on a military installation. Special services may include 24-hour and long-term care during mobilization and training exercises, evening and weekend care, and care for special needs children and mildly ill children. Parents can expect to receive the same quality of care in an Army FCC home as in an Army CDC or School-Age Program. FCC providers receive the same training and support as facility-based staff.

An additional program available is the ASYMCA, which provides military families, Active Duty personnel, the National Guard, and military reservists with access to youth development, family strengthening, and health and well-being programs. The Boys and Girls Clubs of America inspires young people to become responsible citizens. The Clubs create a safe place for kids to grow, provide mentoring by a professionally-trained staff and caring volunteers, nurture character development and life-enhancing skills, and provide hope and opportunity.

- Education

- PACOM's Education Branch is dedicated to promoting quality education for all military students in the Pacific. PACOM's goal is to work in conjunction with the civilian education community to offer a comprehensive array of high quality educational opportunities that allow parents to select the option that matches the needs of each child to include public, public charter, private, religious, DOD, and home schools or on-line/virtual schools. PACOM's goal is to ensure families receive support with their school choice. For parents with certain school issues that cannot be resolved by other means, the Interstate Compact for Educational Opportunities for Military Children may enlist their military representative.

- PACOM has designated representatives for many educational related boards and committees within the PACOM theater and specifically, Hawaii. PACOM and all combatant commands are represented on the DODEA Dependents Education Council—a forum for the Services to elevate the matters relating to facilities, logistics, and administrative support provided to DODschools. PACOM is also represented on the Pacific Theater Education Council which identifies educational concerns of parents, students, military leaders, and educators within the PACOM AOR.

PACOM has a seat on the Advisory Council on Dependents Education which recommends programs and practices, ensuring a quality education system to the Secretary of Defense and the DODEA Director.

- In 2012, the DODEA started virtual courses for students in Hawaii with a vision to prepare students to live, learn, work, and serve the public good in a digital, global society through engaging, synchronous and asynchronous instruction. DODEA enacted the Bullying Awareness and Prevention Program, a new mathematics curriculum for all grades to include more math unit coursework for graduation, a new attendance policy providing specific guidance on attendance and absences, identifies support services for students at risk for not fulfilling the grade or course requirements, and established the use of Gradespeed which is a full-featured web-based grade book for both parents and teachers. DODEA also utilizes Facebook as a means to connect with administrators, teachers, parents, and students.

- In Hawaii, the Joint Venture Education Forum is a partnership that has existed since 1999 between the military community, business community, and Hawaii Department of Education. It addresses education concerns and provides support for children of military families stationed in Hawaii. It also promotes good will between the military and public schools.

- To continue supporting military families with school age children in Hawaii, PACOM partnered with Johns Hopkins University to conduct a 3-year longitudinal study to understand family members' preconceptions prior to arrival in Hawaii and how attitudes and beliefs are impacted and change during their tour of duty. At the conclusion of the study, information will be provided to PACOM, the Services, and civic agencies to improve policy, programming, and services for children and youth.
- Continuous progress was made to Hawaii schools in 2011 when the National Math and Science Initiative began which brought advanced placement (AP) courses in math, science, and English in schools serving a high concentration of students from military families. Courses are designed to increase students' potential for success in college. Schools profit from training for their AP teachers and assistance with building their AP programs.
- Navy (Navy Region Hawaii): Navy in Hawaii will continue to move toward strengthening relationships with our military impacted schools, improving our partnership with our educators and our students. Navy children attend 59 public schools in Hawaii. We currently have 35 active school partnerships with military impacted schools where Navy children are predominate and are working on establishing partnerships at 5 schools with Navy children that do not currently have a partnership. A partnership has been established for all schools expressing interest. Our School Liaisons foster relationships between parents, educators, and the military families. They also facilitate permanent change of station transitions. The Commander Navy Region Hawaii (CNRH) meets frequently with local education leaders to discuss ways the Navy can assist with educational improvements. CNRH will continue our robust school partnership program. K-12 Education will remain a key focus of the Navy in Hawaii.
- Navy (Navy Region Marianas): Three issues were prepared by Commander Navy Region Japan (CNRJ) at the 2011 PACOM area Dependents Education Council (DEC) meeting. Specifically:
  - Need for additional gifted student services. An evaluation of school offerings in Japan is being conducted by DODEA and will provide the DEC with an update at its next meeting.
  - Universal Pre-K. The DOD Education Review has examined the current state of education for military children and, based on this analysis, has provided strategies for improving the quality of DOD's early childhood programs. When the results of the study are released, they will be reviewed and discussed in order to plan the next steps for improving access to early childhood education for military associated children.
  - The effect of DODEA staffing template use at small DODEA schools. DODEA is currently examining program offerings and instructional modalities, based upon student needs and interests and fiscal guidance. The review is ongoing and DEC will be given periodic updates.
- Marine Corps (Marine Forces Pacific (MARFORPAC)): DODEA has an extensive MILCON program planned through fiscal year 2017 that will fund renovating or replacing DODEA schools in the MARFORPAC AOR; however, they are not scheduled to begin before fiscal year 2013. In addition to DODEA schools, the Office of Economic Adjustment has reviewed and ranked over 150 public schools located on military installations by facility quality and capacity issues. To date (Mar 2012), the funding to improve schools ranked in the MARFORPAC AOR has not been distributed.
- Air Force (Pacific Air Forces): Approximately \$493 million funded for new school construction on Air Force installations in the PACOM AOR between fiscal years 2012-2016.
- Army (U.S. Army Pacific): Army families in Hawaii benefit from a strong School Support Program which is tasked with coordinating and assisting Army school-age youth with educational opportunities and assistance, and providing them the information necessary to achieve success. Tutorial programs offered to Army students include:
  - Online tutoring/homework help through the "Study Strong" program (via the Tutor.com website) available in school-age and middle school/teen programs, and at home 24-hours-a-day, 7-days-a-week.
  - March2Success, an Army-sponsored site providing free educational content to help students improve knowledge and test scores.
  - Army Family Covenant-authorized buses and vans provide transportation to after-school care and programs.



- School Liaison Officers serve as installation subject matter experts for youth education and school transition issues, championing and working toward achievement of a “level playing field” for Army youth transitioning among installations and school systems.

20. Senator McCAIN. Admiral Willard, how many command-sponsored dependents reside within PACOM, by Service, including official civilians?

Admiral WILLARD.

	Hawaii	Guam	Japan	South Korea	Other Locations	Total
Army .....	30,823	120	2,029	6,542	435	39,949
Navy .....	15,456	2,445	11,979	224	546	30,650
Air Force .....	7,460	3,289	13,168	1,175	314	25,406
Marine Corps .....	6,722	10	12,076	125	24	18,957
Civilian .....	*	290	5,179	4,568	6	10,043
						125,005

\* No data collected for DOD Civilian Dependents inside the United States.  
 Note: Japan numbers provided by U.S. Forces Japan. Korea numbers provided by U.S. Forces Korea. Guam numbers provided by Joint Region Marianas. All other data provided by Defense Manpower Data Center (DMDC).

21. Senator McCAIN. Admiral Willard, what do you see as the greatest challenges to the military command structure regarding assignment of families within PACOM?

Admiral WILLARD.

*Facilities (Housing)*

- Hawaii. Housing has improved significantly. Military Housing has transformed through a privatization initiative. The housing is now leased to a private managing entity. The company is responsible for maintenance and renovation. They have since built hundreds of new houses within Mainland housing standards. Family and Unaccompanied Housing are expected to meet the OSD goal for housing by the end of fiscal year 2012 and fiscal year 2017 respectively (90 percent rated Q1/Q2).
- AOR. Construction and renovation of inadequate buildings is ongoing in order to meet OSD housing goals. Family and Unaccompanied Housing are expected to meet the OSD goal for housing by the end of fiscal year 2012 and fiscal year 2017 respectively (90 percent rated Q1/Q2). The current ratings are as follows:
  - Navy
    - Japan, Guam, and Korea: 75 percent of Family Housing is rated Q1/Q2.
    - Guam: 40 percent of Unaccompanied Housing is rated Q1/Q2.
    - Japan and Korea: 47 percent of Unaccompanied Housing is rated Q1/Q2.
  - Marines
    - Iwakuni: 98 percent of Family Housing is rated Q1/Q2.
    - Camp Butler, Iwakuni, and Korea: 60 percent of Unaccompanied Housing is rated Q1/Q2.
  - Army. Korea is the point of interest within the AOR. The number of inadequate government owned houses remains higher than what is expected due to the ongoing relocation plans. Delays to the relocation have only worsened the condition of the houses. The greatest concern is the impact continued delay of the Yongsan relocation plan will have on the existing inventory of houses on Yongsan Garrison. At USAG Humphreys, the Army is pursuing a privatization strategy that delivers apartment style homes using servicemembers OHA as rent. The private partner will own, operate, maintain, and recapitalize the units. This transformation effort will provide quality of life for the families. This strategy is in lieu of MILCON and leasing, both of which have been unsuccessful in funding Family Housing in Korea.

*Medical Support*

- We see no medical issues with family assignments to the AOR. EFMP is in place and works through the Services with no identifiable issues or negative trends.

- There are limitations to the specialized care that is available in certain areas of the AOR but there are systems in place to either get the patient to the care or the care to the patient. This can be done through host nation support, movement to a U.S. location where the care is available, et cetera. We will never be able to afford having specialized care at every location but we are committed to providing the care to our beneficiaries.

#### *Family Separation*

Being assigned to a location far from family creates challenges as well as financial stress. Service and family members are frequently reluctant to accept orders in the PACOM AOR due to the distance from family support systems. Personnel assigned to Guam are a good example of such challenges.

- Personnel living in Guam find airline costs prohibitive to travel to/from U.S. Mainland, especially for larger families. Airline tickets range from \$1,900 to \$2,500 per person, depending on peak seasons. A typical family of four pays approximately \$10,000 for one roundtrip. As a result, many families cannot afford to travel home during a 3-year tour.
- Space-A. Travel is limited and difficult as the member would need to obtain space availability to a larger hub, such as Japan or Korea, and obtain further flight availability from there to get home.
- Patriot Express. Patriot Express is a U.S. Government contract flight which provides support to U.S. military members and their families. This potential opportunity has been researched for service to and from Guam. Due to the low population of military members in the area, the use of Patriot Express was determined to be cost prohibitive.

#### *Spouse Careers*

Maintaining a career in the face of frequent moves, in particular to overseas areas, is an issue that continues to plague military spouses. Job availability and employer willingness to hire transient spouses is always a concern. With one in three working spouses holding jobs that require licenses or certifications, transferability of professional credentials from one State to another complicates the employment issue. In many overseas locations, availability of these professional jobs can be limited, resulting in unemployment or under-employment. Many young spouses don't have the requisite background for civil service jobs offered and the status of forces agreements or other foreign assignment areas prevent military exchanges and commissaries from opening all positions to U.S. candidates.

#### *Education*

- PACOM's goal is to work in conjunction with the civilian education community to offer a comprehensive array of high quality educational opportunities that allow parents to select the option that matches the needs of each child to include public, public charter, private, religious, DOD, and home schools or on-line/virtual schools. PACOM's goal is to ensure families receive support with their school choice. For parents with certain school issues that cannot be resolved by other means, the Interstate Compact for Educational Opportunities for Military Children may enlist their military representative.
- To continue supporting military families with school age children in Hawaii, PACOM partnered with Johns Hopkins University to conduct a 3-year longitudinal study to understand family members' preconceptions prior to arrival in Hawaii and how attitudes and beliefs are impacted and change during their tour of duty. At the conclusion of the study, information will be provided to PACOM, the Services, and civic agencies to improve policy, programming, and services for children and youth.

22. Senator MCCAIN. Admiral Willard, are resources to support quality-of-life activities affected by the reduction in the defense budget in fiscal year 2013 and beyond? If so, what programs are impacted and will they degrade or enhance support for quality of life?

Admiral WILLARD. It is too soon to identify the full impact of budget constraints on our quality-of-life activities as the Office of the Secretary of Defense and the Services continue to develop guidance and plan for military family programs.

We know quality of life for Active Duty soldiers, sailors, airmen, marines, and their dependents continues to be a key enabler and retention factor for these Americans serving in the PACOM AOR, far from family and loved ones. Our continued focus has to be to ensure adequate support for these men, women, and their families, even during this time of fiscal austerity: our force must have our full support.

Undoubtedly, however, budget cuts will have some impact on our programs, and some impact has already been felt. Services have indicated that any significant resource cuts to quality-of-life programs this fiscal year and beyond will significantly impair the quality-of-life enterprise. The following are some examples provided by the commands within the PACOM AOR:

- PACAF personnel report that manpower reductions, including a draw-down of Service Staffs at major commands, will impact the ability to effectively manage and support quality-of-life programs at their bases. In addition, a major services transformation is underway to completely reevaluate which base quality-of-life programs and activities will be provided at Air Force installations. A part of the transformation is to establish which quality-of-life programs will remain; currently, only seven “core” functions have been approved: appropriated fund (APF) Dining, Fitness, Outdoor Recreation, Child Care/School Age Care, Library, Youth Programs, and Airmen and Family Readiness Centers. All other programs are being evaluated by installation leadership for submission to their major commands for approval to continue to operate, based on financial solvency and customer and base support.
- The drawdown in the Middle East and longer soldier dwell time, coupled with Army budget cuts to family programs, play a role in the quality of life in the Pacific. For example, as of January 2012, Army Community Service (ACS) centers in the Pacific Region were staffed at 67 percent of requirements because of budget reductions and the resulting hiring freeze. Statistically, when soldiers return from combat the need for all support services increases significantly. The fiscal constraints have a critical impact on the capability of garrisons to provide essential services to soldiers and their families. The ACS centers at highly impacted garrisons, e.g. Fort Wainwright and U.S. Army Garrison-Hawaii are carrying an increasingly heavy workload due to high risk behaviors including domestic violence, child abuse/neglect, and sexual assault. The impending redeployment of the 1/25 Brigade Combat Team at Fort Wainwright and the 3/25 Brigade Combat Team at Schofield Barracks will add additional stress on an already taxed support system.
- Due to the budget reduction and resulting Installation Management Command (IMCOM) hiring freeze, hiring new Department of the Army Civilian Victim Advocates, and New Parent Support Program Home Visitors has been delayed. These positions were scheduled to be hired in fiscal year 2012 because of the planned end to temporary contracts. There is the likelihood of a gap in Victim Advocate support when the Army central contract ends and the positions have not been hired. Emergency Hire actions have allowed for short-term relief along with support provided by the Medical Treatment Facility Social Workers and ACS Family Advocacy staff in the interim. However, the Emergency Hire personnel will only be available for two 30-day periods, which may not be adequate time to complete permanent hiring actions once approval to hire these positions is granted. Region and Headquarters IMCOM leadership are actively pursuing resolution to this problem.
- Programs hit hardest may likely be highly regulated and labor intensive programs. For example, Marine Corps CDC monthly fees and labor requirements are regulated and beyond local control. As costs rise, CDCs will incur greater losses, staffs will be stretched, maintenance deferred, and services likely compromised.
- In our overseas schools, DODEA MILCON funds and programs reductions will delay health and safety improvements.
- Further direct impact to children and families can be seen in the elimination of an Exceptional Family Member Program (EFMP) position at JBPH-H and School Liaison Officer (SLO) positions in three of four Air Force overseas installations. The responsibilities from the full time SLO positions will be divided between the Deputy Mission Support Group and Airman and Family Readiness Center personnel.
- The ACS EFMP support and the Respite Care program have been severely affected by the reduction in the defense budget. The EFMP program manager reports diminished availability of programs that cater to children with Special Needs. Recent modifications to the Respite Care program, which offers temporary relief to family members caring for other family members with severe chronic medical conditions, resulted in a loss of services for several families due to revised criteria regarding severity of chronic medical conditions.

- Spouse employment is the single biggest quality of life issue in Korea according to the ACS Directors and senior leadership. It is a recurring Army Family Action Plan (AFAP) issue and is raised at every town hall meeting. The cost of living is high and financially challenging if a spouse is not employed to supplement the family's income. An added limitation is the requirement for professional degrees/licenses and the ability to speak Korean.
- In many overseas locations, family members rely on employment in base exchanges and morale, welfare, and recreation facilities. Navy Region Center Singapore indicates that with budget cuts, manpower reductions may occur and employment opportunities jeopardized.
- Cutbacks are already apparent in some non-appropriated fund programs, a critical component of the "non-financial compensation" provided to our servicemembers. At Joint Region Marianas, for example, Category "C" facilities (such as the auto hobby shop) have closed. Reduction of gym and pool hours is under consideration; golf course renovations have been placed on hold. Higher costs for goods, fuel, and transportation have made it increasingly difficult to offer lower prices on goods and activities for servicemembers and families; personnel are looking off base for more affordable options.
- U.S. Army Pacific (ARPAC) families worry that morale, welfare, and recreation facilities, such as the bowling alley and auto center, may close due to funding cutbacks. The reduction of resources to support these quality of life activities may lead to fee increases, with Army Families forced to share more of the cost of providing child and youth programs.
- Servicemembers and their families are generous volunteers, but even volunteering has been affected by cutbacks. Volunteers with organizations such as Army Community Service, Survivor Outreach Service, and the Army Family Action Plan have noted that provision of funding for child care while volunteering is no longer available.

Our quality-of-life programs are critical to ensuring the well-being of our troops. We realize that we have much to do to minimize negative impacts to our families resulting from budget cuts. We will work to streamline programs and further encourage sharing among the Services, eliminate redundancies and avoid duplication of effort; we must keep our quality-of-life focus relevant while making programs more efficient. Leaders in the PACOM area play a critical role now and in the future to ensure that our increasingly scarce defense dollars are wisely allocated and our Services continue to work together to maximize family support programming.

23. Senator MCCAIN. Admiral Willard, what lessons were learned following the triple disasters in March 2011—earthquake, tsunami, and nuclear crisis—regarding communication with and accountability for military families, evacuation warning, access to DOD quality of life support programs, including health and mental health care, access to schools for dependent school aged children, and the potential health effects of exposure to radiation?

Admiral WILLARD.

#### *Communication*

Previously established base and operational commanders' communication and family support plans as well as townhall meetings, Family Support Centers, and the MilitaryOne Source website proved very effective in disseminating timely and critical information to military families and helped ease concerns. Within the first couple of days, the full spectrum of media products (Facebook, email, base broadcasts, Armed Forces Network) were focused on providing the most up-to-date and pertinent information. One lesson learned, especially in the opening days, was the importance of quickly ensuring a common message across the Services.

#### *Accountability*

100 percent accountability of servicemembers and dependents was reported quickly from the Services after the event. Fortunately, our force concentrations were outside of the areas of major damage and we experienced no casualties. What we learned as the harder part of accountability was maintaining the 100 percent accountability and support as family members left Japan on their own or as part of the voluntary departure. We called this the challenge of "the last tactical mile" and found improvements are needed in the repatriation process as well as ensuring support for the displaced military families once they have arrived at their safe haven.

### *Evacuation Warning*

In areas where there is a large DOD dependent presence (Japan, Korea), we must sustain close coordination between the Department of State and PACOM to ensure departure guidance is clearly disseminated and executed.

### *DOD Quality of Life Programs*

There was no degradation to quality-of-life programs on the bases during the event. Family Service Centers remained open and manned throughout the crisis and continued to provide support to affected family members.

### *Education*

All DODEAs remained open in Japan throughout the crisis. Some degradation was noticed due to departing teachers who were also military dependents. This was offset by the number of students who also departed. Official DODEA teachers remained on station throughout the event and maintained a quality education curriculum for the students.

For the students who departed Japan during the crisis, the Interstate Compact for Military School Age Children, which addresses issues such as eligibility, enrollment, placement, and graduation requirements, eased enrollment challenges in safe haven locations. We also found the most effective lever for the displaced students was asking the schools to apply the McKinney-Vento Homeless Assistance Act provision to their enrollment. This allowed for further flexibility and support for these displaced families. Ease of student enrollment in these situations is critical.

### *Medical*

The medical community experienced challenges initially in regard to effective communication of the potential health effects of radiation exposure to military members and their families—particularly when trying to reassure the population given the minimal levels present in most areas. An initial barrier was keeping the message and responsibility strictly within medical circles. This was quickly addressed by coordinating with leadership to deliver a consistent health risk message derived in a centralized manner and promulgated through various media outlets across all identified audiences.

During Tomodachi, there were no identified degradations to military health services in Japan. In fact, there was an increase in capability in some areas due to the large number of specialty skill sets arriving to support operations.

With respect to medical accountability, where applicable, all service and family members' medical records have been annotated to document their activities during Tomodachi to support any future unforeseen health concerns.

## MARINE CORPS AIR STATION FUTENMA

24. Senator McCAIN. Admiral Willard, the administration's recent announcement to adjust our current posture plans set forth in the Realignment Roadmap, in particular delinking both the movement of marines to Guam and resulting land returns south of Kadena Air Base from progress on the Futenma Replacement Facility, puts the future of the Marine Corps Air Station (MCAS) Futenma in limbo. In your opinion, what do you see as the future of maintaining a base for Marine Corps aviation on Okinawa over the long term?

Admiral WILLARD. Both the United States and Japan agree that a Futenma Replacement Facility (FRF) is necessary and, after comprehensive study, conclude that constructing that facility in the waters off Camp Schwab in Okinawa is the best way forward. Both countries remain committed to the FRF plan agreed to in the Realignment Roadmap in 2006. We consider it to be an operationally feasible plan. If for some reason the FRF is not constructed, MCAS Futenma will remain the U.S. Marine Corps' aviation base in Okinawa.

25. Senator McCAIN. Admiral Willard, what risks are incurred continuing to operate from the existing MCAS Futenma?

Admiral WILLARD. The United States and Japan agree that Futenma replacement is necessary and that the urbanization that has developed around the airfield is problematic and will remain so if we continue to operate from Futenma. Additionally, over the past several years we have made little or no investment in Futenma's infrastructure, so if the FRF were to be delayed further, I think Futenma will require some infrastructure investment to keep it a viable facility for our marines. The longer we delay the FRF, this shortfall in necessary infrastructure investments will have a greater impact.

## RELOCATION OF MARINES TO GUAM

26. Senator MCCAIN. Admiral Willard, the administration's recent announcement to adjust our current posture plans set forth in the Realignment Roadmap with the Government of Japan indicated that the two governments will be reviewing the unit composition and the number of marines who will relocate to Guam. What composition and status of forces (permanent or rotational) do you recommend on Guam and other locations in your AOR?

Admiral WILLARD. [Deleted.]

27. Senator MCCAIN. Admiral Willard, can you describe your ideal force composition?

Admiral WILLARD. An ideal force composition is one-sized, sustained, and positioned to react in a timely manner to address likely contingencies. While we currently have the appropriate Marine Corps force size to execute contingency operations in our AOR, we are lacking in the Amphibious Lift and Combat Logistics Force (CLF) vessels to support and sustain these forces. Additionally, relocation of existing forces further from likely conflict areas exasperates the situation. As we rebalance to the Asia Pacific, we need to be cognizant of the tyranny of time and distance on the ability of our forces to adequately react to crisis contingencies and engagement opportunities.

Although we are discussing politically and fiscally-influenced force adjustments with our allies, we need to maintain the most optimal aspects of current operational agreements which directly support the warfighter.

28. Senator MCCAIN. Admiral Willard, why does Guam make sense from an operational perspective as opposed to locating U.S. military forces in other of your AORs?

Admiral WILLARD. [Deleted.]

## STATUS OF FUNDS FOR HOUSING ON OKINAWA

29. Senator MCCAIN. Admiral Willard, I note that the budget request for fiscal year 2013 includes \$32 million to improve military housing infrastructure on Okinawa, which is the latest installment of hundreds of millions over the past 5 years. Despite our continued investment of U.S. taxpayers' funds, over \$1 billion for upgrades to housing at Camp Foster on Okinawa has been tied up by the Japanese Government for 3 years pending the outcome of land issues. Would you please provide a plan to release these funds and to complete the renovations?

Admiral WILLARD. The Special Action Committee on Okinawa (SACO) bilateral agreement of 1995, which reduces the U.S. military footprint on Okinawa, has an 8-phase program that will improve 1,770 units using more than \$1 billion in Japanese funding. Phases 1–4 are nearly finished with 670 units completed and cultural asset surveys to be conducted on the site of another 56 within the next 2–3 years. Investments to the remaining homes remain on hold pending the outcome of U.S.-Japanese negotiations regarding the Defense Policy Review Initiative. Similarly, a request for replacement through the Japanese Facility Improvement Program (JFIP) of another 1,275 homes on Kadena Air Base, an effort valued at \$764 million, remains on hold for the same reasons.

## QUALITY OF HOUSING

30. Senator MCCAIN. Admiral Willard, please provide your general assessment of the quality of unaccompanied and family housing in your AOR. Are there particular areas of concern?

Admiral WILLARD. Overall, the condition of unaccompanied and family is good and continues to improve. A few locations in the AOR have further than others to go to meet the mandated goals. For example, the number of inadequate government owned houses in Korea remains higher than what is expected due to the ongoing relocation plans. Delays to the relocation have only worsened the condition of the houses. The greatest concern is the impact that the continued delay of the Yongsan Relocation Plan will have on the existing inventory of houses on the Yongsan Garrison.

31. Senator MCCAIN. Admiral Willard, what are the Military Services' plans to address those concerns?

Admiral WILLARD. The Services continue to invest in unaccompanied and family housing based on a deliberate planning process to meet these goals through new construction, renovation, and demolition of outdated facilities. For Korea, the Army is pursuing a privatization strategy that delivers apartment style homes using servicemembers OHA as rent at Camp Humphreys. The private partner will own, operate, maintain, and recapitalize the units. The Army provides no occupancy guarantees. Humphreys Housing Opportunity Program is a critical element to the transformation efforts in Korea that will provide quality of life for these families. This strategy is in lieu of MILCON and leasing both of which have been unsuccessful in funding family housing in Korea.

#### INVESTMENTS TO IMPLEMENT THE STRATEGIC REVIEW

32. Senator MCCAIN. Admiral Willard, the President announced that a strategic review was used to guide development of the budget request for fiscal year 2013 which resulted in a delicate balance of capabilities and risks. But yet, the costs for most of the initiatives presented to rebalance forces in the Asia Pacific are not known, nor are they represented in the budget. How does this budget support your plans for rebalancing forces in the Asia-Pacific region?

Admiral WILLARD. The force structure envisioned can continue to serve PACOM well. It is important, however, that we bias the force structure into the regions of the world that are most important to our national security, regardless of the adjustments in force structure that take place as a result of the fiscal environment.

33. Senator MCCAIN. Admiral Willard, do you have a rough idea what costs will be incurred from establishing a rotational presence in Australia or Guam as well as enhancing capabilities in Singapore, South Asia, and the Philippines?

Admiral WILLARD. The costs of the Marine Corps lay-down in Guam will be the result of ongoing discussions with Japan on Marine Corps force lay-down and adjustments to our agreements with Japan.

With an emphasis on rotational force presence in Singapore and Australia, costs are not expected to be large. The majority of the forces rotationally deployed to Singapore and Australia will be deployed without families, much as the Services already deploy units worldwide.

Depending on the facilities available for our use in each country, there may be some facility construction requirement, but that requirement will be negotiated with the host country. We do not anticipate that the United States will cover all costs of the initiatives in Singapore and Australia.

#### STRATEGIC AIRLIFT SUPPORT FOR FORCE REALIGNMENTS

34. Senator MCCAIN. General Fraser, the proposed realignment of U.S. military forces in Europe and dispersal of forces in the Pacific theater with an emphasis on rotational force will inevitably change strategic lift requirements for TRANSCOM. As an example—moving up to 5,000 marines to Guam will drive a significant new requirement to get them from Guam during contingencies. Have you been able to determine what these new requirements will be?

General FRASER. TRANSCOM is actively working with the geographic combatant commanders on their proposed realignments and drawdown plans. Throughout this process TRANSCOM has identified its requirements within geographic combatant commanders theater campaign plans, theater posture plans and theater distribution plans, and will incorporate them into our global campaign plan for distribution. With reference to the projected move of marines to Guam; once PACOM and the Marine Corps determine their concept of operations, TRANSCOM will conduct analysis to determine the capability required to project the force. TRANSCOM is supporting projects on Guam that will increase the velocity and capability to project these forces (e.g. fiscal year 2012 Air Freight Terminal Complex, \$37 million; fiscal year 2014 X-Ray Wharf \$55.6 million; and fiscal year 2014 Joint Military Deployment Center, \$28 million). Continued funding support for these projects and others within the en route system will further enable TRANSCOM's force projection.

35. Senator MCCAIN. General Fraser, can these requirements be supported with the current en route infrastructure?

General FRASER. Yes, the current requirements identified by the combatant commanders can be supported by the current en route infrastructure. TRANSCOM validated this requirement within the Mobility Capabilities and Requirements Study 2016 (MCRS-16) and more recently within the Global Access and Infrastructure As-

assessment. TRANSCOM's annual En Route Mobility Infrastructure Master Plan (ERIMP), recently released in February 2012, provides the locations, capabilities, and shortfalls to the en route network, and proposes solution sets for eliminating identified capability gaps. Through the ERIMP, the combatant commanders are able to determine TRANSCOM's requirements and account for them within their Theater Posture Plans.

36. Senator MCCAIN. General Fraser, are you confident that plans are in place to mitigate limiting factors so that TRANSCOM will be able to meet combatant command requirements?

General FRASER. Yes. Following release of the President's and Secretary of Defense's new strategic guidance, we conducted a comparison of its principles to those requirements outlined in MCRS-16. The comparison validated 275 aircraft (223 C-17s and 52 C-5Ms) and our Civil Reserve Air Fleet (CRAF) partners can support a large scale operation in one region, with a capability to deny the objectives of an opportunistic aggressor in a second region, while defending the Homeland and providing support to civil authorities.

#### PATRIOT EXPRESS

37. Senator MCCAIN. General Fraser, TRANSCOM has operated the Patriot Express charter flight program to offer cost effective travel options for servicemembers and their families assigned overseas. This program has been an important quality of life benefit for military families assigned far away from home. What is the current status of the Patriot Express charter flight system?

General FRASER. The Patriot Express program continues to provide a valuable quality of life travel benefit to military families. With duty travelers paying prices equal to the GSA City Pair rate, results exceeded expectations. While achieving 80 percent seat utilization, 95 percent on-time performance and 102 percent recovery of costs, the fiscal year 2010 to fiscal year 2011 ridership increased 5 percent. Approximately 200,000 official duty and 100,000 military family passengers enjoyed the benefits of economic, reliable travel on modern, newer aircraft during fiscal year 2011.

38. Senator MCCAIN. General Fraser, how many flights are operated and where are they operated?

General FRASER. 10 weekly routes depart from three CONUS gateways at Baltimore, Norfolk, and Seattle to 16 international destinations: Germany, Portugal, Spain, Italy, Turkey, Bahrain, Crete, Diego Garcia, Cuba, Djibouti, Kuwait, Qatar, Kyrgyzstan, Japan, Okinawa, and Korea.

39. Senator MCCAIN. General Fraser, is this program operated on a cost neutral basis? If not, why not?

General FRASER. In accordance with Title 10 of the U.S.C., Section 2208—Working Capital Funds, the Patriot Express program is operating on a cost neutral basis.

40. Senator MCCAIN. General Fraser, what is your projection for continuation and further improvements to this system in fiscal year 2013 and beyond?

General FRASER. To execute continued operations flying modern fuel efficient aircraft with significant savings to ensure long-term readiness, identify options to expand worldwide Patriot Express passenger capacity and retain enterprise ability to respond to contingency operations while maintaining CRAF passenger carrier viability.

#### SPACE AVAILABLE TRAVEL ELIGIBILITY

41. Senator MCCAIN. General Fraser, recent legislative proposals seek to expand eligibility for Space-Available Travel (Space-A) on military aircraft. Specifically, these proposals would open Space-A to members of the Reserve components, a member or former member of a Reserve component who is eligible for retired pay but has not reached age 60, and widows and widowers of retired members and their dependents. Please assume that this legislation is enacted and made effective no later than January 2013. Could you explain with specificity what the impact will be on current eligible personnel and on the Air Mobility Command's (AMC) air passenger operations?

General FRASER. The Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) promulgates policy for the DOD Space Available Program and pub-



lishes Department-wide Space-Available policy. The Space-A travel system's primary purpose of Space-A travel is to provide Active Duty members and their dependents respite from the rigors of military service and the primary objective is to enhance the morale and welfare of our Active-Duty Force.

Our sense is the potential for expanding the eligibility pool cannot be accommodated without having a detrimental impact to our Active Duty members. Under the current wartime situation, DOD does not have the global ability to support this expansion. The expansion would increase support costs for security identification, administration, processing, baggage handling, safety equipment, training, personnel, and facilities and would undermine the current policy that execution of the Space-A travel is at no cost to the DOD.

Members of our Reserve component, as well as former members of a Reserve component who are eligible for retired pay but have not reached age 60 (known as "Gray Area" retirees) are authorized Space-A transportation although on a limited basis. In the current resource-constrained environment, an expansion of the program to widows and widowers of retired members and their dependents would diminish the value of the limited benefit currently available to Active Duty personnel and their dependents.

In terms of quantifiable impact, the NDAA for Fiscal Year 2012 has levied a congressional report requirement concerning space-available travel. Specifically, the Comptroller General of the United States is tasked to conduct a review of the DOD system for space-available travel. The review shall determine the capacity of the system presently and as projected in the future and shall examine the efficiency and usage of space-available travel.

#### JOINT HIGH SPEED VESSEL

42. Senator MCCAIN. General Fraser, the Joint High Speed Vessels (JHSV) represents a transformational sealift capability by offering an enhanced logistics response to military and civil contingencies around the globe. In your statement, you mention that JHSVs are critical, "in closing the gap between high-speed, low-capacity airlift and low-speed, high-capacity sealift." In the proposed 2013 defense budget, the Obama administration proposes to cut the buy of JHSVs in half from the requirement stated just a year ago. What is the risk in your ability to provide logistics response to military and civil contingencies around the globe in response to combatant command requirements?

General FRASER. The reduction of the Program of Record for JHSVs to 10 incurs no additional risk to TRANSCOM's ability to meet combatant command requirements.

#### AFGHANISTAN

43. Senator MCCAIN. General Fraser, PAK GLOC remains the quickest and most cost-effective route to move cargo, Afghanistan Security Force Fund material, Foreign Military Sales (FMS), and unit cargo and equipment to Afghanistan. Multi-modal hubs in Dubai, United Arab Emirates, and Aqaba, Jordan, proved invaluable when PAK GLOC routes were no longer available for use in November of last year. Based on recent and potential future closures of the PAK GLOC, how is TRANSCOM postured to support the future sustainment, deployments, and redeployment of forces in Afghanistan?

General FRASER. TRANSCOM has benefited from previous efforts to develop additional routes and capacities in order to mitigate potential supply disruptions such as the PAK GLOC closure. Routes such as the NDN and the multi-modal operations have proven invaluable to weather the current situation.

TRANSCOM continues to seek, explore, and develop additional opportunities to strengthen the redundancy, capacity, and support we provide to the warfighter. For example, TRANSCOM currently is evaluating two-way flow on the NDN and through multi-modal ports. Once validated and implemented, this will be an important addition to retrograde capacity and redundancy.

44. Senator MCCAIN. General Fraser, with the proposed cuts in President Obama's 2013 defense budget to large cargo aircraft (i.e., C-5As) and smaller cargo airplanes (i.e., C-130s and C-27s), does TRANSCOM and its component, AMC, have the capacity to support combat operations in Afghanistan and respond to all geographic combatant command requests worldwide? Please explain your answer fully.

General FRASER. With respect to strategic lift, President Obama's 2013 defense budget provides for 223 C-17s, 52 C-5Ms, and 318 C-130s. TRANSCOM through

its component, AMC, has sufficient capacity to support combat operations in Afghanistan and respond to all geographic combatant command requests worldwide. The 2013 defense budget retires the remainder of the older and less reliable C-5A fleet. The remaining fleet of C-17s and modernized C-5s will provide 30.4 MTM/D of capacity. Recent Department assessments indicate that this capacity is sufficient to meet the airlift demand for the revised defense guidance with respect to theater operational lift. The budget also eliminates the C-27J from the airlift fleet. The C-27J aircraft was designed to perform the direct support mission for the Army. The C-130 is capable of performing that mission and the Air Force is committed to performing the Army direct support mission using its fleet of 318 C-130s with no adverse affect to its intratheater airlift mission.

#### PIRACY

45. Senator MCCAIN. General Fraser, piracy continues to threaten commercial shipping of U.S.- and foreign-flagged ships predominantly in the Horn of Africa region. What are TRANSCOM and its component, Military Sealift Command (MSC), doing to reduce the vulnerability of the U.S. commercial fleet from piracy?

General FRASER. Since 2009, TRANSCOM has reimbursed our commercial maritime partners for the cost of deploying Privately-Contracted Armed Security (PCAS) teams aboard ships carrying DOD cargo through seas designated by the U.S. Coast Guard as "High Risk" for piracy. PCAS teams have proven to be a 100 percent-effective deterrent to piracy, ensuring the safety of U.S. mariners, DOD cargo, and enabling the success of our mission. The United Nation's International Maritime Organization (IMO) has recently published recommended guidance for all nations to employ these teams, in a manner very similar to our standards.

TRANSCOM has reimbursed our commercial maritime partners approximately \$9 million to cover the cost of PCAS teams and we continue to work in concert with MSC, our interagency partners, and the Maritime Industry to incorporate industry Best Management Practices (BMP) and enhance the security posture of U.S.-flagged vessels moving DOD cargo.

In view of the unquestionable success of PCAS teams in deterring piracy, TRANSCOM will continue to encourage the employment of PCAS teams. In addition, continued U.S. support for multi-national counter-piracy efforts pays significant dividends. Thus, we will continue our engagement with other DOD agencies and combatant commands, our interagency partners, our foreign partners, and commercial industry partners to stay abreast of the latest threats and BMP.

#### MOBILITY CAPABILITIES AND REQUIREMENTS STUDY 2016

46. Senator MCCAIN. General Fraser, is the MCRS-16 requirement still operative with the current budget reductions proposed by the Obama administration and DOD's new strategic guidance? Please explain your answer fully.

General FRASER. MCRS-16 is the current study of record, however, it does not reflect current strategic guidance and the new defense strategy. DOD's new strategy is not reflected in the basic scenarios used in MCRS-16 and some specific cases no longer capture the necessary mobility capabilities for the future. That said, MCRS-16 is still useful as a baseline analysis of mobility capabilities to understand what has changed and why.

DOD analyzed the airlift and tanker adjustments in the President's budget, and I agree with those decisions. However, the new strategy warrants another comprehensive study of future mobility capabilities to provide the Department and Congress with additional insight on future mobility needs.

The analysis done by the Office of Secretary of Defense and Joint Staff shows that under certain circumstances I may have to manage operational air mobility risk when confronted with competing demands and ask our warfighters to prioritize or phase their force movements. However, the strategic airlift fleet is more capable today than 2001 and our ability to swing capabilities rapidly to meet global demands is a significant capability that gives me confidence we can meet future airlift requirements. Our strategic sealift capabilities are also consequential and can move massive amounts of equipment and cargo when time permits.

For air refueling, we can meet the daily demands experienced in the high OPTEMPO environment over the last 10 years with a smaller fleet of 453 tanker aircraft. But, there is no excess in the tanker fleet. The new strategy does not significantly change the continued need for a fleet of tankers which is why we must have the KC-46 delivered on schedule.

## QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

## QUALITY OF LIFE

47. Senator INHOFE. Admiral Willard, I understand there may be significant issues in the enlisted quarters at Osan Air Base. Issues may include plumbing, lead concerns, and mold issues at Building 746, Building 708, and Building 475. Does the PACOM and Air Force-requested dormitory for Osan Air Base in the fiscal year 2012 budget submission address enlisted quarters that are below standards?

Admiral WILLARD. Yes, the recently awarded fiscal year 2012 MILCON project (156-person dormitory) at Osan Air Base replaces four inadequate enlisted dormitories at Osan and provides for their demolition. In reference to the dormitories you specifically ask about (buildings 746, 708, and 475), I offer the following.

- Building 746: Over the years, this dormitory has experienced problems with lead. The Air Force fixed the problem by installing filters and routinely flushing the lines. The water is routinely tested by biological and environmental health professionals and continues to remain well within health standards. The facility is in compliance with the EPA lead and copper rule. The Air Force also replaced the heating, ventilating, and air conditioning system in fiscal year 2008.

- Building 708: This dormitory was renovated in fiscal year 2010; bringing the dormitory into compliance and up to standards. The renovation included the installation of new hot and cold water lines and replacing the heating, ventilating, and air conditioning boiler and controls. The repairs fixed the health concerns, and provide quality housing for our joint forces.

- Building 475: The Air Force continues to make significant investments in its dormitories in accordance with the 2010 Dormitory Master Plan. Building 475 is planned to receive a \$3.1 million renovation, to include replacing the hot and cold water lines and the heating, ventilating, and air conditioning boiler and controls, similar to Building 708.

48. Senator INHOFE. Admiral Willard, are there other dormitories outside of this proposed dormitory that are not addressed?

Admiral WILLARD. Yes, Osan Air Base, in accordance with its dormitory master plan, will demolish three additional dormitories. These three dormitories are being replaced by a single dormitory using Host Nation Funding. The dormitory is currently under design and scheduled to be completed by January 2015. The Air Force continues to invest to sustain and modernize its dormitories in accordance with the 2010 Dormitory Master Plan to maintain the quality of life for our joint forces.

49. Senator INHOFE. Admiral Willard, what is the wing commander's assessment of the enlisted dormitory situation at Osan Air Base (active mission assigned personnel as well as support/tenant units)?

Admiral WILLARD. Osan Air Base has a large inventory of dormitories with a range of age, condition, and adequacy. For instance, the level or existence of modern amenities in all of the dormitories is not consistent due to the relative newness of the different dormitories. According to DOD standards, all of the occupied dormitories at Osan are considered adequate. According to the personal assessment of the Wing Commander, however, there are three dormitories at Osan that are not adequate.

One of the dormitories, 475, was mentioned in a previous question. The other two dormitories, like 475, have had no recent improvements in accordance with the dormitory master plan and base master plan that supported tour normalization. To mitigate the conditions in these dorms, the Wing Commander is looking at a couple of options. The first is to actively seek programming for an additional major renovation for one dormitory using operations and maintenance funds, including demolition of another and a fiscal year 2015 MILCON request for a 127-person non-commissioned officer dormitory. The second is to conduct a review of options to potentially move the next projected occupants of those facilities into off-base housing. The Wing Commander will continue to advocate for renovation of existing facilities along with the continued replacement of dormitories approaching or already past their useful life in accordance with the Air Force's current programmed dormitory master plan.

50. Senator INHOFE. Admiral Willard, are there any plans to correct the sub-standard rooms remaining?

Admiral WILLARD. The 2010 Dormitory Master Plan provides a detailed investment strategy, to include sustainment of substandard rooms, to provide adequate

and quality housing for our joint forces. Based on this master plan, the Air Force continues to make significant investments to sustain its facilities in order to provide safe, adequate housing and work environments for our joint forces.

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QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

STRATEGIC AIRLIFT FLEET

51. Senator CHAMBLISS. General Fraser, many studies have examined the proper size of the strategic airlift fleet. Two years ago, 316 strategic airlifters were described as the sweet spot. Last year the Air Force requested a reduction of the strategic fleet to 301, based on analysis of the most stressing scenarios, and Congress approved. Now suddenly, the Air Force proposes 275. As the combatant commander responsible for air, land, and sea transportation for DOD, would you please share and describe the objective studies TRANSCOM has done to ensure we have the fleet size correct this time, as opposed to the extensive analysis that supported a minimum floor of 301?

General FRASER. The current mobility study of record is MCRS-16, however, it does not reflect current strategic guidance and the new defense strategy. The DOD analysis supporting the reductions of the President's budget for 2013 indicates that the President's budget for 2013 level will meet daily demands for strategic airlift. However, if certain circumstances occur in which we have concurrent demands and/or elevated defense levels in the Homeland, I am confident that we can manage the operational risk.

RETIRING C-5A FLEET

52. Senator CHAMBLISS. General Fraser, the Air Force proposes to retire the entire C-5A fleet, yet DOD has a long history of contracting former Soviet-bloc AN-124s to meet its needs. Retiring C-5s should be offered to the CRAF to establish the first ever U.S.-flagged outsized cargo carrier and stop outsourcing these missions to the Russians, at the cost of billions of dollars to U.S. taxpayers. C-5s are national assets, have decades of service life remaining, and have operationally demonstrated exceptional reliability and performance when upgraded to the C-5M Super Galaxy configuration. Would TRANSCOM be willing to take a serious look at offering some of these aircraft to its CRAF partners or even international allies who cannot afford new aircraft? This seems to be a win-win opportunity and something I believe members of this committee could help enable.

General FRASER. The C-5As that are being retired under the NDAA for Fiscal Year 2012 and prior years are being put into storage for reclamation and can be used for spare parts. The Air Force delivered the "Report on Retirements of C-5A Aircraft" to four congressional defense committees in October 2010 which pointed out that the transfer of these aircraft to the commercial fleet creates a capacity increase that's not required and there is a high cost to demilitarize the C-5As.

The C-5As proposed for retirement under the fiscal year 2013 presidential budget will be put into Type 1000 storage for use at a future time, if needed. This provides the enterprise options for the future.

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QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

TRANSCOM SEALIFT

53. Senator WICKER. General Fraser, I understand that in any typical operation, over 90 percent of all cargo is delivered by sealift, is that correct?

General FRASER. It truly depends upon the operation, but in general, and especially for sustainment cargo once an operation is underway, yes, approximately 90 percent is carried by sealift. Through a combination of our government-owned strategic sealift fleet and the maritime security program vessels owned and operated by our commercial maritime partners, well over 90 percent of the deployment, sustainment, and redeployment cargo can be delivered. When restricted timelines or the sensitive nature of certain cargo requires it, we have the option to have it delivered via airlift.

54. Senator WICKER. General Fraser, I understand from your prepared testimony that DOD spent approximately \$2 billion on sealift through United Services Contract. How do you exploit your current commercial relationships as we pivot to Asia and the Pacific?

General FRASER. We maintain longstanding partnerships with numerous U.S. flag carriers. Most of these companies are integrated into their parent companies' global intermodal networks, providing TRANSCOM instant access to their existing infrastructure around the world. Some of these U.S. flag carriers concentrate their ocean services in the Asia and Pacific region; therefore, transitioning to that geographic area should not be challenging. Our current global ocean services contract already covers locations in Asia and the Pacific. Additionally, our large global carriers have historically collaborated with us and created or altered routings and repositioned vessels when our cargo flows shifted due to mission requirements. Finally, we maintain the ability to charter commercial vessels when necessary to support requirements in Asia and the Pacific.

55. Senator WICKER. General Fraser, is a 60-ship program adequate for what this nation needs to accomplish?

General FRASER. In short, yes, with acceptable risk.

The 60-ship Maritime Security Program provides 1 of 3 primary components of our total Strategic Sealift force; the other 2 being our organic fleet under the MSC and the Maritime Administration and the forward deployed Maritime Prepositioning Forces (MPF). Our analysis completed in MCERS-16 showed adequate sealift capacity available to close our forces in the most demanding scenarios with acceptable risk.

A 60-ship fleet also employs a significant number of U.S. citizen mariners and maintains a U.S. flag fleet operating in international trade, providing DOD assured access to established international intermodal infrastructure.

#### AIR FORCE BUDGET CUTS

56. Senator WICKER. General Fraser, on January 26, the Secretary and Chief of Staff of the Air Force held a press conference to discuss the aircraft force structure overview. The budget proposes retiring 286 aircraft in the Future Years Defense Plan, including 227 in fiscal year 2013 alone. Some of these cuts include the divestiture of some C-130J aircraft (eliminating 10 aircraft from Keesler Air Force Base in fiscal year 2014) and divestiture of all C-27 aircraft (eliminating all 6 aircraft from the Meridian fiscal year 2013) and 20 KC-135s. How is TRANSCOM adversely affected by the Air Force's proposal?

General FRASER. The overall number of aircraft is based on established studies of record providing a balanced fleet of modern and sustainable aircraft and does not adversely affect TRANSCOM's capability to meet wartime requirements. MCERS-16 Case III provides a requirement for 270 intratheater (C-130H/J) aircraft. The RAND Direct Support Study identified a minimum requirement of 50 intra-theater aircraft to maintain moderate risk or lower. The study also stated C-130s and C-27Js are equally effective in the direct support mission. Therefore, the recent President's budget for 2013 airlift assessment recommends a reduction of intra-theater aircraft.

57. Senator WICKER. General Fraser, Air Force leadership has stated that one method in which will help them deal with budget cuts is to remission bases and assets. What impacts will this have on your operational readiness and responsiveness?

General FRASER. We are confident the proposed fiscal year 2013 Air Force force structure adjustments will have no impact on our ability to support combatant commanders' requirements based on the new 2012 Defense Strategic Guidance.

#### FOREIGN LANGUAGE TRAINING AND RETENTION OF QUALIFIED PERSONNEL

58. Senator WICKER. Admiral Willard, I am a strong proponent of foreign language and cultural training at the military academies, Reserve Officers' Training Corps cadets and midshipmen, as well as similar training and incentives for college students interested in the intelligence community. These initiatives include the Center for Intelligence and Security Studies at the University of Mississippi. I am quite proud to be associated with this program which trains undergraduate students for careers in intelligence analysis. To what extent do you believe education and training in foreign languages and cultures are important in preparing the next generations of military officers and civilian analysts?

Admiral WILLARD. I believe it is easier to promote U.S. interests when you can engage leadership in their native language and demonstrate an understanding of cultural sensitivities. When a U.S. senior officer speaks to his or her peer in a native language, it tells the foreign officer their country is valued as an ally and cre-

ates an immediate connection on multiple levels. In those many instances where our leaders may not speak a specific language, is it critical that they are prepared for their interactions by experts with language and cultural depth.

Investment in foreign languages and understanding cultural differences permits military and civilian professionals to connect to the global environment. Acquisition of these skills takes years, however, and requires periodic refreshment and dedicated concentration. Training must begin at the beginning of military careers with programs like the one in Mississippi and others. U.S. national security relies upon our intelligence analysts' capabilities to stay proficient not only in the traditional languages such as Arabic, Mandarin, Japanese, and Russian, but in the hundreds of languages and dialects in the PACOM AOR that are less commonly learned.

59. Senator WICKER. Admiral Willard, can you elaborate on PACOM's ongoing efforts to recruit and retain qualified and capable Active Duty and civilian analysts and operators?

Admiral WILLARD. Recruiting and retaining a high-quality analytic workforce is a top priority. Realizing that state universities train students in languages; we reach out to provide internship and entry analyst opportunities to students with an interest in a career in national security. The National Security Education Program's Language Flagship Program graduates a variety of language-capable professionals including Chinese and Korean scholars. The only Korean flagship program is at the University of Hawaii at Manoa.

The retention of both military and civilian personnel is an ongoing effort with a focus on professional development opportunities. Analysts with language expertise can take advantage of immersion opportunities to enhance their skills. Another development tool aiding retention is taking advantages of opportunities to travel within the theater, which improves cultural and language skills to add context analysis.

60. Senator WICKER. Admiral Willard, what challenges do you face?

Admiral WILLARD. One of the biggest challenges we face is the sheer number of languages spoken in our AOR. There are over 1,000 languages/dialects in PACOM and most of them are less commonly taught languages. It is nearly impossible to have the readily available capability in these languages that is needed to handle military-to-military engagement and deal with emerging contingencies, such as humanitarian assistance and counterterrorism. In a large crisis, we also face the problem with having insufficient analysts in more commonly taught languages like Mandarin, Korean, and Bahasa Indonesia to handle the array of military tasks that require these abilities.

Another challenge we have is the process of hiring proficient linguists for classified work. It can take over a year for some linguists to obtain a security clearance; by then short-term contingencies or mission requirements are often complete. We need to find a way to streamline this process without sacrificing quality background checks in order to translate classified documents.

Finally, we face the continual challenge of maintaining high proficiency levels for our military and civilian force. Language fluency requires dedicated self study and recurring attendance in immersion programs to maintain the requisite language proficiency. Continued funding for these programs, as well as additional incentives for critical skill sets, should be explored.

#### U.S. IMAGE IN OKINAWA

61. Senator WICKER. Admiral Willard, members of this committee continue to be concerned about the tremendous MILCON costs of relocating U.S. troops from Okinawa to Guam. I am concurrently concerned about the public diplomacy ramifications of any changes to our proposed relocation of troops from Okinawa. What is your current assessment of the image of U.S. forces in the eyes of the Okinawans and the Japanese Government?

Admiral WILLARD. I believe that our servicemembers who live and work in Okinawa enjoy a very positive relationship with the Okinawan people on the personal and local level. Significantly, this impression has endured through the long-term, despite crises and controversies regarding U.S. facilities in Okinawa. I think we can attribute this to both the Okinawans' character as courteous and welcoming people and to the excellent training of our servicemembers, who are very much aware that they are guests and diplomats in Japan. More broadly, the Japanese people have consistently viewed America favorably. Recently, this good will has sharply increased; the December 2011 Japanese Cabinet Office report showed a record 82 percent of Japanese polled have a friendly view toward the United States. Similarly,

the 2011 Pew Global Attitudes survey showed 85 percent of Japanese respondents see the United States favorably.

Our interactions with the Japanese Government also reflect a favorable view of U.S. forces. From senior staff level relations with ministry officials to local commanders' close work with municipal governments our servicemembers meet a positive attitude from our Japanese colleagues. Even in Okinawa, despite the politically charged challenges regarding U.S. facilities there, we find that local officials seem to hold U.S. servicemembers in high regard.

#### JOINT HIGH SPEED VESSEL

62. Senator WICKER. General Fraser, JHSVs represent a transformational sealift capability by offering an enhanced logistics response to military and civil contingencies around the globe. In your statement, you mention that JHSVs are critical, "in closing the gap between high-speed, low-capacity airlift and low-speed, high-capacity sealift." In the proposed 2013 defense budget, the Obama administration proposes to cut the buy of JHSVs in half from the requirement stated just a year ago. What is the risk in your ability to provide logistics response to military and civil contingencies around the globe in response to combatant command requirements?

General FRASER. The reduction of the Program of Record for JHSVs to 10 incurs no additional risk to TRANSCOM's ability to meet combatant command requirements.

#### PIRACY

63. Senator WICKER. General Fraser, piracy continues to threaten commercial shipping of U.S.- and foreign-flagged ships predominantly in the Horn of Africa region. What are TRANSCOM and its component, MSC, doing to reduce the vulnerability of the U.S. commercial fleet from piracy?

General FRASER. Since 2009, TRANSCOM has reimbursed our commercial maritime partners for the cost of deploying PCAS teams aboard ships carrying DOD cargo through seas designated by the U.S. Coast Guard as "High Risk" for piracy. PCAS teams have proven to be a 100 percent-effective deterrent to piracy, ensuring the safety of U.S. mariners, DOD cargo, and enabling the success of our mission. The United Nation's IMO has recently published recommended guidance for all nations to employ these teams, in a manner very similar to our standards.

TRANSCOM has reimbursed our commercial maritime partners approximately \$9 million to cover the cost of PCAS teams and we continue to work in concert with MSC, our interagency partners, and the Maritime Industry to incorporate industry BMP and enhance the security posture of U.S.-flagged vessels moving DOD cargo.

In view of the unquestionable success of PCAS teams in deterring piracy, TRANSCOM will continue to encourage the employment of PCAS teams. In addition, continued U.S. support for multi-national counter-piracy efforts pays significant dividends. Thus, we will continue our engagement with other DOD agencies and combatant commands, our interagency partners, our foreign partners, and commercial industry partners to stay abreast of the latest threats and BMP.

64. Senator WICKER. General Fraser, are you a strong advocate for the use of private security teams aboard commercial vessels?

General FRASER. Absolutely. The effectiveness of PCAS teams is unquestionable. No ship that has employed a PCAS team has been hijacked. Since 2009, we have reimbursed our commercial maritime partners for the cost of employing PCAS teams aboard their ships when they carry DOD cargo through "High Risk Waters" as designated by the U.S. Coast Guard.

To date, TRANSCOM has paid approximately \$9 million for these teams. We consider their 100percent success rate in ensuring the safety of U.S.-citizen mariners, DOD cargo, and the preservation of our mission capabilities to justify our investment. We will continue to work in concert with our naval component MSC, our interagency partners, and the maritime industry to incorporate industry's BMPs and enhance the security posture of U.S.-flagged vessels moving DOD cargo. We must continue to encourage the employment of private security teams as our most viable deterrent.

## QUESTIONS SUBMITTED BY SENATOR KELLY A. AYOTTE

## COMMERCIAL VARIANT OF C-17

65. Senator AYOTTE. General Fraser, setting aside current strategic airlift requirements, would it be advantageous for military readiness to have the additional capability in the CRAF—at no cost to taxpayers—that a commercial variant of the C-17 would provide?

General FRASER. The C-17 is a strategic airlift aircraft categorized to carry DOD outsized and oversized cargo requirements. Based upon our wartime requirements, DOD does not require civil aircraft to support outsized and oversized cargo requirements. However, when not operating at full wartime capacity and utilization rates, the use of commercial contracts with our CRAF carriers and their partners to move outsized cargo reduces wear-and-tear on our organic assets when not mobilized for warfighting efforts, increasing their service life.

## MARITIME PREPOSITIONING

66. Senator AYOTTE. General Fraser, in the fiscal year 2013 proposed budget, the Navy announced a plan to reduce the number of Maritime Prepositioning Squadrons (MPSRON) from 3 to 2 and the number of prepositioning ships to 12. How will this decision slow response times to potential contingencies?

General FRASER. This decision was made by the Department of Navy and they are currently developing a risk assessment which the CNO and Commandant will be providing as required by the NDAA for Fiscal Year 2012.

We have completed limited analysis on the impacts of this force reduction, using the DOD's current planning scenarios. Two MPSRONs meet the requirements of all combatant command approved operation plans. In the limited instances where global contingency requirements call for a third MPSRON, reconstituting and deploying an equivalent cargo set from CONUS to the Mediterranean could be delayed by 30 days.

67. Senator AYOTTE. General Fraser, what are the readiness risks associated with these slower response times?

General FRASER. The Department of Navy is currently developing a risk assessment which the CNO and Commandant will be providing as required by the NDAA for Fiscal Year 2012.

That said, we have identified a potential response time risk of up to 30 days in the event of having to respond with a third MPSRON. The readiness and response time risks, as a result of reducing from three to two MPSRONs, will be examined in greater detail using the most up-to-date scenarios during the next mobility study.

68. Senator AYOTTE. General Fraser, was this proposed change developed in full collaboration with the Marine Corps?

General FRASER. This proposed change was developed by the Marine Corps, in partnership with Navy, as part of their budget proposal for fiscal year 2013 and fiscal year 2014. The change was fully collaborated with the Marines Corps, Navy, Office of the Secretary of Defense, the Joint Staff, and the combatant commands.

We concur with the proposal because the ships still remain a part of our total force meeting necessary sealift capacity requirements.

69. Senator AYOTTE. General Fraser, were these readiness risks associated with this proposed MPF reduction included in the DOD risk assessment that is being finalized?

General FRASER. I believe they are. Although MPSRON reset conditions are just now being finalized, the approximate end-state was known during DOD's Program Review process last summer. The Department of Navy and the Marine Corps are currently developing an updated risk assessment which the CNO and Commandant will be providing as required by the NDAA for Fiscal Year 2012.

70. Senator AYOTTE. General Fraser, what is the strategic rationale for no longer having a MPSRON in the Mediterranean?

General FRASER. This was a decision made by Navy and Marine Corps and would be better addressed by the Service Chiefs, however I can offer TRANSCOM's perspective. Neither U.S. European Command (EUCOM) nor U.S. Africa Command (AFRICOM) have an approved operation plan which requires a MPSRON and the new strategic guidance has shifted our focus to PACOM and CENTCOM, while assuming risk to the EUCOM and AFRICOM AOR.



Combatant commanders' contingency requirements can be satisfied by two MPSRONs. Requirements for a third MPSRON to support a notional EUCOM or AFRICOM contingency scenario can be met with an approximate 30-day delay.

#### JOINT STRIKE FIGHTER

71. Senator AYOTTE. Admiral Willard, Secretary Panetta and the Service Chiefs have reaffirmed DOD's commitment to the Joint Strike Fighter (JSF) program. In light of the Chinese development of their own advanced fighter, DOD has certified that there are no suitable alternatives to the F-35 JSF. How critical is the JSF to protecting U.S. interests and maintaining U.S. air dominance around the world but more specifically in the Asia-Pacific region?

Admiral WILLARD. [Deleted.]

#### NORTH KOREAN MISSILE THREAT

72. Senator AYOTTE. Admiral Willard, do you agree with the assessment that North Korea is becoming a direct threat to the United States and that North Korea will likely possess an intercontinental ballistic missile (ICBM) capable of targeting the continental United States within the next 5 years?

Admiral WILLARD. [Deleted.]

#### DEFENSE AGAINST NORTH KOREA THREAT

73. Senator AYOTTE. Admiral Willard, does the United States currently possess enough ground based interceptors (GBIs) to counter this emerging North Korean ICBM threat to the continental United States?

Admiral WILLARD. [Deleted.]

74. Senator AYOTTE. Admiral Willard, can North Korea currently target Hawaii with ballistic missiles? If yes, how confident are you of our ability to protect the citizens of Hawaii and our military facilities in Hawaii from North Korean missile attack?

Admiral WILLARD. [Deleted.]

75. Senator AYOTTE. Admiral Willard, what more should be done to ensure the people of the United States are protected now and in the future from a North Korean missile attack?

Admiral WILLARD. [Deleted.]

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#### QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

##### TAIWAN'S DETERIORATING AIR FORCE

76. Senator CORNYN. Admiral Willard, sadly, Taiwan's air defense capabilities are nearly obsolete, while China's military capabilities are growing at an alarming rate. According to DOD, the People's Republic of China (PRC) has 2,300 operational combat aircraft, while the Government of Taiwan has only 490 operational combat aircraft. Taiwan's air force is clearly deteriorating. Its problems can be separated into two categories—qualitative and quantitative. In terms of quality, there are certainly serious deficiencies. According to the DIA in an unclassified 2010 report: "Many of Taiwan's fighter aircraft are close to or beyond service life, and many require extensive maintenance support." In September, the Obama administration notified Congress of a \$5.9 billion upgrade package for Taiwan's existing fleet of 145 F-16 A/Bs. I support this so-called retrofit package as a step to qualitatively improve Taiwan's air force. But, the upgrades do absolutely nothing to address what I see as a much bigger problem for Taiwan's air force—the quantitative one. Essentially, Taiwan is about to experience a massive shortfall in fighter aircraft. By 2020, virtually all of Taiwan's fighter jets will have to be retired, except for those 145 F-16A/Bs that we sold Taiwan during the George H.W. Bush administration. How many viable fighter aircraft do you believe Taiwan would need to patrol its own airspace and deter a potential Chinese attack and is 145 aircraft enough or do they need more?

Admiral WILLARD. [Deleted.]

77. Senator CORNYN. Admiral Willard, in my opinion, there now exists a serious airpower imbalance between China and Taiwan. Do you disagree?

Admiral WILLARD. I do not disagree, however airpower parity across the Strait is not achievable given that PRC military modernization far outpaces Taiwan's ability to modernize its own military, and Taiwan cannot afford to go one-for-one with the PRC. The Taiwan military must look more broadly across its armed forces in all domains to determine what capabilities are best to ensure a sufficient self-defense.

78. Senator CORNYN. Admiral Willard, what is your assessment of the risk to both Taiwanese and U.S. interests as a result of this growing cross-Strait imbalance in airpower?

Admiral WILLARD. [Deleted.]

79. Senator CORNYN. Admiral Willard, for years, DOD has documented a steady increase in advanced Chinese weaponry and aircraft positioned opposite Taiwan. It is consensus belief among security and military experts that Taiwan has lost its technological edge in defense weaponry. What is the tipping point, in terms of Chinese force buildup, that would necessitate the sale of additional U.S. fighter aircraft to Taiwan?

Admiral WILLARD. [Deleted.]

80. Senator CORNYN. Admiral Willard, the United States is currently facing a serious fiscal crisis and, as a result, DOD is staring down the barrel at sweeping budget cuts. Do you agree that a capable Taiwanese air force would lessen the burden on U.S. forces in the region?

Admiral WILLARD. Taiwan's self defense capability across the board, not just the air force, enhances stability across the Strait and enables its dialogue with the PRC. This contributes to stability in the region.

#### SALE OF F-16 TO TAIWAN

81. Senator CORNYN. Admiral Willard, although Taiwan has attempted to submit a Letter of Request for the purchase of these 66 new F-16 C/D aircraft, to date, the United States has not accepted it. Shortly after the administration announced the F-16 A/B upgrade package, I wrote to President Ma to ask him for clarification on Taiwan's military requirement for new F-16C/Ds. On October 14, I received an unequivocal response, stating that Taiwan needs both the upgraded F-16A/Bs and the new F-16C/D purchase to fulfill its "self-defense needs in qualitative and quantitative terms." If we fail to sell additional F-16s to Taiwan, the Taiwanese air force will continue to shrink in size. By 2020, it is likely that Taiwan's fleet of combat aircraft will be half the size it is today. How would that impact Taiwan's capacity to defend itself?

Admiral WILLARD. [Deleted.]

82. Senator CORNYN. Admiral Willard, in your opinion, would 66 new F-16 C/Ds for Taiwan serve as a deterrent to China?

Admiral WILLARD. [Deleted.]

83. Senator CORNYN. Admiral Willard, DOD, in a letter to me dated February 15, 2012, characterized its 2010 report to Congress on Taiwan's Air Defense Force as concluding that "Taiwan needs to focus its planning and procurement efforts on non-traditional, innovative, and asymmetric approaches." Yet at the same time, "the report's findings also indicate that a capable air force is important—indeed critical—in a variety of scenarios and to maintain peacetime deterrence." Do you agree that F-16 C/Ds would have a deterrent effect that no nontraditional, innovative, or asymmetric approach could match?

Admiral WILLARD. [Deleted.]

84. Senator CORNYN. Admiral Willard, the F-16 production line may shut down before the administration authorizes additional F-16 sales to Taiwan. If that is allowed to happen, would you be in favor of selling the highly innovative F-35B Short Take Off and Vertical Landing (STOVL) aircraft to Taiwan to ensure that Taiwan can deter threats from China?

Admiral WILLARD. Though I have not seen studies analyzing specifically the utility of the F-35B STOVL variant to Taiwan, airframes that are STOVL-capable could be beneficial because of their ability to take off from damaged runways. Any such capability would still need to be part of a truly integrated air and missile de-

fense system that is mobile and redundant, and an air force protection plan that promotes airbase hardening.

85. Senator CORNYN. Admiral Willard, DOD's new strategic guidance, released in January, highlights the importance of building partner nation capacity, committing to expanding "our networks of cooperation with emerging partners throughout the Asia Pacific to ensure collective capability and capacity for securing common interests." The document goes on to state that "building partnership capacity elsewhere in the world also remains important for sharing the costs and responsibilities of global leadership"—an important point at a time when our Nation faces a fiscal crisis and DOD is attempting to absorb drastic cuts to the defense budget. Does this goal of building partner capacity not also apply to Taiwan?

Admiral WILLARD. I believe that Taiwan's self-defense capability contributes to stability across the Strait and enables its dialogue with the Mainland, which in turn enhances stability in the region.

86. Senator CORNYN. Admiral Willard, what message do you think the administration's de facto denial of Taiwan's request for new F-16 C/Ds has sent to other U.S. allies, both in the region and around the world?

Admiral WILLARD. [Deleted.]

#### AIR-SEA BATTLE CONCEPT

87. Senator CORNYN. Admiral Willard, the Air-Sea Battle concept has been described by some as a new way for the Navy and Air Force to work together to fight future wars against major powers. As I understand it, the Air-Sea Battle concept is aimed at maintaining U.S. dominance of the air and sea domains and to overpower any nation-state that might try to defeat our military forces through the use of advanced missiles, stealth aircraft, and/or a blue-water naval fleet of its own. China is currently pursuing advanced missiles, stealth aircraft, and a blue-water naval fleet. Does the implementation of the Air-Sea Battle concept represent the U.S. policy response to a rising military threat from China?

Admiral WILLARD. Air-Sea Battle is an evolutionary concept, a natural development in joint military doctrine and capability. It represents a suite of capabilities which, when coupled with a military strategy, will enhance our military options in the Asia Pacific theater. China is developing a range of capabilities which threaten to hold at risk our continued access and freedom of navigation to the Asia-Pacific region in support of normal operations or contingencies. However, China is not the only country that is developing these capabilities. Air-Sea Battle is not directed at China, but it does offer one solution to the type of challenge that China could represent.

88. Senator CORNYN. Admiral Willard, why is it important that the U.S. military have a strategy to deal with China?

Admiral WILLARD. [Deleted.]

89. Senator CORNYN. Admiral Willard, in your opinion, does China pose a threat to the United States?

Admiral WILLARD. We welcome a strong, prosperous, and successful China that reinforces international rules and norms and enhances security and peace both regionally and globally. However, China is developing capabilities that seem intended to counter our own forces and they are not always clear in communicating their intentions. We see China's development as a positive trend and do not view them as a threat today, but we are concerned about the lack of transparency and clarity of their long-term aspirations.

#### ANTI-ACCESS/AREA-DENIAL

90. Senator CORNYN. Admiral Willard, in your opinion, what kinds of investments should we be making to counter anti-access/area-denial activities?

Admiral WILLARD. [Deleted.]

#### F-35 PROGRAM

91. Senator CORNYN. Admiral Willard, how important is the F-35 to preserving our interests and freedom of action in the Asia-Pacific region?

Admiral WILLARD. Adversaries are fielding anti-access/area-denial capabilities designed to deny U.S. forces freedom of action in the global commons and threaten U.S. sanctuaries/rear areas. Failure to field and demonstrate concepts, capabilities, and capacity to defeat anti-access/area-denial threats can undermine confidence in the commons and American security, unravel U.S. alliances around the world, along with associated agreements on trade, economic integration, and diplomatic alignment, cause the United States to lose the ability to threaten or conduct proportional military responses to aggression, and add to international instability by making U.S. deterrence less credible and U.S. responses more escalatory. Developing 5th generation fighters like the F-35 will enable the United States and its allies the ability to stay abreast of developing threats allowing for U.S. ground, air and naval forces to maintain freedom of action to follow-on operations. The JSF's sensor fusion capacity, electronic attack capabilities, and stealth will enhance the U.S. supremacy across the Range of Military Operations in the Asia-Pacific region.

#### BUILDING PARTNER CAPACITY

92. Senator CORNYN. Admiral Willard, U.S. forces will begin flying the F-35 in the PACOM AOR by the end of this decade. Australia is one of the original international partners in the F-35 program, having committed to buying 100 aircraft. Singapore has signaled its intent to purchase the F-35 in the not so distant future, while in December, Japan announced its decision that the F-35, which will give Japan the ability to integrate seamlessly with U.S. air forces in the region, best met its requirements. As you survey the region, what value do you see in ensuring the viability of the F-35 for our partner nations who have made commitments and other friends who have expressed interest in the program?

Admiral WILLARD. It is critical to ensure the viability of the F-35 for our partner nations. The F-35 fills a critical part of Australia's current military overhaul. With their plans to purchase up to 100, Australia Defense Forces will replace all existing F-18 Classic Hornets as they move towards an almost completely JSF force.

Singapore has programmed in the F-35 as their next generation multi-role fighter to replace their aging F-5 fleet (19 a/c). The JSF will serve as a key platform to execute Singapore's strategy of deterrence and maintain regional stability. Singapore has historically been a strong supporter of U.S.-led coalition operations, and promoting interoperability is an important objective of the strategic partnership.

F-35 will provide Japan with an improved air defense platform, well into the future and will maximize interoperability with U.S. forces.

With schedule delays and cost issues continuing to creep up, it is vitally important we provide reassurance that the JSF is important to the U.S. military, PACOM, and our allies.

93. Senator CORNYN. Admiral Willard, what is your assessment of the benefits of key allies modernizing their fighter fleets with fifth-generation aircraft such as the F-35?

Admiral WILLARD. From a regional perspective, failure to make the F-35 available for purchase to key allies and partners undermines the U.S. position as partner of choice and fuels the perception our role in the region is in decline. In addition, it will force our allies and partners to look to competitors and potential adversaries to fulfill their next generation fighter aircraft requirements. The United States will not only lose out economically, but will also lose out in the ability to influence and build partner nation capabilities for integration into future coalitions. This significant loss in credibility will also negatively impact FMS across the board, as nations will be hesitant to buy American if the United States is seen as unreliable.

#### CHINA AND CYBER WARFARE

94. Senator CORNYN. Admiral Willard, according to an October 2011 report by the Office of the National Counterintelligence Executive, "Chinese actors are the world's most active and persistent perpetrators of economic espionage," the report goes on to highlight that "computer networks of a broad array of U.S. Government agencies ... were targeted by cyber espionage; much of this activity appears to have originated in China." In your opinion, is China engaging in state-sponsored cyber attacks and cyber theft against the United States?

Admiral WILLARD. [Deleted.]

95. Senator CORNYN. Admiral Willard, what is your assessment of the threat of cyber attacks that originate in China?

Admiral WILLARD. [Deleted.]

96. Senator CORNYN. Admiral Willard, the 2011 DOD report also stated that China continues to leverage “state-sponsored industrial/technical espionage to increase the levels of technologies and expertise available to support military research, development, and acquisition.” I view this as a serious risk to our long-term national security. Are you concerned about this?

Admiral WILLARD. [Deleted.]

97. Senator CORNYN. Admiral Willard, do you think more needs to be done in this area?

Admiral WILLARD. [Deleted.]

98. Senator CORNYN. Admiral Willard, Given DOD’s report stating that China continues to leverage state-sponsored industrial/technical espionage, and the fact that China is a suspect whenever a major cyber attack against U.S. defense networks occurs, how should the United States respond to the growing threat of Chinese cyber warfare?

Admiral WILLARD. [Deleted.]

#### UNITED STATES AS A PACIFIC POWER

99. Senator CORNYN. Admiral Willard, Secretary Panetta said during his trip to Asia last fall that the purpose of his visit was “to make very clear to this region and to our allies in the Pacific that . . . the Pacific will remain a key priority for the United States, that we will maintain our force projection in this area, that we will maintain a presence in this area, that we will remain a Pacific power.” In light of China’s aggressive military buildup, how do you believe the United States can best project itself as a Pacific power in the coming years?

Admiral WILLARD. [Deleted.]

[Whereupon, at 12:05 p.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**THURSDAY, MARCH 1, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**U.S. EUROPEAN COMMAND AND U.S. AFRICA COMMAND**

The committee met, pursuant to notice, at 9:34 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Nelson, Udall, Hagan, Manchin, Shaheen, Blumenthal, McCain, Inhofe, Sessions, Chambliss, Brown, Ayotte, and Graham.

Committee staff member present: Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Jessica L. Kingston, research assistant; Michael J. Kuiken, professional staff member; Jason W. Maroney, counsel; William G.P. Monahan, counsel; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Adam J. Barker, professional staff member; Christian D. Brose, professional staff member; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Hannah I. Lloyd, Mariah K. McNamara, and Bradley S. Watson.

Committee members' assistants present: Bryon Manna, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Mara Boggs, assistant to Senator Manchin; Patrick Day, assistant to Senator Shaheen; Chad Kreikemeier, assistant to Senator Shaheen; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Sergio Sarkany, assistant to Senator Graham.

# **OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. This morning's hearing continues the committee's review of the fiscal year 2013 defense budget request of the administration and the Future Years Defense Program. Today, we receive testimony from Admiral James G. Stavridis, USN, Commander, U.S. European Command (EUCOM) and Supreme Allied Commander, Europe; and General Carter F. Ham, USA, Commander, U.S. Africa Command (AFRICOM). They are here to discuss the defense and security challenges in their areas of responsibility (AOR) and how their combatant commands are postured to meet those challenges.

We thank you both for your fine service. Please extend on behalf of this committee our gratitude to the military men and women who serve in the EUCOM and AFRICOM AORs. They and their families deserve and have this Nation's support and our thanks.

This will likely be Admiral Stavridis' final posture statement before the committee. Admiral, this committee has benefitted in so many ways and on so many occasions from your testimony and your advice, first as the Commander of the U.S. Southern Command (SOUTHCOM) and most recently as EUCOM Commander and Supreme Allied Commander Europe. We thank you for your many decades of great service. We all wish you and your family our very best in your retirement.

The Strategic Guidance that the Department of Defense (DOD) issued in January reaffirmed that Europe is our principal partner in seeking global and economic security for now and for the foreseeable future. DOD's guidance also stressed the central role that the North Atlantic Treaty Organization (NATO) alliance serves for the security of Europe and beyond.

This transatlantic security partnership is clearly demonstrated in the NATO-led International Security Assistance Force (ISAF) in Afghanistan where NATO and other European countries contribute more than 30 percent of the total coalition forces and nearly 80 percent of the non-U.S. foreign forces in Afghanistan. The role of ISAF forces is transitioning from being in the combat lead to assuming a support, advise, and assist role as Afghan National Security Forces (ANSF) step forward and assume the lead for security. This transition is underway, and consistent with President Obama's decision last June, the United States has begun the draw-down of the 33,000 U.S. surge force from Afghanistan, to be completed by the end of this summer.

The success of transition will depend in large part on the success of the international coalition in training and supporting the ANSF through 2014 when the transition to an Afghan security lead is planned to be completed. That is a major agenda item for the NATO Summit in Chicago in May. Another top agenda item for that Summit will be defining NATO's strategic partnership with the Government of Afghanistan beyond 2014, including arrangements for sustaining the ANSF.

Successful transition will also heavily depend on the commitment of the Government of Afghanistan and the Afghan people to increasing security throughout the country. The recent violence in response to the unintentional burning of Korans at the Parwan detention facility, including the killing of U.S. and coalition troops—



and that includes two more American soldiers yesterday—is deeply disturbing. Admiral Stavridis, the committee would be interested in your views on the implications of these events for the success of transition and the success of our mission in Afghanistan.

DOD's Strategic Guidance issued in January also notes that changes in the strategic landscape, including the end of the Iraq conflict and the drawdown in Afghanistan, create an opportunity to "rebalance the U.S. military investment in Europe." I welcome DOD's announcement last month that two of the four Army brigades stationed in Europe will be inactivated. This change, along with the removal of an Air Force A-10 squadron from Germany, will decrease the number of U.S. military personnel stationed in Europe, currently around 80,000 personnel, by about 10,000 and will result in the closure of a number of facilities. I encourage DOD to continue to review its force posture in Europe across the Services to see if additional force reductions and base closures might be in order, consistent with EUCOM's missions and our NATO commitments. We need to consider those before we consider another domestic base realignment and closure (BRAC) round.

The threat of the proliferation of weapons of mass destruction and the means of delivering those weapons is a central security challenge. At the 2010 Lisbon Summit, NATO recognized the growing threat to Europe from ballistic missiles from the Middle East, and NATO decided to establish a missile defense of NATO's population and territory. The United States will provide the core of that defense with its Phased Adaptive Approach (PAA) on ballistic missile defense (BMD), the first phase of which is now deployed. This system is designed to protect our deployed forces, our allies, and our partners from Iran's increasing missile inventory. NATO is seeking Russia's cooperation with this regional system. Such cooperation would send a powerful signal to Iran of world unity against their developing long-range missiles or their having nuclear weapons. We look forward to Admiral Stavridis' views on the progress and the impact of missile defense.

Nearly a year ago, AFRICOM initiated Operation Odyssey Dawn in Libya. NATO, with the support of forces from EUCOM, conducted and completed Operation Unified Protector. These successful civilian protection and mass atrocity prevention operations saved untold Libyans from being slaughtered at the hands of Qadhafi's forces and helped end decades of tyranny and oppression at the hands of the Qadhafi regime. Our witnesses are to be commended on the successful outcome of these operations. In my view, it was the right call for our NATO allies to lead with U.S. forces playing a unique and enabling role, particularly given the endorsement of the Arab League, the Gulf Cooperation Council, and the United Nations (U.N.).

Today, Libya's new political leadership has begun the difficult process of building consensus. AFRICOM is presented with an opportunity that has not existed for more than 4 decades: the establishment of a military-to-military relationship with the Libyan armed forces. The committee looks forward to learning of General Ham's efforts in Libya and his assessment of the Libya security forces as a potential security partner.

Libya is but one of many of General Ham's security challenges. The fall of the Qadhafi regime has created a security vacuum and a market for surplus small arms and other man-portable weapons in the region that al Qaeda affiliates and other transnational actors are seeking to use to their advantage. This development is a cause of great concern. General Ham's efforts to train, assist, and support regional militaries in North Africa will be a key factor as to whether these violent extremist and criminal organizations are able to create safe havens through which they can further destabilize the region and its governments and potentially plan external attacks against our interests.

In East Africa, Somalia continues to threaten regional security and serve as a burgeoning safe haven for al Qaeda affiliates to train for and plot external operations. The efforts of AFRICOM since its inception to train and equip the regional militaries, as well as international efforts to maintain and bolster the presence of the African Union mission in Somalia, has shown progress in recent months. Last week in London, Secretary Clinton, in word and in deed, demonstrated that the United States remains committed to helping create a more stable and unified era for the Somali people. AFRICOM's efforts to build the capacity of regional governments, most notably Kenya, Ethiopia, and Uganda, will be a key determinant of whether recent progress can be consolidated. Last year's National Defense Authorization Act (NDAA) provided General Ham with new authorities in this area, and we would be interested to learn from General Ham whether they have assisted him in his efforts.

General Ham and Admiral Stavridis, I have just touched the wave tops of the issues facing you and your commands. We look forward to hearing your testimony and continuing to help AFRICOM and EUCOM accomplish their security objectives.

I want both of you to know that we very much appreciate the very positive way in which you have worked with this committee and the relationships that you have fostered with our members.

I will put the balance of my statement in the record.

[The prepared statement of Chairman Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

This morning's hearing continues the committee's review of the fiscal year 2013 defense budget request and the Future Years Defense Program. Today we receive testimony from Admiral James Stavridis, Commander, U.S. European Command (EUCOM), and Supreme Allied Commander, Europe; and General Carter Ham, Commander, U.S. Africa Command (AFRICOM). They are here to discuss the defense and security challenges in their areas of responsibility, and how their combatant commands are postured to meet those challenges. Thank you both for your fine service. Please extend on behalf of this committee our gratitude to the military men and women who serve in the European and African areas of responsibility. They and their families deserve and have this Nation's support and our thanks.

This will likely be Admiral Stavridis' final posture statement before the committee. Admiral, this committee has benefited on so many occasions from your testimony, first as the Commander of U.S. Southern Command and most recently as EUCOM Commander and Supreme Allied Commander, Europe. Thank you for your many decades of great service to our Nation. We all wish you and your family the very best in your retirement.

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Even as these reductions go forward, our allies should rest assured that the United States remains committed to its defense obligations under the North Atlantic Treaty. A key challenge for EUCOM is to continue engagements with our European allies to promote the interoperability of U.S. and allied forces and to build the capacity of our European partners to contribute to and participate in coalition operations. At the same time, I and other members of this committee are concerned that, as Secretary Gates stated last year, NATO is at risk of becoming a "two-tiered alliance," where some members have the commitment and capacity to support the range of NATO missions, while others enjoy the benefits of the alliance while not sharing equally in the risks or the costs of making the necessary defense investments to contribute to coalition operations. We would be interested in hearing today about what is being done to address capability shortfalls of our European allies and partners.

The threat of the proliferation of weapons of mass destruction and the means of delivering those weapons is a central security challenge. At the 2010 Lisbon Summit, NATO recognized the growing threat to Europe from ballistic missiles from the Middle East, and NATO decided to establish a missile defense of NATO's population and territory. The United States will provide the core of that defense with its Phased Adaptive Approach on ballistic missile defense, the first phase of which is now deployed. This system is designed to protect our deployed forces, our allies, and our partners from Iran's increasing missile inventory. NATO is seeking Russia's cooperation with this regional system. Such cooperation would send a powerful signal to Iran of world unity against their developing long-range missiles or having nuclear weapons. We look forward to Admiral Stavridis' views on the progress and impact of missile defense.

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Qadhafi regime. Our witnesses are to be commended on the successful outcome of those operations. In my view, it was the right call for our NATO allies to lead, with U.S. forces playing a unique and enabling role, particularly given the endorsement of the Arab League, Gulf Cooperation Council, and United Nations.

Today, Libya's new political leadership has begun the difficult process of building consensus. AFRICOM is presented with an opportunity that has not existed for more than four decades—the establishment of a military-to-military relationship with the Libyan armed forces. The committee looks forward to learning of General Ham's efforts in Libya and his assessment of the Libya security services as a potential security partner.

Libya is but one of many of General Ham's security challenges. The fallout of the Qadhafi regime has created a security vacuum and a market for surplus small arms and other man portable weapons in a region that al Qaeda affiliates and other transnational actors are seeking to use to their advantage. This development is a cause of great concern. General Ham's efforts to train, assist, and support regional militaries in North Africa will be a key factor as to whether these violent extremist and criminal organizations are able to create safe havens through which they can further destabilize the region and its governments and—potentially—plan external attacks against our interests.

In East Africa, Somalia continues to threaten regional security and serve as a burgeoning safe haven for al Qaeda affiliates to train for and plot external operations. The efforts of AFRICOM since its inception to train and equip the regional militaries, as well as international efforts to maintain and bolster the presence of the African Union Mission in Somalia, has shown progress in recent months. Last week in London, Secretary Clinton—in word and deed—demonstrated that the United States remains committed to helping create a more stable and unified era for the Somali people. AFRICOM's efforts to build the capacity of regional governments, most notably Kenya, Ethiopia, and Uganda, will be a key determinant of whether recent progress can be consolidated. Last year's National Defense Authorization Act provided General Ham with new authorities in this area and we are interested to learn from General Ham whether they have assisted in his efforts.

General Ham is also supporting, with the deployment of U.S. Special Operations Forces, the ongoing regional effort to counter the Lord's Resistance Army. This effort stretches across a vast portion of central Africa that includes at least four countries. The committee looks forward to General Ham's testimony on these advise and assist operations.

AFRICOM is also home to the newest nation in the world—South Sudan. Many had hoped South Sudan's creation would bring an end to the decades-long conflict in the former Sudan, but this region continues to suffer from territorial conflicts over natural resources which create further instability and displacement in a region already struggling with significant numbers of refugees and internally displaced peoples.

General Ham and Admiral Stavridis, I have just touched the wave tops of the issues facing you and your commands. We look forward to hearing your testimony and continuing to help AFRICOM and EUCOM accomplish their security objectives.

I want both of you to know that we very much appreciate the positive way you have worked with this committee and the relationships you have fostered with our members.

Chairman LEVIN. Senator McCain.

#### STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman. Let me join you in welcoming Admiral Stavridis and General Ham, thanking them for their distinguished service. I especially want to acknowledge Admiral Stavridis, as this will be his final appearance before this committee in uniform, and I know he is grateful for that. Thank you, Admiral, for your service and dedication to our Nation. I wish you fair winds and following seas.

What is clear from our commanders' prepared testimonies, and what will become clearer today, is that the work of our Armed Forces, both in Europe and Africa, is not decreasing. It is increasing. It is becoming more complex, and it is becoming more important to our national security. I think we should bear all this in

mind as we in this committee and we in Congress more broadly debate whether and how to reduce our defense spending, including the catastrophic effects of sequestration.

Our European allies remain our preeminent security partners. Today, EUCOM and NATO are being called upon to bear an ever greater responsibility for diverse international security challenges, from Afghanistan and Libya, to cyber threats and transnational terrorism, to BMD and the strategic balance of forces on the continent. We must be mindful of the enduring value and impact of our European alliances as we evaluate change to our force posture.

In its recently released defense strategy, DOD has proposed the withdrawal of an additional brigade combat team from Europe. At the same time, this drawdown of forces is complemented by new U.S. military commitments to Europe, including a brigade-sized contribution to the NATO response force, new rotations of troops for joint exercises and operations, the installation of a ground-based radar in Turkey, and the stationing of four BMD-capable Aegis ships in Spain. Overall, this seems like a prudent realignment of our forces and commitment in Europe.

Amid the growing global focus of EUCOM, we must remember that the vision of a Europe whole, free, and at peace will remain unfulfilled so long as the country of Georgia remains forcibly divided and occupied by Russian forces. Georgia is an aspiring member of NATO and one of the largest contributors of forces to the Afghan mission. Yet, our bilateral defense relationship remains mired in the past. As a bipartisan report led by two members of this committee, Senators Jeanne Shaheen and Lindsey Graham, concluded last year, the United States needs to build a more normal defense relationship with Georgia, including defensive arms sales in coordination with our NATO allies.

At a time of uncertainty in Russia, when lashing out at manufactured foreign enemies remains a tempting way to garner domestic legitimacy, it is not in America's interest to leave Georgia without adequate means to defend itself. It is for this reason that Congress included a provision in the NDAA last year that requires DOD to provide Congress with a strategy for the normalization of the U.S.-Georgia defense relationship, including the sales of defensive arms. We look forward to Admiral Stavridis updating us on the development of that strategy.

One area where we and our European allies are increasingly working together is Africa. But while EUCOM has 68,000 forces assigned to it, AFRICOM has none. The increasing threats in Africa make it hard to justify this disparity.

As General Ham notes in his prepared statement, the danger of transnational terrorism across Africa is growing and troubling. As al Qaeda's senior leadership continues to be degraded through sustained military pressure, al Qaeda's franchise groups, especially those in Africa, are expanding their ambitions and capabilities. Al Shabaab in Somalia, Boko Haram in Nigeria, and al Qaeda in the Islamic Maghreb (AQIM) are all increasingly making common cause with each other and exploiting weak governments in Africa to facilitate their operations. That is why AFRICOM's efforts to build the capacity of our African partners to disrupt these terrorist groups and deny them safe haven and freedom of movement is so

critical. Two of the best emerging partners we have in this regard are Libya and Tunisia, which was reaffirmed once again for me last week when I traveled to both these countries with a few of my colleagues from this committee.

In Tunisia, the operational tempo of their armed forces has increased substantially due to the conflict next door in Libya. More than 10,000 Libyan refugees are now living in Tunisia. The Tunisian Government is seeking additional military assistance to enable them to sustain their security operations along their border with Libya, as well as to combat al Qaeda franchise groups that seek to destabilize the country. The Tunisians are seeking spare parts for the sustainment of their force, wheeled vehicles, aircraft, and better capacity to monitor their maritime domain and borders. We look forward to General Ham's assessment of how AFRICOM can better assist Tunisia in these ways. It is critical that we do so.

Finally, it is essential that AFRICOM remain actively engaged with the National Transitional Council in Libya and with the elected government that will eventually succeed it. The most urgent and important area where we can assist the Libyans is the demobilization, disarmament, and reintegration of the many militias that remain in the country. It is critical that we support Libya in training and equipping a security force that can be a source of national unity and internal stability, as well as a capable partner for our Armed Forces. This effort goes hand-in-hand with our continued assistance to the Libyans to help secure loose weapons inside the country, especially the Man-Portable Air Defense System (MANPADS), to keep them out of the hands of terrorists.

At the same time, we must do far more to assist the many Libyans who have been wounded in this conflict. Our military is the best organization in the world when it comes to medical treatment for wounded warriors, especially in prosthetics and rehabilitation. This remains one of the most emotionally resonant issues among the people of Libya, and it would only increase the enormous good will and influence that we enjoy in the country if we could expand our assistance for these wounded Libyans, especially in our military medical facilities in Europe. Such assistance would not require much of us but it would honor the sacrifice that so many in Libya have made to free their country and thereby stand as a firm pillar of mutual respect and solidarity on which to build our partnership with the new Libya.

Again, I thank the witnesses. I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Admiral Stavridis.

**STATEMENT OF ADM JAMES G. STAVRIDIS, USN, COMMANDER,  
U.S. EUROPEAN COMMAND/SUPREME ALLIED COMMANDER,  
EUROPE**

Admiral STAVRIDIS. Chairman Levin, Ranking Member McCain, distinguished members of the committee, as always, thank you for a very gracious welcome.

I will comment about my final appearance here. Just to recall, the first time I testified—and I am not sure anyone would remember. It was in 1994 when I was a young commander in command of a destroyer and we had a panel on readiness with a representa-

tive from each of the Services here at the 05 level in command. All I remember about that hearing is that the other three Services sent individuals who were all about 6'3" and had great hair. I was clearly the outlier in that particular group and I think I remain that way today. [Laughter.]

Chairman LEVIN. You have not changed in all those years. [Laughter.]

Admiral STAVRIDIS. Exactly, unfortunately. [Laughter.]

It has been a terrific 3 years here at EUCOM and in the NATO world. I would highlight over the last year, since I appeared in front of the committee, the work in Libya. We do feel good about that. I think we are making progress in Afghanistan despite all the challenges that Chairman Levin and Ranking Member McCain correctly alluded to. We have kept stability in the Balkans. We have done very well, I think, in engaging with our partners in Europe. We are pushing on missile defense, cyber, interagency, private-public, a lot of different initiatives, and we will continue to work on all those things.

Our fundamental job at EUCOM is to defend this country forward. We try and do that by being ready for the unexpected. If we look back on last year at this time, as Libya was bursting onto the scene, it is a good example of how we do not know what will happen next. We try to be ready. We try to work with partners and allies, as we have talked about, and we try to continue to strengthen this NATO alliance which I do believe is a cornerstone for all of us.

I am working now on the adjustment to the force posture in Europe, and I will be glad to talk a bit about that. The removal of the two heavy combat brigades, but the addition of a rotational one, and the adjustments we are making over there—I think they are sensible and balanced.

We are making progress on the missile defense piece, and I will be glad to talk in more depth about that.

One thing I would like to mention—often I get a question from people, constituents of yours, as well as from the members, about why? Why is it important to remain engaged in Europe? I would just like to very quickly say I think it does matter that we continue to have Europe as our partner of first resort and a cornerstone of our engagement in the world, and I think that is for several different reasons, including the economy. Although somewhat diminished of late, it still remains about 25 percent of the world's gross domestic product (GDP). The geography is extremely important. Europe is a strategic platform that allows us to go to Africa to support General Ham, to go to the Middle East, to operate really in the global South Asian and Central Asian world.

Then the NATO alliance itself, I think, is as we have mentioned several times, very key to all of this. In practice, that translates into addition to our ability to operate in the world. That is why we have 40,000 non-U.S. troops in Afghanistan. That is why our allies did such, I think, strong work in Libya. That is why they do the bulk of the work in the Balkans. They are taking the lead in counterpiracy. So I think we get very real benefit from all of that.

I will simply close by thanking the committee, as always, for the great support to EUCOM. I will, with great enthusiasm, relay your

wonderful words about the men and women who are in the command. It means a lot. I encourage you all to come and visit, as some of you have had the opportunity to do. Your presence to our troops matters and your engagement with senior leaders in other nations matters as well.

Thank you for hearing our testimony today.  
[The prepared statement of Admiral Stavridis follows:]

PREPARED STATEMENT BY ADM JAMES G. STAVRIDIS, USN

#### INTRODUCTION

Mr. Chairman, Ranking Member, distinguished members of the committee: Thank you for the opportunity to appear before you today. For nearly 3 years now, I've had the privilege to command the exceptional men and women of the U.S. European Command and the North Atlantic Treaty Organization (NATO), Allied Command Operations. It has been a busy year for these commands, for the NATO Alliance, and for our international and interagency partners who are such a vital part of our mission, our many initiatives, and our team.

Working together, we have accomplished some important objectives since I saw you last: saving tens of thousands of lives from a despotic and unstable regime in Libya; supporting continued progress and transition in Afghanistan; maintaining a safe environment in the Balkans; sustaining vital relationships with our key allies and emerging partners in the region; and developing the necessary capabilities to meet the rising—and, in many cases, different—security challenges of the 21st century.

I am happy to report that we continue to make sound and efficient progress, in concert with our allies and partners, toward ensuring continued security and stability across our theater and, in so doing, are providing for the forward defense of the United States.

But before reporting our progress and achievements over the past year, I want to take a moment to examine a fundamental question on many minds here in Washington and abroad: How does the U.S. military presence in the European theater contribute to the national security of the United States? This is a question especially relevant during times of significant economic challenge; a challenge that represents a formidable threat to our national security as well as our national well-being.

First, economics matter. U.S. engagement and European stability have been intertwined since the first American soldier stepped foot onto the continent in 1917. Since then, American periods of engagement and support have helped underwrite security to prevent the far wider costs of war. Sadly, the converse has also proven true, when episodes of postwar U.S. disengagement, notably in the 1930s and 1990s, led to renewed European instability, conflict, and bloodshed, ultimately requiring significant U.S. military action.

Yet, for the past 63 years, the security and stability delivered by this transatlantic alliance have provided conditions for economic vibrancy, sustained investment, and growth; conditions that have substantially benefitted the United States. Indeed, it is not a coincidence that the 28 countries which comprise NATO constitute over 50 percent of the globe's Gross Domestic Product. This association, rooted in security, continues to enable the largest and most complex economic relationship in the world, with activity supporting 15 million transatlantic jobs and generating trade in goods and services of more than \$2.4 billion daily.<sup>1</sup> This advantage provides the United States and Europe, acting together, tremendous economic influence moving into the future.

Second, the European Theater, located in or adjacent to three continents—Europe, Asia, and Africa—represents critical geostrategic terrain. Existing U.S. posture in Europe provides ready, proven, mature basing infrastructure for rapid response to crises in the world's most likely hot spots including North Africa, as we witnessed first-hand last year, the Levant, and elsewhere in the Middle East. U.S. basing in Europe, though 75 percent reduced from the height of the Cold War, continues to provide that irreplaceable combination of location and services at the nexus of these three continents essential in responding to contingencies, both foreseeable and unforeseeable, in today's highly dynamic security environment. These bases also support the global reach missions of four U.S. combatant commanders and numerous

<sup>1</sup> European Commission Directorate-General for Trade, report on European trade with the United States, <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/united-states/index—en.htm>.



U.S. Government agencies. Currently, that reach includes support to the Northern Distribution Network, which provides a vital logistical lifeline to our forces in Afghanistan and is increasingly important today given the precarious nature of our other lines of supply. Preserving this theater's vital strategic access to meet our enduring national security needs requires relationships with our European partners, relationships based on presence and commitment.

Additionally, European Command's outreach and engagement with nations inside our theater across the Caucasus, Black Sea, and Balkan regions also strive to mitigate the potential for conflict in areas important to U.S. foreign policy, inviting these nations into the community of international cooperation and partnership, and benefitting from their willingness to conduct expeditionary operations, including support to the International Security Assistance Force (ISAF) in Afghanistan.

Third, the NATO Alliance, which the President has called "the most successful alliance in human history," and NATO's continued transformation matter tremendously to the future viability of coalition warfare, and our ability to meet the security challenges of the 21st century. These challenges include missile defense, assurance, deterrence, cyberspace, terrorism, and transnational illicit trafficking, to name just a few. In squarely meeting these challenges, sustained American leadership, commitment, and support will remain an important cornerstone to ensure, in concert with our allies, that history's most successful alliance remains strong and, as the President has also said, "as relevant in this century as it was in the last."

Fourth, the fundamental values we share with our European allies and partners cement our Nations' common commitment to the bedrock principles of democratic government, the rule of law, free markets, and enduring human rights. Communicating and reinforcing these shared values throughout our theater-wide engagements and personal interactions—through what we say and, more importantly, what we do—helps to clarify our common goals and identify common threats as we work together to achieve the former and combat the latter, firmly and confidently, in step with the new century's unrelenting pace, change, and challenge.

Fifth, through our longstanding presence, leadership, cooperation, and engagement with the Europeans, we have developed our best and most willing pool of partners to stand with the United States in our ongoing commitment to security, stability, and peace. In Afghanistan, roughly 90 percent of the 40,000 non-U.S. troops serving there come from Europe. In Libya, NATO aggressively stepped up to lead that mission just 3 weeks after military operations commenced, conducting 75 percent of all sorties and 100 percent of the maritime operations. In the Balkans, Europe provides 90 percent of all forces for peacekeeping operations in Bosnia and Kosovo. Operating together, whether on modern battlefields in Afghanistan, Libya, and the Balkans, or in emerging and ironically "new" missions like counter-piracy, Europeans continue to stand shoulder-to-shoulder with us to face the many complex challenges of the 21st century. In the years ahead, even as our Nation shifts its strategic focus to the 'Asia-Pacific,' the reality remains that our most willing, effective, credible, and enduring strategic military partners reside in Europe.

To summarize, in all of my appearances before you, I have sought to emphasize and illustrate, through tangible progress and concrete examples, the strategy that we have pursued for several years now: a strategy of active security and forward defense focused on preserving our strategic partnerships in Europe; building interoperability with the NATO Alliance; deterring would-be adversaries; sustaining progress and transition in Afghanistan; when directed, conducting decisive military and counterterrorism operations to fight and win; and thinking creatively, acting efficiently, and working collaboratively to confront the rising security challenges of the modern era—an era that continues to be characterized by the power of unprecedented information connectivity, the tensions and opportunities of global economic interdependence, and accelerating change.

Like any strategy, this strategy has served as a framework to organize the relationship of ends, ways, and means necessary to accomplish our mission. But at the core of this strategy is the fundamental realization and revalidation of the strategic linkage between Europe and the United States. America's European allies remain our Nation's most reliable and enduring strategic partners.

As we consider the complexity of the modern security environment, as well as the need to align fiscal realities with enduring security requirements, I believe that our European partnerships and engagements continue to be wise and sound national security investments. As Secretary Panetta said last October in Brussels: "We live in a world of growing danger and uncertainty, where we face threats from violent extremism, nuclear proliferation, rising powers, and cyber attack. We cannot predict where the next crisis will occur. But we know we are stronger when we confront these threats together. The benefits that our countries derive from working together to defend common interests and protect our security and prosperity are obvious and

enduring. It is precisely because of the growing security challenges and growing fiscal constraints that we need to work more closely than ever as partners.” As I have said many times throughout the years, and believe now more firmly than ever, we are stronger together with our European partners.

#### MISSION, VISION, OBJECTIVES, PRIORITIES

**Mission:** The mission of the U.S. European Command is to conduct military operations, international military engagement, and interagency partnering to enhance transatlantic security and defend the United States forward.

**Vision:** We serve the nation as an agile security organization executing full-spectrum activities in a whole-of-government framework to deliver solutions that contribute to enduring security and stability across the world.

#### USEUCOM OBJECTIVES

- Ensure high readiness to execute European Command’s contingency plans;
- Posture European Command forces to support NATO Article V response, while focusing on allied and partner training designed to maintain interoperability;
- Assist the International Security Assistance Force (ISAF) transition, through the continued generation and training of ample coalition forces;
- Sustain NATO and capable partner nations’ expeditionary capabilities, while reinforcing their ability to maintain regional stability and to provide for their own security;
- Nurture strategic relationships and necessary force posture to enable continued access, thereby ensuring U.S. freedom of action and global reach;
- Prevent violent extremist organizations from obtaining and using weapons of mass destruction;
- Advance NATO European ballistic missile defense through an integrated approach built on balanced contributions;
- Prevent the evolution of local crises into regional conflicts, particularly in the Balkans and Caucasus.

#### USEUCOM PRIORITIES

- Ensure readiness to execute European Command’s contingency plans
- Enable a successful ISAF transition
- Preserve strategic partnerships
  - Ensure a strong NATO Alliance
  - Sustain ally & partner expeditionary capability beyond ISAF
  - Maintain ally & partner interoperability
  - Promote regional stability & security
- Prepare for transnational threats, focused on Missile Defense, WMD, and cyberspace
- Maintain U.S. strategic access across Europe in support of U.S. global operations
- Engage Israel, Russia, Turkey, and Poland in areas of mutual security

### *“Stronger Together”*

Over the past year, U.S. European Command has made significant contributions to coalition combat operations in Afghanistan and Libya, while pursuing an aggressive schedule of major theater exercises and sustained engagement with our allies and partners. We have achieved progress along multiple lines of operation to assure our friends and deter potential adversaries.

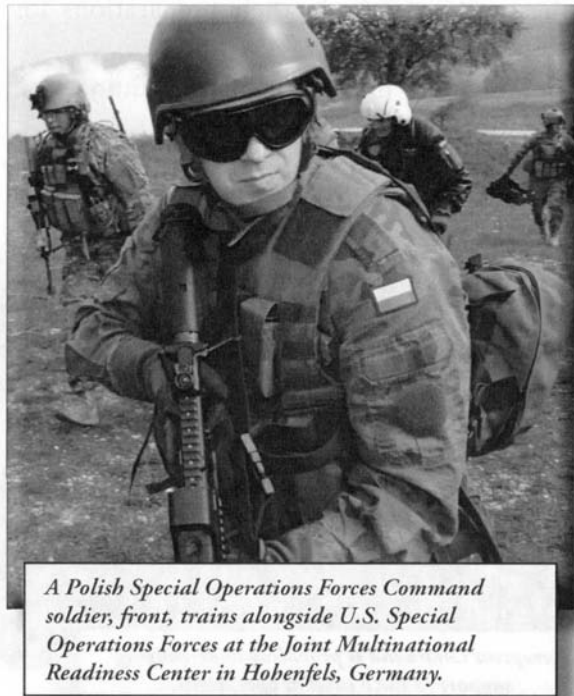
*Support to the International Security Assistance Force in Afghanistan.*

European Command continues to conduct a wide range of activities supporting the ISAF in Afghanistan, as well as the President's strategy to transfer the security lead to Afghan National Security Forces (ANSF) by 2014. As mentioned, 90 percent of forces from non-U.S. troop contributing nations come from the European theater. This translates to a third of the force on the ground, relieving the strain this gap would pose as a U.S. force generation requirement. European nations are, by far, our strongest supporters in Afghanistan.

European Command actively supports our allies and partners in their preparations for deployment to Afghanistan. We help these countries identify pre-deployment training and equipment requirements, and then leverage a number of available programs and authorities to assist in meeting those requirements. Through these programs, our allies and partners have received training in critical combat skills, including: Counter-Improvised Explosive Device (IED) procedures; the operation of mine-resistant ambush protected (MRAP) vehicles and up-armored high mobility multipurpose wheeled vehicles (HMMWVs); counterinsurgency intelligence analysis, tailored to the complex Afghan environment; and battalion-level full-spectrum counterinsurgency operations. European Command has also provided partner nations with essential equipment for operations in Afghanistan, including night vision devices, communications systems, robots, and other counter-IED systems.



Some quantitative examples illustrate the scope of European Command's efforts to support the fight in Afghanistan. In fiscal year 2011, European Command conducted 3 Operational Mentor and Liaison Teams (OMLT) and 3 Police Operational Mentor and Liaison Team (POMLT) training rotations at the Joint Multinational Readiness Center in Grafenwoehr and Hohenfels, Germany, ultimately preparing 50 OMLTs, 25 POMLTs, and almost 2,000 personnel from 15 countries for deployment. Additionally, European Command conducted 21 Expeditionary Intelligence Training Program courses, providing fundamental counterinsurgency intelligence and operational skill sets for 628 personnel from 25 countries, and trained 2,135 soldiers from 18 countries in lifesaving counter-IED skills. Finally, in 2011, European Command trained two Polish Brigades, two Romanian battalions, and two Georgian battalions for deployment to Afghanistan. All of these activities provide crucial linkages, personally and professionally, between the U.S. military and these deploying coalition forces. Without these relationships, contributions, and training conducted to a common standard, the challenges we face deployed side-by-side with these partners would be far more difficult, and the requirements placed on U.S. forces heavier.



European Command also provides critical logistical support to operations in Afghanistan. Our mature basing footprint and theater relationships are a vital part of U.S. Transportation Command's enroute strategy, and have enabled us to develop and expand the Northern Distribution Network (NDN) to provide important additional supply routes to Afghanistan. In fiscal year 2011, European Command's Deployment and Distribution Operations Center moved 21,574 containers and 232,206 tons of equipment through Europe to Afghanistan over the NDN. Additionally, for the first time since 2003, U.S. forces conducted transloading operations at the multimodal facilities located at Mihail Kogalniceanu Airbase in Romania. This effort fulfilled U.S. Central Command's requirement to establish alternative lines of communication to mitigate any potential loss of supply routes through Pakistan.

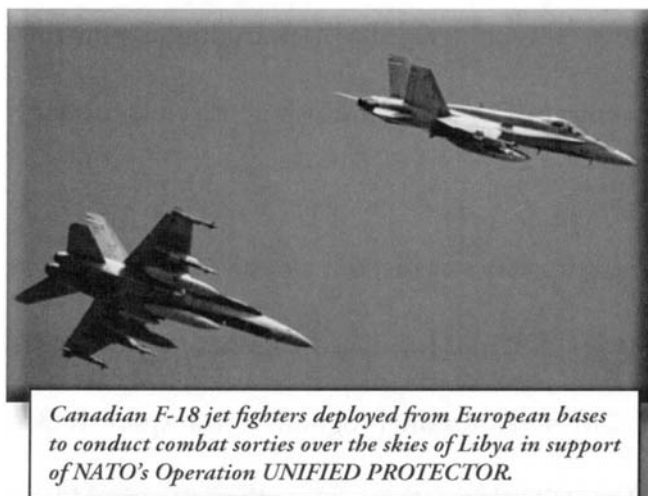
European Command also provides logistical capacity to assist our allies and partners move their forces and equipment to and from Afghanistan. In fiscal year 2011, European Command coordinated the use of the Department of Defense (DOD) Lift and Sustain Program to transport 16,344 servicemembers and 2,734 tons of cargo from 19 contributing nations, who otherwise would have been unable to make these contributions. In addition, European Command increases efficiency by leveraging our active involvement in two European military transportation consortiums, as well as the U.S. allocation of 1,000 flight hours in the Heavy Airlift Wing (comprised of three cooperatively shared Hungarian-registered C-17 aircraft), to support U.S. and partner logistical movements into and across the theater.

#### *Support to Operations in Libya*

Last year's operations in Libya validated the critical importance of maintaining strong relationships across Europe for basing, access, and force contributions. These relationships, as well as infrastructure investments already made, particularly along the Mediterranean Sea in France, Italy, Spain, and Greece, allowed us to obtain rapid basing and access for U.S. and coalition military assets participating in Operations Odyssey Dawn and Unified Protector.

This support made it possible to develop a holistic basing plan that maximized the air assets of all participating nations, and provided the aircraft support, logis-

tics, ordnance, communications, and resupply to ensure rapid and sustained actions throughout the operation.



In one example, only days after U.N. Security Council Resolution (UNSCR) 1973 was passed, Naval Air Station Sigonella, Italy, opened its doors, with Italian support and approval, to become a critical multinational coalition launching pad, hosting air assets from nine countries flying sorties in direct support of NATO mission requirements.

In addition to basing, sustainment, and logistical support, European Command provided significant intelligence, command and control, and communications support to coalition and NATO operations over and around Libya. Without strategic access and forces postured in Europe, it is safe to say that the coalition response to UNSCR 1973 would have been significantly longer in developing, less effective in execution, and less likely to have achieved its objective. This reinforces the criticality of our strategic partners and position in Europe, highlighting that we truly are stronger together when we act collectively in areas where our national interests overlap.

#### *Multinational, Joint, and Interagency Exercises*

European Command's rigorous theater exercise schedule formed a vital foundation for the effective execution of the combat operations described above, and remains an essential venue for intensive, steady-state interaction and engagement with our allies and partners. European Command maintained an intensive bilateral and multilateral exercise program last year, executing 22 major exercises involving nearly 50,000 U.S., allied, and partner nation personnel from 42 contributing nations. Exercises in 2011 focused on preparing partner nations for ongoing coalition operations, primarily in support of the ISAF in Afghanistan, as described in the previous section, as well enhancing NATO interoperability for present and future coalition operations, and improving our military coordination and interoperability with Israel. Highlights of the latter include:

#### *Austere Challenge/Juniper Cobra*

In its seventh year as European Command's premier joint force headquarters exercise, Austere Challenge 11 ventured back into the arena of full spectrum major combat operations, incorporating a significant focus on cyberspace. Austere Challenge 11 made significant progress addressing the ongoing challenge of coalition communications interoperability, implementing a first-of-its-kind information sharing network over the existing U.S. Battlefield Information Collection and Exploitation System (BICES). This arrangement provided rapid network development and expansion, as well as important lessons for integration into future coalition communication plans.

This year, Austere Challenge 12 will continue to provide world-class, large-scale training opportunities for U.S. European Command Headquarters, our Service Component Commands, and the Israel Defense Force General Staff. A five-phased, eight part exercise, Austere Challenge 12 will examine two existing U.S. European Command concept plans exercising theater operations organized under two different Joint Task Force Commanders. Exercising real-world air and maritime missions, the first Joint Task Force (JTF) will be commanded by U.S. Air Forces in Europe/Third Air Force, while the second JTF will be led by the Commander of Naval Forces Europe/Africa/SIXTH Fleet. As part of the broader Austere Challenge event, European Command will also conduct the largest of our combined exercises and engagements with Israel, Exercise Juniper Cobra. Juniper Cobra supports the U.S.-Israeli political-military relationship and exercises important theater capabilities, providing a further demonstration of U.S. commitment to the security of Israel.

#### *Balkan Exercises*

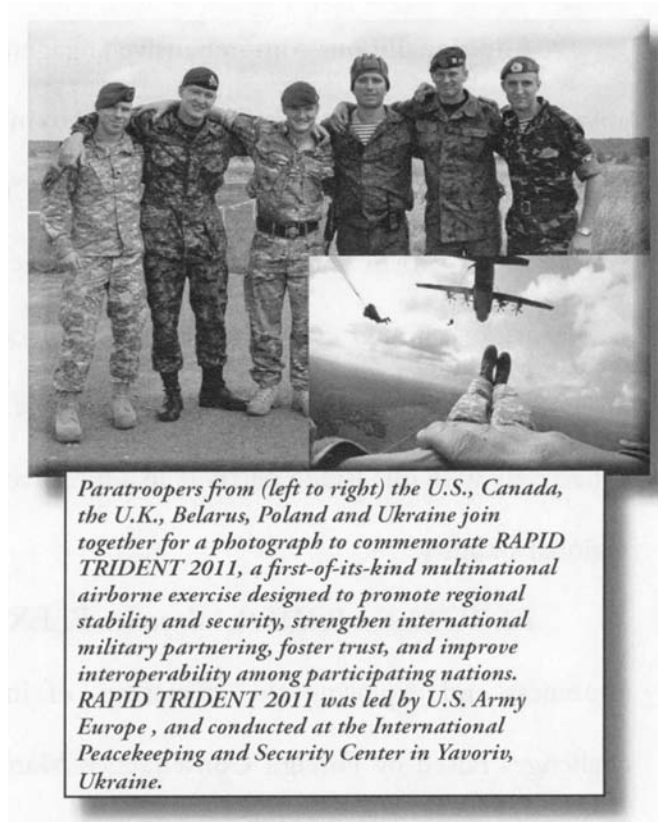
In the Balkans, Exercise Immediate Response brought together forces from Albania, Bosnia-Herzegovina, Croatia, Macedonia, Montenegro and Serbia in an effort to build relationships, strengthen capabilities, and foster multinational cooperation through counter-IED training. Additionally, Macedonia hosted the popular Medical Central Europe (MEDCEUR) Exercise last year, sharing valuable medical skills among 340 medical professionals from the United States, Bosnia-Herzegovina, Bulgaria, Macedonia, Montenegro, Serbia, and Slovenia.

#### *Baltic Exercises*

U.S. Naval Forces Europe led the 26th annual Baltic Operations (BALTOPS) exercise, assembling 13 nations in the region's largest multinational maritime training event focused on maritime interdiction, amphibious skills, and interoperability. Shifting landward to Exercise Saber Strike, European Command, the Baltic nations, and Poland sharpened the counterinsurgency skills—at the platoon, company and brigade levels—of over 1,600 Latvian, Lithuanian, and Polish forces preparing for deployment to Afghanistan.

#### *Black Sea Exercises*

Focusing on partnerships and interoperability in the Black Sea region, Rapid Trident assembled 1,600 forces from 13 countries to conduct the first-ever multinational airborne drop into Ukraine, developing important land warfare skills and camaraderie among key NATO and non-NATO partners in a critical area of the world. Jackal Stone 11, Special Operations Command Europe's annual capstone exercise, involved 8 nations and over 1,500 partner nation Special Operations Forces (SOF) sharpening theater SOF capabilities in all mission sets from counterterrorism to high-intensity conflict. Exercise Sea Breeze joined naval and marine forces from 14 countries in the Black Sea to exercise maritime interdiction, counter-piracy, non-combatant evacuation operations, and actions to counter the flow of illicit transnational trafficking, all rising challenges in the 21st century.



#### *Israeli Engagement*

European Command's sustained engagement with Israel, in numerous annual theater security cooperation and military-to-military engagement activities, continues to strengthen our relationship with this key regional ally. European Command chairs four bilateral, semiannual conferences with Israel addressing planning, logistics, exercises, and interoperability. The United States/Israeli exercise portfolio also includes eight major recurring exercises to strengthen our Nations' ties and military cooperation. Through these engagements, European Command leaders and staff maintain uniquely strong, recurring, personal, and direct relationships with their counterparts in the Israeli Defense Forces.

Additionally, our comprehensive engagement strategy with Israel complements other U.S. Government security cooperation initiatives, to include the efforts of the U.S. Security Coordinator for Israel and the Palestinian Authority (USSC). The USSC's mission is to help the Palestinian Authority transform and professionalize its security sector, and support U.S. and international whole-of-government engagement with the Israelis and Palestinians through security initiatives designed to build mutual trust and confidence. European Command is working actively and collectively with our Israeli partners to address common security challenges and counter threats to regional stability.

#### *Flexible Leader*

Exercise Flexible Leader opens the aperture, expanding awareness and exploring the efficiencies of interagency capacity to meet "whole-of-society" challenges raised by Foreign Consequence Management and Foreign Humanitarian Assistance. This year's exercise, set in the Balkans, focuses on the response to a major earthquake and a rail yard collision leading to the accidental spill of nuclear power plant fuel.

These exercises provide valuable opportunities to vet European Command's contingency plans, examine internal and interagency command and control protocols, and improve coordination with regional and international response organizations.

#### *Combined Endeavor*

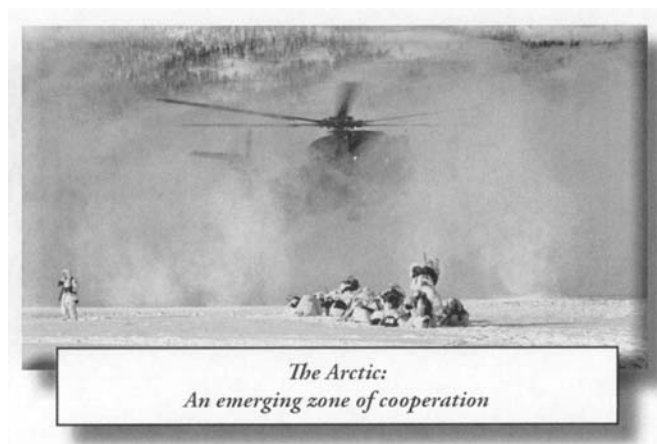
The largest communications and electronics interoperability exercise in the world, European Command's Combined Endeavor 11 brought together delegates from 40 nations (25 NATO and 15 Partnership for Peace countries) seeking to strengthen partner communications capabilities, pursue joint training and professional development objectives, develop critical interoperability standards, and prepare command and control, communications, and computer forces for deployment. Combined Endeavor continues to bridge important partners from across the theater to identify future coalition communication needs in support of regional and global military operations.

#### *Cyber Endeavor*

European Command's flagship cyber security engagement, Cyber Endeavor continues to reach out to NATO allies, partner nations, industry, and academia to strengthen cyber defense capabilities through multiple exercise events. Cyber Endeavor 11 included representatives from NATO Headquarters, 19 NATO nations, and 13 Partnership for Peace nations. The exercise explored and developed secure information system core competencies, technical defense capabilities, and best-practice network security measures. Cyber Endeavor participation continues to grow each year, another indication of the rising relevance and theater-wide interest in the effects and impact of cyberspace.

#### *Arctic Zephyr*

The Arctic Zephyr series, which started in 2010, seeks to expand understanding and awareness of the legal, security, commercial, and political ramifications of the changing Arctic environment, while strengthening relationships with other Arctic nations. The Arctic Zephyr exercise series will culminate in 2013, and remains one of the areas where we seek to find common ground and zones of cooperation with Russia.



#### *National Guard State Partnership Program*

We are very proud of this low-cost, high payoff program. One of European Command's most unique, cost effective, and essential international engagement tools, the State Partnership Program partners U.S. National Guardsmen from 21 participating states with 22 countries across the theater to engage in mutually beneficial training, interactions, and exercise engagements that support key Theater Security Cooperation objectives and preserve and develop these important strategic partnerships. The program capitalizes on the National Guard's unique state and Federal military characteristics. The program has achieved mutually beneficial security goals and developed long-term productive relationships that continue to benefit ongoing military activities.





"For more than six decades, Europeans and Americans have stood shoulder to shoulder because our work together advances our interests and protects the freedoms we cherish as democratic societies. As the world has changed, so too has our alliance, and we are stronger, safer, and more prosperous as a result....Put simply, we are each other's closest partners."

-President Obama

## EUCOM SERVICE COMPONENT COMMANDS



Except when assigned to a joint task force for military operations or participating in joint exercises, European Command forces are managed, trained, and equipped by our Service component headquarters: U.S. Army Europe (USAREUR); U.S. Marine Forces Europe (MARFOREUR); U.S. Naval Forces Europe/Africa/COMSIXTHFLT (NAVEUR); U.S. Air Forces in Europe (USAFE); and U.S. Special Operations Command Europe (SOCEUR). These organizations provide forces for our military-to-military engagements, serve an assurance and deterrence function in the region, deploy units for contingency operations, and, when necessary, provide a full-spectrum Joint Task Force headquarters. Understanding our Service component commands is the key to understanding European Command, as they conduct the majority of our steady-state activities.

## U.S. ARMY EUROPE—HEIDELBERG, GERMANY

*Introduction & Overview*

U.S. Army Europe provides forward-based forces to execute national security objectives, prevail in today's wars, and prepare to defeat future threats. U.S. Army Europe leverages its forward presence to conduct and facilitate essential theater multinational interoperability training. These activities assure our allies and partners, and deter potential aggressors. Today in Afghanistan, the ISAF executes complex multinational coalition operations to defeat terrorism and protect the U.S. Homeland forward. U.S. Army Europe provides a vital linkage between the U.S. Army and our European allies and partners participating in ISAF through our long-standing relationships, frequent military-to-military engagements, and the interoperability training so instrumental to current and future coalition operations. U.S. Army Europe provided essential logistical support to NATO operations in Libya in 2011, and continues to provide training and intelligence support to Israel as well as critical logistical support in Kosovo. Additionally, United States Army Europe's Forces form the cornerstone of the U.S. Article V commitment to NATO.

*Major Accomplishments*

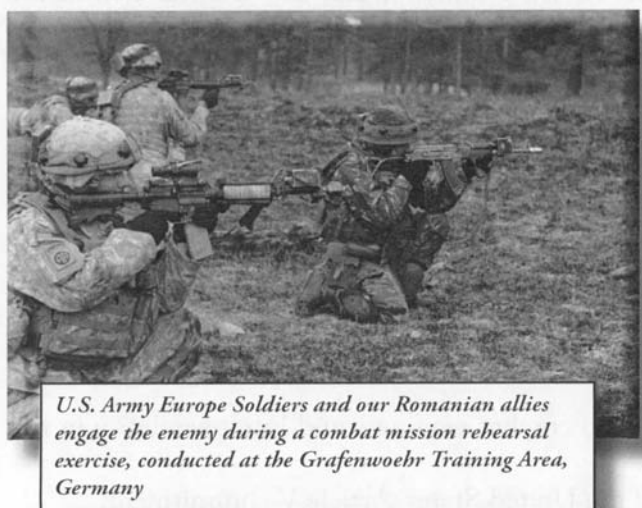
U.S. Army Europe focused on providing trained and culturally aware units and enabling forces, capable of conducting full-spectrum operations, in support of ISAF and other current and future contingency operations. Until recently, Army Europe's V Corps provided the primary command and control headquarters for ISAF in Afghanistan. Today, V Corps is reorganizing and preparing for future deployments. U.S. Army Europe's leadership and support were also crucial in establishing the

first ground-based radar site in Turkey, as European Command implements the President's European Phased Adaptive Approach to Missile Defense. Additionally, while U.S. Army Europe forces maintained a 30–40 percent deployment rate to Iraq and Afghanistan last year, increased dwell time has significantly improved the quantity and quality of our multinational training events and engagements. These events are focused on improving our European partners' capabilities, capacity, and interoperability for deployment to ISAF or other future contingency operations.

In 2011, U.S. Army Europe staff officers, intelligence specialists, and logisticians provided direct mission support to U.S. Africa Command and Operation Odyssey Dawn, including critical ground targeting capability from the 66th Military Intelligence Brigade. Throughout the continent of Europe, the 21st Theater Support Command provided U.S. Africa Command, and their Special Operations component, with key logistics and sustainment support, enabling the execution of vital missions across this theater of operations. Additionally, U.S. Army Europe played a crucial role in U.S. Transportation Command's proof-of-principle test in Romania to develop alternatives for transiting critical cargo to Afghanistan, Pakistan, and other locations.

#### *Theater Security Cooperation*

In one of European Command's most important Theater Security Cooperation initiatives, U.S. Army Europe forces prepared two Polish brigades, two Romanian battalions, and, in concert with the Marine Corps, two Georgian battalions for deployment to ISAF.



Leveraging the personal relationships and consistent presence of our forward-deployed brigades, we use these brigades to conduct vital training and mentorship with similar multinational forces. These 'unit partnership' programs have dramatically enhanced the capabilities of our coalition partners, preparing them to conduct operations across the globe and receiving considerable praise from ISAF commanders. Additionally, U.S. Army Europe has provided deploying units with critical lifesaving courses in the use of MRAP vehicles, Uparmored HMMWVs, and counter-IED procedures. Finally, in fiscal year 2011, U.S. Army Europe trainers prepared 50 OMLTs and 25 POMLTs for deployment to Afghanistan, supporting ISAF's high priority mission to train ANSFs.

The Joint Multinational Training Command (JMTC) is the linchpin to achieving these vital theater objectives, and meeting our comprehensive security cooperation mission. JMTC is a national strategic asset, providing world-class training and support that enables a broad range of multinational soldier training events ensuring U.S. and partner nation forces are well-prepared for ISAF operations and future global contingencies.

### *Exercises*

Exercises remain critical to the pre-deployment training of U.S. and coalition forces supporting ISAF operations, and they serve to prepare these same forces for future coalition operations across U.S. European Command, U.S. Africa Command, and U.S. Central Command. In 2011, U.S. Army Europe participated in 21 major joint and Army exercises, including 3 major mission rehearsals, conducted in 13 countries with 44 participating nations. Highlights include:

- Saber Strike 11, a Joint Chiefs of Staff (JCS)-directed brigade level command post exercise conducted in Latvia involving over 1,700 soldiers from Latvia, Lithuania, Estonia, Ukraine, and Poland. Saber Strike enhanced combat readiness and interoperability in the Baltic region, while assuring NATO partners of the United States' Article V commitment.



- Dragon 11, a live-fire exercise conducted in Poland with Polish, Canadian, and British ground forces to enhance partner capacity and increase interoperability. The exercise incorporated ISAF lessons learned, through the participation of NATO Multinational Corps Northeast personnel and the 173rd Airborne Brigade Combat Team.
- Immediate Response 11, a JCS-directed multilateral joint and combined exercise in the Balkans, with participation from Albania, Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, and Serbia, which provided an important venue for continued Balkan interaction and prepared ISAF-contributing nations to serve in Afghanistan's complex counterinsurgency environment alongside coalition forces.

### *Way Ahead*

U.S. Army Europe will provide forces for global combat operations, continue to conduct and facilitate world-class training with our allies and partners, and meet all theater missions to defend the homeland forward. Looking beyond ISAF, we have begun to establish new standards for multinational training to strengthen U.S. and partner nation participation in future coalition warfare. Recently, the 173rd ABCF Full Spectrum Training Event exercised critical Command capabilities to prepare full-spectrum forces ready for global employment, and to improve our allies' and partners' survivability and combat effectiveness during deployment. These engagements provide vital assurances to our allies and partners, reinforce U.S. leadership in NATO, enhance interoperability, and strengthen our key theater relationships.

*Introduction & Overview*

In 2011, Marine Forces Europe focused on strengthening and sustaining our allied and partner capabilities, as well as utilizing U.S. Marine expeditionary forces to reassure allies, deter potential adversaries, and remain ready to respond rapidly to crises across the region. The U.S. Marine Corps' expeditionary nature focuses Marine Forces Europe's primary orientation on security cooperation activities with our newest NATO allies and partners, particularly in the Caucasus, Black Sea, Balkan, and Baltic regions.

*Major Accomplishments*

In response to the Libya operation last year, Marine Forces Europe coordinated the provision of a battalion-sized augmentation to afloat expeditionary forces supporting U.S. Africa Command during Operation Odyssey Dawn, and facilitated the rapid deployment of electronic warfare assets to Italy in support of NATO Operation Unified Protector. In response to Turkey's devastating October 2011 earthquake, Marine Forces Europe provided essential humanitarian assistance, rapidly deploying transportable shelters and heating equipment to ease human suffering and support this important NATO ally in its time of need. While maintaining only a small Service component headquarters, Marine Forces Europe also effectively leveraged our capabilities to support key European Command objectives—focused on engagement in the Caucasus, Black Sea, and Balkans—in order to enable our partners to contribute to collective security in European and out-of-area operations. Marine Forces Europe continued to provide reassurance in the Baltics last year, while continuing to sharpen crisis response skills through training and operations.

*Georgia Deployment Program—International Security Assistance Force*

In support of nationally directed theater strategic end states, Marine Forces Europe leads European Command's joint mission to train the Georgian Armed Forces. Executing this mission since 2010, Marine Forces Europe has developed and implemented a program that has trained and deployed a total of four Georgian battalions to conduct full-spectrum counterinsurgency operations in support of ISAF. This program, the first of its kind in scale and scope, increased the Georgian Armed Forces' capacity to train and prepare their own forces for coalition operations, gradually decreasing U.S. Marine Corps instructor requirements by 60 percent. After working closely and building trust with the Marines through pre-deployment training and exercises—many conducted at the Joint Multinational Training Center in Germany—Georgia has extended its commitment to support U.S. Marine Corps operations in Regional Command-Southwest for another 2 years and, notably, expanded its ISAF contribution from one to two battalion rotations every 6 months, deploying a total of nine battalions during these 2 years for continued full-spectrum support to ISAF operations.

In light of this program's success and efficiency in moving toward partner self-sufficiency, the United States has accepted Georgia's offer. The Joint Staff has directed European Command to expand and extend the program to 2014. This spring, Marine Forces Europe is leading the simultaneous training of two Georgian battalions for deployment to ISAF.

*U.S. Marine Corps' Black Sea Rotational Force*

The U.S. Marine Corps' Black Sea Rotational Force is a multi-year program rotating Marine air and ground units, based in the United States, on deployment to bases in the Black Sea region in order to strengthen military capabilities, provide regional stability, and develop lasting partnerships with nations in this important region. In 2011, the Black Sea Rotational Force trained Romanian, Bulgarian, and Macedonian units, as well as forces from eight other contributing nations, for deployment to ISAF.



#### *Exercises*

Marine Forces Europe participated in 15 joint, bilateral, and multilateral exercises in 2011, reassuring theater allies and deterring potential adversaries by demonstrating rapid assembly, deployment, and maritime expeditionary capabilities. Of note, European Command's Exercise Austere Challenge 11 provided an outstanding opportunity to train the Marine Forces Europe staff in its Service component role during crisis response, revitalizing important amphibious and maritime pre-positioning objectives. Through participation in these exercises, Marine Forces Europe sustained critical warfighting skills, strengthened important theater relationships, and conducted vital interaction with European Command and NATO.

#### *Way Ahead*

Marine Forces Europe will continue to pursue renewed Amphibious Ready Group/Marine Expeditionary Unit presence in theater to meet the need for bilateral combined arms and amphibious training with key partners, including Israel, Turkey, France, and the United Kingdom, training that has been largely absent since 2003. Resuming this amphibious presence supports important theater reassurance and deterrence objectives. Marine Forces Europe will also stay engaged with Service-led efforts to transform our current pre-positioning posture in Norway, able to provide augmentation for employment of up to a Marine Expeditionary Brigade-sized force while maintaining our commitment to the reinforcement of Norway. Additionally, coordination continues to develop a limited crisis response capability for Black Sea Rotational Force 12, addressing areas that include Non-combatant Evacuation Operations and Humanitarian Assistance and Disaster Relief missions.

U.S. NAVAL FORCES EUROPE/U.S. NAVAL FORCES AFRICA/SIXTH FLEET—NAPLES, ITALY

#### *Introduction & Overview*

U.S. Naval Forces Europe/Africa/Commander Sixth Fleet (C6F), conducts the full range of maritime operations and Theater Security Cooperation in concert with NATO, coalition, joint, interagency, and other partners in Europe and Africa. Naval Forces Europe/Africa/C6F continues to perform Navy Component Commander functions supporting daily Fleet operations and Joint Maritime Commander/Joint Task Force Commander missions, thereby strengthening relationships with enduring allies and developing maritime capabilities with emerging partners, particularly in the theater's southern and eastern regions.

#### *Major Accomplishments Supporting European Command*

Naval Forces Europe/Africa/ C6F met all mission requirements in 2011 and maintained its certification as Joint Force Maritime Component Commander. The command engaged in numerous Theater Security Cooperation activities, enhancing vital

skills in Maritime Domain Awareness, security, and sea control. Always poised for crisis response, Naval Forces Europe/Africa/C6F contributed to numerous global security efforts in 2011, including: Operation Enduring Freedom; anti-piracy operations off the African coast; and coalition and NATO operations against pro-Gaddafi forces in Libya, consisting of Operation Odyssey Dawn, Operation Odyssey Guard, and NATO's Operation Unified Protector.



*U.S. Navy Sailors conduct operations against the rising threat of international piracy which, by some estimates, costs the maritime shipping industry approximately \$9B a year.*

#### *Libya Operations*

Naval Forces Europe/Africa/C6F's posture and readiness were ideally suited to support Libya operations, wherein its forward naval bases—including Naval Air Station Sigonella, Italy and Naval Support Activity Souda Bay, Greece—played a vital role in coalition asset placement and logistical support. Rapid crisis response and containment activities could not have occurred without Naval Forces Europe/Africa/C6F's bases and forward-stationed assets supporting and executing these operations. Additionally, USS *Mount Whitney*, operating from international waters with the Joint Task Force Commander and Joint Force Maritime Component Commander embarked, provided vital command and control, planning, and strike coordination capabilities during the initial days of Operation Odyssey Dawn.



#### *Ballistic Missile Defense*

Last year, USS *Monterey* and USS *The Sullivans* deployed to the European Command Theater to serve as the first Ballistic Missile Defense (BMD) ships supporting the European Phased Adaptive Approach to Missile Defense. Naval Forces Europe/Africa/C6F also increased support to the theater BMD mission by conducting 24-hour operations at its Maritime Operations Center in Naples, Italy.

#### *Forward Deployed Naval Forces, Spain*

The decision to station four Aegis destroyers at Naval Station Rota will place these ships in a position to maximize their operational flexibility for theater missions and crisis response in the Atlantic Ocean and across the Mediterranean Sea. These versatile, multi-mission platforms will perform a myriad of tasks, including BMD, maritime security operations, humanitarian missions, and bilateral and multilateral exercises. Spain's commitment reaffirms our Nations' longstanding friendship and mutual security cooperation.

#### *Theater Submarine Operations*

U.S. submarine forces provide assurance, deterrence, and valuable contributions to the forward defense of the United States. U.S. submariners expand European Command's intelligence, surveillance, and reconnaissance (ISR) capacity, and stand ready to conduct anti-submarine and anti-surface warfare operations, ensure undersea dominance, deliver close proximity strike, and provide high-value unit protection, thereby ensuring our Nation retains unfettered access to the sea lines of communication. Naval Forces Europe executed a vigorous series of theater-wide exercises in 2011, bringing U.S. submarines and partner navies together to strengthen maritime warfighting proficiency and interoperability. These capabilities are increasingly important as the Russian Federation Navy increases the pace, scope, and sophistication of its submarine fleet. Four new classes of Russian submarines are in development or near delivery. This focus on submarine recapitalization, incorporating improved platform capabilities, indicates that Russia continues to place a high priority on undersea warfare.

#### *Intelligence, Surveillance, and Reconnaissance*

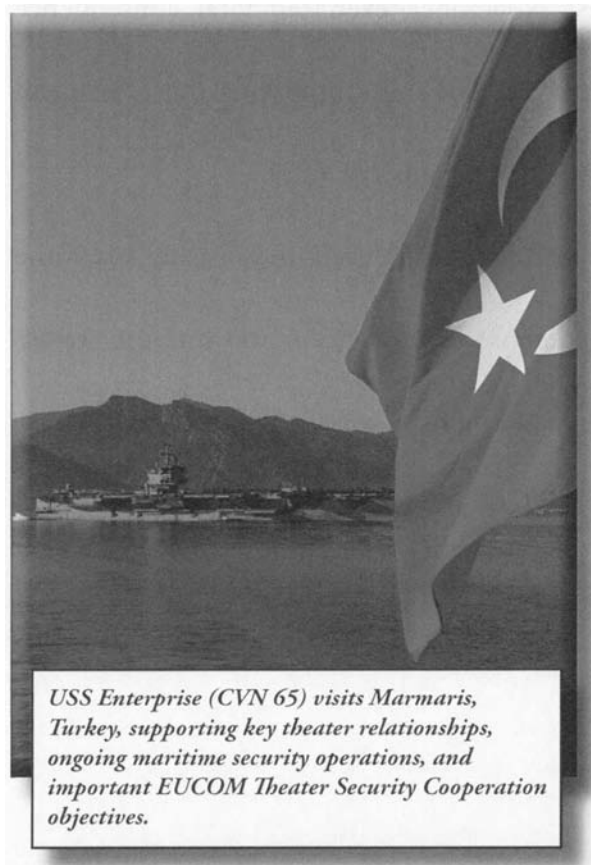
In addition to the surface and submarine fleet, Naval Forces Europe/Africa/C6F contributed to theater ISR capabilities and capacity by way of P-3 Maritime Patrol Aircraft and EP-3 Reconnaissance Aircraft operating from bases in Italy, Spain,



Turkey, and Greece, as well as ship-based Unmanned Aerial Vehicle missions. Employing these capabilities, Naval Forces Europe/Africa/C6F provided vital ISR support to both Operations Odyssey Dawn and Unified Protector, as well as ISR operations in the Eastern Mediterranean and in support of the NATO-led Kosovo Force.

#### *Theater Security Cooperation*

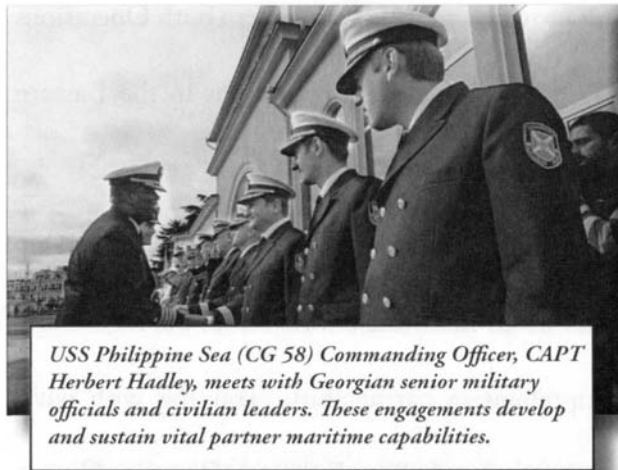
Naval Forces Europe/Africa/C6F led Eurasia Partnership Capstone, a flagship initiative designed to integrate various maritime efforts across the region into a comprehensive partnership. Training with naval forces from Azerbaijan, Bulgaria, Georgia, Greece, Lithuania, Malta, Poland, Romania, Turkey, and Ukraine, Naval Forces Europe/Africa/C6F enhanced capabilities in Maritime Interdiction Operations; Visit, Board, Search, and Seizure; search and rescue; maritime law enforcement; and environmental protection. In the Partnership of Adriatic Mariners program, U.S. naval forces joined with countries along the Adriatic Sea to increase proficiency in Maritime Domain Awareness and counter-illicit trafficking operations. As part of this effort, sailors from Croatia, Montenegro, and Albania embarked in USS *Mitscher* and USS *Monterey*, spending 2 weeks gaining experience in these important skills.



#### *Exercises*

Naval Forces Europe/Africa/C6F participated in six JCS-directed exercises and 14 NATO and European Command exercises in 2011. Baltops 11, discussed earlier, involved 13 European nations—including Russia—23 ships, 1 submarine, and 31 aircraft conducting maritime operations and interoperability training. Sea Breeze 11 involved 20 ships and over 2,000 personnel from 14 nations training in and around

the Black Sea. Neptune Response, conducted last November, exercised vital consequence management skills, preparing our forces and installations for terrorist attacks, natural disasters, and major oil spills.



#### *Way Ahead*

Naval Forces Europe/Africa/C6F will remain focused on ensuring maritime safety, security cooperation, and crisis response in the defense of our Nation and interests across the region. The command will support, develop, and expand ballistic missile defense capabilities, afloat and ashore, in synchronization with other European Command Service components. Naval Forces Europe/Africa/C6F will also focus on sustaining allied and partner maritime capabilities in a cost-effective manner.

U.S. AIR FORCES IN EUROPE—RAMSTEIN AIR BASE, GERMANY

#### *Introduction & Overview*

U.S. Air Forces in Europe provides forward-based, full-spectrum airpower and support to global U.S., NATO, and coalition operations. Air Forces in Europe provides mobility, access, communications, logistical support, contingency bed-down, command and control, and capable, responsive forces prepared to defend the homeland forward and respond at any time to crises across the theater or the world. This posture supports partnerships that enhance the NATO alliance and existing coalitions, ultimately increasing the security of the United States and reducing the burden on U.S. forces.

#### *Major Accomplishments*

Air Forces in Europe flew over 26,000 combat hours to support ongoing contingency operations in 2011, working daily with our NATO allies and partners to provide security across the European Theater and the globe. Of special note, forward-based air forces were essential to the United States' ability to rapidly respond to emerging operational requirements in Libya. Air Forces in Europe played a major role, providing seasoned leadership, expert command and control across the full spectrum of air operations, and the initial strategic and tactical level personnel and forces that led to the overwhelming success of Operations Odyssey Dawn and Unified Protector.



Air Forces in Europe also made major contributions to operations in Afghanistan and Iraq. The command deployed a variety of aircraft to support combat operations, including fighter aircraft that provided multi-role and ground attack support as well as refueling aircraft, combat search and rescue, and operational support aircraft. In addition, personnel from across the command deployed in support of Operations Enduring Freedom and New Dawn. Additionally, as a major mobility hub, Air Forces in Europe supported the deployment and redeployment of forces and equipment into and out of the U.S. Central Command Theater.



An instrumental global communications hub, Air Forces in Europe provides vital data links for worldwide communications, unmanned aerial system command and control, intelligence collection, and space operations. Poised to provide rapid humanitarian assistance, Air Forces in Europe delivered 9 tons of aid last year to Tunisia less than 48 hours after notification, in direct support of U.S. Africa Command and the U.S. Agency for International Development. The command also provided essential aid to Turkey in the wake of last October's earthquake, supporting this vital ally. Finally, Air Forces in Europe continues to ensure the availability of the basing and infrastructure that underpins the mobility en route system, directly supporting numerous combatant commands and critical air mobility missions.



#### *Operational Support*

As mentioned, Air Forces in Europe supports the operations of U.S. European Command, U.S. Africa Command, U.S. Central Command, U.S. Southern Command, and NATO, while conducting combat deployments at the same or higher rate than U.S. based air forces and supporting the throughput of over 60 percent of global air mobility missions. Air Forces in Europe maintains Combat Air Patrols supporting the NATO Icelandic and Baltic Air Policing missions, and conducts intelligence, surveillance, and reconnaissance missions across the greater Levant. Additionally, Air Forces in Europe coordinated the theater stationing and operation of permanent and expeditionary Air Force RQ-4B Global Hawk and MQ-1 Predator deployed in support of Operations Odyssey Dawn and Unified Protector.

#### *Ballistic Missile Defense*

Supporting the European Phased Adaptive Approach to Missile Defense (BMD), Air Forces in Europe performs command and control for U.S. BMD forces, and is coordinating with the NATO Air Component Headquarters to develop capabilities and procedures to transition the European territorial missile defense command and control mission to NATO. In support of this effort, Air Forces in Europe is establishing a joint and combined European Integrated Air and Missile Defense Center in Einsiedlerhof, Germany, designed to educate, develop, and refine U.S., partner, and allied missile defense capabilities and expertise. Finally, we continue leading the effort to enable NATO to meet its goal of declaring an interim NATO Ballistic Missile Defense capability by May 2012.

#### *Theater Security Cooperation*

When not supporting combat operations, Air Forces in Europe accomplished over 1,800 partnership events, including senior leader outreach, military-to-military engagement, and other training activities supporting three combatant commands. Robust senior leader engagement with 22 allied and partner nations sustained relationships across U.S. European Command, U.S. Africa Command, and U.S. Central Command. Pursuing interoperability with newer NATO allies, Air Forces in Europe conducted thorough engagement strategy studies with Romania and Croatia to assess air capabilities and identify mutually beneficial engagement opportunities. Re-

cently, the C-17 Heavy Airlift Wing passed the noteworthy 4,000 flight-hour mark while redeploying Hungarian allies from operations in Afghanistan. Air Forces in Europe also continues to conduct the Tactical Leadership Program with eight of our allies, developing the next generation of combat air leaders capable of worldwide operations to augment, or in some cases reduce, the need for U.S. airmen. Finally, Air Forces in Europe continues to develop a strong cadre of future noncommissioned officers through engagement with partner nation Senior Enlisted Leaders from across Europe and Africa.

#### *Exercises*

Air Forces in Europe participated in 12 JCS-directed exercises in fiscal year 2011. Anatolian Eagle provided realistic, scenario-based training to test combined aerial combat skills with Jordan, Saudi Arabia, Spain, and Turkey. In Screaming Eagle, Ramstein Air Base personnel interacted with Polish forces to increase interoperability with this increasingly important theater partner. In Medceur 2011, Air Forces in Europe developed expeditionary medical support capabilities and participated in a Macedonian interagency humanitarian assistance exercise to train personnel and agencies from the U.S. and five Balkan nations.

#### *Way Ahead*

Recognizing the need for sustained effectiveness and increased efficiency, Air Forces in Europe continues to implement Secretary of Defense-directed budget efficiencies. Accordingly, Air Forces in Europe will consolidate its subordinate numbered air forces and their associated Air and Space Operations Centers, creating an extremely lean, agile, and flexible headquarters with leadership and staff supporting U.S. European Command and U.S. Africa Command while maintaining essential service support to forces in theater. As we look to the near term, Air Forces in Europe will continue to aggressively implement the European Phased Adaptive Approach to Missile Defense, and continue supporting global U.S. national and military objectives through our forward-based forces and infrastructure. Europe's strategic location and our strong relationships remain critical enablers for unilateral and joint mobility, and rapid response to contingencies across Europe, Africa, Asia, and the Middle East.

#### U.S. SPECIAL OPERATIONS COMMAND EUROPE—STUTTGART, GERMANY

##### *Introduction and Overview*

Special Operations Command Europe operates from two main forward-deployed locations in Stuttgart, Germany, and the Royal Air Force (RAF) station at Mildenhall, England. The Command is comprised of three assigned components: 1st Battalion, 10th Special Forces Group (Airborne); Naval Special Warfare Unit-2; and the 352d Special Operations Group (Air Force Special Operations Command). Special Operations Command Europe continues to expand theater-wide special operations forces (SOF) capabilities, mainly by developing and enabling our allied and partner nation SOF to deploy to Afghanistan in support of ISAF. In developing our allied and partner SOF skills, we seek to enable niche capabilities which, taken together, can translate into unified SOF actions that support NATO, U.S. national security objectives, and our shared security interests.

##### *Operations*

While predominately focused on allied and partner development for ISAF employment, Special Operations Command Europe also supported combat operations in Iraq and Afghanistan through the deployments of U.S. Army Special Forces, U.S. Navy SEALs, and U.S. Air Force Special Operations MC-130 Combat Talon and Combat Shadow aircraft and air commandos. Additionally, Special Operations Command Europe conducted planning and provided forces to support U.S. Africa Command's Operation Odyssey Dawn and NATO's Operation Unified Protector. Supporting this Alliance operation, Special Operations Command Europe's 352d Special Operations Group provided command and control for the first-ever AC-130 and EC-130J Compass Call combat operations over Libya, neutralizing 14 regime targets and conducting Military Information Support Operations, respectively, to help protect the Libyan people. Through these and other combat operations, Special Operations Command Europe continues to validate its strategic posture and value by projecting U.S., allied, and partner SOF into two adjacent geographic combatant commands, while supporting steady-state transatlantic security and maintaining our ability to rapidly respond to unforeseen contingencies against emerging threats from state and non-state actors.

*Major Accomplishments*

Special Operations Command Europe focused its efforts and delivered results across four areas in 2011:

First, we maintained emphasis on engagement activities with allied and partner SOF, in order to prepare them for deployment to Afghanistan. Special Operations Command Europe conducted 21 Joint Combined Exchange Training events, 14 bilateral training activities, 51 Partnership Development Program events, 2 bilateral counter-narcoterrorism training events, an intelligence conference on Iranian activities in Europe, and numerous key leader engagements and staff visits to sustain partner SOF development. Additionally, Special Operations Command Europe conducted the Joint Chiefs of Staff-directed Exercise Jackal Stone 11, bringing together over 1,400 international SOF participants from 9 countries for the invaluable opportunities to train together, build mutual respect, share SOF doctrine, tactics, techniques, and procedures, and ultimately increase our interoperability using NATO procedures.

Second, Special Operations Command Europe led European Command's efforts to support U.S. Central Command's efforts in Iraq and Afghanistan. In Stuttgart, Special Operations Command Europe chaired the Stuttgart Effects Group, a multi-headquarters interagency forum to increase understanding of transnational threats and de-conflict associated efforts across the combatant commands and among our U.S. interagency partners. In Iraq, our deployed forces participated in numerous counterterrorism operations in direct support of U.S. Central Command, conducting more than 115 successful high-risk offensive missions that targeted 113 high-value individuals. One such mission captured the leader of an al Qaeda-affiliated organization, dealing a huge blow to this Sunni extremist group. Additionally, 17 Special Tactics Airmen from the 352d Special Operations Group provided direct support to 120 combat operations in support of Operations New Dawn and Enduring Freedom. Naval Special Warfare provided personnel to serve on Joint Planning and Advisory Teams (JPAT) for one Lithuanian and two Polish Special Operations Task Groups in support of ISAF. For the fifth year in a row, Special Operations Command Europe continued to provide direct support to ISAF through the deployment of Special Operations Task Force 10, providing essential military assistance to five Afghan Provincial Reaction Companies. These efforts made key contributions to the Government of Afghanistan and mentored ANSFs, reinforcing their progress into a self-run, confident force capable of making significant contributions to security operations across sizable Afghan population centers.

Third, Special Operations Command Europe continued to prepare for contingency missions through an intense exercise schedule, while responding to actual contingency tasking. During our annual Jackal Stone Part 1 certification exercise, the command validated critical command and control and crisis response functions, while also exercising important capabilities during European Command's annual Austere Challenge exercise and executing mission support to Operation Unified Protector.



Fourth, Special Operations Command Europe continued to refine and adapt strategic special operations forces requirements across European Command's area of focus, while also taking care of our people. We broke new ground, through the development of operational concepts like the Distributed Special Operations Forces Network, and by coordinating the work of U.S. Country Team SOF liaison elements with allied and partner SOF. After a decade of sustained combat operations, Special Operations Command Europe renewed efforts to focus on additional ways to take care of our warriors and their families. We have instituted greater command-sponsored family events, increased servicemember awareness regarding health and comprehensive well-being, and provided command-sponsored apartments near the Landstuhl Regional Medical Center to support wounded SOF Warriors and their families.

#### *Way Ahead*

Special Operations Command Europe will continue to focus our efforts on contributing to ISAF Special Operations Forces, moving from development of allied and partner tactical skills to the development of operational-level capabilities. Within the theater, Special Operations Command Europe will increasingly focus on supporting our interagency partners' counter-terrorist efforts and continue our engagement with allied and partner counterterrorism forces. Special Operations Command Europe will continue to support European Command, U.S., and NATO objectives, maintain our combat edge, further develop our allied and partner Special Operations Forces, and always be ready to respond quickly to crisis—a vanguard force for the forward defense of the United States.

#### CHALLENGES & OPPORTUNITIES

"At U.S. European Command, all of the many diverse missions of our Armed Forces intersect, from combating transnational threats like terrorism and cyber attacks, to building partnership capacity, from supporting NATO's counterinsurgency campaign in Afghanistan to maintaining the strategic balance of forces with other European powers....U.S. European Command is doing it all."

Sen. John McCain, Senate Armed Services Committee, March 2011



Many challenges converge across a theater as large and complex as U.S. European Command. From the Arctic circle to the Caspian basin; from the strategic corridor of the North Atlantic to the strategic chokepoints of Gibraltar and the Bosphorus; in an area of focus encompassing 51 very different countries spanning Europe, Asia, and the Levant; and in environments that alternate from the ocean depths to the Eurasian steppes to the ever-expanding horizons of cyberspace, European Command is presented with important opportunities to initiate positive change across a wide array of 21st century security fronts. While maintaining vigilance for signs of regression or instability that may pose a threat to U.S. national interests, European Command approaches all of these challenges as opportunities for sustaining engagement, fostering cooperation, and establishing mutual security.

#### *Afghanistan*

At the Lisbon Summit in November 2010, the United States and its NATO allies announced the beginning of a process to transition leadership of security operations from ISAF to the Government of Afghanistan. Since then, the Afghan government has designated for transition part or all of 25 provinces and districts, comprising some 50 percent of the Afghan population. The Afghan population is responding. In a poll conducted by the Asia Foundation<sup>2</sup> last fall, 87 percent of respondents—from a diverse cross-section consisting of 6,500 Afghan men and women from rural and urban areas across Afghanistan's 34 provinces—stated that the Afghan National Army was improving the security situation across the country. The survey confirmed that many Afghans see affirmative progress in the quality of their lives, appreciate the services provided by the government, and support equal rights regardless of gender, ethnicity, or religion. Significantly, 85 percent of Afghans polled supported educational opportunities for women.

Maintaining this momentum depends on the continued development and expansion of the ANSFs. The key to sustaining this progress and achieving the 2014 transition is training the Afghan National Army and Afghan National Police to a level that permits them to fully assume these responsibilities. In addition, we and our NATO allies are committed to an enduring partnership with Afghanistan, requiring sustained support to Afghan security institutions in order to solidify their capabilities against threats to the security, stability, and integrity of Afghanistan.

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<sup>2</sup>The Asia Foundation, "Afghanistan in 2011: A Survey of the Afghan People," <http://asiafoundation.org/country/afghanistan/2011-poll.php>.



By providing army and police trainers, as well as other forces, our European allies and partners have played an essential role in supporting this transition and maintaining the enduring partnership that follows. Europeans currently contribute approximately 25 percent of the mentoring teams required to train ANSFs in the field, as well as gendarmerie and other instructor personnel serving at regional police training centers. Our European allies and partners understand the vital importance of this mission. They remain willing to send their sons and daughters into harm's way alongside the United States to bring peace, security, and prosperity to the people of Afghanistan. Their commitment also comes at a precious price, with nearly 1,000 forces killed in action and non battle-related deaths since 2001. In fact, many of these nations, making particularly large force contributions relative to their populations, are suffering proportionally higher casualties than the United States.

We need the continued efforts of our European allies and partners to complete the transition of responsibility to the Afghan government, and to consolidate security and stability in Afghanistan following the transition. For this reason, supporting European deployments to Afghanistan remains a European Command priority. This support includes assistance with predeployment training, equipment, personnel augmentation, and movement to and from Afghanistan. We also seek to sustain the expeditionary, counterinsurgency, and other important military capabilities that our allies and partners have built through years of deployment to Afghanistan, in many cases with equipment and training that the United States has provided. Our efforts to sustain these capabilities and maintain interoperability with U.S. forces will assist NATO in its commitment to an enduring partnership with Afghanistan, and will also help our allies and partners retain and refine the military capabilities called for in the NATO Strategic Concept, defining the path forward for the Alliance in the fast-moving and turbulent 21st century.

#### *Israel*

As Israel is inside European Command's area of focus, we continue to support the United States' commitment to this longstanding and important partner through numerous bilateral military engagement events, increased interagency activities, robust exercises, and continuous senior military leader consultation. Israel's strategic location in the Levant, and our close working relationship with U.S. Central Command, enables European Command leaders and planners to remain regionally oriented and constantly updated on threats emanating from Hezbollah, Hamas, Iran,

Syria, and other regional actors of concern. Additionally, the impact and pace of political change generated by the 'Arab Spring' dynamic continues to increase the need for a careful watch of rapidly unfolding events. This political-military environment remains volatile, and could erupt with little warning through instigation or miscalculation, posing serious security challenges to the region, the United States, and our allies and partners.

European Command's security cooperation activities remain focused on strengthening our relationship with Israel and enhancing regional stability and security. Our recently revised and released 2012 Theater Strategy emphasizes that stability in the Levant remains one of our most pressing Command concerns and highest Command priorities. As mentioned earlier, we chair four bilateral, semi-annual conferences to address planning, logistics, exercises, and interoperability with Israel. We also conduct multiple headquarters and component-level security cooperation events annually, including eight major recurring exercises focused on cooperation, interoperability, and mutual understanding. This year, Austere Challenge 12 will provide a multi-phased large-scale exercise opportunity to train key leaders and joint forces from U.S. European Command Headquarters, our U.S. Service components, the Israel Defense Forces General Staff, and Israel's Service components as we continue to build, maintain, and strengthen our unique partnership.

#### *Turkey*

A NATO ally since 1952, Turkey continues to be a critical geopolitical contributor to U.S. national security objectives, particularly in its support of U.S. and coalition antiterrorism operations. Turkey is also an indispensable partner in addressing the increasingly complex challenges in the Levant and across the greater Middle East.

Last year, as an important step in implementation of the European Phased Adaptive Approach to Missile Defense, the United States gained Turkey's approval to establish a Ballistic Missile Defense Early Warning Radar System (AN-TPY 2) in Kürecik, Turkey, as part of a NATO missile defense system. In another key theater initiative, the United States continues to provide Turkey with critical support in their ongoing fight against terrorism.

Pursuing important interoperability goals with Turkey, European Command has acquired approval to provide secure communications for three Turkish AH-1W Super Cobra helicopters, enhancing Turkey's ability to contribute to mutual security interests, including counterterrorism, border security, Operation Enduring Freedom, and NATO and U.N. operations. Lastly, European Command's Joint Interagency Counter Trafficking Center (JICTC), an organization chartered to synchronize theater military support to activities that combat illicit transnational trafficking and terrorism, supports the U.S. Interagency and U.S. Embassy's strong collaborative efforts with Turkey to disrupt illicit trafficking through Turkey's historic crossroads linking Europe and Asia.

#### *Bosnia and Herzegovina*

For over 16 years, the United States has made a substantial investment in Bosnia and Herzegovina. Recently, political difficulties and the country's delay in forming a central government until 15 months after the general elections illustrate that the long-term effect of our collective efforts and historic progress remain tenuous, requiring sustained vigilance and attention in order to keep regional stability on track. Unfortunately, 2011 did not see notable changes in either the political or defense reform processes, though these reforms are necessary for eventual membership into the European Union (EU) and NATO. The road to EU and NATO accession may also meet with resistance when some elements of the political elite realize that further Euro-Atlantic integration will require enhancements in the rule of law and democratization. Continued U.S. and EU engagement is required to reinvigorate the reform process. Ultimately, this renewed focus, facilitating the Euro-Atlantic integration of Bosnia and Herzegovina, will cost far less than responding to renewed conflict years from now should reforms be allowed to stagnate or fail.

In spite of these difficulties, Bosnia and Herzegovina has made contributions to the fight in Afghanistan, sending a troop rotation to support ISAF operations in Helmand Province and donating excess military equipment to support ANSFs. Bosnia and Herzegovina will also host and participate in European Command's first iteration of Exercise Shared Resilience this June, an international civil-military event including NATO members and Southeastern European countries focused on humanitarian assistance and disaster response.

#### *Kosovo*

In Kosovo, ethnic tensions flared last summer and fall along the northern border with Serbia, demonstrating that the hard-earned peace and security achieved in this region over the past decade still remains fragile. These events serve to remind us

that our commitment to sustaining the dialogue between parties and our national contributions to the NATO Kosovo Force (KFOR) remain important safeguards to Kosovo's security and stability. Currently, there are approximately 800 U.S. forces assigned to KFOR, only about 10 percent of the total NATO mission, a percentage that reveals the extensive commitment of our allies to this critical stability operation. European Command also maintains the U.S. National Intelligence Cell located in Pristina, Kosovo, providing mission-essential support to KFOR leadership.

U.S. engagement in Kosovo remains focused on the objectives outlined in the NATO-endorsed Ahtisaari Plan, calling for development of Kosovo Security Force (KSF) capacity in specialized skill sets including Explosive Ordnance Disposal, hazardous material response, firefighting, search and rescue, and other supporting functions. The recent pairing of Iowa and Kosovo through the National Guard State Partnership Program will strengthen U.S. bilateral engagement with Kosovo Security Forces. U.S. military-to-military engagements also continue to focus on strengthening and professionalizing the Kosovo Security Force with a special emphasis on the noncommissioned officer corps. These initiatives are important transition and legacy objectives designed to develop a viable force able to provide security once the KFOR mission ultimately draws to a close.



*KFOR Quick Reaction Force members conduct rapid response training. Kosovo remains a focus area to preserve and protect long-standing security gains.*

### *Russia*

European Command continues to evolve in our military-to-military partnership role with Russia, and we actively continue to seek out zones of cooperation. This remains a complex and challenging assignment. The United States maintains an open and honest dialogue about all aspects of our relationship, including our disagreements. Over the past year, we have increased our military-to-military dialogue and activities, both bilaterally and within the NATO-Russia architecture, while at the same time reassuring our allies and other partners that this intensification does not come at their expense.

With respect to military engagement, in September 2010, the Secretary of Defense signed a Memorandum of Understanding on Defense Cooperation to establish the Defense Relations Working Group (DRWG) under the Bilateral Presidential Commission. Dialogue has started within specific issues of mutual concern, including missile defense, human resources, education and training, defense technical cooperation, and regional and global security. Within the Military Cooperation Working Group, discussion has intensified between the Chairman of the Joint Chiefs of Staff and the Chief of the Russian General Staff on combating terrorism; Afghanistan/Pakistan; and other key regional and operational issues. In May 2011, the Chairman and Chief of the General Staff signed a Memorandum on Counter-terrorism Cooperation to outline mutual goals and activities for greater interaction in this area.

European Command plays a key role in operationalizing this strategic guidance to shape our military-to-military cooperation with Russia. We lead the development of the annual bilateral Military Cooperation Work Plan with U.S. stakeholders, in-

cluding the Joint Staff, U.S. Pacific Command, U.S. Strategic Command, U.S. Northern Command, the Services, select U.S. Defense Agencies, and their respective Russian counterparts. Despite continued disagreements at political levels over missile defense, the amount and scope of other cooperative activities continues to increase, in areas that include combating terrorism, counter-piracy, crisis response, and maritime operations. The number and quality of these bilateral events increased consistently in 2010 and 2011. We are coordinating for new and more substantive counterterrorism and peacekeeping exercises in 2012, and working with the Office of the Secretary of Defense and the Joint Staff to develop mechanisms for reciprocal logistics support and information exchanges to ensure the bilateral relationship develops in an equal, pragmatic, transparent, and mutually beneficial manner.

Conducting counter-piracy operations off the Horn of Africa, Russian ships continue to patrol alongside NATO vessels and ships from the European Union, Gulf States, China, and India. While piracy challenges persist—by some estimates costing the shipping industry more than \$9 billion a year<sup>3</sup>—Russian cooperation and coordination have been very helpful. We continue to work with Russia to improve these efforts. Cooperation between our navies is one of the most active areas in the bilateral Work Plan and continues to enable the overall effort.



Outside the military-to-military framework, European Command seeks to support wider interagency initiatives to engage Russia in areas of mutual concern and potential benefit. We seek to build on previous experience, such as European Command's effort to assist Russia respond to its 2010 wildfires, ongoing U.S. Coast Guard cooperation with the Russian Border Service, and earlier engagement between the Iowa National Guard and Russia's Emergency Situation Ministry (within a bilateral Federal Emergency Management Agency-led framework), in order to pursue opportunities in areas such as disaster response and counternarcotics.

In 2009, European Command authored a framework document to resume military-to-military cooperation with Russia, as mentioned, in an equal, pragmatic, transparent, and mutually beneficial manner. The framework not only addresses crisis response and consequence management operations, but also seeks to promote interaction and ensure mutual support in areas that include counterterrorism and counter-piracy operations; peacekeeping; missile, space, and ballistic missile defense; and search and rescue operations.

This framework document, signed by the Chairman of the Joint Chiefs of Staff and the Russian Chief of Defense at the 2009 Presidential Summit in Moscow, has begun to rebuild a structure for our bilateral defense relationship that allows wide-ranging and candid engagement on all issues of concern. European Command con-

<sup>3</sup>Nirmala George, "Piracy Costs World Shipping Industry \$9 Billion a Year," *Insurance Journal*, October 4, 2011, <http://www.insurancejournal.com/news/international/2011/10/04/218532.htm>.

tinues to support this effort by leading the development of the annual military-to-military work plan, defining the events and activities that we aim to accomplish together over the next year. Again, while enhancing our bilateral military-to-military relationship with Russia, European Command will work with NATO and other partners to implement an integrated and inclusive security cooperation architecture beneficial to all participants that does not come at the expense of our allies and partners.

#### *Poland*

Poland is a staunch supporter of U.S. strategic interests, theater operational initiatives, and NATO coalition operations, and serves as a critical leader of the newly acceded NATO nations. We welcome their engagement and deeply appreciate their expanded contributions to ISAF's mission in Afghanistan. In another area of critical importance, Poland's commitment to host regional ballistic missile defense assets is not only valuable to the United States; it contributes to our security relationships with other NATO allies and regional partners, and identifies Poland as a leader within the alliance. We remain committed to furthering this highly beneficial relationship and assisting Poland develop the capabilities and interoperability needed to continue supporting NATO and coalition operations.

Building on this cooperation, European Command is proceeding with plans to establish a small aviation detachment in Poland to support rotational deployments of F-16 and C-130 units designed to strengthen interoperability between our air forces. In addition, U.S. support for the development of Poland's fourth generation (F-16) fighter capability and European Command's pre-deployment training for Polish brigades slated to deploy to Afghanistan continue to underpin and strengthen our military relationship. Finally, in fulfillment of the Declaration of Strategic Cooperation between our two nations, European Command continues to support PAC-3 Patriot battery rotations to Poland on a quarterly basis to familiarize Polish Armed Forces with the Patriot Missile System and enhance U.S.-Poland Air and Missile Defense cooperation. There have been eight rotations in 2010 and 2011 for training and exercise purposes. The final four rotations are scheduled this year. I am greatly encouraged by the promising partnership we have with this pivotal European nation, and expect that Poland will continue to make strong contributions to our shared security interests in the years ahead.

#### *The Caucasus*

Georgia, Armenia, Azerbaijan, and the Caspian Sea present important strategic issues in our theater, including logistical access to Afghanistan, participation in coalition stability operations, hydrocarbon infrastructure security, and rising humanitarian concerns. The region also possesses a high degree of potential instability due to the unresolved Nagorno-Karabakh conflict between Armenia and Azerbaijan, and the Russia-Georgia clash over Abkhazia and South Ossetia. European Command's engagement with these nations seeks to promote security and stability in a sensitive region, promote maritime security cooperation in the Caspian, and improve partner nation interoperability with U.S. forces.

#### *Georgia*

Georgia remains a dedicated and capable partner, maintaining a thriving military engagement program with the United States and providing robust ISAF support. The Georgian Government is committed to defense reform, seeks to inculcate a Western approach to civil-military relations, and is diligently working to achieve NATO standardization. Through this partnership, European Command buttresses U.S. policy supporting Georgian territorial integrity, and works to find peaceful resolutions to the frozen conflicts in Abkhazia and South Ossetia.

#### *Armenia*

The United States continues to pursue a wide-ranging program of security engagement with the Republic of Armenia. Current emphasis is focused on defense reform, professional military education, international and NATO peacekeeping operations, expeditionary medical capabilities, and humanitarian de-mining as Armenia strives to become a security provider, rather than a security consumer, in the international community.

#### *Azerbaijan*

The U.S. relationship with the Republic of Azerbaijan remains strong. Azerbaijan continues to support ISAF through the Northern Distribution Network's logistical air and ground corridors, and with fuel supplies and a troop contribution. Additionally, U.S.-Azerbaijani efforts continue to improve critical energy infrastructure pro-

tection, enhance maritime security, increase NATO interoperability, develop strategic defense reform, and work toward the goal of regional stability and security.

#### *The Caspian*

The Caspian Sea is both an extension of the South Caucasus and a bridge to Central Asia. European Command continues its close cooperation with U.S. Central Command in order to coordinate security cooperation across the Caspian to develop regional capabilities and respond to maritime transnational threats. Maritime security cooperation helps our partners bolster their independence and contributes to regional stability.

#### *Terrorism in Europe*

The threat of terrorist attack and the presence of both Sunni and Shia terrorist support networks within our area of focus remain serious, with several hundred kinetic terror attacks in the European Command's region last year, including the death of two U.S. airmen at the Frankfurt airport in Germany. Although these attacks from multiple Europe-based extremists were not conducted by al Qaeda, Europe continues to represent an area of high interest for al Qaeda and its affiliated terrorist groups, seeking potential targets and especially for their use as a support base. Violent-minded extremists exploit the relatively permissive European legal environment to radicalize local populations and to seek material and financial support for jihadist efforts in Afghanistan, Iraq, and elsewhere.

Radicalized fighters returning home to Europe from conflict zones pose a real threat given their experience, contacts, and ability to move across the continent. The threat these extremists pose, using Europe as a base or corridor for operations elsewhere in the world including the United States, cannot be discounted.

Though al Qaeda and affiliated extremists possess significant ability to conduct mass casualty attacks against U.S. allied personnel and facilities in Europe, self-motivated terrorists with little or no guidance from any parent organization pose an additional unpredictable threat, as they remain largely unknown to European security services. The aforementioned attack last year, killing two U.S. airmen at the Frankfurt airport, highlights the unpredictable dangers that exist from extremist-inspired solitary terrorist assailants. As shown by the attacks in Norway last year—both in the devastating downtown bombing that killed eight and the horrific youth camp massacre that took the lives of 69 young people—uncoordinated acts of murderous terrorism across the continent may also proceed from other fanatical and inscrutable ideologies representative of the long history of terrorism in Europe, including nationalism, separatism, anarchism, and various kinds of political extremism.

We are also seeing increased Iranian activity in Europe from the Qods Force, the external operational arm of Iran's Revolutionary Guard Corps. Similarly, we are seeing an increase in the capabilities of Lebanese Hizballah. Both of these elements operate against U.S. and allied interests.

European countries continue to improve their counterterrorism capacity by strengthening counterterrorism legislation, expanding international counterterrorism cooperation, and successfully prosecuting and jailing terrorist actors. European Command's contribution to this evolving fight focuses on intelligence, information sharing, and support to our partners' capabilities. Current European Command information-sharing and coordination with the International Criminal Police Organization has assisted investigations in more than 80 countries to date. European Command also works with our European partners, the Intelligence Community, and our counterparts at U.S. Central Command and U.S. Northern Command to identify and counter threats to the United States and U.S. forces originating from Europe, Afghanistan, and Pakistan. These efforts help close the seams exploited by terrorist networks, strengthening the broad global counterterrorism dragnet that reduces the Homeland's vulnerability to terrorism emanating from Europe.

#### *Illicit Trafficking*

Located at the historic crossroads of Europe, the Middle East and Asia, the European Command area of focus remains both a key global transit zone and destination for illicit trafficking in drugs, weapons, humans beings held against their will, and a host of other illicit commodities. The effects of globalization—expanded international trade, increased border porosity, and a widened potential for corruption among nascent governments—has created vulnerabilities which sophisticated criminal networks continue to exploit across the Black Sea, Caucasus, Balkans, and Eastern and Southern Europe. The proceeds from transnational illicit trafficking enable organized criminals, terrorists, and insurgents to evade law enforcement, conduct training and operations, penetrate legitimate economic structures, and challenge the authority of national governments. Drug trafficking through Europe has also had a significant impact on security in Afghanistan. A 2011 U.N. estimate indicated that

the Taliban made more than \$150 million in 2009 through the sale of opium.<sup>4</sup> That same year, the U.N. estimated that 75–80 metric tons of Afghan heroin reached Central and Western Europe, while another 90 metric tons of Afghan heroin are estimated to have transited through Central Asia to Russia, compounding a growing heroin epidemic among the Russian people, particularly Russian youth.

While human and drug trafficking may not seem like purely military issues, their corrupting influence on governance and security structures, and their tragic human toll, elevate their relevance in the multi-faceted security arena of the 21st century. The U.S. Secretary of State has estimated that as many as 23 million people worldwide are victims of human trafficking, for despicable use in forced labor, prostitution, debt bondage as migrant laborers, involuntary domestic servitude, forced child labor, and as child soldiers. These tragic activities, along trafficking routes that run through Europe, make this dark side of globalization a signal security issue for European Command.

Accordingly, European Command has realigned existing resources to stand up the Joint Interagency Counter-Trafficking Center (JICTC). JICTC is focused on counter-trafficking and counterterrorism, providing support to the U.S. Interagency and U.S. Country Teams in Europe, and establishing relationships with similar international organizations in Europe in order to disrupt and eliminate the intersecting networks that terrorists and organized criminals use to generate revenue, move illicit commodities, support operations, and destabilize partner nations and emerging governments across our theater.

#### *Combating Weapons of Mass Destruction*

Weapons of Mass Destruction (WMD) in the hands of terrorists or a rogue state represent a grave threat to the United States and our allies. In the high-stakes fight to combat WMD, several factors intersect across the European Command area of focus: the bulk of the world's WMD reside here; European population centers and U.S. military installations present numerous targets for terrorist organizations; and European ports and terminals are the last line of defense for much of the commercial traffic that enters the U.S. port system. Fortunately, we have several close allies and partners who share these WMD concerns.

Our goal is to leverage the capability of theater counterproliferation stakeholders and facilitate collaborative efforts to reduce the potential for successful WMD trafficking. In order to do this, we must continue to increase our preparedness through military-to-military engagements, joint training events, and interagency interaction and partnering to strengthen our collective capabilities in this critical mission area.

#### *Cyberspace*

Today, economies, information, communications, transportation, essential services, critical infrastructure, and governance all hinge on cyberspace. Governments, corporations, and organizations of all kinds are increasingly reliant on network security, information assurance, and cyber defenses to keep modern society functioning. Meanwhile, hackers, spies, and terrorists can reach through cyberspace to conduct damaging, even devastating, attacks. Modern militaries continue to view cyberspace as an increasingly inviting and effective battleground for 21st century conflict. Indeed, a glimpse of this future was seen in our own theater, during cyber attacks occurring in Estonia in 2007 and Georgia in 2008.

While the costs of cyber defense for governments, militaries, and other organizations are high, the risks and potential loss of critical national, military, and proprietary information are alarmingly higher. There is a clear and compelling need for greater cooperation among governments, militaries, and the private sector to protect critical networks and national infrastructures from cyber-related threats. Recognizing this challenge, European Command views cyberspace as a tremendous opportunity for theater outreach to engage, learn, and forge our cyber defenses stronger together. Recently, the United States became a full member in the NATO Cooperative Cyber Defense Center of Excellence, located in Tallinn, Estonia. Its focus on collaboratively building NATO members' cyber defenses stronger together is a tremendously positive step in the right direction. European Command has also included cyber defense as a priority area for our military-to-military engagements. These engagements include focus areas that examine cyber defense capabilities, capacity required to build and sustain a cyber defense program, and the development of a capable cyber defense workforce. To date, 37 European Command country cooperation plans support these cyber-focused objectives.

<sup>4</sup>United Nations Office on Drugs and Crime (UNODC), World Drug Report 2011, <http://www.unodc.org/documents/data-and-analysis/WDR2011/World—Drug—Report—2011—ebook.pdf>.



### *Arctic*

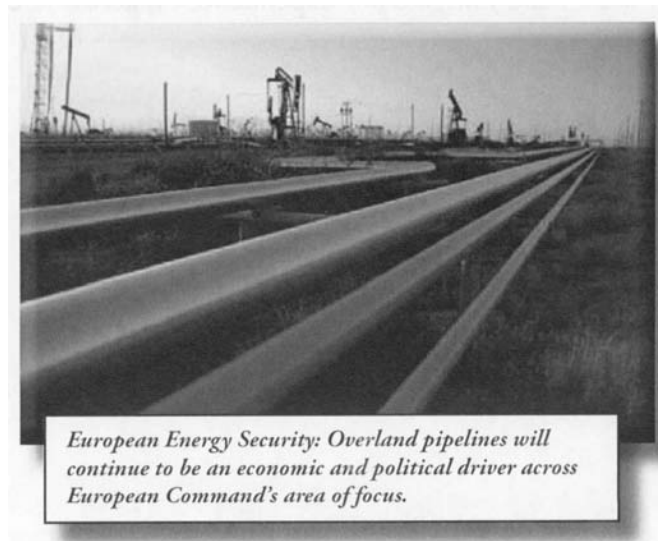
Climate change in the Arctic makes it one of the world's most rapidly changing environments. As the volume of Arctic sea ice decreases, access continues to increase permitting maritime traffic into areas previously impassable without specialized vessels. This new access is creating opportunities for transit, development, and natural resource extraction. While some see these changes as a potential breeding ground for conflict, we see the risk of armed conflict as low, and continue to approach the Arctic as an area of cooperation among Arctic nations.

Though significant cooperation exists among Arctic nations, continued cooperation should be based on a clear legal framework for determining the status of each nation's claims. To this end, I continue to support U.S. accession to the Law of the Sea Convention. The Convention provides access to a procedure that maximizes legal certainty and international recognition of the continental shelf beyond 200 miles from shore. Establishing a clear, internationally recognized, continental shelf will enhance Arctic regional security and promote development.

European Command continues to work multilaterally with Arctic partners to build a comprehensive and sustainable approach that benefits all stakeholders, and pursues mutual interests in safe navigation, scientific exploration, and environmental protection. In one example of our support to these efforts, European Command co-hosted with Norway the first Arctic Roundtable, a forum for Arctic nations' militaries to discuss cooperative solutions to shared challenges, enhancing the Arctic dialogue and increasing mutual trust and confidence. We are working with Norway to build upon this success with the 2012 Arctic Roundtable. We are also encouraged by the work done with the international search and rescue agreement and the international oil spill response initiative. As we look to the future, we must balance fiscal constraints with the need to provide safety and sustained access to this important region. As the Arctic continues to change, it is important that we plan and resource the necessary capabilities to meet our strategic interests there, ensuring our readiness to operate in the Arctic in the years ahead.

### *Energy Security*

Reliable access to affordable energy remains a core issue for countries across the European Command Theater, whether they are energy exporters, importers, or transit states. Dependence on natural gas from Russia will continue for many of our European partners, especially in light of its continued substitution for coal in electricity generation and questions regarding the future of nuclear power in Europe raised by the Fukushima nuclear incident. We continue to monitor changes to the energy status quo in Europe, including the large-scale development of shale gas and the increased utilization of liquefied natural gas.



*European Energy Security: Overland pipelines will continue to be an economic and political driver across European Command's area of focus.*

In this area, European Command recognizes its role is a supporting one. We are working with our interagency partners, regional allies, and the private sector to explore whole-of-government solutions. Through our J9 Interagency Partnering Directorate, which includes experts from the Departments of Energy and State, we are assisting efforts to identify and protect critical energy infrastructure. Additionally, we have lent support to the nascent Energy Security Center in Lithuania, focused on operational energy security issues with potential NATO applicability. We are also working with our adjacent geographic combatant commands to address energy issues that transect theater seams, including North Africa and the Caspian Sea. Finally, in energy security areas with clear military utility, such as installations and deployed forces, we are exploring energy security as a topic for joint concept development focused on energy access and protection.

When it comes to energy, European Command supports conservation, fiscal stewardship, energy source diversification, as well as the potentially game-changing transition to renewable and sustainable energy options. By examining our own energy dependencies and working with partners to address the strategic energy environment, European Command can maximize our freedom of action and mitigate our dependence on access to energy resources in the years ahead.

#### INITIATIVES

Effective and efficient pursuit of U.S., allied, and partner interests, particularly in a fiscally constrained environment, ultimately depends on our ability to innovate, steward resources, and find new and better ways of achieving our objectives.

"I am convinced that we do not have to choose between fiscal security and national security."

- Secretary of Defense Leon Panetta, October 5, 2011

#### *Efficiencies*

For well over 2 years now, European Command has been streamlining operations to build a leaner, more efficient, and more effective organization in support of the Secretary of Defense Efficiencies Initiative and the current fiscal environment. As we continue to adjust our organization, we are learning to function with more than 200 fewer billets in the management headquarters and nearly 150 fewer billets in our intelligence directorate. Seeking even greater efficiencies, European Command Headquarters has bundled together similar contracts to save on overhead costs, and has implemented Contract Management Boards to review all manpower contracts for possible in-sourcing or reduction. Additionally, we hold Manpower Governance Boards to validate authorized billets, and have willingly accepted greater risk in our Program Objective Memorandum in order to fund our most important missions and functions.

At European Command Headquarters, we have executed an internal staff rebalance that has incurred no new growth and achieved a 15 percent decrease in manning and budget, while increasing emphasis and focusing expertise on emerging 21st century mission sets, including ballistic missile defense, military partnering, counter-trafficking, and cyberspace. Finally, in an effort to measure and evaluate our performance, a refocused J7 directorate provides independent assessments and analyses of European Command activities and operations. We recognize the difficulties of the current fiscal environment, and are taking a number of steps to inculcate a culture of cost consciousness in everything we do. At the same time, it is important that we proceed with caution and a balanced approach in order to identify risks, assess alternatives, and meet our fundamental responsibilities to our mission and our people.

#### *NATO Operations & Engagement*

In addition to the outstanding support provided by our Service Component Commands, European Command has also participated in several key NATO initiatives. The Libyan operation demonstrated, once again, the vital importance of maintaining secure communications among NATO members. European Command's aggressive expansion of the U.S. Battlefield Information Collection and Exploitation System (BICES) network proved absolutely essential to the execution of effective targeting, intelligence sharing, and air tasking operations during Operation Unified Protector. European Command also deployed Global Broadcast System (GBS) suites to provide

full-motion video intelligence, surveillance, and reconnaissance collection and dissemination capabilities to NATO command elements.

Supporting NATO's continued transformation and evolving capabilities, European Command also contributed to U.S. accession as a fully participating member in three NATO Centers of Excellence: the Counter Improvised Explosive Devices Center of Excellence; the Joint Chemical, Biological, Radiological and Nuclear Defense Center of Excellence; and the Cooperative Cyber Defense Center of Excellence. Through the collaborative efforts of these vital centers and their initiatives, the U.S. shares important skills, lessons, and subject matter expertise with our NATO allies to meet the emerging and evolving threats of the 21st century, help prepare them for deployment and participation in NATO exercises, and develop common defense doctrine and standards enhancing overall Alliance capabilities and interoperability. In turn, our Nation gains access to these centers, increasing our insight, synergy, and effectiveness through education, interaction, research, and concept development with our allies.

#### *European Ballistic Missile Defense*

Adversarial regimes continue to procure illicit ballistic missile technology, develop increasingly sophisticated missiles, and refine their abilities to employ these weapons against our forces, families, allies, and partners in Europe. Accordingly, European Command continues to plan and implement, in concert with our allies and partners, the European Phased Adaptive Approach (EPAA) to Missile Defense. Together with the Department of State, Department of Defense, Missile Defense Agency, and others, European Command is actively implementing the President's direction to defend Europe and America against the threat of ballistic missile attack.



Last spring, USS *Monterey* became the first ballistic missile defense ship to deploy to theater as part of EPAA. Additionally, in September 2011, Turkey announced it will host an AN/TPY-2 missile defense land-based radar installation in Kürecik, Turkey, which is now operational. Taken together, these actions have achieved EPAA Phase One. Additionally, last October, to solidify EPAA Phase One capabilities, Spain agreed to base four U.S. Navy Aegis ballistic missile defense ships at Naval Station Rota. Also last fall, in support of EPAA Phase Two, the U.S. successfully concluded an agreement with Romania to host an Aegis Ashore facility, which will be operational by 2015. Currently, European Command is working closely with the Polish Ministry of Defense to implement the U.S.-Poland Ballistic Missile Defense Agreement in support of important EPAA Phase Three capabilities.

At the November 2010 Lisbon Summit, NATO declared its commitment to develop a missile defense capability for the protection of NATO's European populations, territory, and forces. Supporting that effort, European Command has already fielded workstations employing the NATO-compatible U.S. BICES network throughout our headquarters and our Service Components' headquarters in order to provide a com-

munication system able to support NATO's ballistic missile defense mission. This spring, European Command will add U.S. ships to the U.S. BICES architecture, further integrating our theater sensors, shooters, and platforms. There has also been a remarkable increase in the willingness of NATO nations to support the NATO ballistic missile defense mission through national contributions, such as protection (i.e. "riding shotgun") for Aegis Missile Defense platforms. European governments, including Spain, the United Kingdom, Germany, The Netherlands, Denmark, Italy, and France are examining ways to procure capabilities in order to complement EPAA and support this NATO mission.



"Step by step, NATO's territorial missile defense is becoming a reality."

-NATO Secretary General Anders Fogh Rasmussen, October 2011,  
interview preceding the NATO Defense Ministerials

#### *Joint Interagency Counter Trafficking Center*

As mentioned, European Command's response to the rising threat posed by global illicit trafficking is the JICTC. JICTC's mission is to support U.S. Interagency and Country Team efforts and collaborate with similar international organizations to effectively and efficiently counter transnational illicit trafficking and terrorism across our theater. JICTC's focus areas include narcotics trafficking, terrorism, weapons trafficking (to include weapons of mass destruction), trafficking in persons, and illicit finance. JICTC's aim is to assist our partner nations develop and refine their counter-trafficking and counterterrorism skills, competencies, and capacity in order to keep these threats as far as possible from American shores. This year, JICTC outreach includes primary engagement with Turkey, as well as outreach to other nations in Southeastern Europe and the Black Sea region.



Embracing a whole-of-government design, JICTC is maturing steadily as a robust interagency team that includes representatives from the Departments of State, Treasury, and Energy; Customs and Border Protection; the Federal Bureau of Investigation; Immigrations and Customs Enforcement; and the Drug Enforcement Administration. JICTC's work—in conjunction with our interagency partners and the other combatant commands, including U.S. Africa Command, U.S. Central Command, and U.S. Special Operations Command—helps to close the seams that traffickers exploit, and to synchronize Department of Defense support to U.S. interagency and regional actions supporting the National Strategy for Counterterrorism and the Strategy to Combat Transnational Organized Crime. With the support of our interagency and international partners, JICTC is poised to bring all elements of national power—diplomatic, informational, military, and economic—to bear in the fight against transnational organized crime and terrorism.

#### *Organizing in Cyberspace*

Recognizing the rising threats and vulnerabilities present in cyberspace, European Command has established a Joint Cyber Center (JCC) as the headquarters organization chartered to organize, coordinate, integrate, and direct cyberspace activities in, through, and across the European Command. Initially formed in January 2011 for experimentation during Exercise Austere Challenge 11, this compelling concept, sourced internally from existing headquarters personnel, continues to mature, providing important insights on how to conduct command and control in the cyber domain.



Organizationally, the JCC Director serves as the subject matter expert and principal advisor to the combatant commander to address the full spectrum of cyberspace operations, and integrate cyber effects with actions in the conventional warfighting domains. The JCC and staff are also actively engaged with our partner nations to strengthen our collective Information Assurance and Cyber Defense postures. To that end, European Command is the Executive Agent for five Departmental Information Assurance and Cyber Defense Information Sharing Agreements critical to supporting the Department of Defense Strategy for Operating in Cyberspace. These agreements allow us to work closely with our allies and partners to share information and build the relationships necessary to provide for our collective cyber defense.

Additionally, European Command is involved in numerous NATO and U.S. cyber-based exercises with the Interagency, Services, and other combatant commands—to include the new and urgently needed U.S. Cyber Command—in order to coordinate, synchronize and integrate cyber activities with ongoing military activities. Working together, we are developing coordinated contingency plans, supporting execution orders, and building strong cooperative relationships across the defense enterprise to provide a solid foundation for operations and progress in cyberspace. We also continue to work with the Department of State to issue demarches that restrict adversarial use of cyberspace in Europe. In short, we are moving in the right direction. We need to keep moving in this direction and pick up speed in order to prevail in what is rapidly becoming a primary battlefield of the 21st century.

“Our Nation sits at a crucial moment, where cyber attacks are common but have not yet significantly impacted or endangered the American way of life. We have the opportunity to improve prevention and response to cybersecurity threats, but we must take action now.”—Congressman James R. Langevin (D-RI), House Armed Services Committee

#### *Interagency Coordination*

At European Command, we believe that ‘no one of us is as smart as all of us, thinking and working together.’ Nowhere is that maxim more applicable than in the realm of interagency coordination, particularly in an environment of constrained resources. The diversity and complexity of the modern security environment exceeds the capacity of any single government organization. It demands ‘whole-of-government’ solutions that draw strength and effectiveness from the collective judgment, training, and experience of the many dedicated public servants in government who, working together, can effectively synchronize the elements of national power. To that end, our Interagency Partnering Directorate continues to tap the strength of the U.S. interagency through in-house experts and outreach efforts that synchronize

our efforts across the U.S. Government, partner nation governments, international and nongovernmental organizations, the private sector, think tanks, and academia.

We believe strongly in the value—and the efficiencies—that exist in these ‘whole-of-government’ and ‘whole-of-society’ solutions, if only we have the ability and patience to seek them out and put them into practice. To that end, European Command benefits tremendously from our Civilian Deputy to the Commander position, occupied by career Foreign Service Officer, Ambassador Larry Butler. His diplomatic credentials and savvy are indispensable to theater operations. Additionally, our Interagency Partnering Directorate adds the knowledge and capabilities of several interagency experts from the Departments of State, Justice, Energy, and Treasury; the Federal Bureau of Investigation; Immigration and Customs Enforcement; Customs and Border Protection; the Drug Enforcement Administration; U.S. Agency for International Development; Office of Foreign Disaster Assistance; and the Justice Department’s International Criminal Investigative Training Assistance Program. These outstanding professionals each bring a vital depth and breadth to our Command, its operations, and our outreach across the continent that is adding tremendous value to our mission, effectiveness, and ability to speak and act across a multitude of organizational cultures.

In addition, over the last 2 years, we have partnered with the U.S. Interagency and with international and nongovernmental organizations—from the Department of State to the U.N. Office for the Coordination of Humanitarian Affairs to volunteer technical communities—to explore continuing innovations in cloud computing and real-time information sharing. Through these efforts and partnerships, European Command seeks to leverage crowd-sourcing, crisis mapping, social media, and other unclassified information sharing venues to establish situational awareness and share critical information quickly during natural disasters, humanitarian assistance efforts, and other response activities. So far, this unparalleled outreach has achieved measurable success in crisis collaboration and communication. It is paving the way in an exciting and groundbreaking area that will significantly enhance our effectiveness and capacity in future operations.

#### *Public-Private Cooperation*

European Command continues to leverage expertise found in the private sector to find greater efficiencies, achieve important theater objectives, and support priority NATO efforts. One initiative is European Command’s partnership with the Business Executives for National Security (BENS), a group of volunteer business executives with an interest in national security, who travel to theater at their own expense to understand and offer ideas about the complex challenges of the 21st century security environment. Last year, BENS provided concrete recommendations on strengthening cyber security in the Baltics, one of the best public-private exchanges I’ve seen in a decade. On another important front, BENS is examining how to work with European Command and the U.S. Embassies in Ukraine and Moldova to address the growing problem of illicit trafficking in and through those countries.

Supporting the partners who fight side-by-side with us in Afghanistan, European Command has teamed up with ‘Project Hope,’ sending some of the foremost experts in traumatic brain injury to the Baltics to work with our allies there and improve assistance programs for returning veterans injured in combat. European Command also continues to support the State Department’s “New Silk Road” initiative, seeking to promote and broaden economic development opportunities across Afghanistan in support of vital NATO objectives and the U.S. transition strategy.

We are working with the U.S. Agency for International Development to develop and strengthen humanitarian programs designed to enhance and sustain U.S. engagement in the Balkans which are, as mentioned, increasingly important today. Finally, in an initiative European Command spearheaded with the Chairman of the Joint Chiefs and Under Secretary of Defense for Policy, the Defense Business Board plans to examine current departmental public-private collaboration with the goal of focusing these activities into a genuine ‘whole-of-society’ effort, continuing progress toward a more efficient, effective, and fiscally responsible Department of Defense.

#### *Innovation*

Increasingly, the key to unlocking greater productivity and efficiency lies in innovation. European Command continues to advance innovative ideas, concepts, and technologies to further our mission, support our partners, and improve our own capabilities and capacity. Innovation collaboration is a two-way street, requiring outreach and reciprocation with our international, interagency, and public-private partners. Since standing up an Innovation Cell 2 years ago, a culture of innovation and creativity has become engrained across the Command.

Our Science and Technology Office has initiated numerous Joint Capability Technology Demonstrations to speed the learning cycle in support of cyberspace, environment sensing, force protection, consequence management and counter trafficking initiatives. Our Intelligence directorate has launched efforts using complex modeling to better understand today's dynamic and adaptive strategic and operational environments. Evaluating theater throughput, we are looking at innovative ways to build smarter logistics and improve the logistical capacity of our allies and partners. Our Public Affairs directorate has taken the lead in incorporating rapidly expanding social media technologies to help us understand, incorporate, and operate in the world of Facebook and Twitter. Numerous other innovations are being explored across the enterprise.

None of these ideas would be possible without our ability to engage, exchange, and cross-pollinate innovative ideas with our international, governmental and private partners. Ideas emerge and grow from connection and collaboration, and are improved and strengthened when they are combined in creative and surprising ways. We will continue to foster a robust and inclusive culture of innovation at European Command that relies on our ability to share and test ideas across the public and private spectrum. We know that future efficiencies and success will increasingly rely on new ideas and innovations. European Command stands ready to contribute to that national endeavor.

#### POSTURE: FORCES, FOOTPRINT, AND RELATIONSHIPS

European Command's posture is comprised of three interdependent elements—forces, footprint, and relationships—supporting the military operations, international military engagement, and interagency partnering that enhance transatlantic security and provide for the forward defense of the United States. Our posture facilitates U.S. global operations, assures allies and partners, deters aggression, maintains strategic access, enhances partnerships, and sustains our allies' and partners' capabilities and capacity to achieve shared security objectives.

##### *Forces*

Forward-stationed active duty servicemembers, forward-deployed rotational units, and Reserve Forces in European Command remain our primary tool for maintaining U.S. influence across the theater and—when called upon—projecting power within and beyond it. These forces are a visible and incontestable manifestation of U.S. commitment to the region. They provide for frequent engagement at all levels, build habitual relationships and trust, ensure interoperability with our allies and partners, and help facilitate transformation within European militaries. They assure access when and where it is needed, fulfill our NATO alliance commitments, including our Article V commitment, and preserve U.S. leadership in NATO.

There are approximately 78,000 active duty military forces within the European Theater. Of these, approximately 68,000 personnel are assigned to European Command and its Service components. It is important to note that over 10,000 forces in Europe are assigned outside European Command, to other DOD organizations and U.S. Government activities in theater, a testament to the important role European Command plays in supporting NATO, other U.S. combatant commands, and agencies across our theater.

##### *Footprint*

The nation relies on a network of Main Operating Bases, Forward Operating Sites, and Cooperative Security Locations located inside the European Command area of focus that provide superb training and power projection facilities supporting coalition operations and contingency missions in Europe, Africa, Asia, and the Middle East. In addition to meeting our mission, this mature, well-established, and highly capable network supports and enables the activities of U.S. Transportation Command, U.S. Central Command, U.S. Africa Command, U.S. Strategic Command, U.S. Southern Command, and NATO. This basing network, providing unparalleled proximity and access to three continents, stands ready to support U.S. and NATO contingency operations on very short notice. Indeed, we witnessed last year how rapidly the installations along the Mediterranean—Moron Air Base, Spain; Aviano Air Base, Italy; Naval Air Station Sigonella, Italy; and Naval Support Activity Souda Bay, Greece—were able to provide critical basing and logistical support to support NATO operations over Libya.

Thanks to strong and continued Congressional support, previous annual military construction authorizations and appropriations have enabled European Command to address a balanced mix of our most pressing mission, mission support, quality of life, and housing requirements. The goal of our fiscal year 2013 military construction program is to support our posture initiatives, consolidation efforts, and infra-



structure recapitalization projects, including the Medical Facility Consolidation and Recapitalization Project at the Rhine Ordnance Barracks, Germany.

The Rhine Ordnance Barracks Medical Center Replacement project is one of European Command's highest priority military constructions projects, providing for the consolidation of duplicative medical facilities in the Kaiserslautern Military Community (adjacent to Ramstein Air Base), and providing a vitally important replacement for the aged and failing infrastructure at the Landstuhl Regional Medical Center (LRMC). LRMC, a strategic national asset for nearly 60 years—which has saved the lives of thousands of U.S. warfighters, driven the U.S. combat fatality rate to historic lows over the past 10 years of conflict, and provided outstanding medical care to our overseas servicemembers and their families—is reaching the end of its service life. LRMC's accelerating structural failure and our enduring need to preserve a critical surge-capable overseas medical platform, able to support current and future U.S. combat operations at this medically significant half-way point between the United States and conflict areas spanning half the globe, reinforce the need for this project. Importantly, the National Defense Authorization Act for Fiscal Year 2012 and fiscal year 2012 appropriation provided essential authorization and funding to continue this vital project's forward progress. Sustained congressional support in fiscal year 2013 and beyond is necessary to meet this pressing requirement.



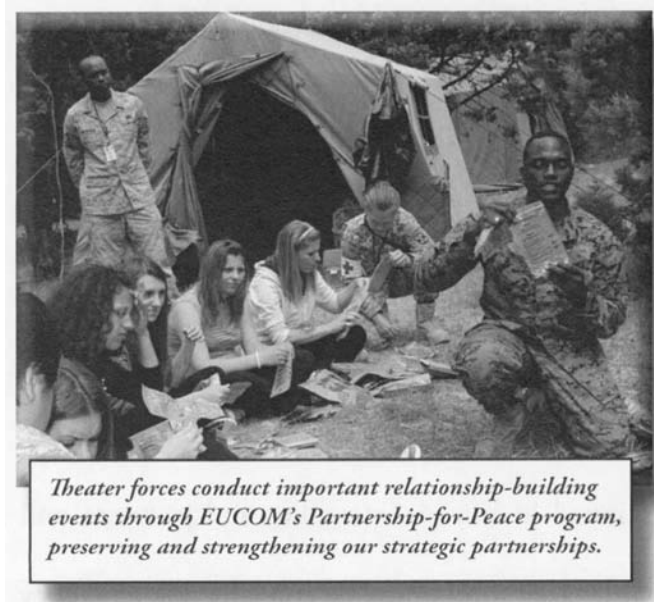
*A U.S. surgical team in Germany operates on a soldier wounded in combat. The access and timeliness of these critical medical interventions have driven U.S. combat-related deaths to historic lows.*

At enduring theater locations, we will preserve past investments through the responsible use of both the Sustainment, Restoration, and Modernization program and the military construction program, even as we continue our long-term and highly successful efforts to reduce overall facility inventory. It is important to note that, over the past 22 years, European Command has reduced inventory by approximately 75 percent. Over the past 8 years, we have closed or consolidated over 200 sites of various sizes across the theater. Our remaining footprint is primarily comprised of approximately 25 major bases with supporting smaller sites.

At other locations, we are optimizing the use of all available resources to ensure that these installations remain mission effective until they are removed from the inventory. Additional efforts to reduce inventory will be driven by future strategic force structure decisions. Though, in some cases, continued reductions and consolidations in the pursuit of increased efficiencies may require additional military construction in order to succeed.

As always, when it comes to military construction, we will continue to leverage NATO common funded investments and, where required, prefinance our projects to reserve a future opportunity to recapture part of this investment through the NATO Security Investment Program.

When it comes to our overseas footprint, European Command will continue to review requirements across our mission, quality of life, and agency portfolios in order to work towards joint solutions and achieve infrastructure efficiencies, particularly as Departmental leadership, in accordance with the new strategic guidance, considers the appropriate size and composition of U.S. forces in Europe. As we continue these consolidation and recapitalization efforts, we will convey our requirements in our Theater Posture Plan and military construction requests.



#### *Relationships*

Our experience in operating as part of multinational coalitions has demonstrated the importance of developing and sustaining long-term relationships with our allies and partners. These relationships are critical to maintaining the theater access and freedom of movement we both need and rely upon in crises. These relationships also build the trust essential for us to work and train together, develop needed capabilities and interoperability, and build the willingness among our partners to contribute to regional security and out-of-area operations.

We recognize that today's fiscal environment requires difficult decisions regarding overseas force structure. In order to achieve efficiencies and cost savings, European Command continuously evaluates opportunities for recapitalization, consolidation, or closure of facilities, balanced with the need to preserve the appropriate level of current and planned mission support for our command as well as the other U.S. combatant commanders, Services, agencies, and activities that we support. Uncoordinated or expedited posture reductions risk permanent loss of access with important host nations. Once relinquished, access is often fiscally and politically prohibitive to reestablish, or the terms are less advantageous to the United States. Our ongoing planning efforts seek to find the right balance between strategic access, operational effectiveness, fiscal efficiency, and diplomatic consistency.

#### *Initiatives*

Currently, European Command is implementing a number of critical posture initiatives to accomplish our mission, strengthen interoperability with our strategic partners, support our Service components and other U.S. combatant commands, and achieve basing efficiencies. Those initiatives include:

*Stationing four U.S. Navy Aegis Ballistic Missile Defense destroyers in Rota, Spain*

This effort directly supports the President's European Phased Adaptive Approach (EPAA) to Missile Defense. EPAA outlines the phased implementation of U.S. contributions to an allied missile defense capability for Europe that protects U.S. forces stationed in Europe, our allies and partners, and the U.S. Homeland. In terms of this mission, forward-based forces provide considerable efficiency when compared to the force generation required to meet the same requirement with rotational U.S. forces. The Navy estimates that it would take 20 ships based in the United States to supply the presence provided by these 4 forward-deployed ships.

*Establishing a small aviation detachment in Poland*

As mentioned earlier, this detachment is designed to support a periodic rotational aircraft presence to strengthen interoperability between the U.S. and Polish air forces. The first detachment is scheduled to arrive in early 2013 for a 2-week rotation.

*Continuing Army consolidation actions in theater*

First, the U.S. Army's V Corps relocated to Wiesbaden following the departure of 1st Armored Division Headquarters, which moved to Fort Bliss, TX. Second, U.S. Army Europe Headquarters will begin its move to Wiesbaden later this year. Third, scheduled in the near future, the Army will move the majority of the 173rd Airborne Brigade Combat Team to Vincenza, Italy.

*Multi-modal logistical support to U.S. Transportation Command*

Also as mentioned, European Command is supporting U.S. Transportation Command's requirement to develop and enhance its multi-modal distribution capabilities available at MK Airbase in Romania, an important capacity initiative for ongoing theater and global logistical missions.

*Strategic Presence*

U.S. posture in Europe provides a deterrent effect against would-be adversaries or aggressors reluctant to face forward-based U.S. forces or withstand a U.S.-supported coalition response. That deterrent effect, in proximity to some of the world's most dangerous places including the Levant, Africa, and the Middle East, is contingent on U.S. forces retaining our decisive edge in combat capabilities, agility and flexibility in providing rapid crisis response, and physical presence as a constant reminder of the costs of aggression and miscalculation. A credible combination of forward-based and rotational forces, in proximity to these hot spots, is essential to maintaining deterrence against future aggressors, preserving stability, and reassuring our allies and partners. U.S. posture in Europe is also important because it provides irreplaceable basing and other support to global U.S. operations, helps to sustain critical partnerships and partner capabilities, demonstrates U.S. leadership in NATO, and reaffirms our Nation's strong and enduring commitment to the NATO Alliance.

OUR MOST IMPORTANT RESOURCE

None of these activities would be possible without the extraordinary people that make up U.S. European Command and NATO Allied Command Operations. We are committed to providing the best possible support to these brave and dedicated men and women, and their families. We are devoted to sustaining their readiness, health, and quality of life support.

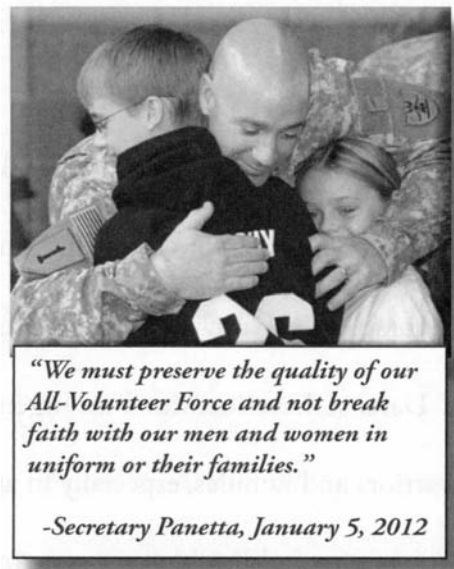
*Deployment, Behavioral Health, and Compassionate Fatigue and Family Support*

While maintaining our focus on mission readiness, we must also seek avenues to respond to the significant stress placed on our forces and families due to protracted combat operations and cyclical deployments. Several organizations and studies within the Department of Defense have identified an urgent need for sustained behavioral health services to support our warriors and families, especially in an overseas environment with few private sector options. Within adaptive and flexible care systems, the members of our All-Volunteer Force and their families must continue receiving quality care and responsive support in a stigma-free environment. A system-wide, recurring 360-degree review of these programs, focused on the connection between at-risk indicators and catalysts, is needed to eliminate gaps in support. The goal is alignment of focused caregiver teams with corresponding data to provide needed care in a timely and responsive manner. We will continue our work with the Office of the Secretary of Defense on a working definition for resilience, and determine initial measures for baseline assessments to address at-risk indicators and

servicemember needs. Additionally, we have partnered with the First Family's Initiative to 'Join Forces,' and are implementing elements of that campaign within the European Command enterprise. We continue to support ongoing efforts to improve complex care management and the medical portion of the disability evaluation process, which will result in improvement of wounded, ill, and injured warrior benefits.

#### *Investment in Our Schools*

We are pleased that the Department of Defense Education Activity (DODEA) continues to make needed investments in DODEA's overseas school infrastructure. Many of our schools are converted 1950s-era barracks. These investments directly support the children of our service men and women, who will benefit tremendously from this investment. At the end of this 7-year program, all failed or failing infrastructure will be recapitalized, providing concrete proof of our promised commitment to take care of the military families who also serve, and have made many sacrifices in recent years. Additionally, we will continue to address and pursue improvements to our military family housing and barracks in the 2013 military construction program to improve living conditions for our servicemembers and their families.



#### *Sustaining Quality of Life*

Potential changes to overseas force structure require a renewed effort to ensure the appropriate balance between force levels and quality of life support. European Command is closely examining how to increase effectiveness and efficiency in applying regionally distributed service support, through a hub and spoke model, from our main operating bases to those locations experiencing change. Increasingly, our smaller force locations require a fresh look at scalable facilities and contracts, increased reliance on host nation support, and greater public-private cooperation. These geographically separated units require tailored support standards that are palatable to service providers, within appropriate guidelines. We must ensure the availability of mainstay support functions—health care, education, child care, morale, post office, and internet access—prior to making assignments to these remote locations. We are also cognizant of the need to ensure safe, accompanied tour parity with our partner nations in locations that support and enhance our theater objectives.

"As an alliance of democratic nations, NATO ensures our collective defense and helps strengthen young democracies...To ensure that this commitment has meaning, we must strengthen the full range of capabilities that are needed to protect our people today and prepare for the missions of tomorrow. Even as we modernize our conventional forces, we need to reform alliance command structures to make them more effective and efficient, invest in the technologies that allow allied forces to deploy and operate together effectively, and develop new defenses against threats such as cyber attacks."

-President Obama

#### *NATO: An Active Alliance*

As an anchor of transatlantic security for more than 60 years, the NATO alliance remains essential to the security of the United States and its allies, ensuring peace and stability throughout Europe, and countering threats across the globe. Although much has changed since its founding in 1949, the Alliance remains an essential and unique source of stability in an unpredictable geopolitical environment. NATO members now confront a far broader spectrum of security challenges than in the past. Threats such as the proliferation of weapons of mass destruction (WMD) and ballistic missile technologies, cyber attacks, and terrorism know no borders. NATO has also found itself called upon to help protect civilian populations from government repression. NATO today leads seven major operations and missions—up from almost none in the early 1990s—including NATO's largest mission ever in Afghanistan and last year's highly successful Operation Unified Protector. During that same period, NATO has cut personnel assigned to its operational headquarters by 67 percent, while expanding its partnerships. NATO's 2010 New Strategic Concept entitled, "Active Engagement, Modern Defense," provides a 10-year roadmap that reconfirms the allies' commitment to defend one another against attack, as the bedrock foundation of Euro-Atlantic security, and lays out a vision for an evolving and increasingly agile, capable, and effective Alliance ready to defend its members against the threats of the 21st century.

#### *Strategic Concept and Command Structure Reform*

The Strategic Concept announced at the 2010 Lisbon Summit reaffirms the fundamental purpose of NATO and defines three core Alliance tasks: collective defense; security through crisis management; and cooperative security through partnership. In June 2011, NATO Defense Ministers received a detailed review of capabilities, and approved a set of concrete reforms in support of the new Strategic Concept and the 2010 Lisbon Summit Declaration. These reforms will make NATO leaner, more flexible, and more cost effective, sustain the current level of operational ambition, and enable command and control for two major joint operations and six smaller joint operations. The new military command structure will have fewer headquarters organized under two Strategic Commands, (Operations and Transformation), and will include two deployable Joint Force Headquarters. Additionally, the U.S.-led NATO organization, STRIKEFORNATO (led by a dual-hatted commander also responsible for the U.S. 6th Fleet and Naval Forces Europe/Africa), is in the process of relocating from Naples, Italy, to Lisbon, Portugal; one of the first major moves in the implementation of NATO's new command structure. Once fully implemented, this restructuring will lead to a 30 percent reduction in personnel (13,000 to 8,800), and will consolidate 11 major headquarters to only 6.

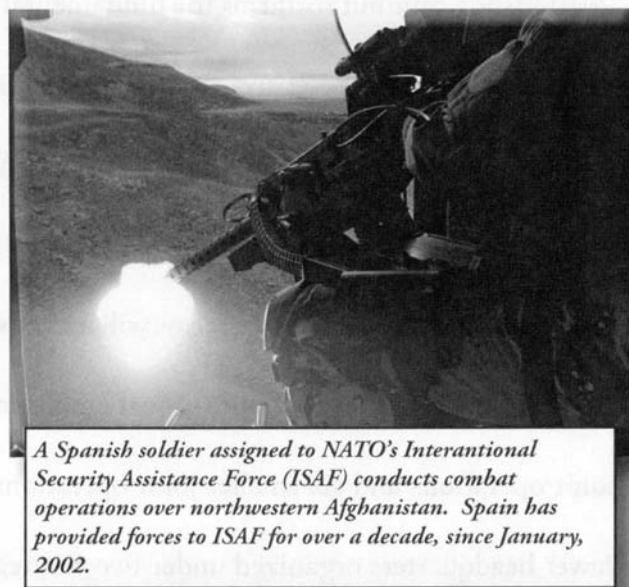
#### *Major Operations*

Over the past year, NATO and Allied Command Operations have executed multiple major operations, demonstrating an impressive array of Alliance capabilities. Today, roughly 150,000 military personnel are engaged in NATO missions around the world, successfully managing complex ground, air, and naval operations in all types of environments. These forces are currently operating in Afghanistan, Kosovo, Iraq, the Mediterranean, in the seas off the Horn of Africa, and, until recently, in support of operations over Libya. During the Libyan operation, NATO had a total of nearly 170,000 troops engaged in worldwide operations.

#### *Afghanistan*

NATO's operation in Afghanistan remains the Alliance's most significant operational commitment to date. Our allies and partners continue to share the risks, costs, and burdens of ISAF. They have contributed troops, funding, and equipment, and have made significant non-military contributions to ISAF. ISAF forces include

over 130,000 troops from 49 contributing nations. Three of the 6 regional commands in Afghanistan are led by allied or partner nations, and 13 of the 29 Provincial Reconstruction Teams in Afghanistan are led by nations other than the United States.



As mentioned earlier, the successful transition of security to Afghan authority will continue to rely upon increased ANSF capabilities. Over the past year, ANSF has achieved their growth target of 305,000. In June 2011, the Security Standing Committee of the Joint Coordination and Monitoring Board agreed to an increase of the ANSF to over 350,000 by November 2012. The nascent Afghan Air Force currently numbers nearly 4,700 personnel and 59 aircraft, and is on its way to becoming a professional, operationally capable, and sustainable force. There are now over 200,000 ANSF members either completed with or in literacy training, which may well have the most far-reaching and long-term impact, not only on the ANSF as a capable and professional force, but, importantly, on Afghan society as well.

These improvements in Afghan capabilities, along with improved security conditions, have allowed us to begin transitioning security responsibilities from coalition forces to Afghan authorities. Since the summer of 2011, NATO has started handing over primary security responsibility to the Afghan Government and the ANSF. Thousands of police and military personnel have been trained as part of this enduring partnership and transition process. Following the November announcement by President Hamid Karzai that 18 more areas will soon transition to Afghan security control, over half the Afghan population will be protected by their national security forces.

The increased professionalism and capabilities of the ANSF support these transition objectives by enabling the Afghan capability to secure their own territory, facilitate civilian efforts to establish governance, and prevent future threats to stability. While there is tremendous progress occurring, key challenges and areas that still must be addressed by the international community include corruption, cross border sanctuaries, and strategic communications outreach.

The recent Bonn Conference set out how far we have come in 10 years since the first Bonn Conference in 2001, while reaffirming the mutual commitment between Afghanistan and the international community to deepen and broaden their historic partnership from Transition to the Transformation Decade of 2015–2024. This effort supports further transformation in the areas of governance, security, the peace process, economic and social development, and regional cooperation. The lasting commitment of the international community—including funding to sustain the ANSF; training and operational support for niche capabilities; Quick Reaction Forces; and

assistance to Special Operations Forces—will be essential to ensure that gains made in stability become irreversible.

#### *Libya*

From March 24 to October 31, 2011, NATO Allies led an unprecedented coalition of contributors in Operation Unified Protector supporting UN Security Council Resolutions 1970 and 1973. The coalition enforced an arms embargo by air and sea across Libya's maritime flank, maintained a no-fly-zone, and undertook specific operations to protect civilians and civilian populated areas. NATO air assets conducted over 26,500 sorties, including over 9,700 strike sorties to protect the people of Libya from attack or the threat of attack. A total of 49 ships from 12 nations, along with surveillance assets provided by submarines and maritime aircraft, supported the operation in the Mediterranean Sea. Ships conducted more than 3,000 intercepts for hailings, 311 boardings, and 11 denials. The NATO Alliance worked as it was designed to do, with our allies and partners sharing the burdens and responsibilities of these operational missions.



Shortly following initial coalition efforts by the United States, United Kingdom, and France to reduce the threat of Libyan air defenses, NATO assumed the lead for Operation Unified Protector. The United States continued to contribute as a combat enabler, focusing largely on aerial refueling and intelligence, surveillance, and reconnaissance support. These crucial and irreplaceable U.S. contributions to the overall effort enabled our allies and partners to fully contribute to the operation. In all, 14 NATO members and 4 partner countries provided naval and air forces for NATO's 3 missions. Together, these 18 countries bore the brunt of the Alliance effort. Additionally, the longstanding political-military relationships developed through Alliance operations, exercises, and partnerships permitted and facilitated the coordinated and rapid commencement of operations within an unprecedented timeline. Furthermore, Operation Unified Protector proved the value of a comprehensive approach involving civilian advisors and coordination with nongovernmental organizations. In sum, the Libya operation demonstrated the synergistic effects of Alliance capabilities, and manifested the continued success and evolution of the NATO Alliance in the 21st century.

"We have fully complied with the historic mandate of the United Nations to protect the people of Libya, to enforce the no-fly zone and the arms embargo...Operation UNIFIED PROTECTOR is one of the most successful in NATO history. We are concluding it in a considered and controlled manner—because our military job is now done."

—NATO Secretary General Rasmussen, marking the end of the Libya operation,  
October 31, 2011

### *Kosovo*

While Afghanistan remains NATO's primary operational theater, the Alliance has not faltered in its other commitments, particularly in the Balkans. Today, approximately 6,000 allied and partner nation troops operate in the Balkans as part of the NATO Kosovo Force (KFOR) to help maintain a safe and secure environment, and enable freedom of movement for all citizens irrespective of their ethnic origin. The United States provides only around 10 percent of forces currently deployed. Despite great progress made towards peace and stability in Kosovo, continued tensions at the border crossings with Serbia have reinforced the need for vigilance and careful analysis before further adjusting the KFOR posture toward a minimal presence.

### *Other Major NATO Operations*

The Alliance has been active in a number of operations and missions to counter terrorism and maritime piracy, and to enhance stability in troubled regions. Operation Ocean Shield is focusing on at-sea counter-piracy operations off the Horn of Africa, contributing to international efforts to combat piracy in this area. It is also offering, to regional states that request it, assistance in developing their own capacity to combat piracy activities. NATO naval forces continue to lead Operation Active Endeavour, focused on detecting and deterring terrorist activity in the Mediterranean and safeguarding this strategic maritime region. The experience and partnerships developed through Operation Active Endeavour considerably enhanced NATO's capabilities and contributed directly to the rapid integration of assets for Operation Unified Protector.

Additionally, the NATO Training Mission in Iraq recently was successfully concluded. It delivered training, advice, and mentoring (with all NATO member countries contributing to the training effort either in or outside of Iraq) through financial contributions or donations of equipment. Over the 7 years of the mission, nearly 20,000 Iraqi security forces received training.

NATO members and partners also conduct an important joint and collective air-policing mission to preserve the integrity of NATO airspace through the NATO Integrated Air Defence System, a system comprised of sensors, command and control facilities, and weapons systems such as ground-based air defense and fighter jets.

### *Major Exercises*

NATO exercises are key enablers for core missions and focus areas, and contribute to the value of U.S.-led training and exercises. As an example, in 2011, exercises and resources were synchronized with a large U.S. based Mission Rehearsal Exercise (MRX) program, Unified Endeavor, enabling two NATO pre-deployment exercises in order for the ISAF Joint Command Headquarters and Regional Command South to prepare forces and headquarters for the mission in Afghanistan. The exercises provided training for the U.S. First Corps, 82nd Airborne Division, NATO's HQ Allied Rapid Reaction Corps, and individual augmentees from troop-contributing nations, increasing the level of coalition training not only for U.S. forces, but also for coalition members.

Additional exercises provide an opportunity for allies to work with other partner nations, building collective capabilities for mutual security interests. In 2011, NATO carried out a number of exercises with Russia supporting the Lisbon Summit pledge, seeking to enhance the strategic partnership with Russia and other new partners. Russia participated in allied Exercise Bold Monarch, demonstrating submarine rescue operations, as well as Exercise Vigilant Skies, the first live NATO-Russia counterterrorism exercise in the skies, where Polish, Russian, and Turkish fighter jets intervened in response to the simulated terrorist hijacking of a passenger aircraft. We are doing some mission defense exercises with Russia this spring as we seek cooperative relations in this complex area.



### *NATO Special Operations Forces*

The NATO Special Operations Forces Headquarters (NSHQ) is a U.S.-led framework organization within the NATO structure that has achieved significant multinational Special Operations synergy over the past 4 years. This is perhaps best illustrated by the active presence of over 2,000 ISAF Special Operations Forces (SOF) personnel on the ground, actively partnering with Afghan Security Forces. As NATO looks to broaden such engagements and partnering in an effort to apply comprehensive solutions to security challenges, NSHQ has already begun integrating Partnership-for-Peace SOF members from Sweden and Austria into the NSHQ, where they interact habitually with Irish, New Zealand, Finnish, Swiss, and Australian SOF.

Fostering SOF capability and interoperability among 28 allies, and a wide range of other actors who leverage the Alliance, is an economy of force effort and force multiplier that epitomizes the concept of 'Smart Defence,' with an associated impact that extends beyond the Alliance and the transatlantic security relationship. Whether in areas of intelligence sharing, training and education, communications, or biometrics and exploitation, the NATO SOF community is driving significant change and innovation within NATO. As an effective agent of 21st century change, NSHQ continues to capitalize on knowledge, experience, and capabilities returning from Afghanistan, and apply them to future challenges in order to take NATO's SOF transformation to the next level.

### *Chicago Summit*

Clearly, NATO is an active and leading contributor to peace and security on the international stage. This May, the 25th NATO Summit will take place in Chicago. Ministerial meetings since December 2011 continue to develop the summit agenda. In Chicago, NATO Heads of State and Government will further develop and approve strategic guidance for Alliance activities supporting the enduring partnership with Afghanistan beyond 2014, other partnership strategies, NATO's Missile Defense Capability, Multinational Capabilities, and a review of the Alliance's Deterrence and Defense Posture.

"The transatlantic partnership has been both a cornerstone of global security and a powerful force for global progress....We have fought and died for each other's liberty and freedom. These are ties that cannot and never should be broken."

"Europe is and remains America's partner of first resort."

-Secretary of State Hillary Rodham Clinton

### CONCLUSION

The soldiers, sailors, airmen, marines, and civilians of U.S. European Command and NATO Allied Command Operations are making vital contributions to our national security and forward defense every day through their engagement, support, and brilliant execution of combined operations with our allies and partners across the theater. As we look to future success, I ask for your continued support of these extraordinary men and women, and their families, to ensure they receive the care and benefits they have earned and so rightly deserve.

Our work continues to make a difference. As the Secretary of Defense has stated, the United States depends on NATO "every day to provide capacity that we cannot find anywhere else." Given the continuous change we face in the current security and fiscal environments, sustaining this vital, historic, and effective Alliance, and preserving our critical theater strategic partnerships, is even more essential to protecting the security interests we share as we continue moving forward in the 21st century.

European Command remains focused on sustaining these partnerships to meet the demands of ongoing operations. We continue to leverage the authorities and funding that Congress has provided to support the allies and partners who have made their own vital contributions to these operations. Congressional support for these programs has enabled us to assist these allies and partners as they have conducted operations in Afghanistan and taken a leadership role in last year's Libya operation. These allied and partner contributions remain critical to meeting our goal to transition security responsibility in Afghanistan by 2014. Accordingly, we ask for

your continued support of the funding and authorities so essential in preparing our allies and partners to make these contributions to our common defense.

Even as we focus on present needs, we must also consider the future of the transatlantic partnership. Through years of deployment to Afghanistan, and in recent operations over Libya, we have made great strides toward developing the military capabilities called for in the November 2010 NATO Strategic Concept. Looking ahead, we seek to consolidate and sustain these gains, keeping our skills sharp for future expeditionary and stabilization operations while retaining our ability to train foreign military forces to support future contingency operations. I agree with Secretary Panetta: it would be a tremendous loss if, for any reason, the Alliance did not retain, develop, and institutionalize the hard-earned capabilities that have allowed it to conduct these operations with such skill and success. Given the economic constraints facing Europe and the United States, this risk is real. However, we believe this outcome can be avoided as long as our allies and partners properly resource and transform their armed forces, and the United States continues to support these vital strategic partnerships, focusing in areas that allow us to train, deploy, and operate together safely and effectively. We respectfully request your continued assistance in this endeavor, one essential to the security of the United States.

As we look to the future of the historic transatlantic security partnership, one that proved so valuable and served us so well in the last century, we must continue to focus its evolution and capabilities on the common strategic interests and challenges that we face in the 21st century. Those challenges include the threat of ballistic missile attack, the proliferation of weapons of mass destruction, threats in cyberspace, and transnational illicit trafficking. The danger of underestimating the value of this partnership is also real, particularly as the generation that contributed and received so much from it passes from the scene. As former Defense Secretary Robert Gates recently said, "The policymakers who will follow us ... will not have the same historical, personal and, indeed, emotional ties to Europe, and may not consider the return on America's investment in Europe's defense worth the cost ... and that will be a tragedy." Working together with our historic partners on these critical security challenges of the 21st century to wisely leverage the significant investments that America has made for over half a century will be more important than ever in light of the fiscal constraints that we all face. Your continued support will ensure that we are prepared, working in concert with these enduring allies and partners, to meet those challenges head-on and prevail.

So supported, European Command and Allied Command Operations will continue to serve as a vital part of the transatlantic bridge that provides our countries continued security in a new—and still unfolding—era. For, as Secretary Panetta said in Brussels last year, "Security in the 21st century will not be achieved by each nation marching to its own drummer. It can only be achieved by a willingness to fight together to defend our common security interests. That is the world we must shape today, to build a stronger world for tomorrow."

Every day, the men and women of European Command and Allied Command Operations are working through history's most successful alliance, alongside our allies and partners across a dynamic theater, to build and sustain that indispensable "willingness" in the pursuit of our common security interests and the forward defense of the United States. With every action, they are shaping the rapidly changing world we live in today in order to provide the enduring capabilities, security structures, and trust we need for a stronger world tomorrow. It is a world in which we are—and will continue to be—Stronger Together.

Chairman LEVIN. Thank you so much, Admiral.  
General Ham.

#### **STATEMENT OF GEN CARTER F. HAM, USA, COMMANDER, U.S. AFRICA COMMAND**

General HAM. Mr. Chairman, Senator McCain, and members of the committee, thanks very much for the opportunity to appear before you today. I am truly honored to be here with Admiral Stavridis, a very respected colleague and a longtime friend.

Operations in Libya truly brought EUCOM and AFRICOM to a higher level of collaboration, and this year we will continue to work closely together to more effectively address security challenges in our respective AORs.

The last year, as Chairman Levin and Ranking Member McCain have indicated, has been a year of significant change that has swept across the African continent. The broad wave of democratic movements that began in Tunisia have spread faster and more broadly than many had forecasted. The Republic of South Sudan became the world's newest nation. In Nigeria, Boko Haram emerged as an increasingly violent extremist group and a threat to western interests. In the Horn of Africa, al Shabaab and al Qaeda's publicly formalized merger made evident what we have long suspected. Throughout the past year, we have seen that security in Africa continues to be influenced by external actors, by rapid economic developments, population growth, and the overall size and diversity of the continent itself.

In line with the new DOD Strategic Guidance, we have prioritized our efforts, focusing on the greatest threats to America, Americans, and American interests. Countering the threats posed by al Qaeda affiliates in East and Northwest Africa remains my number one priority. Strengthening the defense capabilities of our African partners to responsibly address security challenges remains an integral part of what we do. Strengthening regional capabilities in peacekeeping and maritime security also remain important areas of focus. Our engagements are designed to be innovative, low-cost, and have a small footprint. Indeed, in Africa a small investment can go a long way.

As I traveled across the continent, I have been encouraged by the optimism of African leaders in confronting the challenges and embracing the opportunities ahead. I sincerely believe that in the long run it is Africans who are best able to address African security challenges. Because of this and because a safe, secure, and stable Africa is in the United States' national interest, we at AFRICOM will continue to strive to be the security partner of choice on the continent.

Everything AFRICOM has accomplished is the result of the professionalism and dedication of the uniformed and civilian women and men of the command, our strong partnerships in Africa, and our teammates from across the U.S. Government.

I appreciate the tools that you have given us to execute our missions, including new authorities under sections 1206 and 1207 of the NDAA. Meeting our intelligence, surveillance, and reconnaissance (ISR) requirements continues to be a challenge, and I am working with DOD to gain additional capabilities to monitor the activities of al Qaeda affiliates in East, North, and West Africa.

ISR is also essential to AFRICOM's ongoing efforts to assist the Democratic Republic of Congo, Uganda, Central African Republic, and the Republic of South Sudan to defeat the Lord's Resistance Army (LRA) in Central Africa.

I thank the committee for its enduring support, without which AFRICOM would simply be unable to accomplish its missions. We welcome you to visit us at our headquarters or preferably in Africa where you can see firsthand what we are doing.

Thank you, Mr. Chairman, Senator McCain. I welcome your questions.

[The prepared statement of General Ham follows:]

## PREPARED STATEMENT BY GEN CARTER HAM, USA

## Posture Statement of U.S. Africa Command

## U.S. Africa Command Mission Statement

Africa Command protects and defends the national security interests of the United States by strengthening the defense capabilities of African states and regional organizations and, when directed, conducts military operations, in order to deter and defeat transnational threats and to provide a security environment conducive to good governance and development.

## INTRODUCTION

Thank you for the opportunity to discuss the accomplishments and future efforts of the men and women of U.S. Africa Command (AFRICOM). During the past year, we worked closely with U.S. Government agencies and many international partners to address emerging and ongoing threats to security and stability in Africa. Our operations, exercises, and security cooperation programs continue to support U.S. policy objectives in Africa, strengthen partnerships and reduce threats to America, Americans, and American interests emanating from Africa.

This year, with the continued support of Congress, we will strive to build upon existing relationships and develop new partnerships in Africa in order to strengthen the defense capabilities of partner nations to better enable them to provide for their own security while increasingly contributing to regional security and stability. Guided by the Defense Strategic Guidance, we will continue to sharpen our focus, particularly in the realm of countering violent extremist organizations. We will seek new ways to work with and through the African Union (AU) and its regional organizations and to support their leadership in preventing and responding to African security challenges. We will continue to develop innovative, low-cost, and small-footprint approaches consistent with the blueprint for the Joint Force of 2020.

Throughout Africa, small teams of soldiers, sailors, airmen, marines, coastguardsmen, and Department of Defense (DOD) civilians and contractors, along with teammates from many other U.S. Government agencies, conduct a wide range of engagements in support of U.S. security interests. I believe that with a comparatively small resource investment, we can continue to achieve tangible results in Africa.

In order to realize success in our mission we must: PREPARE, in cooperation with our partners and allies, to respond to future crises and contingencies; PREVENT future conflicts by continuing to strengthen our partners' defense capabilities; and PREVAIL in current and future operations.

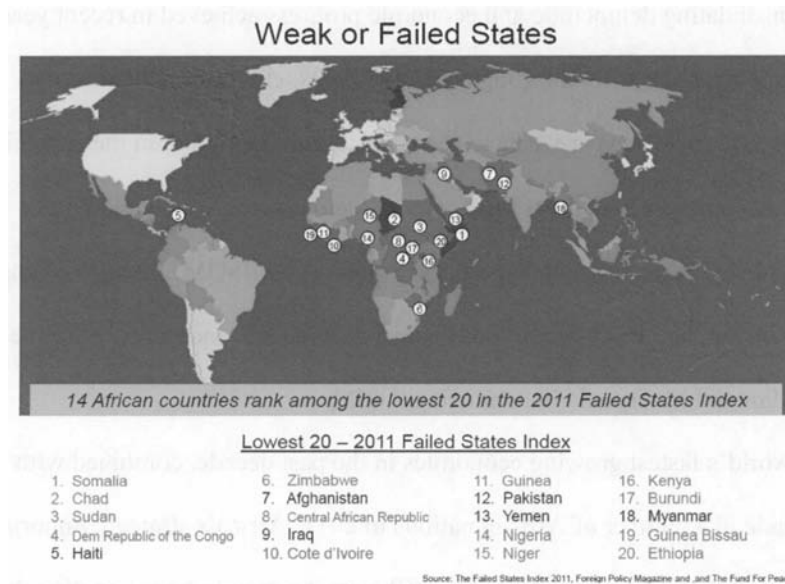
## STRATEGIC ENVIRONMENT

Despite numerous challenges, Africa is a continent where significant progress can be found and great potential exists. The United States is increasingly connected to African states and regional organizations through shared economic, political, and security interests, including commitments to consolidating democratic and economic progress achieved in recent years. AFRICOM supports these efforts through our operations, exercises, and security cooperation activities. In the past year we have seen considerable progress in the capabilities and cooperation of regional partners in addressing threats to regional security, including the operational gains made by African Union Mission in Somalia (AMISOM) forces working alongside Somali, Kenyan, and Ethiopian troops against al Shabaab, and the cooperative efforts of Algeria, Niger, Mali and Mauritania in combating al Qaeda in the Land of the Islamic Maghreb (AQIM).

With six of the world's fastest growing economies in the past decade, combined with democratic gains made in a number of African nations in 2011, Africa's strategic importance to the United States will continue to grow. This year will almost certainly be yet another dynamic year for Africa, with 20 national elections scheduled to occur across the continent, including five elections prompted by peace facilitation, post-conflict, and presidential successions. Some elections may result in new political and security dynamics in Africa. Through all of these changes, AFRICOM will remain flexible as we move forward with our engagements in order to accomplish our strategic objectives.

The Defense Strategic Guidance notes the need for adaptable and strategically targeted approaches to meet the increasing complexity of the 21st century global security environment. Africa's sheer size, diverse population, and many fragile states

are emblematic of this complexity. Africa accounts for 14 of the world's 20 weakest states in Foreign Policy's 2011 "Failed States Index." Many of its fragile states lack the capacity or political will to effectively address demographic, political, social, and economic challenges, including population growth, rapid urbanization, persistent internal conflicts, widening income inequality, burgeoning political demands, widespread disease, and increasing demands for essential resources.



Key security challenges of concern to AFRICOM and our partners include the activities of al Qaeda and its affiliates in East Africa, the Maghreb, and the Sahel. Across the continent, illicit trafficking and its nexus with violent extremist organizations (VEOs) pose significant threats to regional stability and U.S. national interests. Illicit trafficking across the spectrum, from weapons proliferation to trafficking in narcotics and humans, contributes to instability by eroding governance and development. Many Manportable Air Defense Systems disappeared from unsecured storage sites in Libya during the conflict last year and could potentially be trafficked to extremist groups. Also of concern are the Qadhafi regime's stock of chemical weapons and precursor chemicals, the destruction of which was interrupted by the conflict. The Organization for the Prohibition of Chemical Weapons verified the presence of previously undisclosed chemical weapons in a visit to Libya in January 2012, and will continue to coordinate with the Government of Libya on the destruction of all chemical weapons.

#### U.S. AFRICA COMMAND STRATEGY

AFRICOM's strategy is fully in line with key elements of U.S. foreign policy and the recent Defense Strategic Guidance. Applying resources in a thoughtful and effective manner to strengthen the defense capabilities of our partners in Africa also remains a critical element of DOD's new Strategic Guidance. For the foreseeable future, the United States will continue to take an active approach to countering the threat posed by al Qaeda. Monitoring threats, working with African nations to establish control over undergoverned spaces, and taking an active approach to disrupting al Qaeda, are key elements of our efforts in Africa.

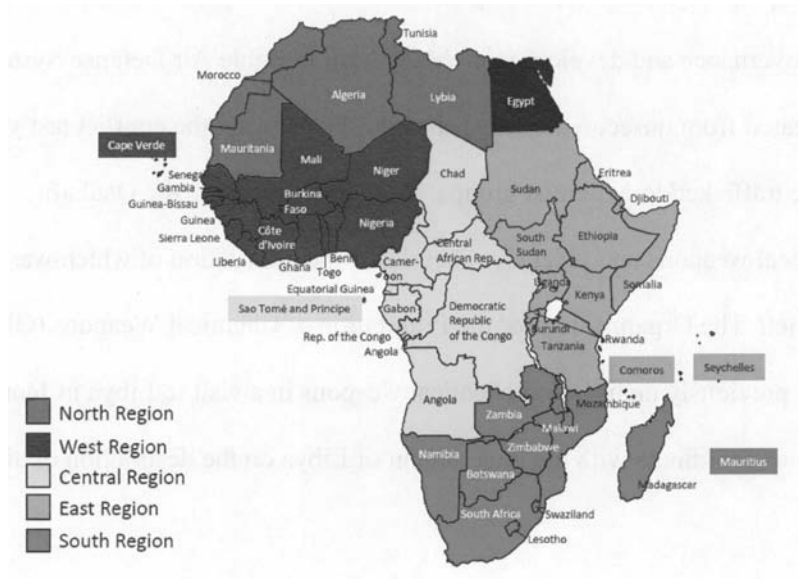


Chart: Africa Regions as according to the African Union

Due to the vast challenges and opportunities on the continent, as well as current fiscal realities, we have prioritized regions in Africa to better focus our exercises, operations and security cooperation activities. The Command's regional alignment corresponds with the AU's regional approach. Our highest priority is the East Africa region which is the nexus for transnational threats to our Nation's security. These threats include violent extremist organizations, illicit trafficking and piracy. In prioritizing engagement with individual partners, AFRICOM considers our common interests, compelling U.S. national security interests, and each nation's role on the continent.

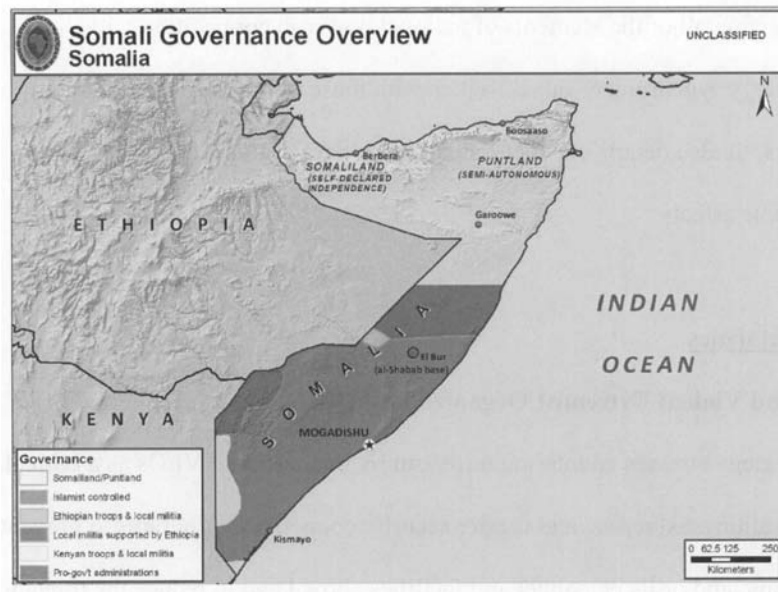
All of our efforts are guided by two principles; first that a safe, secure, and stable Africa is in our national interest, and second that Africans are best suited to address African security challenges. The United States can best address the security challenges and opportunities of the African continent by employing all of the elements of national power in cooperation with our African partners. Our strategy synchronizes our activities with those of our U.S. Government, allied, and African partners. It also details our focus areas, prioritizes regions, and ensures our activities produce sustainable effects.

#### U.S. AFRICA COMMAND PRIORITIES

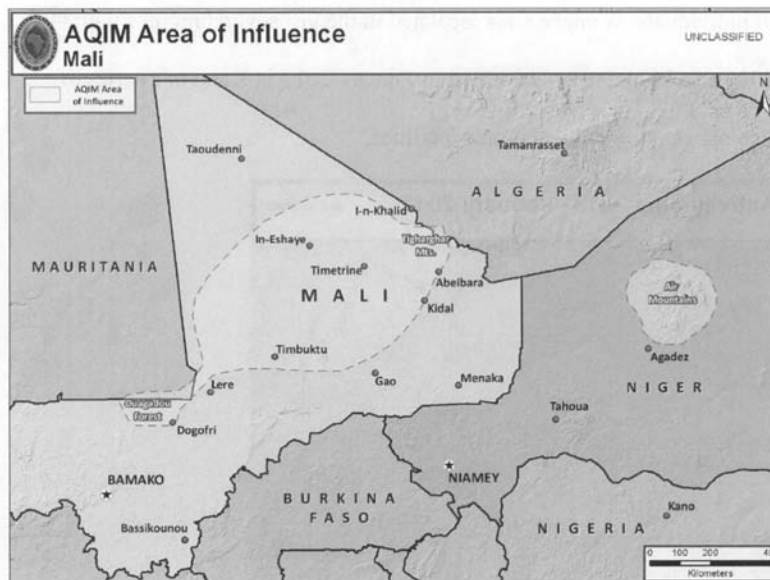
##### *Countering Terrorism and Violent Extremist Organizations*

Our national defense strategy stresses countering terrorism by transnational VEOs as a critical mission. We conduct operations, exercises, and theater security cooperation programs to prevent attacks against the U.S. Homeland or its personnel and facilities abroad and to reduce the threat to our partners and allies.

In Somalia, al Shabaab represents both a terrorist threat to U.S. and regional interests and an insurgent problem to the Somali Transitional Federal Government (TFG) as well as Somali regional administrations. In a video released on 9 February 2012, al Qaeda and al Shabaab jointly announced their formal merger.



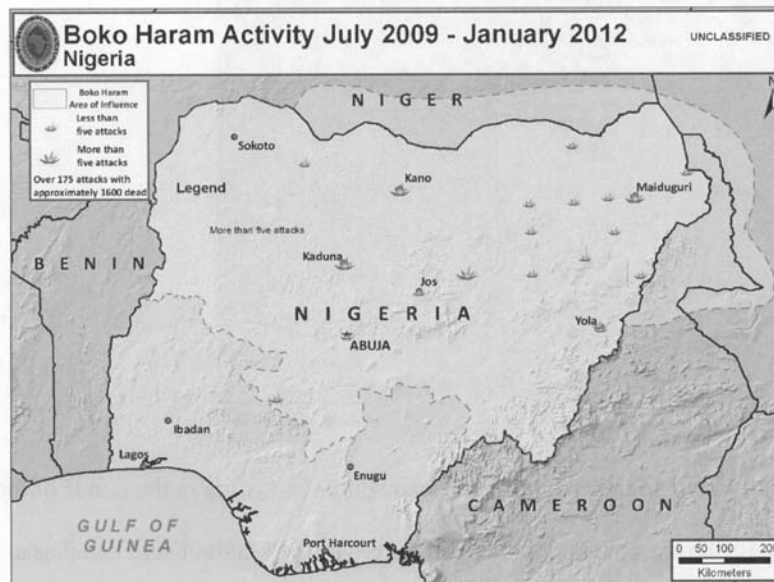
Al Shabaab continues its attempts to overthrow the TFG and gain control of Somali territory. The TFG remains dependent on international support and the presence of AMISOM peacekeepers for its survival. AMISOM successes in Mogadishu, as well as TFG, Kenyan, and Ethiopian operations in south-central Somalia, have the potential to consolidate gains against al Shabaab and foreign fighters. Somalia faces a significant transition point in August 2012 when the TFG's mandate will expire. Current military operations provide the security necessary for progress in the political process.



Of concern in North and West Africa is the terrorist organization AQIM, which uses the undergoverned spaces of the Maghreb and Sahel as a safe haven. Originally focused on overthrowing the Government of Algeria, AQIM evolved and now has a stated intent to attack western targets. AQIM continues to increase its activities in North and West Africa, including collecting large sums of money through kidnapping for ransom. In August 2011, AQIM claimed responsibility for the bombing of an Algerian military school that killed 18 people. There are clear indications that AQIM is now involved in trafficking arms from Libya. In addition, the upheavals in Libya and Tunisia have created opportunities for AQIM to establish new safe havens.

Nigeria, Africa's most populous nation and the source of 8–11 percent of U.S. oil imports, has very recently experienced a significant decline in security, including a steep increase in the number of terrorist attacks by Boko Haram. Historically, Boko Haram focused on Nigerian government targets but in August 2011, it bombed the United Nations mission in Abuja, killing 25 and injuring more than 80 individuals. Violence has escalated in the last several months with 40 killed in Christmas 2011 attacks and over 180 killed in January 2012 in Kano in a series of coordinated attacks against government and police facilities.





In response to these attacks, Nigerian President Goodluck Jonathan declared a state of emergency in some areas and sent additional military forces to northern Nigeria. We seek to work with our Nigerian partners to strengthen their capability in civil-military affairs to facilitate interaction between military forces and civilians in northern Nigeria and to improve their ability to counter improvised explosive devices. These tailored efforts will enhance Nigerian capabilities to effectively provide security to the Nigerian people and to address conditions conducive to the growth of Boko Haram. The insecurity in northern Nigeria will not be solved solely by military action. An enduring solution will require addressing the underlying conditions which lead individuals to support Boko Haram.

We actively counter these threats through a mix of security force assistance, assisting African states to establish control over undergoverned territories and, in some instances, direct military activity. Our programs and activities support and complement the Department of State's Partnership for Regional East African Counterterrorism (PREACT) and the Trans-Sahara Counterterrorism Partnership (TSCPT). Our engagements focus on border security, intelligence, and tactical training. We also assist in properly equipping partner nation forces as well as encourage regional cooperation and intelligence sharing as methods to increase effectiveness.

I believe our strategy for countering-VEOs and emphasis on regional cooperation are having positive effects. In June 2011, the Nations of Mauritania and Mali, whose forces have both trained in a variety of ways including in our annual Flintlock exercise designed to help build counterterrorism capacity, collaborated to destroy an AQIM camp in northern Mali. The nations of Niger and Algeria are both aware of the threat of weapons trafficking from Libya, and are now cooperating to secure their borders. In January 2012, Algeria stopped a 4 vehicle convoy which was carrying over 100 assault rifles, 2 rocket propelled grenades (RPG), and ammunition suspected of being of Libyan origin. Furthermore, our sustained support for the troop contributing countries to the AMISOM has resulted in that organization being increasingly capable of countering al Shabaab's influence.

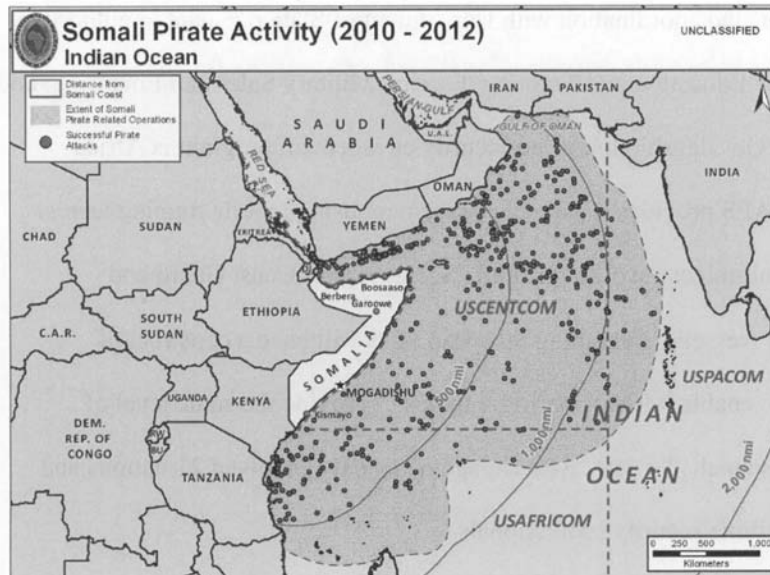
The potential for support and strengthening of ties between these three groups (al Shabaab, AQIM and Boko Haram) with al Qaeda in the Arabian Peninsula and al Qaeda senior leaders in Pakistan, is of particular concern and requires continued monitoring.

#### *Countering Piracy and Illicit Trafficking*

Instability on land contributes to the growth of both VEOs and other criminal activity. The free flow of commerce through the global commons is essential to U.S. economic and security interests. Piracy and other maritime crimes negatively impact

the security and freedom of access for all nations to critical waterways and continue to threaten U.S. security in the waters off the east and west coast of Africa. The international community, including the North Atlantic Treaty Organization (NATO) and the European Union, is actively combating piracy in the waters off of the African continent. However, many African partners presently lack the maritime capability and capacity to effectively address piracy. Our goal is to help partner nations build their capacity to increase maritime domain awareness and security in Africa as part of the broader U.S. Government and international effort.

In the waters off the Horn of Africa and into the Indian Ocean, Somali-based piracy is a persistent threat. Pirates have demonstrated the ability to operate small watercraft at distances greater than 100 nautical miles from the coast. As the pirates move further east into the Indian Ocean and south into the Mozambique Channel, the challenges and cost associated with interdicting pirate vessels will grow due to a larger area to patrol, making vessels more vulnerable. According to the Office of Naval Intelligence, the number of attempted pirate attacks decreased from 186 in 2010 to 166 in 2011; similarly, the number of successful attacks in 2010 dropped from 51 to 27 in 2011. This decline is attributed primarily to the presence of armed security teams on commercial vessels and increasing pressure from the international community in the form of naval patrols.



Somali pirates enjoy sanctuary and freedom of movement on land relatively unimpeded by regional forces. The emergence of armed security teams on commercial vessels, which is reducing the number of successful attacks, may be forcing Somali pirates to adopt new tactics to earn ransoms. A growing concern regarding Somali clan based criminal networks is land-based kidnapping for ransom.

Piracy and armed robbery at sea are also a persistent and growing threat in West Africa's Gulf of Guinea. The International Maritime Bureau statistics document an increase in reported attacks from 28 in 2010 to 39 in 2011. Unlike piracy in the waters off East Africa, attacks in the Gulf of Guinea tend to focus on theft of cargo and kidnapping of individuals crewmembers for ransom, and more frequently result in the injury or death of crewmembers.

Our objectives for maritime security include developing maritime domain awareness, increasing response capabilities, and fostering regional integration and cooperation. Our activities are carried out pursuant to a variety of DOD (title 10) and State (title 22) authorities. Some of these are military-to-military authorities like 10 U.S.C. 1051 and 2010. While others are carried out in cooperation and coordination with Department of State pursuant to authorities such as International Military Education and Training, Foreign Military Sales and Financing, and Peace Keeping

Operations. Our flagship maritime security engagement program is Africa Partnership Station (APS). APS provides sustained engagement using mobile training teams, interagency, and international trainers, working from U.S. Navy, U.S. Coast Guard and international partner nations' vessels. Beginning this year, APS will have a construct of "training African trainers" to enable African maritime forces to provide the same level of instruction without U.S. personnel. To date, APS engagements have involved 21 nations and trained more than 7,700 maritime security professionals.

AFRICOM also works closely with African regional organizations to promote and facilitate enhanced regional dialogue and cooperation on maritime security issues. In July 2011, AFRICOM along with the African Center for Strategic Studies sponsored the Maritime Safety and Security Seminar with subject matter experts from the Economic Community of Central African States (ECCAS) and the Economic Community of West African States (ECOWAS). The seminar provided a venue for the two groups to discuss the wide range of maritime security threats and to align their strategies to confront maritime threats. AFRICOM was able to provide a neutral venue and foster the development of a draft agreement between the two organizations that delineates legal roles and promotes interregional cooperation.

Increasingly, African states are taking ownership of security challenges and are working together to combat shared threats. In response to the piracy threat in the Gulf of Guinea, Benin and Nigeria are conducting joint maritime patrols. The nations of Togo and Ghana are expected to join in these patrols as well. ECCAS is also conducting joint patrols in the Gulf of Guinea, with Cameroon, Sao Tome and Principe, Equatorial Guinea, and Gabon. In November 2011, ECOWAS conducted a conference to discuss further regional cooperation to combat piracy in the region. Activities conducted to increase maritime security, also contribute to reducing the potential exploitation of undergoverned maritime space by violent extremists or criminal organizations.

Many of the same conditions conducive to VEOs and maritime crime are also exploited by criminal elements for illicit trafficking across the spectrum, from sales of weapons to potential trafficking in narcotics and humans. The emergence of complex networks of transnational criminals, narcotics traffickers, VEOs, and other actors necessitates a greater emphasis on countering illicit trafficking (CIT) on land and at sea. The primary objective of our CIT efforts is the development of legitimate, effective, and accountable security forces capable of combating narcotics, weapons trafficking, and other forms of illicit trafficking. We prioritize support to partner nations whose efforts prevent or disrupt the convergence of illicit trafficking and VEOs.

Last year we conducted 71 CIT training events with 24 African partner nations using both section 1033 of the NDAA for Fiscal Year 1998 (support to counter-drug activities of certain foreign governments) and section 1004 of the NDAA for Fiscal Year 1991 (support to counter-drug activities of other government agencies). We supported bases of operation in Ghana and Liberia used to enhance maritime security operations in the Gulf of Guinea. Additionally, we implemented five projects to facilitate information sharing with our partner nations. Through increased information sharing, Cape Verde successfully executed its largest drug seizure valued at \$100 million. These modest efforts relative to demand are paying dividends in increased cooperation and effectiveness against illicit trafficking capabilities.

#### *Partnering to Strengthen Defense Capabilities*

AFRICOM assists African partners to develop the capabilities required to combat VEOs, piracy, illicit trafficking, and prevent conflict. Increasing the ability of Africans to prevent, mitigate, and resolve conflicts leads to increases in stability and can create the conditions conducive to development. Building partner capacity is also important because it promotes the sharing of costs and responsibility for security on the African continent.

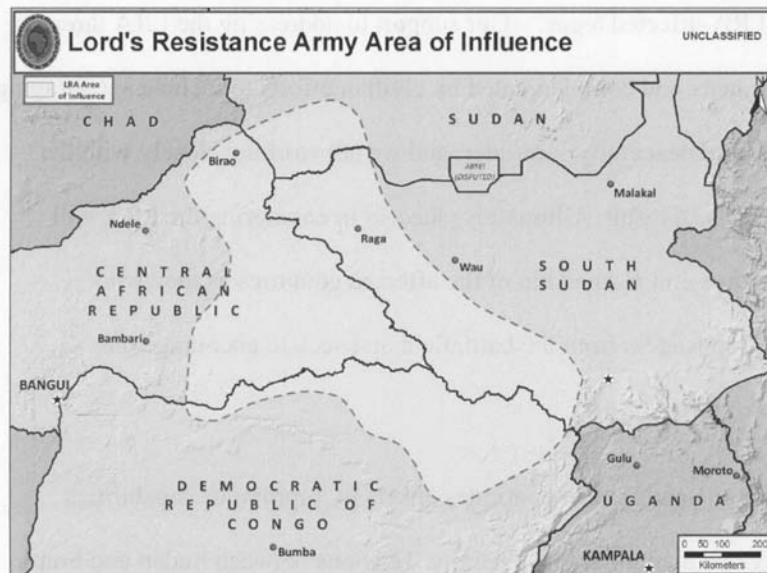
Our capacity building activities complement Department of State programs and are planned with the embassy country team and the partner nation. We focus on the development of professional militaries which are disciplined, capable, and responsible to civilian authorities and committed to the well being of their citizens and protecting human rights. Our efforts focus on increasing the capability and capacity of African partner nations to serve as trained, equipped agents of stability and security on the African continent.

The majority of our engagements are conducted by small teams led by our Army, Navy, Air Force, Marine and Special Operations Components at a low cost and with a small footprint. African militaries are very receptive to this approach which allows us to cultivate the personal relationships that are so important to our efforts to deepen institutional relationships and build capacity. Given the imperative to re-

duce costs, we have focused our exercise program on multilateral exercises to make judicious use of resources. An added benefit of multilateral exercises is they develop relationships between nations and contribute to regional cooperation.

One of our primary foci is support to African nations who are willing and able to provide forces to the AMISOM and other peacekeeping operations. In support of the Department of State's Global Peace Operations Initiatives (GPOI) and the African Contingency Operations Training and Assistance (ACOTA) programs, we provide military mentors to support pre-deployment training. We work extensively with the Nations of Uganda and Burundi as they provide the majority of forces to AMISOM to date. Last year we assisted the forces of Djibouti in preparing for their deployment to support AMISOM. Despite some challenges, Djibouti deployed a 100-man advance element of its pledged infantry battalion of over 800 troops. This year we look forward to assisting Sierra Leone as it prepares peacekeeping forces for deployment to Somalia, and we would also look for ways to assist Kenyan forces, consistent with our prior trainings and as appropriate, given AMISOM plans to incorporate Kenyans into the mission.

In the Great Lakes Region of Africa, the United States is engaged in a number of efforts to help address violent armed groups and to promote security. For several years, the people and Governments of Uganda, the Central African Republic, the Democratic Republic of the Congo, and South Sudan have worked to eliminate the threat posed by the Lord's Resistance Army (LRA), one of Africa's most violent and persistent armed groups, which has brutalized civilians in the region for a quarter-century.



Consistent with the bipartisan legislation on the LRA passed by Congress in 2010 and signed into law by the President, the United States continues to pursue a comprehensive, multi-year strategy to help our regional partners mitigate and eliminate the threat posed by the LRA. As part of that strategy, President Obama reported to Congress in October that he had authorized a small number of U.S. forces to deploy to the LRA-affected region and to act as advisors to the militaries that are pursuing the LRA. About 100 U.S. personnel deployed to support the regional effort. These U.S. forces do not have an operational role and are focused on assisting and advising host nation forces. An important aspect of their mission is to enhance the capacity of our partners to coordinate and fuse intelligence with effective operational planning so they are better able to plan and conduct operations with the goal of removing from the battlefield Joseph Kony and other senior leadership of the LRA.

Our military advisors are sensitive to the challenges of civilian protection and are incorporating protection considerations into training and operational planning sup-

port. AFRICOM is also implementing a rewards program intended to enhance information-gathering efforts throughout LRA-affected areas. Our support to addressing the LRA threat is embedded within a broader strategy and complemented by civilian efforts to include encouraging members of the LRA to defect and peacefully surrender, and we are working closely with the Department of State and USAID as a result. Ultimately, success in countering the LRA will depend upon the continued resolve and partnership of the affected countries as they work together to remove the LRA's top leaders from the battlefield and seek to encourage the defection and disarmament of others.

In East Africa, the Republic of South Sudan continues efforts to improve its capabilities addressing immediate security and humanitarian concerns. Tensions between Sudan and South Sudan have been and remain a source of regional instability. Disagreements between the two nations remain over the contentious issues of border demarcation, wealth sharing primarily related to oil revenue, and debt forgiveness. Ongoing violence remains a challenge to both governments and the United Nations Mission in South Sudan. As of February 2012, the two Sudans are engaged in difficult negotiations related to transit fees for oil. The two sides remain deeply divided over these issues but the future of both nations will depend on their ability to peacefully address this and other post-referendum issues.

Our activities in South Sudan will focus on assisting with the development of the Ministry of Defense and the transformation of their military. We will concentrate on developing the institutional processes of the Sudan People's Liberation Army (SPLA) general headquarters and mission critical forces focused on command and control, discipline of the force, and mobility. Our efforts in security force assistance are expected to begin in 3rd quarter fiscal year 2012.

In our efforts to strengthen defense capabilities of African partners, the National Guard State Partnership Program is an incredibly important component. Currently, there are eight partnerships in Africa (Botswana and North Carolina, Ghana and North Dakota, Liberia and Michigan, Morocco and Utah, Nigeria and California, Senegal and Vermont, South Africa and New York, Tunisia and Wyoming). The Michigan National Guard is providing 24 personnel in support of Operation Onward Liberty to conduct training in defense sector reform. I have asked General McKinley, Chief of the National Guard Bureau, to consider adding two State Partnerships this year and to continue to explore future growth.

Our component commands bring valuable assets and tailored experience necessary for successful capacity building efforts. One example of this is the United States Marine Corps Special Purpose Marine Air Ground Task Force (SPMAGTF) which established a rotational presence in Sigonella, Italy, in October 2011 to support the command. Managed and tasked by U.S. Marine Corps Forces, Africa, the SPMAGTF is tailored to conduct theater security cooperation engagements. The SPMAGTF consists of just under 200 marines, organized in 5–14 man teams, with 2 KC–130 aircraft. These teams will deploy in support of PREACT and ACOTA missions. The SPMAGTF is an invaluable asset for the command and increases our ability to engage on the continent. In addition, the SPMAGTF provides the command a limited crisis response capability for natural disasters, evacuations, and other crises.

Beginning this year, we will begin Africa Partnership Flight (APF). Modeled after the Navy's successful APS, APF features low footprint, short duration, high-impact, sustainable and predictable engagement with our African partners. APF will become the primary Air Force program for conducting building partnership capacity and will enable committed African states to enhance their aviation capabilities, foster greater regional cooperation, and increase air domain safety and security in Africa. The first event under APF is scheduled for March 2012, in Ghana.

Finally, the Department of the Army has selected U.S. Army Africa to conduct the pilot Regionally-Aligned Brigade rotation in fiscal year 2013. This brigade, a tailored Army General Purpose Force, is designed to help support AFRICOM's validated requirements for security cooperation activities throughout Africa.

#### *Preparing and Responding to Crisis*

AFRICOM is always prepared to conduct humanitarian, disaster relief, and other operations as directed. The dynamic security environment on the continent requires the command headquarters and our components to be trained and ready to plan and conduct responses for a wide range of contingencies. Our operating locations on the continent support our operations and provide the ability to rapidly respond if required.

We demonstrated our ability to respond to a crisis in the spring of 2011 when the command directed coalition military operations in Libya, which prevented the Qadhafi regime from committing mass atrocities against the citizens of Benghazi. After

the end of NATO Operation Unified Protector on 31 October 2011, we established a joint task force to command and control post conflict U.S. operations related to Libya. Joint Task Force Odyssey Guard, commanded by U.S. Army Africa, was instrumental in providing support to the Department of State as it reopened the U.S. embassy in Tripoli. Joint Task Force Odyssey Guard also provided explosive ordnance disposal assistance and monitored the security of the chemical weapons in the Waddan storage complex.

Critical Intelligence, Surveillance, and Reconnaissance (ISR) assets based in Sigonella, Italy, and Souda Bay, Greece, were used in Operation Odyssey Dawn and NATO Operation Unified Protector and continue to be used today to monitor illegal trafficking and violent extremist organizations.

ISR assets are a key enabler for many of our operations and engagements. The information provided by these assets is used to develop a full picture of the activities of VEOs and other activities of interest. Without operating locations on the continent, ISR capabilities would be curtailed, potentially endangering U.S. security. We currently operate ISR assets from various locations and continue to explore additional operating locations in order to improve access and on-station times for our ISR missions. Given the vast geographic space and diversity in threats, the command requires increased ISR assets to adequately address the security challenges on the continent.

On the African continent, we have strategic locations that provide a hub and spoke operational reach that covers the continent with C-130 aircraft operational capability. Our only enduring presence on the continent is Camp Lemonnier, Djibouti, which provides an essential command and control and logistics hub for Combined Joint Task Force Horn of Africa to plan and support operations, exercises and security cooperation activities throughout East Africa. Camp Lemonnier is also an essential regional power projection base that enables the operations of multiple combatant commands; U.S. Transportation Command, U.S. Central Command, U.S. Special Operations Command and AFRICOM. The requirements for Camp Lemonnier as a key location for national security and power projection are enduring.

New mission requirements at Camp Lemonnier necessitate new facilities and upgrades. We will take measured steps to move from expeditionary and temporary facilities which have been cobbled together over time to an enduring austere footprint. Additionally, we will prudently evolve to improve force protection, safety, and energy standards. We continue to work with the Department of the Navy to update the existing master plan. I very much appreciate the continued support the Congress has provided for military construction projects at Camp Lemonnier, Djibouti.

In addition to Camp Lemonnier, the command leverages support from U.S. European Command's and Defense Logistics Agency's military infrastructure to support operations in a time of crisis. U.S. bases in Europe provide geographic proximity, infrastructure, maintenance support and flexibility. European based forces were absolutely critical to Operation Odyssey Dawn; simply stated, we could not have responded on the timelines required for operations in Libya had air and maritime forces not been forward-stationed in Europe.

The value of our operating locations on the continent and the readiness of the command's headquarters and its components were further demonstrated in January 2012 when the command, at the request of the Department of Justice, planned and conducted the successful hostage rescue of an American citizen and a Danish citizen who were held captive in Somalia.

Our headquarters location in Stuttgart, Germany, has been a topic of discussion since the command was established. The final decision on location was deferred until 2012 by then Secretary of Defense Gates. The Office of the Secretary of Defense is leading a comprehensive study of the factors involved in the headquarters basing, and we are providing complete data and information to support their analysis of the comparative costs, benefits, and risks of various basing options. Until a final decision is made, we will continue to accomplish our missions from Stuttgart, where our proximity to Africa, both geographically and in terms of time zones, facilitates our ability to build relationships with our African partners, and provides a location where our servicemembers, civilians, and their families are well supported.

#### *Fiscal Responsibility*

AFRICOM recognizes the national security imperative of deficit reduction and continues to seek innovative, low-cost concepts for activities and functions across the command. I have directed the staff to look beyond the assigned reductions with a goal of further efficiencies in the command's budget requirements. We conducted a study of the headquarters functions to seek further efficiencies and improve effectiveness. Through this study, we found areas where we believe we can combine functions and reduce manpower requirements with a minimum of risk.

To reduce fuel costs at Camp Lemonnier, the containerized living units (CLU) will be renovated through a \$1 million project funded by the DOD Operational Energy Plans and Programs Office. The CLUs will be redesigned incorporating energy efficient air conditioning units, increased insulation, and reflective exterior coatings. As part of the project, a highly energy efficient SuperCLU will be developed. The projected energy saving are 54 percent for CLUs and 82 percent for SuperCLUs thus reducing fuel costs for the camp.

We recognize our security cooperation engagements must be innovative, low-cost, and if sustained, yield more than immediate budgetary savings. The outcomes of our security cooperation programs are twofold, first as African partners become increasingly capable of addressing their own security and countering violent extremist organizations, the burden of addressing those threats is shared, reducing budgetary and personnel costs to the United States. Second, while it is difficult to prove that we have prevented a crisis by working with partners in peacetime, we know that the cost of intervention far exceeds that of prevention.

#### *How Congress Can Help*

The African continent has many challenges which require collaboration and support of all the agencies of government and the support of Congress. At this time, the command is properly resourced; however, ISR continues to be a challenge to satisfy mission requirements. We are working with DOD to gain additional ISR to monitor the activities of al Qaeda affiliates in East Africa, the Maghreb, and the Sahel and the Lord's Resistance Army in Central Africa.

In order to conduct many of our programs we use a mix of Department of State and DOD authorities. One example of this is the APS program where DOD title 10 authorities pay for the movement of ships and personnel while State Department's PKO funding pays for the actual training activities of African personnel. An example of how Congressional support provided critical authority at an appropriate time is the Global Security Contingency Fund (GSCF), approved in the National Defense Authorization Act (NDAA) for Fiscal Year 2012. This was a first step in streamlining State and DOD authorities for security assistance and the two departments are working closely to utilize the GSCF in the coming year.

The Department of State's ability, through security assistance funding, to work on the same problem set from a different angle is beneficial and would suffer if its funding were reduced, weakening overall U.S. Government abilities to advance U.S. objectives on the continent. We will work with our interagency partners to ensure the resources you provide are appropriately tied to our highest defense and foreign policy priorities. I thank this committee and Congress for its continued support of our team and our mission.

Another example of how congressional support provided critical authority at an appropriate time is the new authority of section 1207(n) in the NDAA for Fiscal Year 2012. Pursuant to that authority, we are working with the Department of State to plan our support to build the capacity of the counterterrorism forces of Ethiopia and those countries engaged in AMISOM. This is an opportune time to exercise this authority as al Shabaab in Somalia is facing a fight on three fronts with forces from AMISOM and the Somali TFG, Kenya, and Ethiopia actively engaged. We appreciate the additional authority and believe it will enable AMISOM forces to continue their progress against al Shabaab.

We also appreciate the new authority under section 1206 of the NDAA for Fiscal Year 2012 to provide logistics support, supplies, and services for countries participating in counter-LRA operations. We feel this authority will enable continued steady progress by our regional partners toward our mutual goal of defeating the LRA and bringing Joseph Kony to justice.

Finally, we welcome visits by you and by your staffs. The members and staff who have had the opportunity to travel in Africa gain a deeper appreciation for both the challenges and the many opportunities that are presented in this large and diverse continent.

#### CONCLUSION

AFRICOM will continue its operations, exercises, and security cooperation in order to protect America, Americans, and American interests from threats emanating from the African continent and advance U.S. policy goals. We will prioritize and focus our engagements to counter the most significant threats to U.S. security. We look forward to being the security partner of choice for African nations by building lasting, beneficial partnerships. Our success is dependent upon close collaboration with our interagency partners, embassy country teams, African regional organizations, and African nations.

We believe that over the long run, it is Africans who should address African security challenges and that we most effectively advance U.S. security interests through focused and sustained engagement. In strengthening African defense capabilities and capacities, we enable African states to take ownership of their challenges and strengthen their leadership roles. We believe that for a relatively low resource cost, our programs are making a positive difference.

Our past successes would not have been possible without the dedication of the entire AFRICOM team—soldiers, sailors, airmen, marines, coastguardsmen, civilians, contractors, and our interagency teammates—and their families.

During my travels throughout my first year with AFRICOM, I have heard many great African proverbs, however, I have learned one which I think is particularly applicable to AFRICOM:

“If you want to go quickly, go alone. If you want to go far, go together.”

We, at AFRICOM, choose to go far. We choose to go together, with our Africa partners as well as together with our many interagency partners, to better meet their security interests and to advance the security interests of the United States.

Chairman LEVIN. Thank you so much, General Ham.

Let us try 7 minutes for our first round. We have a vote at 11 a.m. but apparently it is now 11:30 a.m., but assuming that we are still asking questions, which I presume will be the case, we will try to work right through that vote, and if necessary, we will also have a second round.

Admiral and General, first, about the fiscal year 2013 budget. We have had an administration strategy which has been laid out recently. My question is, does the 2013 budget request from the administration reflect the administration's strategy for your AOR, and do you support that budget? Admiral?

Admiral STAVRIDIS. Yes, sir, to both questions.

Chairman LEVIN. General?

General HAM. I do, sir.

Chairman LEVIN. Now, relative to Afghanistan, Admiral, let me ask you a number of questions about the events that are going on in Afghanistan following the violence over the Koran burning. Question number one, should we, because of this violence, modify our strategy in Afghanistan in your judgment?

Admiral STAVRIDIS. No, sir. I think at the moment, although as you say it has been a very challenging week, as I look at the broad sweep of our progress there, I am convinced that we should continue with the current strategy of transitioning to the ANSF.

Chairman LEVIN. Do our NATO allies and the other ISAF participating countries also remain committed to the strategy following this violence?

Admiral STAVRIDIS. Yes, sir. In my conversations—as you can imagine, I have had many over the last week or so with senior leaders within the alliance. You have also seen the Secretary General of the alliance, Secretary General Rasmussen, address this specifically. I think there is solid support on the European side of this to continue with the current strategy.

Chairman LEVIN. What is your assessment of the response of the ANSF to the violence over the recent days?

Admiral STAVRIDIS. It has been reasonably good. We have had about 150 demonstrations around the country, about 30 people killed, about 150 people wounded. So this has been a significant level of activity, but it has been very diffuse around the country. I think General Allen would tell you and will probably have a chance to tell you directly in a few weeks that he has been gen-



erally pleased with the response, both of the Afghan National Police (ANP) and the Afghan National Army (ANA), in containing these demonstrations and holding violence to a minimum.

Chairman LEVIN. Last June when the President announced the plans for the drawdown of U.S. surge forces by the end of this summer, he also said that after that occurred, that U.S. troop reductions would continue, in his words, "at a steady pace as ANSF move into the lead." Can you give us your view regarding the pace of troop reductions in Afghanistan after the end of this summer when the surge forces are out of Afghanistan between then and 2014 when we would be turning over the principal security responsibility throughout Afghanistan to the Afghans?

Admiral STAVRIDIS. Sir, as you would expect, we are starting to think about that holistically from, as you say, the end of the fighting season at the end of this summer and looking forward. But I think it is too soon to lay out a definitive track. General Allen will be coming in, I would guess, by mid-summer with some ideas about that, and they will have to be vetted on the U.S. side through General Mattis up the NATO chain with me. I would not anticipate having granularity on that until later on this year. I think it has to be conditions-based as we go forward. So I think that is a sensible approach.

Chairman LEVIN. Do you have any current views about that pace?

Admiral STAVRIDIS. I do not, sir. I want to see how things go for the rest of the year.

Chairman LEVIN. Next, do you anticipate that one of the major outcomes from the NATO Summit in Chicago in May would be an agreement between NATO and the Government of Afghanistan on a long-term strategic partnership for promoting security and stability in Afghanistan?

Admiral STAVRIDIS. I believe it will be. That is a very high-level goal for Secretary General Rasmussen. Everything I can see around the circuit on the NATO side indicates a strong willingness to go forward, and I believe we will have an enduring partnership between NATO and the Republic of Afghanistan.

Chairman LEVIN. You expect that could be accomplished by that Summit?

Admiral STAVRIDIS. Yes, sir, I do.

Chairman LEVIN. Now, discussions between us and Afghanistan on a long-term strategic partnership agreement have allegedly slowed down reportedly over the issues of night raids and detention operations. Is it your expectation that those issues would need to be resolved within the U.S.-Afghanistan strategic partnership negotiations before an Afghanistan-NATO strategic partnership agreement could be finalized?

Admiral STAVRIDIS. First of all, those particular discussions are in the U.S. chain. So it would be General Mattis who would be focused on that, obviously. My sense is that on the NATO side, we are going to move forward independently of national bilateral agreements. Some European nations have already concluded strategic partnership agreements. Some are in discussions. There is a NATO path forward on this that I am confident will be done by the Summit.

Chairman LEVIN. Now, on the question of our forces in Europe, after the inactivation of two Army brigades and the one A-10 squadron in Germany, I assume that this is going to affect bases or sites that we have in Europe. I am wondering if you would provide us for the record a list of the impact of those changes on our locations in Europe.

Admiral STAVRIDIS. Yes, sir, I will be glad to.

[The information referred to follows:]

The inactivation of the two Army brigades will allow us to close the communities of Bamberg and Schweinfurt, Germany (a total of 11 distinct sites), in addition to the communities of Mannheim and Heidelberg, whose closure was announced in 2010. While the inactivation of the A-10 squadron will reduce our presence in Spangdahlem, Germany, it will remain an enduring location because of the presence of other U.S. forces. Similarly, the divestiture of the Air Control Squadron at Aviano Air Base, Italy, will reduce our presence but Aviano will remain an enduring location. The Army will also reduce combat enablers by 2,500 personnel in Europe, coming from a variety of locations across Germany. Finally, there are other ongoing basing efficiency initiatives which may result in other site modifications that will be announced and executed as soon as we've completed consultations with the affected host nations.

Chairman LEVIN. Do you believe it is in our security interest to pursue cooperation with Russia on missile defense?

Admiral STAVRIDIS. I do.

Chairman LEVIN. Can you tell us why?

Admiral STAVRIDIS. I think that as a general proposition, the missile defense system that we are putting in place is not in any way directed against Russia. It is directed against ballistic missiles that could come from a variety of nations.

Chairman LEVIN. Including Iran?

Admiral STAVRIDIS. Including Iran, of course. Clearly, Russia's geopolitical position where they exist in the world, their geography, would make it advantageous to have a means of sharing information. Now, that is distinct from a fully integrated system, and of course, we have to protect our classified information and so forth. But I think there is advantage in a tactical sense to this, and from a political perspective, I think seeking zones of cooperation with Russia where we can find them is a useful thing to do, recognizing there are going to be areas that we are going to disagree with the Russian Federation upon.

Chairman LEVIN. Thank you.

General, you recently visited Libya, I believe, and had discussions with military leaders in Libya. Can you give us your reaction to those meetings?

General HAM. Sir, I have visited Tripoli, a first visit, first of what I hope will be many visits to that country. Early in February, we hosted the military chiefs of the Libyan armed forces at our headquarters in Germany. All of this focused on establishing what I will call a normalized military-to-military engagement process.

I am encouraged by the willingness of the Libyans to want to have that kind of relationship. To that end, we have stood up an Office of Security Cooperation. That is the mechanism that we would have to facilitate things such as foreign military sales and international military education and training (IMET) programs.

So I think we are off to a good start. The challenge for us will be to sustain that and make sure we are addressing the security

concerns that are of mutual interest to Libya and the United States.

Chairman LEVIN. Thank you both.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Admiral, I am sure in your experience you remember that we intervened in Kosovo and Bosnia because ethnic cleansing and an unacceptable situation prevailed that caused us to intervene and stop the massacre that was going on, right?

Admiral STAVRIDIS. Yes, sir.

Senator MCCAIN. Yesterday the Secretary General of NATO, Mr. Rasmussen, told The Cable, "we haven't had any discussions about a NATO role in Syria, and I don't envision such a role for the alliance." Is it true that NATO is doing no contingency planning of any kind with respect to Syria, including for the provision of humanitarian and medical assistance?

Admiral STAVRIDIS. We are not doing any detailed contingency planning at this point, Senator, and there is a reason for that. Within the NATO command structure, there has to be an authorization from the North Atlantic Council before we can conduct detailed planning.

Senator MCCAIN. Before you can do any planning?

Admiral STAVRIDIS. Before we do detailed contingency planning.

Senator MCCAIN. I asked if there is any planning going on.

Admiral STAVRIDIS. There is always a close monitoring of a situation like that, but there is nothing that I would categorize as detailed planning.

Senator MCCAIN. Would you characterize the crisis in Syria as an armed conflict between Assad's forces and opposition forces?

Admiral STAVRIDIS. Yes, sir, I would.

Senator MCCAIN. Would the provision of arms, communication equipment, and tactical intelligence help the Syrian opposition to better organize itself and push Assad from power?

Admiral STAVRIDIS. I would think it would, yes, sir.

Senator MCCAIN. So here we are with a NATO that was willing to engage and intervene in Bosnia and Kosovo, but we will not even make any contingency plans for the massacre that is going on in Syria. I guess I will not have to ask a comment on that. It speaks for itself as to the role of NATO.

General Ham, have you seen evidence of al Qaeda attempting to exploit unrest in Libya and Tunisia? If so, have they had any success?

General HAM. Sir, we have seen indications that al Qaeda seeks to take advantage of the situation in Libya. It is less clear to me that they have the same intent in Tunisia, but Libya to be sure.

Senator MCCAIN. In your prepared remarks, you say there are clear indications that AQIM is now involved in trafficking arms from Libya. Could you tell us a little bit about the indications, what kind of weapons they are trafficking, and has al Qaeda acquired MANPADS from Libya?

General HAM. Senator, if you allow me, it would be best, I think, to give you the details in a classified response to your question. But more generally, we certainly have seen the transit of small arms, some heavy weapons, and munitions from stockpiles in Libya

through the border area between Niger and Algeria, and we assume that that is intended to resupply AQIM principally operating in northern Mali.

[The information referred to follows:]

[Deleted.]

Senator MCCAIN. This whole issue the Tunisians have with their border problems lends itself to making the situation worse because they do not have control of their borders, right?

General HAM. Sir, that is true for most of the nations in that neighborhood.

Senator MCCAIN. So it would be in our interest to help the Tunisians, as I mentioned in my prepared statement, with some ability to better control their own borders.

General HAM. I agree with that, Senator.

Senator MCCAIN. Admiral, in the NDAA, we put in language about Georgia and the sale of defensive arms. Have we had any advice and counsel from you on that as to how we can carry out that mission of helping them with defensive weapons?

Admiral STAVRIDIS. Sir, we are moving very fast on that and I anticipate that coming back to the committee, to Congress, at the end of this month. I want to assure you it is getting a great deal of attention and we are leaning forward on it very much.

I also want to just mention—and you picked up on this, but Georgia's contributions in Afghanistan are almost beyond noteworthy. They have a full battalion there. They have just agreed to add a second battalion. They will then become the largest troop-contributing nation on a per capita basis of the 50 nations who are there. We are also looking at bringing them into the NATO Special Operations Headquarters to do some work in that regard too. So overall, as you indicated, it is a nation that we are working with very closely, and I look forward to delivering the section 1242 data you asked for at the end of the month.

Senator MCCAIN. Thank you.

General Ham, on a recent visit that we paid to both Tunisia and Libya, I got the distinct impression that al Qaeda is a threat and radical Islamist elements are a threat, but overall, more so in Tunisia than Libya because they are further along. There does not seem to be a fear, at least amongst the people of these countries, about those extreme elements having an undue influence. But at the same time, this issue, particularly in Libya, of all these weapons lying around, including perhaps MANPADS—I have heard figures as much as 20,000. The militias that are still not under government control should give us pause.

What is your assessment, because you hear a lot of different opinions in the United States, of the real threat that these countries might fall under the sway or influence or takeover by al Qaeda, Salafis, or other extreme Islamist organizations that might not be in the United States' national security interest?

General HAM. Senator, from the reporting that I have seen and my interaction with leaders in both countries, I do not think there is great likelihood that an extremist organization will be able to extend control of the government of either country. It is rather the network and the cells of extremist organizations that are seeking

to take advantage of the current unrest particularly in Libya that would undermine the efforts of the legitimate government of those countries. I think that is the real threat rather than taking over the country.

Senator MCCAIN. So a lot of it will be gauged by the progress that they make towards forming up a government, getting the militias under control. In other words, nation-building from scratch.

General HAM. Good governance and establishment of legitimate security institutions are absolutely key to the success in both countries.

Senator MCCAIN. I found, much to my dismay, that both the prime minister and the deputy prime minister were professors at the University of Alabama, and that brings an extreme element into the government—[Laughter.]

—that should be of significant concern, I believe. Do you agree, General?

General HAM. Sir, I do not. Having met the prime minister, I think he is—and he will be here in this city next week.

Senator MCCAIN. I hope all of our colleagues have the chance to meet him.

Admiral STAVRIDIS. I would just add “Roll Tide.” [Laughter.]

Chairman LEVIN. I was going to thank Senator McCain for his questions until that last one. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, Admiral and General, for your service.

I must admit that I never thought that of all the things I have had the honor to experience in my time as a Senator, that I would ever be sitting in Tripoli with the leadership of the country, could say the two words that you said, “Roll Tide,” and receive thunderous applause in response. [Laughter.]

Admiral, let me join those who are thanking you for your service, extraordinary service to our country. It has been a great honor and really a pleasure to get to know you. You obviously have been a great military leader but you also have a tremendous sense of history which I think has contributed to your service to our country. May I say I know you referred with your characteristic humility a while ago to your height. You join a rather proud list of great military leaders over history who have not been tall except in the quality and effect of their leadership. I thank you very much for that. Obviously, I have no bias against people who are not tall. [Laughter.]

Admiral STAVRIDIS. You look pretty tall to me, Senator. [Laughter.]

Senator LIEBERMAN. Now, let me begin with you. I do want to say for the record that I share the consternation that Senator McCain expressed about the excess of rhetoric and deficiency of any real action to assist the opposition in Syria. This does remind me of experiences we had in Bosnia and Kosovo in the 1990s. It actually took quite a while for us to build the political will both here and in Europe to get involved there. While we were doing that, a lot of people got killed. The same is happening in Syria now. I hope it does not take us so long. In both of those cases, when we got involved, we were able to stop it—NATO, our coalition of the will-

ing—and brought about a much better situation than existed before. I hope before long we will be able to do that there as well.

I also want to touch on another matter that Senator McCain raised and that is our relations with Georgia. As you well know, Admiral, there will be a NATO Summit in Chicago this spring. It does not appear to me, from what I hear, that there will be anything on the agenda about further NATO enlargement. I hope we can find a way to make clear in Chicago that the door to NATO has not been closed to other nations, particularly I am thinking of Georgia, but there are others as well.

Do you have any sense of that? I presume it will not be on the agenda, but can we find a way to let countries like Georgia know that the door is still open to them to NATO?

Admiral STAVRIDIS. Sir, I do not know if it will be on the agenda. But as you surmise, I doubt that it will be formally placed on the agenda. There are nations in various stages of moving toward membership including, among others, Macedonia and Montenegro. Georgia is in a national plan that continues to make progress.

The treaty is very clear. The treaty is very simple in terms of an open door is defined, democratic ideals, position to contribute, unanimous consent of the members. I think that the United States continuing to use its voice within the councils of NATO can move this position very effectively, and that is how I would approach it.

Senator LIEBERMAN. Okay. I hope that is, in fact, the case.

Let me ask you one follow-on question about the really tragic events in Afghanistan in the last week or so. Do we have a judgment about whether the unrest that followed the regrettable, to put it mildly, burning of the Koran is spontaneous or whether our enemies there, the Taliban, for instance, are basically jumping on an unfortunate event and trying to turn it to their advantage?

Admiral STAVRIDIS. Senator, I will provide some classified data on that. As you can imagine, we do have a sense of it. I would say it is somewhat both, and we will provide you some more detail on that.

Senator LIEBERMAN. That is good enough for now.

[The information referred to follows:]

[Deleted.]

Senator LIEBERMAN. General Ham, I wanted to come back to the LRA. I know the President a while back deployed about 100 of our special forces into Uganda and the Democratic Republic of Congo, et cetera, in response to the LRA. Can you give us a status report on that operation this morning?

General HAM. Senator, I would be glad to.

The force is deployed. We have liaisons in each of the national capitals that work with the military forces of the four countries. More importantly, they are deployed in the operating areas particularly in the Central African Republic and the Republic of South Sudan, as well as members who operate in a joint intelligence operation center in the Democratic Republic of Congo. They are mostly special forces. Personnel are advisors and trainers. They are facilitating the flow of intelligence. They are helping with logistics planning so that the African forces can sustain themselves for longer

periods in what is a very large and austere operating area and also assisting with long-range communications.

So I think we are off to a pretty good start. The next steps for us are, in concert particularly with Uganda and South Sudan, to use a South Sudanese base from which we can fly an ISR aircraft to extend the range into what we think is the most likely operating area of the LRA in the Central African Republic and the northern portion of the Republic of South Sudan. So far, so good.

A concern is the rainy season is coming. That will impede intelligence collection and certainly tactical movement. So we have a bit of a sense of urgency to try to get done everything we can before the rains hit.

Senator LIEBERMAN. How would you describe what the goal of our presence there is?

General HAM. Sir, we are an enabling force to facilitate and advance the capabilities of the African forces, to increase their ability to sustain their operations for longer periods of time. They have much better human intelligence. Their field-craft is quite good. They need mostly communications, a little bit of sustaining capability, a little bit of planning effort. But it will be the Africans who bring this mission to a successful conclusion.

Senator LIEBERMAN. Of course, the goal of their efforts is to defeat the LRA and to presumably capture or kill its leader. Is that correct?

General HAM. Yes, sir, that is.

Senator LIEBERMAN. Thanks.

Let me go back to Tunisia and just invite you to say a little more, General Ham. As others who have been there, I have been really impressed by the transition they made. They had a good interim government. They held open, free, and fair elections. They have elected a government which the majority of the elected representatives to the parliament were members of a party called Inyatta, which is Islamist, but has really, I think, helped a lot of us have a different vision or a fair vision of what is possible for a party that calls themselves Islamists in terms of respect for law, women's rights, democracy.

But they have some really big challenges, and I think perhaps of all the Arab Spring uprisings, this is the one that has the greatest prospect to succeed, but they need our help to do so. I know immediately they need financial assistance, which a lot of countries are talking about doing, including our own.

But what about military-to-military? I was surprised at how little we were giving them before this uprising certainly as compared to Egypt but really other countries in the region as well. I wanted to invite you to talk a little bit about what your plans are, if you have any—I hope you do—to work with the Tunisian military to build their capabilities in the year ahead.

General HAM. Senator, during the transitional period, the interim government period, we had dialogue with the Tunisian Ministry of Defense and their armed forces, but there was some reluctance to commit to longer-term arrangements. Now that the government has been seated and the government is certainly more permanent, we had just 2 weeks ago a bi-national commission meeting with the Tunisians in Tunis, again to map out the mili-

tary-to-military engagement and security assistance plan between the two countries.

What the Tunisians have asked us for at the top of their list is assistance with border security, both land and in the maritime domain. So we are seeking opportunities to do that.

Second, they have asked us to make sure that we can at least sustain and preferably increase the number of Tunisian officers who are afforded the opportunity to train in U.S. military educational institutions.

So again, a good basis for an enduring relationship, I think, is formed, and we just have to sustain that now well into the future.

Senator LIEBERMAN. Good. Thank you.

Admiral STAVRIDIS. Can I add just one thing, sir, on this, on Tunisia? It is a NATO organization called the Mediterranean Dialogue which brings together non-NATO Mediterranean countries, including Egypt, Tunisia, Morocco, and Israel, and is a mechanism that we are going to employ to bring Libya closer as well. So there are alliance mechanisms as well as the good points that General Ham made.

Thank you, sir.

Senator LIEBERMAN. Thank you. Again, Godspeed in the chapters ahead, Admiral.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator INHOFE.

Senator INHOFE. Thank you, Mr. Chairman.

I think when we talked about the force structure in EUCOM being reduced and if you go back—it is my understanding—through the 1990s, that reduction has gone up as high as 75 percent even before the more current reductions. You have answered the question in terms of meeting the contingencies there, but I did not hear anything, General Ham, in terms of this reduction and the fact that we need a rapid response sometimes to things that are happening in Africa that you and I have talked about. How is this impeding your looking down the road?

General HAM. Senator, I think we will be okay. The air and maritime forces that have been forward-stationed in Europe were absolutely essential to operations in Libya. Those forces will largely remain in Europe, and I think we will be in good shape. The special forces that are stationed in Europe are going to be enhanced in the future with some special operations aviation that will, I think, again give us increased capability. One of the Army brigades that is retained is the Airborne Brigade based in Italy. That is the most likely Army force that we would require in a contingency. So I am pretty satisfied, Senator.

Senator INHOFE. Vicenza?

General HAM. Yes, sir.

Then lastly, sir, as Admiral Stavridis laid out in Europe where there will be a rotational presence, we are actually very fortunate that the very first of what are called regionally-aligned brigades or regionally-aligned forces will come to U.S. Army Africa, our Army component, in fiscal year 2013. We think that is a very good initiative. It gives some predictability and will enhance our ability not only to respond to emergent contingencies but, more importantly,



to continue exercises and partnership activities on a predictable basis on the continent.

Senator INHOFE. Admiral, I was pretty much involved in the Vicenza, back when we had to use them to overfly Turkey, and helping them. Fortunately, we had weather that was cooperating at that time, but we now have—I think it is all complete now. The staging area in Aviano, is that operating to your satisfaction?

Admiral STAVRIDIS. Yes, sir. I visited it about 8 months ago. It is a terrific facility.

Senator INHOFE. Yes, it is, it is. Yes, I was there also.

Just for a minute, going back—and I appreciate the fact that Senator Lieberman was asking questions about the LRA. It was actually my legislation back in 2009 and we called it the LRA Disarmament in Northern Uganda. At that time, Northern Uganda was pretty much it, up there around Gulu. My first exposure to that was some 16 years ago. Now moving all around as far south as you mentioned, Eastern Congo—and I had occasion to be in South Sudan, one of the first visitors there under that new country. That was one of their major concerns up there. So I do know that it has expanded to the point where I always felt we should be considering that a major terrorist activity, even though they say Joseph Koni is one man, he has a few close lieutenants, but they are spreading around. They have mobility.

The question I would ask you about this is, do you feel you have the assets necessary—we will start with just the LRA—to handle what you need to handle and then emphasize the fact that even though we have some combat troops there, it is not a combat mission that we have. There has been a lot of criticism that people thought that it was. Would you elaborate on that?

General HAM. Senator, I would be glad to. First of all, with regard to the role of the forces, we are a train, advise, and assist role. We are not those who are out on operational missions. However, because of the area in which our forces operate, they are combat-equipped. There are dangerous areas in which they are operating, and they are certainly based alongside the forces of the nations involved.

With regard to assets, I have the assets I need with one exception, that if you will allow me to do so, to answer in a classified forum.

[The information referred to follows:]

[Deleted.]

General HAM. The challenge for us right now, particularly with reconnaissance, is the ability to reach all of the areas we need to reach to be able to observe or try to collect and identify where the leaders of the LRA are operating. That is why this base in South Sudan, which General James Hoth Mai, Chief of Staff of the Sudan People's Liberation Army (SPLA), who you have met, has offered to us, is so important because it will allow us to extend and have the reconnaissance aircraft operate for longer periods of time in the areas in which we think the LRA is operating, again particularly in the Central African Republic and the northern regions of the Republic of South Sudan.

Senator INHOFE. I appreciate it. I know what you are doing and you are doing a great job. We do get classified briefings on a regular basis, and I would just like to make sure that anything that comes up that changes what you are doing now or progress you are making that you share that with me personally.

[The information referred to follows:]

We continue to make steady progress toward enabling our African partners to defeat the Lord's Resistance Army (LRA) and remove Joseph Kony and his senior commanders from Central Africa. Cooperation, coordination, and communication between the forces of Uganda, the Democratic Republic of the Congo (DRC), the Central African Republic (CAR), the Republic of South Sudan (RoSS), and the United Nations Stabilization Mission in the DRC are improving steadily. I believe this cooperation will result in increased effectiveness against the LRA in the months ahead.

Our near-term efforts focus now on developing better intelligence, operations integration, logistics support, command and control, and communications with our regional partners. Special Operations Forces (SOF) advisors are now postured at forward operating locations in Obo and Djema, CAR; Nzara, RoSS; and at Dungu, DRC. We have also established C-LRA Operations Fusion Centers in the CAR at Djema and Obo; and in RoSS at Nzara. These centers enable our partners to better synchronize operations and integrate the efforts of local civic leaders. Additionally, we are in coordination with Kinshasa and our counterparts, Forces Armées de la République Démocratique du Congo, to advance our partnering efforts in the DRC.

The progress of our African partners is encouraging. The Ugandan military is conducting patrols while our forces continue to train Ugandan C-LRA units. The CAR Government has supported regional C-LRA efforts by providing U.S. and Ugandan forces continued access to its territory. RoSS has granted permission for Ugandan presence in South Sudan and has agreed in principle to host a regional African Union C-LRA Task Force Headquarters. DRC military responsiveness to LRA sightings is a positive development and could indicate increased commitment to C-LRA operations.

I anticipate continuing progress in C-LRA operations. U.S. forces have established operating bases and sustainment mechanisms to support regional C-LRA operations. They have developed solid relationships with regional forces, helped refine intelligence-sharing, and intelligence-driven planning. We are working together with the U.S. Embassy country teams to implement a DOD rewards program that will provide incentives to communities as well as individuals to support elimination of the LRA.

Senator INHOFE. Getting into the Boko Haram, I think that has been there. They say that it only came by that name since 2001. However, I can remember being with Sani Abacha as long ago as 16 years ago, and while it was not called that at the time, it was the genesis of what has become Boko Haram.

I just would ask if you think that the capability of the Nigerian forces—how are they—how would you assess them and their capability of handling that because I consider that to be a major problem in that part of Africa.

General HAM. Sir, we have been engaged with the Nigerians to seek opportunities, if they would like us to, to seek to increase the capabilities specifically of their tailored counterterrorist forces. Their general purpose forces are pretty good, but they are not really designed for this kind of a mission. We think, just as we have found, having some specialized training, equipping, small forces that are very specifically focused on a counterterrorist role, would probably be beneficial to Nigeria. If they would like some help, we would like to do that.

Senator INHOFE. Yes. You think maybe the 1206 and 1207 programs have a very good application there?

General HAM. Absolutely, sir.

Senator INHOFE. I was going to say that I want to include IMET throughout the continent down there and how beneficial that has been. When I am down there, I can see the results of that. You see the people that we have trained and they have gone back to these areas. It has been a very successful program, and I would assume that you agree with that.

Admiral STAVRIDIS. If I could just say a word on 1206. In the EUCOM dimension, we use that to prepare our allies to go forward into Afghanistan with us, and it absolutely underpins the contribution of 40,000 European troops. So 1206 has been a terrific initiative from the EUCOM perspective as well, sir.

Senator INHOFE. Yes. My time has expired, but I would like to have you make one comment about an area that really impresses me is in Kabul, the military training center there. We have watched this. I know the Oklahoma 45th was actually over there in the very early stages long before that center was developed. But is that progressing and are you getting the results that you were looking in ANA and the quality of training?

Admiral STAVRIDIS. Yes, sir, absolutely. Just to give you a number, we now have 80 percent of the instructors there are Afghans.

Senator INHOFE. It is 80 percent now?

Admiral STAVRIDIS. Yes, sir.

Senator INHOFE. That is quite an improvement. I was there over New Year's and it was about half of that, I thought, at that time. So it has really been improving quite a bit. Good. Good work.

Let me also get on record and say the same thing that the other Senators have said about your service, about our personal relationship, and how much you will be missed. Thank you.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Admiral Stavridis, let me thank you for your service. In our little discussion before, what you are doing is you are avoiding being disintermediated, and that is an important point that we discussed earlier.

Your testimony notes that we have completed phase one of the European Phased Adaptive Approach (EPAA) to missile defense. It is designed and intended to defend against the existing growing threat from Iranian ballistic missiles to Europe and other possibilities as well. You also note that our NATO allies are making efforts to contribute to NATO's new missile defense mission.

Can you in layman's terms, as much as possible, describe why you believe this EPAA and the planned capabilities of it are important to defending Europe against Iran's growing missile capabilities, particularly phase two in Romania and phase three in Poland?

Admiral STAVRIDIS. Yes, sir. You correctly categorized the threat as coming from that region of the world and it is only growing. Therefore, we have an obligation, an alliance obligation, here and, of course, ultimately that threat will probably be intercontinental in nature. So all the more reason at that point to be defending the Homeland. So as we build up from the current phase one, which is a couple of Aegis ships, a static radar system, a command and control system up in Germany, we put all that together. We are

going to combine that with the NATO command and control system.

By 2015, we will have a land-based interceptor set that will be ashore in Deveselu, Romania. We will upgrade the missiles at that point. We will upgrade the command and control. We will lash in more overhead sensors, and then the next step will be 2018 when we will add another set of ground interceptors in Poland.

As we build this, I am confident the NATO allies will step up and contribute as well. For example, the Dutch are buying ships that are capable now of plugging into this architecture like our four DDGs, our destroyers that will be going to Rota.

So it is a progression. It is phased and it is adaptive to the threat in that we can plug in at any step along the way to continue to improve it to pace the threat that we see.

Senator NELSON. It is adequately named. Because it is phased adaptive, it can be adapted to what the changes would require, but it is also called the defense. It is not intended to be an offense approach. It is defense. So I think that is important for people to understand.

You noted and Senator McCain noted about the Aegis ballistic defense ships that are going to be based. Can you explain the benefit of homeporting for the four ships at Rota as compared to having the ships transit the Atlantic as an alternative?

Admiral STAVRIDIS. Yes, sir. The advantage of having them forward, if you will, in Rota is partly the multi-capability of the ships. In other words, these are not just ballistic missile ships. They are air defense ships. They are anti-submarine ships. They are anti-surface ships. They can be used as intelligence gatherers. They have very sophisticated aircraft attached to them. So the capability that you bring forward into this theater is frankly profound, and it also helps my fellow combatant commander here because Rota is uniquely positioned essentially directly between EUCOM and AFRICOM. These ships could be 1 day working down off the Gulf of Guinea addressing threats from a Boko Haram scenario. In the next few weeks, they could transit through the Suez and be doing counterpiracy missions. The next week, they could be doing their traditional missions in the ballistic missile sense in the eastern Mediterranean.

The advantage to having them forward and not transiting the Atlantic is simply one of time/distance. For every ship that is forward-deployed, it is really the equivalent of the effort of three or four ships back in the United States because of that transit time it has to eat up.

Then lastly, the political benefit of having them there to engage with our allies, I think, speaks for itself within the alliance, sir.

Senator NELSON. In addition to the Dutch, are other NATO allies working on comparable ships or comparable warfighting opportunities?

Admiral STAVRIDIS. Yes, sir. The Spanish are looking at this. The Germans and Italians have air defense systems that they are looking to lash into this. All the nations contribute in the command and control arena and certainly in the staffing and the command structure. So over time, my intention is to continue to encourage

our European allies to shoulder their rightful part of this, and I think over time we should continue to press that hard.

Senator NELSON. We have been frustrated in the past because it felt like NATO was the United States pulling a lot of our friends along but they were not pulling their weight in terms of the financial cost or the capability to be supportive as we have been. Do you see that as developing in parity?

Admiral STAVRIDIS. I think we have to continue to press on our allies to spend more on defense as a general proposition. The Europeans set a goal of 2 percent of the GDP, and they are not meeting that. In the aggregate, they spend about 1.5 percent of GDP. They are not meeting their own standards for doing that, and I think the United States should continue to press this very hard. I do at every opportunity and I welcome the chance to address it in a public forum like this as well.

Senator NELSON. I think it is important, and I appreciate the fact you are stating that so publicly because it seems at times as though our allies would sacrifice until our last penny. What we need to do is be sure that there is a parity here among all the nations that gain from this security apparatus that we have.

Admiral STAVRIDIS. Yes, sir. I agree we need to continue to press hard.

Senator NELSON. General Ham, one of the broad questions that always comes to mind is what in your command keeps you awake at night from time to time, the threat that perhaps is the hardest to quantify, the hardest to identify, the hardest to deal with.

General HAM. Senator, very clearly at the top of my list is the threat of a terrorist attack that would emanate from Africa but be conducted here in the Homeland. It is not too hard to imagine how that might happen. For example, a Somalia American citizen disaffected finds his way—probably a young man finds his way to Somalia to a training camp, because he is a U.S. passport holder, perhaps finds a way to negotiate the various security systems, and then conducts an attack here in the Homeland. That is mission failure for us, Senator, and that is what keeps me awake.

Senator NELSON. Obviously, that is one of the hardest things, if not the hardest thing, to defend against.

General HAM. It is, sir, but again, with our emphasis on working by, with, and through host nation forces, seeking ways to have stable institutions in Africa, the likelihood that an attack like that could occur lessens. That is really what we are focused on.

Senator NELSON. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

To both of you, thank you for your service, obviously, and your leadership.

I would like to follow up on my colleagues' comments on Syria. I certainly share their concerns and agree that we should empower our partners who are in the best position to exert pressure on the Assad regime. So I just want to note that for the record.

Admiral, I would like to just switch gears a little bit. You have mentioned how proud you are of the National Guard partnership

program. I have actually had the honor of participating with Massachusetts going over to Paraguay and serving and learning. I can tell you firsthand that program is unbelievable. The work I have done also over at DOD in understanding the larger role of that program has been eye-opening as well.

I am assuming that you agree that that program is unique, cost-effective, and a necessary international engagement tool. Is that a fair statement?

Admiral STAVRIDIS. Oh, I would go beyond that, Senator.

First, thank you for your service as well.

Let me say that I think the State Partnership Program (SPP) dollar-for-dollar may be one of the most efficient and effective programs that we have at our disposal as combatant commanders. I have 22 of these programs in the European theater. When I was the Commander of SOUTHCOM, I had the SPP you allude to. Down there I had about 20 of those programs. So I have seen about 40 to 45 of these over the last 6 years, and the bang for the buck is terrific because in the end we can do all kinds of messaging and strategic communication but personal contact trumps everything. When we put fine young American National Guardsmen and women in and around their partners, the return on investment, especially over time, is very powerful.

I will conclude by saying the other thing about the Guard is they bring this unique basket of civilian skills along with their military skills, and that has real application, particularly in many of these less-developed countries.

Senator BROWN. You are right. The bang for the dollar—I was actually shocked as to how little it actually is and the value we get out of it. I am concerned that the Department of State (DOS) is trying to wrestle the program from us, and I would encourage you and others to advocate for it because of its effectiveness.

I am wondering if we reduce our military presence in Europe, how do you think the partnership program will be affected, if at all?

Admiral STAVRIDIS. I think it becomes more valuable in that scenario because it is relatively low cost. If we are going to have less static forces assigned in Europe, the ability to have those State partnership folks rolling in and out becomes even more valuable.

Senator BROWN. Can you comment on the ongoing discussions between DOD and our German and Italian allies with respect to the termination of the Medium Extended Air Defense System (MEADS) program? Are these discussions progressing?

Admiral STAVRIDIS. They are progressing. Congress has helped us by sharpening the amount of funding that we can spend on this. We are in the process of discussing this. This is really done on a policy level in DOD, but I track it because I talk all the time to the senior German and Italian military folks. I would categorize it as a discussion that is ongoing that will, I think, conclude successfully in a mutually agreed way this spring.

Senator BROWN. General, if I could, the Guard currently are partners with eight countries in Africa, and I understand you believe there is some room for growth there. Can you comment, how might those plans for an Army regionally aligned brigade and Air

Force Africa Partnership Flight in supporting those programs? Is there any option to expand or maintain those types of programs?

General HAM. Senator, I believe there is. First, with regard to the SPP, like Admiral Stavridis, I am a big fan of that. It is the enduring relationships that are developed in the SPP that are so valuable to that effort.

I have asked General McKinley if we could add two more State partners this year. I think we should look for some new and innovative ways to apply the SPP. For example, in a place like Libya where we have a newly forming relationship rather than a long-standing relationship, that might be a place where we could apply the SPP to great effect. So we will continue to look for opportunities such as that.

The regionally aligned forces, the African Partnership Flight like African Partnership Station, the maritime component of that, what I think we will see in the years coming is an increased degree of predictability as the U.S. force presence is now out of Iraq and beginning to decline in Afghanistan, more predictable forces to be available for engagement, for exercises, and again, all with an eye toward increasing the capacity and the capability of the key African states that we interact with so that they can do more, contribute more to their own stability and to regional stability.

Senator BROWN. That is interesting you say that. I noted just from firsthand commentary that the rule of law training that the Judge Advocates Generals and others provide these new relationships in countries where they really do not have a rule of law, they do not have an understanding as to how we are able to balance the civilian and military especially in places like Paraguay and other countries as well. That is very important, and I appreciate both of your support of that program.

I was wondering—General, I might as well stay with you. In your opinion, who should be the folks that will teach the Libyans how to safely store all of the unserviceable weaponry floating around Libya? Who do you think should be running that train?

General HAM. At present, it is a DOS-led activity to try to help the Libyans, along with the neighboring states, first, to gain control, find out what weapons were in existence and then try to claim them under central government control, and then following that, do an assessment of the serviceability, what are the needs. I am very comfortable with that process to have the DOS lead. We help. We are part of that process, but I think it is okay, and as it is a government-to-government activity, I think, that works okay.

Senator BROWN. I might as well just wrap up with you on the no-fly ban with seven Americans working in Egypt. I know it is not your AOR. But I was wondering if there is any impact on AFRICOM's approach to other countries in the region potentially having similar types of problems. Are there any issues there?

General HAM. None noted, sir, but it is not a question I have asked but we can.

Senator BROWN. Thank you.

Admiral, I have one final question and then I will wrap it up with my inquiring. Our relationship with Pakistan has obviously a direct impact on your ability to maintain lines of communications through their country. Our combat footprint in Afghanistan, as it

evolves, we obviously have a huge logistical tail that follows. How will this affect EUCOM's relationship with U.S. Transportation Command (TRANSCOM) to facilitate an adequate flow of equipment along the Northern Distribution Network?

Admiral STAVRIDIS. It is a terrific question that we are wrestling with because, as you correctly say, in order to get all of our equipment out of Afghanistan over the next 2 or 3 years will be a significant logistical task. I am in contact constantly with General Fraser, TRANSCOM, to ensure that we can move it through that Northern Distribution Network, and that gets into a lot of complex politics along that route, to say the least.

On Pakistan, I think we are moving in a somewhat better direction than we were, say, 6 months ago, 5 months ago. So hopefully we will have access both to those southern and the northern routes. But, I think, hope for the best, plan for the worst, and we are doing that.

Senator BROWN. Thank you, both.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Brown.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, Admiral. Good morning, General. Thank you for taking the time to be here with us today.

General Ham, if I might, I would like to turn to you. You may remember that during your confirmation hearing last year, I noted that your predecessor had cosponsored a study by the Defense Science Board (DSB), on the trends and implications of climate change for national and international security. The study has special emphasis on Africa. The report was published last October and is in my view a detailed and thoughtful analysis of "observable, measurable, and real" impacts of climate change. The report also contains assessments of the consequences of climate change that "will continue to have major consequences for the political, economic, and geographic world."

So the basic conclusion of the DSB was that changes in climate patterns present new challenges to regional security and stability. The report goes on to warn that failure to anticipate and mitigate the impacts increases the likelihood of more failed states and the potential for conflict.

I was also really interested in the specific recommendations of the report regarding the role of DOD and combatant commands as a part of whole-of-government effort to help avoid such humanitarian and security crises. In my view, those conflicts could pose a serious threat to U.S. national security interests in Africa and elsewhere.

Could you comment on your personal views on the overall findings and recommendations of the DSB, and would you agree that resource scarcity and the impacts of climate change have the potential to cause or aggravate conflicts in your AOR?

General HAM. I believe, Senator, there is no question but that environmental security can have a dramatic effect on overall security both in individual states and more regionally.

I would tell you my frank assessment is that we are having better success in response to environmental security challenges than



we are finding traction for preventive or predictive actions that could be taken. On the good side, we have incorporated in a number of regional exercises, which we conduct over the course of this fiscal year, 16 exercises involving as many as 30 different African states that will have as a component of that exercise response to an environmental disaster of some sort, mostly water-related either flood or drought.

We are finding that the African nations are very accepting and understanding of the security impacts of such issues. As I indicated, though, we are finding—and perhaps because it is more difficult, less traction on the preventive steps than we are on response.

Senator UDALL. That makes complete sense.

There were specific recommendations in the report regarding the role of combatant commands, including AFRICOM. I know you have just spoken to those in a general way. Are there any additional comments you would want to make on specific recommendations that are in the DSB?

General HAM. Senator, one is the presence of some subject-matter experts, specifically water experts, on the staff, again leading to the interagency nature of the command. So we have had in the past representatives from the U.S. Army Corps of Engineers and from the U.S. Geological Survey present on the staff to help us with those issues. We are currently gapped right now. We do not have folks present, but both those organizations are sending people to us we hope will join us this summer.

Senator UDALL. I think you anticipated my next question which was it strikes me that we need to develop the data and systems to help identify the actions necessary to avoid or at least mitigate the effects of climate. Is that what you were just speaking to?

General HAM. I would agree with that, sir, and again, it is not just defense. It is working with the USAID, with others, and in many cases, USAID partnered with nongovernmental organizations to assist African countries in planning and preparing for the impacts of environmental change.

Senator UDALL. Finally, on this subject—and thank you for your attention and interest in this—could you provide your views concerning whether actions to address the humanitarian and security effects of climate change should be an integral part of a whole-of-government conflict avoidance strategy? Perhaps it could be addressed within the newly established Global Security Contingency Fund framework or other multi-agency efforts focused on avoiding conflict.

General HAM. Sir, necessarily it must be a whole-of-government approach. No one element of the government has all the resources, authorities, or capabilities to address the impacts on security of environmental change. To that end, I think we have a responsibility at AFRICOM to work very closely not only with the Chiefs of Mission in Africa who have the responsibility to pull together that whole-of-government effort, but also with the various bureaus in DOS, with USAID central, and with others to make sure that we are, first of all, aware of one another's capabilities and finding increased opportunities to synchronize our efforts, again with an end toward assisting the African countries to deal with what is an in-

creasingly serious security matter that ultimately contributes to our security by them being more secure.

Senator UDALL. So we deploy all of our influence, our power, our smart power, our kinetic power, any combinations. Thank you for that insight.

Let me turn to the concept of strategic communication. Can you define what you mean by strategic communication, Admiral, and why you think it is so important for the military?

Admiral STAVRIDIS. I can. I think that in the 21st century, as we seek to deliver security—and it ties to this whole-of-government idea, and it is really a whole-of-society idea. At the end of the day, we need to communicate our motives. We need to communicate our actions. We need to be in a position to convince others that we are a force for good—we, the military; we, the United States of America; we, the larger society as a whole. To do that effectively, you have to use all the modern tools. You have to use Facebook and Twitter, LinkedIn, all of those kinds of things. But as I said to Senator Brown a moment ago, in the end, personal contact trumps everything. So a combination of all those things, crafting a strategic approach, that is strategic communications.

Senator UDALL. General, do you have a point of view as well?

General HAM. I am seated next to the master. So I have learned from him.

But I would echo that. Of course, in many parts of Africa, it is less developed than Europe. So the extension of mass media and other social networking is really starting to grow, and what we are finding is that it is growing exponentially. It is not the incremental approach that we saw as we have been growing up with the military over the past several years, but they leap ahead in various places in Africa. So part of our role, I think, is not only understanding that ourselves and how do we leverage that to our advantage, but encouraging it and helping Africa militaries that we are partnered with for them to take advantage of this as well, and some have done so quite effectively.

Senator UDALL. I know the Hart-Rudman Commission Report, which was issued shortly before September 11 and still, I think, has some very salient recommendations, talked about military-to-military relationships and the importance of expanding those to prepare for a coming 21st century asymmetrical environment. There was also, Admiral, talk of more people-to-people versus embassy-to-embassy kinds of contacts and you are both describing those opportunities.

So thank you for your time. Thank you for your service.

Chairman LEVIN. Thank you, Senator Udall.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, General Ham, Admiral Stavridis. I want to say to Admiral Stavridis, thank you for your distinguished service to our country and we wish you all the best in the future. It will certainly be a loss around here. We will miss you.

I wanted to just follow up briefly with what Senator Brown had said and also lend my support to the SPP of the National Guard. I think it has been a very effective and not only cost-effective but

a very strong way for us to represent our interests in a collaborative way around the world. I appreciate that.

I also wanted to follow up on Senator Brown's question about the MEADS program. In the 2012 NDAA, we essentially said that this committee wanted to cut off funding for MEADS. As I understand it, in the 2013 budget, there is still \$400 million allocated for the MEADS program. With \$15 trillion in debt, that is a really hard sell to my constituents, that we should allocate \$400 million for a system that we will never procure or use, particularly at a time when there is a need to upgrade some of our Patriot systems that we will be using.

So I guess I would ask you to pursue that process very rigorously because I do not think there is going to be a lot of sympathy around here to allocate money for a weapons system that we will never procure. I appreciate your efforts in that regard, and I would like to see that happen sooner. Thank you.

The question I had also is in looking at the 2013 budget, last year in the Defense Authorization Request (DAR), I had concerns about the maritime prepositioning systems (MPS). In particular, in the 2012 proposal, the Navy announced plans to place 6 of the 16 ships from the 3 squadrons of the MPS into reduced operating status. In particular, it was the forces in the Mediterranean. As a result of that, I introduced to the NDAA an amendment that was adopted that would require—because we heard concerns from the Marine Corps, General Panter, about what that would do. General Panter said it would translate to potentially a slower response time in support of combatant commands.

This is a very critical part of the world when you think about our ability to respond in the Mediterranean with what we see happening right now. In that area of the world, you have Syria, Israel, and Egypt, all in that area. As I look at the 2013 budget, to my knowledge, we have not yet received that certification from the Secretary of Defense in terms of the impact of readiness on a reduced operating status. Now in the 2013 budget, we are actually eliminating the squadron in the Mediterranean even though the unrest in that area—you think about Israel, Syria, Egypt, and Libya. Certainly even from when it was an initial recommendation in 2012, really the circumstances have actually changed. Now we are going to eliminate that prepositioned force.

I wanted to know what the strategic rationale was for that and also what your view is in terms of an impact on readiness. This is a real concern. I understand we are in a constrained budgetary time, but we certainly, when you think about the critical area of the world that we are talking about, do not want to put ourselves in a position where we are not able to respond promptly in those areas, particularly with our ally, Israel.

Admiral STAVRIDIS. Thank you, Senator. I will also see if General Ham might want to comment here because those forces, as you correctly point out, the MPS capability would be at my disposal or his disposal.

Senator AYOTTE. Right.

Admiral STAVRIDIS. Certainly the budget is part of this. We are always looking within DOD to try and rationalize resources. As you say, there are 16 total of these ships. By reducing the number glob-

ally, in effect we take more risk in the theater where you do not have the ship available. Part of the decision is that we have additional stocks of prepositioned equipment in Norway in a static setting up there. I can provide you for the record some information on that. It gets into some classification issues.

So we, all of us globally, combatant commanders, looked at how can we try and find the best mix of maritime prepositioning assets. So I am comfortable, although I recognize that it includes additional risk in this area. I will be glad also to follow up on the Norway piece and to give you a little fuller explanation of that for the record and also give you the full status of the process of moving the ships. They will actually be there at least through this summer. They will be operating in exercises in the Baltic for us, and I will get you the details on that timeline.

[The information referred to follows:]

There are eight storage facilities in central Norway for Marine Corps Prepositioning Program-Norway (MCPN). The Norwegian Defense Logistics Organization/Marine Expeditionary Brigade maintains this equipment and their headquarters is located in the Trondheim suburb of Lade. The equipment is stored in six cave sites, bored into the sides of mountains of solid rock, as well as in two airfield locations. Three of the cave sites hold ground equipment that includes vehicles, engineer assets, and supply items. The other three caves contain only ammunition. The airfield locations hold equipment to support Marine Corps aviation, but this does not include prepositioned storage of Marine Corps aircraft. The MCPN is actively employed for exercises to include Exercise African Lion, Cold Response (Norway), Baltops and Saber Strike (Baltics), and Agile Spirit (Georgia), in addition to enabling the Special Purpose Marine Air Ground Task Force Black Sea Rotational Force. In addition, MCPN is actively employed in contingencies across the EUCOM AOR and elsewhere, to include humanitarian assistance to Georgia, Russian wildfires, the earthquake in Turkey, and support to Operation Iraqi Freedom and Operation Enduring Freedom.

Senator AYOTTE. I appreciate that, Admiral.

I do not know if you have anything to add, General Ham?

General HAM. Senator, I would simply say that I agree with that. The ability to move the land-based prepositioned equipment very quickly throughout the region remains a very important capability. So cooperative security locations and other basing, I think, helps to offset the risk of the loss of the MPS. Again, it is a tough, tough decision and we did wrestle with this—the combatant commanders and the OSD staff. I am okay with it, but I would tell you, just barely okay with it.

Senator AYOTTE. Yes. We are certainly taking on additional risk with this.

One of the concerns that I have, as I have articulated, is the original reduction that prompted my amendment to the NDAA was actually recommended at a time prior to our involvement in the conflict in Libya, prior to much of what is happening in Syria right now and the Arab Spring, really when the initial recommendation came out.

So one thing I would appreciate is pursuant to the 2012 NDAA, I had an amendment in that that said even to go to reduced operating status, that the Commandant of the Marine Corps would do an assessment on the impact on readiness and that also the Secretary of Defense would submit to us an impact on readiness and what risks we are taking on in that area of the world. So, I would appreciate your follow-up on that.

Admiral STAVRIDIS. Yes, Senator.

Senator AYOTTE. I appreciate your testimony on this today.

I would say, General Ham, I do have a follow-up based on last year when you appeared before our committee, and I certainly appreciate it. As I understand your written testimony, you have certainly expressed concern about the collaboration between terrorist groups in Somalia, North Africa, Nigeria, coordination of al Qaeda, and also the coordination of al Shabaab and al Qaeda, the merger on February 9 of those two groups, which had worked together before but clearly more of a merger.

Last year I asked you if we detained a member of al Qaeda that was planning an attack on us or our allies, where would we detain and interrogate that individual. You told me last year that you would need some lawyerly help answering that one.

Has anything changed in 10 months? Do we now have a detention facility if we capture someone under your command who is a member of al Qaeda who is planning an attack on our country where we will detain them to interrogate them?

General HAM. Senator, we do not have a detention facility in the AFRICOM AOR. There have been some instances where such individuals have been held aboard a U.S. ship awaiting final determination as to where that individual would then be transferred. Again, each case is a little bit different depending on the nationality of the individuals involved, but that is probably in the near-term about the best solution that we have at present, is aboard a U.S. ship until such time as a longer-term detention decision is made.

Senator AYOTTE. But you would agree with me that on a ship, we can only hold them for so long, and if we have to do a longer interrogation of someone, that is not a permanent solution to how we can detain and interrogate these individuals and have the sufficient time if we need a longer interrogation.

General HAM. Absolutely, ma'am. A U.S. Navy ship is not a good long-term solution.

Senator AYOTTE. Thank you, sir.

Chairman LEVIN. Thank you very much, Senator Ayotte.

Senator Reed, I believe, is next. Senator Reed.

Senator REED. Thank you.

Let me join my colleagues, Admiral Stavridis, and commend you for your extraordinary service to the Navy and the Nation. I know you will continue to serve in many different capacities.

Welcome, General Ham.

One of the key actors in your region is Russia. There is an election. Can you give us your estimate of post-election—I think we can assume who is going to win—how effective they will be in terms of dealing with two of the critical issues we face which is the Iranian and Syrian situation since they do have some great leverage in both areas?

Admiral STAVRIDIS. I think, as I look at Russia, I see, first and foremost, an election, and I think we all know that elections in any country bring their own set of dynamics that play up to the point of the election and then there is a period of time after an election when there is room for maneuver and potentially some change. So I will make a general comment to that effect.

When I look at Russia today, I see a mixed picture of some areas of good cooperation. They are very helpful to us, for example, in Afghanistan with the Northern Distribution Network, with their assistance to the ANA, with helicopter sales. They have donated weapons and ammunition to the ANSF. They have every reason to want us to succeed. They talk about it frequently. So in Afghanistan, we see a zone of cooperation.

I think in counterterrorism we see zones of cooperation. I think in counternarcotics—they have a particular problem, heroin addiction—we see areas of cooperation. They are a very strong partner in piracy operations at sea.

So on the plus side, I see a number of areas of cooperation.

On the other hand, we have areas where we disagree fundamentally with the Russian Federation; over Georgia, for example.

At the moment, in the middle is missile defense, which is an area that we would hope to move over to the cooperative side, assuming we can do it in a way that protects classified information and makes sense. But at the moment, that is an area of contention between the two nations.

You mentioned Iran and Syria. I will leave it to the senior cabinet officials to talk to positions here, but I think Secretary Clinton recently has spoken to a sense that Russia has not been helpful, for example, in Syria. Will that change after the election? I think it will depend on events on the ground in Syria as well as on the election itself. So we will have to wait and see.

On Iran, Russia has been helpful at times, but could they do more and exert more leverage? I think they could, and I would say the same answer pertains. I think after an election is the time you start to see where things really go.

This will come to a head from a NATO perspective as we find out whether or not the newly elected president of Russia chooses to come to the NATO Summit. NATO's hand is out to have a NATO-Russia Summit meeting as part of that May Summit. It is here in the United States in Chicago. I think we will know more after the election when we see that. So I would say, sir, that is an indicator to watch.

Senator REED. One follow-up with respect to Iran, and that is there is the political leadership in Russia which is mingled with their national security leadership, et cetera. Do those audiences appreciate the potential threat to Russia alone if, in fact, Iranians were to have nuclear materials and their close relationship with other elements, some of which the Russians have been jousting with for years now?

Admiral STAVRIDIS. In my conversations with my interlocutors in Russia, I would answer that question by saying yes. They are aware of those concerns. They are concerned about it.

Senator REED. Thank you.

Another question, Admiral Stavridis, and that is you have conducted Austere Challenge exercises. You have a program with our cybersecurity. Can you generally comment about how the NATO allies are doing in terms of their cybersecurity, their cooperation with us, are they moving ahead, are they falling behind, et cetera?

Admiral STAVRIDIS. Sure. The good news is our partners in NATO are among the most sophisticated actors in the world of

cyber. So there is a lot of capability there. They are moving forward with some encouragement from us to create a Center of Cybersecurity and Excellence in Tallinn, Estonia, which makes sense because that was a nation that has undergone a cyberattack. We have enhanced within the alliance command structure our ability to defend ourselves much like U.S. Cyber Command here in the United States is working.

In terms of: could they be doing more, absolutely. So I am pushing them very hard in this direction. The Secretary General is pushing the allies very hard. I would say cyber and the special forces are two areas of real growth and emphasis that we are going to have going forward in the alliance, sir.

Senator REED. Just quickly is this another potential point of contention with the Russians? As you all get better, do they get more nervous?

Admiral STAVRIDIS. I think that as in everything with Russia, there is potential for cooperation and there is potential for conflict. I would say cyber offers both of those opportunities, frankly.

Senator REED. General Ham, again, thank you for your leadership in AFRICOM.

Going forward, one of the initial impressions from our experience over the last several years in Iraq and Afghanistan is partnering with local security forces and developing their capacity, and partnering with governments to develop their capacity will be a key aspect of our national security and also a cost-effective way to be there before the shooting starts and perhaps prevent it.

Can you comment about what you are doing in Africa, and particularly in the Horn of Africa, with this kind of mentoring? Are you vetting our forces with their forces or developing a cadre of experts who understand culture and the local mores?

General HAM. Senator, thanks. I think that is one of the capabilities that the general purpose forces across the U.S. military now are comfortable with this idea of security force assistance. That does not mean that every soldier, sailor, airman, and marine is a cultural expert. We still require those with great in-depth capability to lead some of these efforts.

But as an example, the support that the United States has provided particularly to Uganda, Burundi, and Djibouti—they have contributed forces to the AMISOM in Somalia—has, I think, been one example of where U.S. assistance can really make a difference. We do not accompany those forces in the operational area, but we are intimately involved in a DOS-led, usually contractor-executed, and augmented by uniformed U.S. military programs in their home countries to prepare them for this mission. I think this is a pretty good model for how we can operate effectively in Africa.

Lastly, I would say, Senator, that we do not have in Africa the scale of the missions that were required in Iraq and Afghanistan, and that allows us to have a much more tailored approach that is specifically designed for the circumstance in each individual country.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.  
Senator Sessions.

Senator SESSIONS. It is great to be back with Senator Graham after being in Libya together and meeting the University of Alabama professors that now run the Government of Libya. [Laughter.]

Senator GRAHAM. I want to be on the record denouncing Senator McCain's attack on the University of Alabama. Even though I am into SEC and you all beat us routinely, I am still standing by you. [Laughter.]

Senator SESSIONS. I guess I would say that it was encouraging that they have had a revolution, a long-term dictator is gone, and you wonder what will happen. Will it be better or worse? These were two Ph.D.s in electrical engineering. The Deputy Prime Minister got his degree at Cal Tech, and Dr. El-Keib got his at North Carolina State, and 17- and 20-year professors, and able to go back home to a country they had to leave because of oppressive leadership.

General Ham, with regard to Egypt—and it is not your command. I think that is CENTCOM. But Egypt, Libya, Tunisia—on a scale from hopeful to concerned about their future, where would you put the needle there?

General HAM. Senator, for Libya and Tunisia, the two countries in the AFRICOM AOR, I am hopeful. Tunisia is a little more further along than Libya is, having had elections now and forming a government that I very much appreciate your spending some time with them and getting to know them. There is a real sense of optimism and forward progress in Tunisia. We are looking for opportunities that we can assist in the security realm to keep that momentum moving forward.

While I am hopeful, there are more hurdles to be overcome, I think, in Libya at present, but it seems to me that the National Transitional Council, the interim government, is really striving to map out a good way ahead to deal with the many challenges that they must confront not only in the security realm, but in economic development, humanitarian issues, economic trade, and establishment of writing a constitution. The challenges are immense. It seems to me that they are taking a very good, methodical approach. They will need a lot of help, but I remain optimistic.

Senator SESSIONS. You are correct that the Prime Minister and Deputy that I just referred to and the others are interim. There will be an election. It remains to be seen what may develop after that.

Egypt, I think, is likewise. We will have to see how that government develops, but we felt that there were some positive signs. I certainly felt that.

Admiral Stavridis, congratulations on your service. Thank you for your service.

I would just say I am personally somewhat pleased that we will draw down that second brigade out of Europe because we have a financial crisis in America. We had Secretary Panetta before the Senate Budget Committee yesterday, and there was a pretty grim discussion. Senator Conrad—he is not running for reelection. He loves this country. He thinks that there will have to be more cuts than what we are already looking at.



I believe the \$489 billion in cuts that we are not looking at is enough, and I believe we need to alter the sequester. But I do not believe the sequester will be eliminated. I am not going to vote to eliminate the sequester because that is the minimum cut, \$2 trillion over 10 years out of expected expenditures of \$47 trillion. So we are reducing it from only \$47 trillion to \$45 trillion in projected expenditures over the next decade. So it worries me.

Admiral Stavridis, I am concerned. I know Europe has financial problems, but you might not know that per capita the United States with \$44,000 in debt for every man, woman, and child is greater than every country in Europe, including Greece. So we are at a point where the Europeans cannot just depend on the United States for their security, and we are at 4 percent GDP on defense. They are at 2 percent, really happily living under our umbrella.

What could you tell us about the prospects that Europe would maintain that 2 percent, increase it, or is there a danger that it would go even below that?

Admiral STAVRIDIS. I am going to start with the bad news, which is they are not even spending 2 percent, Senator. Unfortunately, they are running right about 1.6 percent, and the goal that they have agreed to in a NATO context is a minimum of 2 percent. Of the 28 nations in NATO, only between 5 and 8, out of 28, depending on how you measure it, are even hitting that 2 percent goal. So they are not stepping up to the bar that they have set for themselves.

I think that the United States should continue to forcefully make that point in as many fora as possible, and I am glad you bring it up so I can address it publicly. I speak frequently to leaders in Europe about this, and it is not sustainable over time that Europe, which has roughly a \$15 trillion a year GDP, roughly the same as the United States. So these are two economies that very much have great, robust capability, although both are facing, as you correctly point out, a lot of stress from debt and a variety of other overhangs. So I think we need to continue to make this point forcefully with the Europeans.

As to the prospects over time, if the European economy does recover—and I think it will over time. These are capable people. It is an extremely advanced part of the world, high education. I think over time we will be able to get this to 2 percent and hopefully a little above that, which would be, I think, a much more balanced place for it to be.

Senator SESSIONS. I just feel like our allies and friends have to understand that that is an awfully small price to pay for freedom.

Mr. Chairman, I will just note that over the last 3 years, DOD's base budget has increased 10 percent, averaging about 3 percent a year, whereas over the last 3 years, Medicaid has increased 37 percent. Spending on the Department of Education over a 3-year period compared to the previous 3-year period has increased 70 percent. Food stamps have increased 300 percent since 2001. That is about \$80 billion now. It is a very large item in our budget.

So I guess I would tell you that the myth is that defense is the great, fastest growing item in the budget is not true. The myth is that the wars in Iraq and Afghanistan that have caused our deficit is not accurate. The wars as of last year had cost about \$1.3 trillion

over 10 years, whereas the single deficit last year was \$1.3 trillion. So the wars are costly. They have been very much a costly item, but it is not driving our deficit.

So I would just say that I do not think we need to go forward with this second part of the cuts, the sequester. I believe the remaining five-sixths of the U.S. Government needs to be scrutinized and about half of the Government receive no cuts whatsoever. In real dollars, over a 10-year period of time, if the sequester were to take place, DOD would take a 20 percent cut. So the remaining five-sixths in the same adjustment factor would have a 50 percent increase.

I know that this is an issue that Senator Graham and I talked about on the trip. Defense is going to have to tighten its belt. There is no doubt about it, but we need an overall belt-tightening in our Government, not just on DOD.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman. Thank you both for your outstanding service.

If I may start with Admiral Stavridis. West Virginia is a very patriotic State. We have a high percentage of all of our people that have served and are still serving. With that being said, the question I get most asked when I go back home is do we still need the presence or basically the presence of our European theaters. I know that you are planning on drawing down from the 70,000 to 60,000. It is in that neighborhood. There are still 25 major bases.

During the last BRAC, it was basically the American bases that got cut, nothing overseas that I know of. But I am told now that that would be the direction they would go. There would have to be overseas before there would be any more American bases cut.

I think the question is as we draw down the forces, can we consider strengthening relationships in other ways so that we can decrease our force presence even further in Europe? Is there a need to have the presence of the European theater?

Admiral STAVRIDIS. Let me answer it in two ways very quickly to say why Europe, and I think that is a fundamental question. A lot of people ask me all the time—I am the U.S. European Commander and people say, why do we have about 80,000 troops there so many years after the Cold War? I would argue that even as we continue to bring it down—and I will come to that in a minute—I think there is still good value in a presence in Europe because of the geographic importance. It is not just Europe. It supports General Ham in Africa. It supports General Mattis in CENTCOM. It is a strategic platform that allows us access in and around the region. We do have an alliance and a commitment. That is part of the answer.

Then finally, the bang-for-the-buck, the reason we have 40,000 allies in Afghanistan with us is, at least in part, because of those longstanding relationships that are built in Europe.

Now, having said all that, having hopefully at least given part of the answer, why are we there, I will make the point that we are continuing to decrease that presence. Since the end of the Cold War 20 years ago, we have come down 75 percent. So back in the Cold War, we had almost 400,000 DOD personnel there. We had

1,200 bases, and we needed them at that time because of the Russian threat and so forth. But that trajectory down has taken us down 75 percent. We are now coming down another 15 percent with this round, which is acceptable, in my view.

I would conclude by saying that I would anticipate over time, over the decade, we will continue to drive that down because our allies are capable and they can take this on.

Senator MANCHIN. Strategically, we will always have some sort of a presence or platform in Europe.

Admiral STAVRIDIS. I think so. Right, right. But it is a matter of finding that balance and where is the bottom of that curve. I think over time we will continue drawing down.

Senator MANCHIN. General Ham, if I may. Last month the terrorist groups, al Shabaab and al Qaeda, have merged or we were told they merged. What does that merger mean for us in the United States?

General HAM. Senator, they did. Al Qaeda senior leaders and al Shabaab formally announced on the 9th of February that they have aligned. This confirms a longstanding suspicion. There have certainly been indications of that for several years, but this formalized it.

The question we ask ourselves is: why now? Why did they make this announcement public now? Some have postulated—and I tend to agree with this—that perhaps one of the motivations for such a public announcement is because al Shabaab is under duress by the African forces which are operating in Somalia, and this may have been an opportunity or perceived to be an opportunity by al Shabaab to garner some support for their effort. So, I think, actually while it does formalize something we suspected, it may actually indicate weakness.

Senator MANCHIN. I know that we are running out of time here. I am not going to take all of my time because my dear friend, Senator Graham, has some questions to ask. So I will come back at a later time, and then we are going to have to be voting here pretty soon. So with that, Mr. Chairman, thank you, and I will ask later.

Chairman LEVIN. Yes, thank you very much, Senator Manchin, for that courtesy.

Here is the situation. The vote has begun. Senator Graham is now going to be recognized, and when his time is up, if there is nobody else here, then we will recess until someone does get back here, which will happen because Senator Blumenthal is coming back. I believe Senator Shaheen was coming back. So there will be additional Senators.

So Senator Graham, when you are done, if you could turn it over to whoever is back. If not, just recess it. Thanks.

Senator GRAHAM. I'll do that. Thank you, Mr. Chairman.

Thank you both for your service.

We are going to try to get through all of the world in 7 minutes, if possible.

Let us start with the concept of al Shabaab and al Qaeda forming an alliance, General Ham. Under the authorization to use military force, do we have the legal authority to have a drone attack against al Shabaab members?

General HAM. In selected cases, yes, sir. If an individual is determined through a review process to be authorized to use——

Senator GRAHAM. Do you think that Congress should look at granting greater authority or—we will just get back to that later because I very much want to make sure that the executive branch has the blessing of Congress because I think what they are doing with drones has been very, very helpful.

Admiral, do you believe it is important strategically that Afghanistan end well for us?

Admiral STAVRIDIS. Yes, sir, I do.

Senator GRAHAM. Winning to me would be withdrawing our forces in a fashion that we could leave where Afghanistan has security forces sufficient to defeat the threats they face, al Qaeda, the Taliban, and that over time, governance will take off.

The Strategic Partnership Agreement that we are negotiating with the Afghans—do you think that is vitally important as to the outcome of this conflict?

Admiral STAVRIDIS. I am not the expert on it because I am the NATO Commander looking at Afghanistan. But I will give you an opinion, which is that it is extremely important because it protects the long-term viability of this process.

Senator GRAHAM. Is there a common view on the ground in Afghanistan that people are at the best-case-scenario confused about whether or not we are going to stay or leave, and the enemy is using that against us?

Admiral STAVRIDIS. I think that we have a strategic communications challenge to convince the people of Afghanistan that we are going to stay.

Senator GRAHAM. The theory is if we did a Strategic Partnership Agreement with the Afghans where we have an enduring relationship past 2014 in the areas of the economy, political alliances, and a post-2014 military presence, that would send the right signal to Pakistan, Iran, and the Taliban that we are not abandoning Afghanistan. We are going to have a relationship, and the Taliban will never come back militarily. Is that not the goal of the Strategic Partnership Agreement?

Admiral STAVRIDIS. As I understand that U.S. one, I would add, Senator, that NATO is trying to work out a post-2014 relationship, and I would say it sounds very much like you described.

Senator GRAHAM. Would you agree that if we do not get this right, in case President Karzai may be watching C-SPAN today, that if we do not get a Strategic Partnership Agreement before May where the United States is committed to an enduring relationship, it is going to be very hard to convince NATO as an organization to do it? Do you agree with that?

Admiral STAVRIDIS. I think it would be very helpful to NATO's moving forward to have its primary member have concluded that.

Senator GRAHAM. Do you agree that the home run for us as a Nation and the world-at-large regarding Afghanistan is before the NATO conference, have a Strategic Partnership Agreement between the United States and Afghanistan, that in May NATO commits past 2014 to at least a training presence, and that NATO nations contribute to funding the ANSF? Those three things would be a great outcome. Do you agree with that?

Admiral STAVRIDIS. I do.

Senator GRAHAM. I would just say to our Afghan partners and friends that if you do not get the Strategic Partnership Agreement, then the other things are not going to happen, and if President Karzai continues to insist on us turning over 3,044 law-of-war prisoners that we hold at Parwan prison humanely, a great center of intelligence gathering, if he insists turning those prisoners over to an Afghan legal system that does not have the capacity or the maturity to deal with them, then he is making a grave mistake because I, a big believer in the outcome in Afghanistan, cannot go home to South Carolina and tell the people in my State that if we let these prisoners go over to the Afghan system, they will not be out in a matter of days or weeks, going back to killing Americans and coalition forces. So that is not really a question as much as it is a statement.

Now, the Koran burning incident was upsetting to Americans. I know it was upsetting to the Afghan people, and I am sure some of this was spontaneous, but to the Afghan people, you are not advancing your nation in the eyes of the world when you kill Americans who left their families to go and help your families. The young men and women who have been killed as a result of this, Americans, left their families, the security of their Nation to help Afghanistan develop. This was unfortunate, inadvertent, and we are all sorry, but we need to understand the big picture here. So on behalf of the American people who are upset about what has happened to their loved ones and the people we care about, I stand behind that sentiment and would urge the Afghans to control this.

The good news, after talking to General Allen, is that the ANSF have stood between their people and our people and have done a very good job from what I can tell trying to protect our interests the best they can.

I just hope that the Afghan religious community will understand that we are there to help and we do make mistakes because we are human beings. But nothing justifies this kind of behavior.

Now, are you understanding of why General Allen felt a need to apologize as a military commander of forces in the field?

Admiral STAVRIDIS. I did not have a conversation with him.

Senator GRAHAM. I feel like what he did was in the best interest of our troops, and I talked to him today about that. He said he felt that he needed to set the record straight and man-up to this and let the Afghan people know that this was inadvertent and we apologize because we made a mistake. I hope the Afghan people will understand that this is a two-way street.

When it comes to the President of the United States' statement, I understand too that President Bush, when we made mistakes on his watch, General Allen told me that he thought the apology by the President was helpful to the cause. So all I can tell Republican and Democratic Members of Congress is that I do not like the way the world is, but it is the way it is, and we have people in harm's way over there and we need to understand what is best for them.

Now, when it comes to Africa, General Ham, the effort to help Libya and Tunisia—this moment is going to pass if we are not quick about it. Do you agree that the militias have to be controlled in Libya?

General HAM. I agree with that, sir.

Senator GRAHAM. That we have a window of time here to engage both countries, and it is in our national security interest to provide the assistance that Libya and Tunisia need on the security front because this window will close.

General HAM. I agree.

Senator GRAHAM. Thank you both for your service.

We will be in recess, since no one is here and we will come back after the vote. [Recess.]

Chairman LEVIN. The committee will come back to order. We appreciate your understanding, gentlemen.

We will call on Senator Blumenthal, I believe he comes next.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I want to join all of my colleagues in thanking both of you for your very distinguished and dedicated service. I was very privileged and grateful to join Senator McCain, Senator Graham, Senator Sessions, and also Senator Hagan on the trip that has been referenced earlier, although I am not quite as alarmed about the subversive influence of the University of Alabama in Libya, but it is worth watching. [Laughter.]

I want to begin my questioning by making a reference to some of the trends that were mentioned by Senator McCain, most particularly in Tunisia, the threats across the border and the apparent infiltration of al Qaeda in that area. I think, General Ham, you referred to it in some of your remarks and mentioned that you were concerned about it. I wonder if you could elaborate somewhat on the threats that are posed in Tunisia and in Libya by the porous borders that both of them have and perhaps what we can do about them.

General HAM. Senator, first of all, thanks for joining on the trip. It is a pretty fascinating region of the world and certainly a fascinating time to be there.

What I am concerned about in both Tunisia and Libya is the negative influence that the presence of violent extremist organizations (VEO) will have in those two countries as they seek what I believe to be a very positive way forward in establishing representative governments and governments that are legitimately serving the people. It is very clear that extremists organizations, notably al Qaeda with some direction from al Qaeda's senior leaders, seek to undermine that good governance that the Tunisians and the Libyans seek. So I think that is the real threat that is posed.

It is clear that in the mid-2000s there were many North Africans who sought to go fight against the United States and its coalition partners in Iraq, and Libya was a transit point for the flow of those foreign fighters. It seems to me that al Qaeda is seeking perhaps to reestablish some of those networks.

So, I think we need to partner very closely with the security forces, the armed forces of Tunisia and Libya, to prevent the reestablishment of those networks, to prevent those VEOs from undermining the progress that both countries are seeking.

Senator BLUMENTHAL. Is there anything that we can enable or anything specifically that DOD is doing to enable that cooperation to become more robust?

General HAM. Senator, they are. We are expecting within the very near future a specific request from the Government of Tunisia to our ambassador in Tunis with some specific requirements, and we certainly are anticipating that some of those requirements will be for security assistance. We had a very good bi-national commission conference in Tunis a few weeks ago to start to work out those details. I am very satisfied with the progress of the military-to-military relationship that is developing with the new government. We need to sustain that.

Similarly with the Libyans, we are forming a good relationship. We now do have an Office of Security Cooperation, the organization that can orchestrate security assistance, IMET, and training and the like. So we are moving in the right direction, but we need to sustain that effort.

Senator BLUMENTHAL. Thank you.

Admiral, I want to just briefly note your testimony that "submarine forces provide assurance, deterrence, and valuable contributions to the forward defense of the United States." That is a quote from your testimony. I take that to mean that you are a strong proponent of continuing and enhancing our undersea warfare capability.

Admiral STAVRIDIS. I am, and in the context of EUCOM, the range of missions that our submarine force performed for me as a combatant commander go from the very highest end when they operate in under-ice missions in the high north, they operate in conjunction with other very sophisticated forces. So they are very capable at the high end, but I continue to be impressed with their abilities in the lower end of conflict and security.

Two examples: First would be piracy. Surprisingly, perhaps, we find submarines are effective as ISR platforms that are very helpful in that regard. Second, then in our mutual work together in Libya, we were fortunate to have U.S. submarines capable of launching Tomahawk cruise missiles, for example, in a very effective and immediate way. So the submarine force really does operate across the spectrum, not just at that high end of anti-submarine warfare that we traditionally think of.

Senator BLUMENTHAL. They perform a very versatile mission.

Admiral STAVRIDIS. Exactly, yes, sir.

Senator BLUMENTHAL. I want to briefly ask whether you are satisfied that there is sufficient support for the extraordinary work that is done at Landstuhl and other medical facilities for our wounded warfighters when they come back. I have been so impressed by the kind of care that you have provided to troops coming back to Connecticut and elsewhere, young men who have lost limbs and who have been saved from battle, but are given real hope of restoring normal lives because of the tremendous care that is provided there.

Admiral STAVRIDIS. Sir, I will tell you of all of the things that I do in EUCOM, in many ways I am most proud of the work of our folks at Landstuhl. They are just extraordinary and I know many members of the committee, as you say, have been through and seen that.

If I could highlight something, one of the, if you will, signature injuries of this conflict is emerging to be traumatic brain injury

(TBI). Now, we have a very capable unit that does that, over 30 people dedicated to it. We have what we call the SyNAPSE Program. We tailor the TBI treatment to each one of these young men and women. We have exceptional physical therapists that we have gone out and hired. So we do the whole spectrum of care there. I am very proud of our work in TBI.

Lastly, I want to just say thank you to the committee for the support for the follow-on hospital which is up in front of the committee now, and we have received good support on that and we appreciate it.

Senator BLUMENTHAL. The SyNAPSE Program is really one of the most promising medical activities in the world today, I can say without too much exaggeration. So I really thank you for it.

Just to follow on one of the points that Senator McCain raised, in our visit to Libya, we were told about the numbers, huge numbers, of freedom fighters there who have, I think, been taken to other countries with wounds very similar to those that are suffered by our warfighters in Afghanistan. I wonder whether there is any possibility that we could provide more care for them there.

Admiral STAVRIDIS. I am willing to explore that, and I will work with General Ham who would handle the departure end of that, and I will take a look at it. We do have, for example, troops from Georgia, who I mentioned earlier, our very staunch allies, with us in Afghanistan. So there is some precedent for that, but it is a very specific process and I will take a look at that, sir.

Senator BLUMENTHAL. Just to finish with one quick question about the cooperation with Israel in the event of an attack on Iran's nuclear armaments or capabilities. Could you give us your assessment on the cooperative missile defense programs that we have with Israel, if you could in this setting, either the Arrow missile defense or the David's Sling, as to how successful our joint missile exercise has been?

Admiral STAVRIDIS. I think to do justice to that, I need to move that into a classified setting. But I will say that our cooperation with Israel across every element of military activity is robust and is capable and is serious. I will provide you a detailed answer on the missile defense.

[The information referred to follows:]

[Deleted.]

Senator BLUMENTHAL. Thank you. Again, thank you to you both for your excellent testimony today and your tremendous service to our Nation.

Thank you, Mr. Chairman.

Admiral STAVRIDIS. Thank you for your service as well in the Marine Corps, sir.

Senator BLUMENTHAL. Thank you.

Chairman LEVIN. Thank you very much, Senator Blumenthal.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman. Hopefully we are almost finished.

I want to thank both of you, General Ham and Admiral Stavridis, for your service to the country. Admiral, I particularly appreciate your willingness to work with me over the last 3 years



in my position as chair of the European Affairs Subcommittee of the Senate Foreign Relations Committee. We will certainly miss you as you go on to another post.

Mr. Chairman, I have a brief statement that I would like to submit for the record on the upcoming NATO Summit in Chicago. I know that you have addressed this a little bit, Admiral.

Chairman LEVIN. It will be made part of the record.

[The prepared statement of Senator Shaheen follows:]

PREPARED STATEMENT BY SENATOR JEANNE SHAHEEN

I want to thank Chairman Levin and Senator McCain for convening this important hearing today to receive testimony on U.S. European Command and U.S. Africa Command in review of the National Defense Authorization Request for Fiscal Year 2013. I look forward to hearing from our witnesses about the challenges and opportunities before the U.S. military in these two critical regions of the world.

As the chair of the Senate Foreign Relations Subcommittee on European Affairs, I would like to take a brief moment to discuss the upcoming North Atlantic Treaty Organization (NATO) Summit in Chicago and its significance for the United States and our transatlantic allies.

The importance of the U.S.-European security relationship cannot be overstated, nor can America's commitment to our allies across the Atlantic. Europe is a critical partner of the United States, and our European allies remain America's go-to partners when security challenges arise around the world. Even as we refocus on the Asia-Pacific region and rebalance our footprint in Europe, we will continue to work closely with Europe across the spectrum of critical threats we face—on Iranian nuclear matters, proliferation, and international economic issues, as well as in Syria, Afghanistan, and other regions of the world.

This May, Chicago will host the NATO Summit—the first on American soil since 1999. This meeting presents a unique and timely opportunity to reiterate that the NATO alliance continues to wield unprecedented influence in our world and remains a critical element of U.S. and European security. We have our problems, and we should address those, but the Chicago Summit is a chance to remind the world that NATO still represents the most capable military alliance the world has ever seen.

This year's Summit will need to address a few critical issues. Afghanistan, of course, will be at the top of the agenda, and the recent protests there underscore the volatile and dangerous situation that our alliance continues to face on the ground. Other—perhaps less profile—issues will need to be addressed at this year's Summit as well.

The first of these is NATO's Smart Defense initiative. In a time of declining budgets, it is important that we work together to generate maximum returns on our investments while maintaining overall capability and interoperability. We need to pool and share resources where necessary to ensure that we get the most out of our limited defense dollars.

However, Smart Defense cannot be an excuse for continued under-investment by our European allies. According to the NATO Secretary-General's 2011 Annual Report, only three countries are spending at or above 2 percent of their gross domestic product, the recommended level of defense spending agreed upon by the alliance. We need to see more investment from our European counterparts to ensure that we can bring the full spectrum of capabilities to the table when needed.

From the organization's experience in Libya, we should identify capability gaps and lessons learned to improve our alliance's strengths and weaknesses. There were certainly problems in Libya—namely, a shortage of intelligence, surveillance, and reconnaissance assets, refueling capabilities and ammunition—and the operation should not be viewed as a perfect model for future efforts. However, NATO acted quickly when others would not and could not, and we were ultimately successful in protecting the people of Libya from a brutal dictator. We should build on our successes in Libya and begin to address any shortfalls in Chicago.

Another important issue to be addressed at Chicago is the continued allied support for NATO's "Open Door" policy. Understanding that the prospects for enlargement at this Summit are slim due to outstanding political matters, it is important that we make our commitment credible by advancing aspiring countries, including Georgia, down the path of future NATO membership.

Finally, NATO's relationship with Russia will no doubt draw additional headlines in the lead-up to the Chicago Summit. The Russian presidential election and pos-

sible disagreements on missile defense could complicate any possible progress between NATO and Russia in Chicago.

It is important to recognize that we do share a wide range of interests with Russia outside of missile defense, including security in Afghanistan, counterterrorism, and proliferation. We should engage Russia on issues where our interests overlap while recognizing that Russian participation in Chicago (or lack thereof) should not overshadow other critical issues that the Summit must address this year.

As we approach this year's Summit, we should address these crucial issues to continue building on past progress. To maintain NATO's relevance for the future, we must also find a way to introduce the organization to the next generation of citizens and leaders who are not yet familiar with this alliance's many past successes and its future potential. A NATO that is relevant for the 21st century is flexible, adaptable, and able to transform itself—and is postured to make smart defense investments, grow in membership where appropriate, and take on new missions whenever necessary.

I look forward to working with the White House, the Pentagon, European Command, and the Department of State to make Chicago a successful outcome that reinforces the critical role NATO plays in the world both today and in the future.

Senator SHAHEEN. Thank you.

As we all know, this is really the first Summit on U.S. soil since 1999. It is an opportunity for us to both highlight the successes at NATO and also to address some of the upcoming challenges.

I know, or at least I understand, that you talked a little bit about the Smart Defense Initiative, and I am sure that is something that will be discussed in Chicago. I do have some concerns. While I understand that it is an important initiative and it makes sense to better pool and coordinate our resources, I do have some concerns that it not be used as an excuse to further reduce defense spending among our NATO allies. I wonder if you could comment on that.

Admiral STAVRIDIS. I would be glad to.

We, as in the military committee, all the chiefs of defense, General Dempsey and his 27 colleagues, myself as the Supreme Allied Commander for Europe, and the Supreme Allied Commander Transformation, General Stéphane Abrial, have all addressed very specifically this point that we are recommending constantly and strongly to our political leadership that Smart Defense not be used as an excuse to lower, particularly in the case of European partners, already too low budgets. So we are in complete agreement with you and we will continue to press that at the political level. I think the United States in its role as a significant actor in the alliance should continue to press that as well.

Senator SHAHEEN. What kind of response are we getting?

Admiral STAVRIDIS. At this point, I would say that we are getting a respectful hearing on that viewpoint, but the proof will be in the defense budgets as they roll out after the Summit. We need to continue to monitor that and put real pressure on it.

The initiatives that are part of Smart Defense I wholly subscribe to, everything from Baltic air policing to missile defense, the alliance ground surveillance system, pooling of helicopters, marine patrol aircraft, and so forth. But I think this has to be done in a way that does not permit a reduction at least below the 2 percent goal, which we are not meeting now on the European side of the equation. So I am in full agreement with you, Senator.

Senator SHAHEEN. Libya has afforded, as everyone has said, an excellent example of the success of NATO, and it is undoubtedly the most successful cooperative military effort of its kind in history. It seems to me that one of our challenges is to better—I do not

want to say “message”—but better educate some of the new emerging leaders about NATO’s—not only its history and current successes, but its importance for the future. I wonder if you could talk about that as well.

Admiral STAVRIDIS. I would be glad to.

First of all, I agree that the Libyan campaign was a very successful one, began with a U.S.-led coalition under General Ham, did excellent work for, I think, 2 weeks—Carter, roughly—and then NATO came in for the last 7 months of the operation. It showed the ability to move from a coalition setting into an alliance command structure operation. It showed all of the positives that you alluded to.

It showed us areas we need to do better in. We need better alliance ISR. We need better alliance refueling capability. We need better alliance intelligence and targeting. We need to be better at strategic communications. We are addressing all of those areas as a result of what we have learned.

In terms of telling the story of Libya, I agree completely with that. I have an article actually in the *Foreign Affairs Magazine* this month that I co-wrote with Ambassador Ivo H. Daalder, U.S. Ambassador to NATO, titled “NATO’s Victory in Libya,” dated February 2, 2012. We are, at every level in NATO, working hard to get the story out. It is challenging because the news cycle moves on and we are on to the next challenge in the international security world. But I do believe that the Libyan campaign is one that—for all of the lessons learned on it, I think on balance it has been very positive. We will draw those lessons. We will continue to push them forward, and I think the Summit will be another opportunity to do so.

Senator SHAHEEN. I think that is true. I had the opportunity to meet with Ambassador Daalder yesterday to talk about some of these same issues.

I am not going to ask you to comment on this. I know Senator McCain raised the issue of Georgia, and I understand that that will be coming up in Chicago. I would hope that even though enlargement is on hold for the Chicago Summit, that there will be an effort to make sure that countries like Georgia, Bosnia, Macedonia, and those countries who are interested in being part of NATO, have some reason to continue to be supportive and to be encouraged about the efforts that they are engaging in.

Admiral STAVRIDIS. Senator, I agree. On Georgia, as I said to Senator McCain, of the 50 countries that are operating with us in Afghanistan, Georgia today is the second largest troop-contributing nation on a per capita basis. As they contribute a second battalion, they will become the highest on a troop-contributing basis. It is very real. They are in the fight. I was visiting with a Georgian lieutenant colonel, a triple amputee, at Landstuhl. These are brave—a brave nation and brave soldiers who stand with NATO, and we need to be mindful of that as we go forward.

Senator SHAHEEN. I agree with that. I think they are very proud of their contribution. I know that we all appreciate it very much.

There was some good news this week about the Balkans. Serbia’s candidacy to the European Union (EU) was formally accepted. I think that is very positive. But as you know too well, even though

some of the border issues between Kosovo and Serbia have calmed down somewhat, it seems to be only one incident away from having that break out into conflict again. I wonder if you could talk about what progress you are seeing and what Serbia's EU candidacy means for helping to calm the situation between Kosovo and Serbia.

Admiral STAVRIDIS. I can. As always, to put a context on this, we should remember that in 1999 NATO was dropping bombs in Belgrade. We were actually attacking Belgrade. We had, at one time, 50,000 troops in Kosovo as part of a large mission there. So the good news is we have come a long way in a decade and a bit. Today we are down to around 5,000 troops. When I took the watch as SACEUR, we had 15,000 troops there. So we have brought them down and we have maintained a safe and secure environment. So I think the trajectory is good.

In terms of where we are at this moment, we are at a bit of a plateau as we wait, as you said, for the EU candidacy to settle, and now the next big muscle movement will be the election, which I believe will be in May. After that point in time, we will reassess the security situation. I am hopeful that the EU-led talks between Serbia and Kosovo will continue very slowly, painfully, and incrementally to bear fruit and that by the summer I can make a recommendation to further withdraw the troops. That is my hope at the moment. However, again, I think we are on a bit of a plateau in a holding state while we let the dust clear from the latest good news that you started out with and see if it has a longer manifestation in country.

Senator SHAHEEN. Again, thank you both very much.

My time has expired. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Shaheen.

Let me just ask a question following up on Senator Blumenthal's questions relative to Israel. I am only going to ask you about things that are in the public domain.

My understanding is that in 2010 that there was a large joint military exercise with Israel involving missile defenses. Is that correct?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. That that was the largest U.S.-Israel military exercise of any kind up to that point.

Admiral STAVRIDIS. I would guess that is correct.

Chairman LEVIN. One of the things that we are able to contribute to that missile defense and have contributed, because there have been test missiles fired by Iran and I believe maybe by Syria as well, is that—and this is public information—missile launch data from satellites in real time is shared with Israel.

Admiral STAVRIDIS. Senator, I would really prefer to give you a classified answer to that.

Chairman LEVIN. Okay. I am pretty sure that is unclassified, but let us know if it is or not.

Admiral STAVRIDIS. Okay, sir.

Chairman LEVIN. If it is unclassified, make sure you confirm that.

Admiral STAVRIDIS. Yes, sir, I will.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. It is also my understanding that it is in the unclassified world that we share information on missile tracks with our X-band radar with Israel. You can give us the same answer. You can confirm if that is in the public domain.

Admiral STAVRIDIS. I will.

Chairman LEVIN. But that is my understanding.

Now, we were going to have an exercise that was scheduled with Israel I believe a few months ago, which was then delayed by their defense minister's request. Is that correct?

Admiral STAVRIDIS. Sir, we mutually arrived at a decision to postpone the exercise—it is called Austere Challenge—until the fall. We are now actively pushing forward on conducting that exercise.

Chairman LEVIN. You will be able to confirm what it is that we contribute to that exercise, but whatever it is, does that add significant capability to Israel's missile defense?

Admiral STAVRIDIS. Yes, sir. You alluded earlier to the Juniper Cobra exercise of several years ago. This is continuing that very robust level of cooperation across a variety of activities to include missile defense. I am happy to provide great detail on this at a classified level for you, sir.

Chairman LEVIN. That involvement of our—whatever our involvement is—and you will confirm that it is as described by me as in the public realm. That involvement does add significant capability to Israel's missile defense?

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. Senator Shaheen, it is you and me between them and lunch.

Senator SHAHEEN. I just wanted to hear what you had to say.

Chairman LEVIN. In that case, we began with our gratitude and I hope universally expressed up here to both of you, but since this is your last appearance, Admiral Stavridis, we single you out for special thanks today and good luck to you and your family.

Admiral STAVRIDIS. Thanks a lot, sir.

Chairman LEVIN. We will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### SOCIAL MEDIA

1. Senator LEVIN. Admiral Stavridis and General Ham, one of the key observations from the Arab Spring was the significant role that social media (e.g., Facebook, Twitter, and other internet tools and sites) played in mobilizing social movements. As a result, there has been significant research and development (R&D) activity to build tools to better understand public sentiment, opinion, and activity as expressed via social media. To what extent does social media help understand trends and activity in the your area of responsibility (AOR) compared to more traditional open source media channels?

Admiral STAVRIDIS. Social media provides U.S. European Command (EUCOM) with a level of situational awareness that is not always available through traditional media and other open source channels. What makes social media unique is that it allows operators and intelligence analysts the opportunity to observe an operational picture in real time, based on first-hand accounts of individual activists, special interest groups, and individuals seeking information without the filter of traditional media outlets.

Given the critical importance of understanding our audiences to success in strategic communication efforts, social media provides further opportunities to better

understand the issues and narratives that drive the people well before the information surfaces in the mainstream media. It also provides opportunities to observe and assess the effects of our engagement efforts.

Social media has the potential to better forecast trends, because it allows for direct two-way communication with the people on the ground. However, robust automated tools and capabilities must be developed and employed by the command to visualize social media activity and trends. EUCOM is already working with the U.S. Government Interagency, academia, and public-private partners on this effort.

General HAM. In our AOR, the internet is not as prevalent as in most parts of the world and traditional media is still the way a majority of the population receives their news. When collecting information to understand public opinion, we use social media as one source which, when combined with more traditional sources such as print media and polling, provides a more complete understanding. For breaking events and incidents, we use the real-time data available on social media sites as a valuable source as we develop our assessment.

2. Senator LEVIN. Admiral Stavridis and General Ham, to what extent is your combatant command involved in developing a monitoring and analysis capability in this arena?

Admiral STAVRIDIS. EUCOM is currently in the process of an initiative to establish an Unclassified Information Sharing Cell to develop, monitor, and employ information available in social media channels. The cell will utilize existing command resources within intelligence, planning, operations, strategic communication, public affairs, and communications directorates to integrate the use of social media and crowd-sourcing in the planning and conduct of operations.

General HAM. We are currently working with the Office of the Assistant Secretary of Defense for Research and Engineering on a funded project to develop a tool for predictive analysis based on data mined from all sources including social media. The tool will locate and sort the vast amount of data available on the web allowing accurate and actionable information to support decision making, improve real-time situational awareness, and support long-term analysis for strategic planning and messaging. The tool and accompanying dashboard will enable the identification of a baseline of media behavior before a significant event and the analysis of the significance of elevated post event media activity. It will also detect trends using pattern recognition based on web source data.

3. Senator LEVIN. Admiral Stavridis and General Ham, to what extent has your combatant command interacted with the Department of Defense's (DOD) Human, Social, Cultural, and Behavioral (HSCB) Program for help on this front?

Admiral STAVRIDIS. We have not interacted with that program.

General HAM. We conducted informal discussions with the leadership of the HSCB Program for several years. In the last year, the HSCB briefed members of our Intelligence Directorate Social Science Research Branch on their current research agenda. We also discussed areas of mutual interest suitable for future collaboration.

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#### QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

##### CONTRACTORS

4. Senator MCCASKILL. Admiral Stavridis, our European allies and partners have played a major role in supporting the planned transition of operations to the Afghan Government by providing army and police trainers, as well as other forces to support our efforts in Afghanistan. Currently, our European allies contribute approximately 25 percent of the mentoring teams required to train Afghan National Security Forces (ANSF) in the field and are deeply involved in the Afghan National Police (ANP) training program. Non-U.S. Government coalition personnel are involved in the ANP training program at the Afghan Ministry of Interior, at training sites, and in the field. Currently, non-U.S. Government coalition personnel comprise approximately 66 percent of the 778 trainers and mentors at the 24 North Atlantic Treaty Organization (NATO)-led ANP training sites in Afghanistan, 16 of which are led by NATO countries other than the United States. The U.S. training mission in Afghanistan relies heavily on contractors to train and mentor police forces in Afghanistan. In their capacity within the ANP training program, do our European allies rely on contractors hired by DOD to support their roles mentoring and training Afghan police forces?

Admiral STAVRIDIS. NATO has long-recognized the potential benefits of improving the sharing of contract information among member nations deployed on operations. Since 2010, Supreme Headquarters Allied Powers Europe (SHAPE) has solicited support from the allies aimed at improving contract visibility within NATO, but has made little progress as each ally has individual caveats on contract information-sharing. While in theory the ability to share contract data between NATO and International Security Assistance Force (ISAF) member nations and the NATO Command Structure is an excellent idea, the actual practice has not yet come to fruition.

Because contracting information for operations in Afghanistan is held at the national level, this question may be better answered by U.S. Central Command (CENTCOM).

5. Senator MCCASKILL. Admiral Stavridis, do our allies share in any of the financial burden of using these contractors?

Admiral STAVRIDIS. We do note that many multinational ISAF forces rely on DOD contractors for support. We also acknowledge that SHAPE does not have visibility into national requirements and the sharing of the cost burden of using these contracts.

Because contracting information for operations in Afghanistan is held at the national level, this question might be better answered by CENTCOM.

6. Senator MCCASKILL. Admiral Stavridis, EUCOM is responsible for conducting major joint training exercises with our European allies. In support of the ISAF in Afghanistan, EUCOM trains military units of our European allies that are preparing to deploy to Afghanistan. Are contractors involved in training exercises and the pre-deployment training of our European allies, and if so, what role do contractors play in this training?

Admiral STAVRIDIS. U.S. Army Europe (USAREUR) conducts a significant portion of the predeployment training for ally and partner nation forces deploying to Afghanistan. USAREUR employs contractors for a variety of missions: specifically, Up-Armored High Mobility Multipurpose Wheeled Vehicles; Mine Resistant Ambush Protected (MRAP) vehicles; and Counter Improvised Explosive Device (CIED) training.

7. Senator MCCASKILL. Admiral Stavridis, are contractors being used to provide training that could be done by DOD military or civilian personnel?

Admiral STAVRIDIS. Contractors provide joint training in lieu of military or civilian personnel that have been reduced by billet cuts. However, and more importantly, they possess the skills that are essential to implementing the joint training system at EUCOM and across the joint enterprise.

#### FOOTPRINT

8. Senator MCCASKILL. Admiral Stavridis, according to your posture statement, over the past 22 years, EUCOM has reduced inventory by approximately 75 percent, and over the past 8 years, EUCOM has closed or consolidated over 200 sites of various sizes across the theater. However, DOD has called for two rounds of Base Realignment and Closure (BRAC), one in 2013 and another in 2015. Before we consider such a measure, it is imperative that we look at the necessity of overseas bases first. Current plans call for pulling down an additional two brigades from Europe. Has EUCOM conducted any analysis on how bases and other sites can be consolidated or closed after this move occurs?

Admiral STAVRIDIS. As you indicate, EUCOM has just announced the inactivation of two heavy brigades in Europe that allows the closure of 11 sites comprising the Bamberg and Schweinfurt communities in Germany. We routinely evaluate our European basing requirements, as we are doing now, and this work will contribute to the ongoing study, being conducted by the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) on basing capacity as well as the overseas basing study directed by section 347 of the National Defense Authorization Act (NDAA) for Fiscal Year 2012 (NDAA, CPL 112-81J).

#### CAMP LEMONNIER CONTAINERIZED LIVING UNITS RENOVATION

9. Senator MCCASKILL. General Ham, according to your testimony, in order to reduce fuel costs at Camp Lemonnier, the containerized living units (CLU) will be renovated through a \$1 million project funded by the DOD Operational Energy Plans

and Programs Office. The CLUs will be redesigned incorporating energy efficient air conditioning units, increased insulation, and reflective exterior coatings. As part of the project, a highly energy efficient SuperCLU will be developed. The projected energy savings are 54 percent for CLUs and 82 percent for SuperCLUs, thus reducing fuel costs for Camp Lemonnier. How long will it take for the fuel savings to offset the cost for the \$1 million renovation project?

General HAM. Assuming a fuel cost of \$3 per gallon, it will take approximately 2 years for the energy savings to offset the cost of renovating the 72 CLUs.

10. Senator McCASKILL. General Ham, have you conducted any analysis as to whether it would be less expensive to forgo the renovation of older CLUs and instead replace them with SuperCLUs once development is complete?

General HAM. We have not conducted such an analysis since R&D of the SuperCLUs is still ongoing.

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#### QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN

##### STRATEGIC COMMUNICATION

11. Senator MANCHIN. Admiral Stavridis, you've been a leading proponent of effective strategic communications throughout your career. I think that all of us would agree that what's going on in Afghanistan right now is a strategic-level challenge. You may have summed it up correctly in an article that you wrote for the National Defense University: "There will be moments when no matter how effective the plan, the message is not going to have any effect." Since our strategic communication has real consequences on the men and women in combat, could you give me your perspective on why strategic communication is so important for the military?

Admiral STAVRIDIS. Strategic communication is a critical component of military effectiveness. It is reflected in Sun Tzu's ancient Chinese military treatise, *The Art of War*: "Supreme excellence consists in breaking the enemy's resistance without fighting." Strategic communication also has real consequences on the men and women in combat, as a successful campaign may reduce, or in the best case eliminate, the need for combat.

Strategic communication is an enduring process aimed at more perfectly aligning military activities and diplomatic efforts to achieve long-term national strategic objectives. I consider strategic communication as an enabler for our policy and planning decisions and actions; it is the vital process that provides truthful information about those decisions and actions to key stakeholders; communicates it in a culturally sensible fashion; uses messengers who are likely to be well-received; measures the results of our efforts diligently; and adjusts both message and method of delivery accordingly.

Importantly to our troops on the ground, effective strategic communication leverages and elevates their efforts to ensure they are seen and understood as we intend, and helps them achieve the important national goals we are fighting for. As failed strategic communication can deeply undermine our efforts, it is critical that we continue to invest in strengthening our ability to comprehensively employ this methodology.

12. Senator MANCHIN. Admiral Stavridis, what are some of your best practices of strategic communication?

Admiral STAVRIDIS. Effective strategic communication is an enduring process that shapes how we are understood and seen as a military and as a Nation. It is best applied over the long-term with steady pressure, tightly linked to achieving our national strategic objectives. It must be leader-driven, and kept at the strategic level. The leader's emphasis is critical to get members throughout the command to do their part to achieve our strategic objectives. This massing of a broad range of activities, enacted at multiple echelons, aimed at achieving strategic objectives, provides the power of strategic communication.

Understanding our audiences is the golden rule of strategic communication, and one that is often missed. A solid, deep understanding of the cultures and narratives of the people we address is central to gaining their understanding. We need to invest the necessary time and resources here, or we risk misunderstanding by our friends and opponents with real and significant consequences.

Involving the whole-of-government, if not whole-of-society, greatly enhances our effectiveness as we communicate our motives through our actions and words. We need to convince others that we are a force for good—we, the military, the United States of America, and our society as a whole. Good coordination with the Depart-



ment of State (DOS) and other agencies is vital to making our messages synchronize and resonate. We then need to use modern social media tools, employ personal contact, and leverage traditional means of outreach to effectively execute our strategic communication plans.

Lastly, we need to continue to seek ways to measure and assess our effectiveness in order to see if we are truly reaching our audiences and having the intended effects, and then adjust as needed. Strategic communication is a powerful military tool that we must employ with the type of professionalism, thought, and planning that we put into other endeavors.

#### KOSOVO

13. Senator MANCHIN. Admiral Stavridis, I'm very proud of what our Active Military and our National Guard have done in Kosovo. Last year, a Guard unit from Wheeling, WV, helped defuse clashes between ethnic Serbs and Albanians in northern Kosovo. Last year, you also announced force reductions in Kosovo. We started at about 50,000 peacekeepers in 1999 and now we have about 6,000. Does that mean you're comfortable with the progress being made there?

Admiral STAVRIDIS. Kosovo remains a delicate and potentially challenging situation, but it is an excellent example of how military peacekeepers support and facilitate the political dialogue and progress necessary for a sustainable peace. Belgrade and Pristina struggled, but eventually succeeded in reaching initial agreements that should ultimately set the stage for a political agreement. These new agreements will change the Rule of Law situation in northern Kosovo over the long-term. However, in the short-term, the agreements will likely lead to more ethnic turbulence that requires peacekeepers, perhaps for longer than desired but still only across the foreseeable horizon. The Kosovo police and security forces are developing well, with significant support and oversight from NATO, the European Union (EU), and the United States. Their capacity to deal with situations internally continues to improve, and they will eventually be prepared to replace NATO and EU Rule of Law Mission in Kosovo (EULEX) in the provision of security for Kosovo.

14. Senator MANCHIN. Admiral Stavridis, I've read reports of friction at some of the border crossings recently. Can you give me an update?

Admiral STAVRIDIS. Kosovo Serb hardliners in northern Kosovo (including politicians, members of the Serbian Orthodox Church, students, organized crime figures, and ordinary citizens), backed by illegal Serbian parallel structures, resist integration efforts by the Government of Kosovo or attempts by the international community to expand Pristina's sovereignty. Serbian hardline groups will likely continue using roadblocks to impede international Freedom of Movement (FOM) in northern Kosovo, while potentially employing violence to counter any Kosovo Force (KFOR) or EULEX efforts to remove them. Any KFOR or EULEX operations in north Kosovo that appear to support Government of Kosovo institutions will likely be met with hostility by Kosovo Serbs, who are postured to maintain robust resistance. Patience, coupled with political pressure and dialogue backed by the continued presence of KFOR and EULEX, will be required to work through this set of challenges.

15. Senator MANCHIN. Admiral Stavridis, the new defense strategy lays out a plan to reduce the use of large contingency operations with smaller specialized forces. Do you think the force structure used to secure Kosovo can be applied to other peacekeeping operations in the future?

Admiral STAVRIDIS. To a degree, yes. The unique aspect of the NATO operation in Kosovo was that it was a U.S.-led operation only during the initial kinetic phase in 1999. The NATO peacekeeping mission has been under European leadership, with the U.S. contribution almost always less than 20 percent. I consider this a European security challenge where our allies have done most of the heavy lifting, allowing our contribution to remain smaller and more focused on key tasks. To duplicate this success in future operations would require coalition partners that are trained, equipped, and enabled with political support from their governments. Germany, Austria, and Italy consistently provide the Kosovo Force with the largest contributions and key leadership. About one third of the NATO mission in Kosovo comes from current recipients of ongoing U.S. security cooperation programs and activities. Croatia, for example, provides utility lift helicopters, while Poland, Ukraine, and several other Eastern European nations provide ground forces, staff officers, and community liaison teams vital to maintaining a safe and secure environment.

## RELOCATION OF U.S. AFRICA COMMAND

16. Senator MANCHIN. General Ham, the decision to relocate the U.S. Africa Command (AFRICOM) headquarters from Germany was postponed to 2012. Since EUCOM and AFRICOM are the only two geographic combatant commands located outside of the United States, I'm very concerned that U.S. taxpayers are not reaping the economic benefits that a military base brings. I'd rather have American dollars spent in West Virginia than in Germany. Have you done an assessment on how much it would cost to move AFRICOM?

General HAM. AFRICOM has not done an assessment on the cost of moving our headquarters, but the Office of the Secretary of Defense (OSD) is currently leading a comprehensive, congressionally-mandated, Basing Alternatives Study, which will assess the cost-benefit with moving the headquarters from its current location to the United States. We provided the requisite operational data to support the analysis of the comparative costs, benefits, and risks.

17. Senator MANCHIN. General Ham, if you have done an assessment on the cost of moving AFRICOM, did you include the economic benefits to the local economy in your assessment?

General HAM. We have not done an assessment on the cost of moving our headquarters.

## PIRACY

18. Senator MANCHIN. General Ham, by some estimates, the annual cost of piracy to the global economy ranges from \$7 billion to \$12 billion. In 2012 alone, Somali pirates attacked 26 vessels, hijacked 4, and took 64 people hostage. Have U.S. and NATO forces made any progress in reducing piracy off the Horn of Africa?

General HAM. [Deleted.]

19. Senator MANCHIN. General Ham, how effective are these counterpiracy operations and what can we do differently?

General HAM. The international response to Somali piracy is achieving some success. Although pirate attack rates have not declined, the rate of successful attacks has dropped by nearly 50 percent. The increased use of industry-accepted best practices, such as embarked armed security teams, has played a role in reducing attack success rates; to date, not a single vessel with an embarked security team has been successfully hijacked. Increased interdictions by coalition and international forces may also be contributing to the lower number of successful pirate attacks. However, due to the continuing trend of higher ransom payments, piracy-generated revenue has remained steady.

A sustainable solution to piracy requires addressing conditions on land. Stability and economic development are necessary to provide viable economic alternatives to pirate activity. Counterpiracy operations at sea must be complemented by improvements to governance in Somalia to include strengthening of law enforcement and judicial systems. Disrupting the financial networks which sustain Somali piracy must also be an area of focus. The recent London Conference on Somalia reinforced the international community's commitment to working with the Somali people to support the political and economic progress needed to consolidate recent security gain and is, I believe, a positive step toward developing alternatives to piracy.

## QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

## CAMP LEMONNIER

20. Senator MCCAIN. General Ham, you note in your written testimony that new mission requirements necessitate new facilities and upgrades at your only enduring base in Africa at Camp Lemonnier, Djibouti. I know that the Department of the Navy has been working on a master plan for over a year to construct an austere base for thousands of U.S. military personnel with an emphasis on anti-terrorism force protection and safety. This committee has raised concerns in the past that the small footprint of 500 acres at Camp Lemonnier will result in significant force protection vulnerabilities. Are you confident that the plan for construction of the base will provide adequate safety and security for our forces deployed there?

General HAM. Force protection is a primary consideration during the updating of the Camp Lemonnier master plan. My force protection and safety concerns were provided and discussed with the Department of the Navy along with the long-term

vision and requirements. All planned construction projects are being sited and designed in accordance with the Unified Facilities Criteria for DOD overseas construction. The ongoing master plan incorporates applicable anti-terrorism force protection standards. The master plan will incorporate best practices and designs to meet both force protection and Unified Facilities Criteria guidance. I will continue to be engaged with the development of the master plan and ensure we have taken the necessary steps to ensure the safety and protection of all tenants.

21. Senator MCCAIN. General Ham, what can be done to mitigate force protection risks, such as expanding the footprint of the installation?

General HAM. Expanding the footprint of Camp Lemonnier is not a U.S. Government option at this time. While we are in discussions with the Government of Djibouti regarding a possible runway expansion over ground that is not included in the current implementing arrangement, enlarging the Camp runs counter to our desire to diversify operating locations in the region. I envision moving towards a smaller steady state population at Camp Lemonnier to best employ the space we have and allow three-vice six-story barracks. Routine and random force protection drills are conducted in concert with our Djiboutian hosts as well as French and Japanese neighbors at the Camp. We are in compliance with all governing force protection requirements.

22. Senator MCCAIN. General Ham, when do you expect to approve the master plan?

General HAM. The master plan for Camp Lemonnier is being developed by the Department of the Navy. We continue to coordinate with the Department of the Navy as they complete the plan. As part of this process, we provided our operational requirements, long-term vision, and concern for force protection and safety. I expect the master plan will be released by the Department of the Navy in the summer of 2012.

23. Senator MCCAIN. General Ham, will you share the plan and the total costs with this committee?

General HAM. Yes, I look forward to sharing the master plan for Camp Lemonnier once it has been released through the Department of the Navy and OSD.

#### RHINE ORDNANCE BARRACKS REPLACEMENT MEDICAL CENTER

24. Senator MCCAIN. Admiral Stavridis, replacement of the Landstuhl Regional Medical Center has been a priority for DOD due to its deteriorating condition, and the critical role that the hospital and its staff played in saving lives over the last decade of conflict in Iraq and Afghanistan. Do you concur with the Army's position that rebuilding the hospital capacity at the Rhine Ordnance Barracks remains a top priority, even as U.S. involvement in Iraq and Afghanistan decline and the United States reduces its presence in Europe?

Admiral STAVRIDIS. The Rhine Ordnance Barracks Replacement Medical Center remains one of my highest priority military construction projects. The critical mission the hospital plays in saving lives does not end with any individual conflict. The mission is ever present to ensure sailors, soldiers, airmen, and marines have the best chance of survival when the Nation calls for the use of military forces. I am committed to providing this capability, which services the EUCOM, CENTCOM, and AFRICOM theaters and beyond, as required.

25. Senator MCCAIN. Admiral Stavridis, given the fact that DOD is still assessing the exact number of personnel to be restationed from Europe and the number and location of bases to be closed, does DOD still need a \$1.2 billion hospital, and if not, what do you estimate should be the size and cost of the new hospital?

Admiral STAVRIDIS. The Rhine Ordnance Barracks Replacement Medical Center's mission is two-fold. Although the hospital serves the military and dependant populations of Europe, and Germany in particular, its most critical mission is to save the lives of America's warfighters. This requirement is not impacted by announced posture movements within the EUCOM area of focus; the requirement is based upon EUCOM, CENTCOM, and AFRICOM plans. EUCOM is working with the Office of the Assistant Secretary of Defense (Health Affairs), the Tricare Management Activity, and the European Regional Medical Command to review the size of the medical facility and the scope of medical services to be provided in order to ensure we ask the American people to pay only for what is needed. It is estimated that the Office of the Secretary of Defense (Health Affairs) will provide, via the Secretary of De-

fense, a report to Congress addressing the size and scope of the medical center before the end of the summer.

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QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

NATO PARTNER CONTRIBUTIONS

26. Senator CORNYN. Admiral Stavridis, the NATO agreement requires NATO partners provide at least 2 percent of their GDP for their defense, yet many NATO members are failing to meet this goal. In your opinion, how does the failure of NATO members to meet their contribution requirements impact the capabilities of NATO as an organization and the national security of the United States?

Admiral STAVRIDIS. The recommended level of defense expenditures, agreed by NATO nations, remains at 2 percent of GDP. While some nations meet this goal, many do not.

The challenges of balancing defense investment and budgetary pressures, with an equitable burdensharing among sovereign nations, is neither a new problem nor one easily resolved.

While encouraging nations to meet agreed spending goals, we should remember that NATO continues to successfully operate at unprecedented levels in operations far beyond its borders—to NATO and partner forces serving in Afghanistan, Kosovo, and in counterpiracy operations off the coast of Somalia.

As a military commander, my concern remains that the alliance maintains sufficient forces and capabilities to meet the demanding commitments of these current operations as well as the resources necessary to address the broad range of future risks and potential security challenges.

Continuing economic pressures in many of the allied nations makes it imperative that the allies utilize the available resources wisely. The NATO Secretary General's Smart Defense Initiative is intended to meet our collective defense needs more efficiently through greater collaboration and coherence of effort among nations, with a prioritization of capabilities to meet the most urgent needs while seeking multinational solutions where possible. Smart Defense will develop common capabilities between NATO nations so that individual nations, who may not be able to afford the desired capabilities on their own, are able to develop them jointly. Nations are working toward a number of substantive, multinational projects, the first of which will be highlighted at the Chicago 2012 Summit with a view to making the resulting capabilities available to NATO.

Despite its members' fiscal challenges, NATO is making required adjustments to ensure it paces the future security environment. Discussions in Lisbon in 2010 and anticipated discussion in Chicago in May 2012 continue to realistically address the most challenging issues facing the United States and the alliance, and they do so in the context of the current fiscal environment. That said, we will continue to watch this closely over the near- and mid-term.

27. Senator CORNYN. Admiral Stavridis, do you believe the United States has sufficient leverage to urge greater contributions by NATO member nations at the same time we are facing cuts to our own defense budget close to \$1 trillion in the next decade?

Admiral STAVRIDIS. U.S. leadership is critically important, and U.S. leadership is constructively shaping the continued investment by European allies into NATO interoperable capabilities—shared, pooled, or separate—even in these current financial and economic circumstances.

NATO as an organization plays a critical role in the development of military capabilities by its members, the trajectory and orientation of national defense goals, and the common building of interoperable forces and equipment. This is a vital function, one that has proven essential to the successful execution of NATO-led missions since the end of the Cold War as well as other non-NATO military operations that involved allied forces. This role of NATO in shaping the contours of overall alliance capability and the content of specific capabilities will remain especially important for the future. We will continue to develop the capabilities needed to execute the missions and tasks assigned to the alliance.

In this context, the United States is a leader amongst allies, even as NATO as a whole faces defense budget pressure. Allies continue to seek strong defense investments oriented toward the future, and oriented toward supporting operations at home and at strategic distance. Interoperability in equipment, forces, and training with the United States through the diverse set of NATO mechanisms is a top priority for allies and partners. The economic and financial conditions have impacted

all NATO nations and defense spending has decreased as a result. However, as we approach the Chicago Summit, and look beyond the immediate horizon to the next 10 years, I am confident the alliance will build on the successful business practices of the past, implement with allies effective defense concepts and defense capabilities currently under development, and develop new initiatives that address the security environment today and tomorrow. Led by the United States, the alliance will continue to develop smart, connected forces that mutually strengthen and reinforce the security of nations on both sides of the Atlantic.

#### ANSF TRAINING FROM NATO FORCES

28. Senator CORNYN. Admiral Stavridis, in your prepared testimony, you cite a poll conducted by the Asia Foundation last fall that found 87 percent of respondents from the Afghan population stated that “the Afghan National Army (ANA) was improving the security situation across the country.” In recent testimony, Secretary of Defense Panetta and Director of National Intelligence Clapper cited concerns about corruption, leadership, and the ability of the ANA and ANSF to provide security, specifically following the departure of U.S. forces. Please expand on your assessment of the ability of the Afghan forces.

Admiral STAVRIDIS. Afghan forces continue to improve, as measured by their progress, in training reported through our ISAF and Afghan instructors and in the field where operational results tell their own story. The Asia Foundation report which I cited, “Afghanistan in 2011, A Survey of the Afghan People,” is based on a survey conducted in July 2011 which polled 6,500 Afghans across the country, with 78 percent of respondents in rural areas and 22 percent in urban areas. This is a credible report from an organization with years of polling experience in Afghanistan which provides information corroborating a conclusion of steady ANSF progress. At the same time, I acknowledge the challenges of corruption and the ability of ANSF to sustain security after the termination of the ISAF mission. Yet, ANSF is making steady progress; and we must continue to work diligently with them to ensure a successful transition by directly addressing problem areas.

As recently as this January, my ISAF trainers report positive results in recruiting and retention. Both ANA and ANP remain on track to meet their October 2012 growth targets of 195,000 and 157,000, respectively. This goal may be reached even before the summer. In January, attrition rates for the ANA fell to 1.9 percent, and for the ANP they fell below 1 percent. While this does not mean the problem of desertion is solved, it is a positive indication and we will watch it closely as the fighting season begins in earnest.

Regarding the leadership issue, ANSF continues to address a shortage of non-commissioned officers (NCO). These individuals perform a crucial role in troop leadership, and will be vital to a strong ANSF as we move through transition and into a post-ISAF environment. Based on the current recruiting and training programs, we expect ANSF to continue to suffer from a shortage of NCOs through 2012. This is a work in progress, and our instructors are providing ANSF with valuable mentoring in their leadership training and education programs.

I would like to offer some additional highlights from the 2011 Asia Foundation report which I shared with the ISAF Chiefs of Defense earlier this year. I think you will agree that the information paints a picture which supports both the progress ANSF is making, and highlights some of the challenges which remain to be dealt with. Those highlights are: Respondents indicating the ANA was “unprofessional and poorly trained” dropped from 62 percent in 2007 to 44 percent this year. Similarly, respondents saying the ANA needed the support of foreign troops and could not operate alone decreased from 77 percent in 2007 to 60 percent in 2011. Over 50 percent of respondents reported that corruption is a major problem. Of those, 56 percent stated it was a problem in their daily lives, 64 percent said it is a problem in provincial government, and 76 percent indicated that corruption is a problem for the nation as a whole.

I see in these results strong indications that our focus on improving security in Afghanistan can only be sustained in the long-term by effective ANSF. While I am heartened by the steady progress highlighted by the Asia Foundation 2011 report, I acknowledge the complexity and difficulties facing ANSF as we approach the end of the ISAF mission.

29. Senator CORNYN. Admiral Stavridis, given your recent assessment that NATO is likely to continue its partnership with Afghanistan well past the end of combat operations, please provide an assessment of the training Afghan forces are receiving from NATO trainers.

Admiral STAVRIDIS. The growth and professionalization of the ANSF form a strategic priority for transition. Overall ANSF generation is on track to support transition to an ANSF security lead. NATO continues to support ANSF training by providing trainers, mentors, and advisors. This training is producing steady improvements in ANSF capabilities.

Some illustrative examples follow: Both the ANA and ANP are on track to meet their October 12 growth targets (ANA 195,000, ANP 157,000; 352,000 total) several months early.

ANSF effectiveness is steadily improving: 71.3 percent of the ANA Kandaks and 58 percent of ANP Units are rated as either "effective with advisors" or "effective with assistance;" 5.2 percent of the ANA Kandaks and 23.9 percent of the ANP Units are rated as "independent with advisors."

The ANSF is demonstrating an improved ability to plan and execute operations independently or with minimal ISAF support. Beginning in late March 2012, Operation Nawaed will become effective, putting the ANSF in the lead to defend the sovereignty of Afghanistan.

Literacy training programs are making gains throughout the force. Over 58 percent of the ANSF has had some level (1st, 2nd, or 3rd grade) of literacy training. There are over 3,000 literacy instructors providing almost 4,000 classes.

The ANSF continued to increase the quality and quantity of its instructors through Train the Instructor (T2I) and Master Skills Instructor Courses (MSIC).

The goals for training the ANSF remain on track through the initial entry courses. Course enrolment remains consistent, while fill rates exceed course capacities. There still remains a chronic shortfall in the growth of the desired number of NCOs who provide key unit level leadership, especially in training and in combat. To address this shortfall, the ANP continues to focus efforts on recruiting direct-entry NCOs and training and promoting patrolmen in order to increase their NCO ranks, while ANA is aiming to promote experienced and qualified soldiers from within their ranks over time.

#### FORCE STRUCTURE IN EUROPE

30. Senator CORNYN. Admiral Stavridis, you state in your prepared testimony that the core of EUCOM's strategy is the "realization and revalidation of the strategic linkage between Europe and the United States. America's European allies remain our Nation's most reliable and enduring strategic partners." In your opinion, if we lessen our footprint in Europe by two Army brigade combat teams (BCT), replacing them with rotational forces, how will this impact the strategic link and cooperation with our European allies?

Admiral STAVRIDIS. The initiative to reinvigorate the U.S. commitment to the NATO Response Force (NRF) is key to ensuring that our strategic link with our European allies remains strong. This concept includes a U.S.-NRF commitment bolstered by the allocation of a CONUS-based BCT, with predictable battalion-sized rotations to Europe to participate in significant NRF training activities. These rotations will reinforce our commitment to Europe, exercise our capability to deploy ground forces, and afford the opportunity to sustain our interoperability with NATO.

31. Senator CORNYN. Admiral Stavridis, according to the DOD's new strategic guidance, a "strategic opportunity to rebalance the U.S. military investment in Europe" has been created and "in keeping with this evolving strategic landscape, our posture in Europe must also evolve" toward "innovative, low-cost, and small-footprint approaches." The Army is implementing this guidance by decreasing its European presence by two heavy brigades, but the Air Force's European footprint will not change much. Do you believe there are also opportunities for the Air Force footprint in Europe to evolve toward more use of rotational forces, instead of permanently stationed units? If so, please elaborate.

Admiral STAVRIDIS. EUCOM's Air Force footprint has continuously evolved to meet the strategic needs of the Nation. In the past, this has translated to a significant drawdown of forces and infrastructure, including the reduction of multiple fighter squadrons and ancillary units in theater. During the past several years, EUCOM's air forces have reduced manpower by approximately 4,000 personnel (11 percent), realigned 17 units, returned an F-16 squadron and part of an F-15 squadron, and closed 2 installations and 44 sites. Additionally, we recently announced the inactivation of the 81st Fighter Squadron (A-10) currently stationed at Spangdahlem, Germany, and the 603rd Air Control Squadron currently stationed at Aviano, Italy. These reductions will drive the need for rotational presence to support operational requirements.

The remaining permanently stationed Air Force units in theater, along with traditional Air Force enabler units and installations, provide critical forward-based strategic capability to meet global national security objectives in addition to executing EUCOM's Theater Campaign Plan, supporting other combatant command requirements, and helping to represent the U.S. commitment to our European allies, including our Article 5 commitment to the NATO alliance. For example, forward-based fighters and support assets were absolutely essential to the ability of the Nation to respond quickly to, and sustain operations in, Libya. Also, logistics, mobility, communications, and intelligence operations (among others) executed or supported by installations in theater are critical to, and directly enable, operations in the CENTCOM and AFRICOM AORs.

We will continue to assess our force structure via the Global Posture Executive Council to ensure to the extent possible that recommendations related to forces, footprint, and relationships within the EUCOM AOR are aligned to support operational needs while, at the same time, maximizing resource efficiency. These forward assigned forces and associated footprint are the fundamental enablers of U.S. defense activities overseas. They are central to defining and communicating U.S. strategic interests to allies, partners, rivals, and adversaries.

#### MISSILE DEFENSE

32. Senator CORNYN. Admiral Stavridis, you mentioned in your prepared testimony that "despite continued disagreements at political levels over missile defense ... cooperative activity continues to increase" with Russia. What is your assessment of the way ahead for discussions regarding missile defense in your AOR?

Admiral STAVRIDIS. Although Russia does not currently appear ready to have a military-to-military Ballistic Missile Defense (BMD) dialogue, EUCOM continues to support Joint Staff and OSD attempts to restart stalled BMD discussions within their respective bilateral policy- and technically-focused working groups with the Russian General Staff and Ministry of Defense. While Russia has declined to participate in direct U.S.-Russian military-to-military or BMD discussions since mid-2011, ostensibly pending resolution of its political-level concerns, I see progress in the forum of the NATO-Russia Council (NRC), in which the United States has a voice in the process. For instance, the Russian Federation recently agreed to participate in a NRC-led Theater Ballistic Missile Defense Computer Assisted Exercise (CAX). Additionally, Russia has been invited and is expected to observe the Capstone Event in Suffolk, VA, from 18-19 April 2012, for Nimble Titan 12—a global BMD policy and strategy wargame including participants from 12 NATO states and NATO as an organization.

33. Senator CORNYN. Admiral Stavridis, do you feel that the Russian presidential election will help or hinder further discussions?

Admiral STAVRIDIS. To a degree it may help, as both sides know each other already and the internal pressure in Russia to beat the anti-NATO drum during the election has lessened. However, over the last several years, we have repeatedly made clear to Russia that NATO missile defense in Europe poses no threat to Russia's strategic nuclear deterrent. As Ambassador McFaul has said regarding the Russian presidential election: "No matter who is the President, we're going to stick to our policy." Therefore, we will continue to engage Russia to seek pragmatic solutions to mitigate the threat posed by the proliferation of ballistic missiles.

#### AFRICOM HEADQUARTERS

34. Senator CORNYN. General Ham, as you note, AFRICOM's only enduring presence on the continent is Camp Lemonnier, Djibouti, which "provides an essential command and control and logistics hub for Combined Joint Task Force Horn of Africa." You go on to acknowledge that your current headquarters location in Stuttgart, Germany, has been a topic of discussion since AFRICOM's establishment. I understand that OSD is leading a comprehensive study of the factors involved in the AFRICOM headquarters basing, but in your opinion, would it detrimentally affect AFRICOM's mission and capabilities to locate the AFRICOM headquarters in the United States rather than in Europe?

General HAM. The OSD is currently leading a comprehensive, congressionally-mandated, Basing Alternatives Study which will assess the cost-benefit with moving the headquarters from its current location to the United States. We provided the requisite operational data to support their analysis of the comparative costs, benefits, and risks.

Strategically and operationally, our current location provides for effective command, control, and coordination of operations. We demonstrated this during Operation Odyssey Dawn (OOD) in Libya. A key factor in OOD's successful execution was that the headquarters lies in the same time zone ( $\pm 3$  hours) of the entire African continent, including Combined Joint Task Force-Horn of Africa, the command's Service components, EUCOM and our European allies and partners active in Africa.

Cost is also a consideration. Alternative options must account for the expense associated with a move from Stuttgart, including the infrastructure costs related to any new headquarters facility. Travel to the African continent to meet face to face with our partners, where strong personal relationships are valued and critical for working effectively together to address threats, is essential and will be a recurring obligation regardless of headquarters location.

Until a final decision is made, we will continue to accomplish our mission from Stuttgart, where our proximity to Africa, both geographically and in terms of time zones, facilitates our ability to build relationships with our African partners, and where our servicemembers, civilians, and their families can serve from a safe and well-supported location. Once the study is complete, we will comply with the guidance and decision of the Secretary of Defense.

#### FAILED STATES AND TERRORIST GROUPS

35. Senator CORNYN. General Ham, as you note, Africa accounts for 14 of the world's 20 weakest states, according to Foreign Policy's 2011 "Failed States Index." Failed states make fertile breeding grounds for extremist and terrorist organizations to grow and thrive. I am particularly concerned by your testimony of the potential for strengthening of ties between al Shabaab, al Qaeda in the Islamic Maghreb, and Boko Haram with al Qaeda in the Arabian Peninsula and al Qaeda senior leaders in Pakistan. What is your assessment of the intention of these groups to pose threats to U.S. troops in theater, U.S. allies, and the U.S. Homeland?

General HAM. [Deleted.]

#### LIBYAN WEAPONS

36. Senator CORNYN. General Ham, you note that many Manportable Air Defense Systems (MANPADS) "disappeared from unsecured storage sites in Libya during the conflict last year and could potentially be trafficked to extremist groups." MANPADS in the hands of terrorists could pose serious threats to civil aviation worldwide, to U.S. deployed forces, and to our Homeland security. Please provide an update on the inspection teams' efforts to account for and secure these missiles.

General HAM. The U.S. Interagency MANPADS Task Force is led by DOS which is best positioned to provide a current update on the inspection teams' efforts.

DOD is a member of this Task Force. AFRICOM personnel work closely with the Task Force, contribute key military input to coordination with our African partner nations, and have participated in several of the visits by the Task Force to the African continent. We also conduct exercises and theater security cooperation engagements with nations bordering Libya focused on strengthening their capability to counterillicit trafficking.

[Whereupon, at 12:25 p.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, MARCH 6, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**U.S. CENTRAL COMMAND AND U.S. SPECIAL  
OPERATIONS COMMAND**

The committee met, pursuant to notice, at 9:32 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Webb, McCaskill, Hagan, Manchin, Shaheen, Blumenthal, McCain, Chambliss, Brown, Ayotte, Graham, and Cornyn.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jessica L. Kingston, research assistant; Michael J. Kuiken, professional staff member; Peter K. Levine, general counsel; Jason W. Maroney, counsel; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; and Roy F. Phillips, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Adam J. Barker, professional staff member; Christian D. Brose, professional staff member; Paul C. Hutton IV, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Jennifer R. Knowles, Mariah K. McNamara, and Brian F. Sebold.

Committee members' assistants present: Vance Serchuk, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Chad Kreikemeier, assistant to Senator Shaheen; Jordan Baugh, assistant to Senator Gillibrand; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Matthew Rimkunas, assistant to Senator Graham.

# **OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. This morning we continue the committee's review of the posture of our combatant commanders to meet the security challenges and operational requirements in their areas of responsibility (AOR) in light of the President's budget request for fiscal year 2013.

Our witnesses are General James N. Mattis, USMC, Commander, U.S. Central Command (CENTCOM); and Admiral William H. McRaven, USN, Commander, U.S. Special Operations Command (SOCOM). Thank you both for your dedicated and distinguished service to our Nation. Also, on behalf of the committee, please extend our heartfelt gratitude to the military men and women serving with you. Many have served multiple deployments, often directly in harm's way. We thank them for their dedication and courage, and we thank their families, whose support is so essential.

As reflected in the President's budget request of \$88 billion for overseas contingency operations in fiscal year 2013, the conflict in Afghanistan remains our military's foremost security challenge. The Afghanistan mission is entering a critical phase of transition. The drawdown of the 33,000 U.S. surge force is scheduled to be completed by the end of this summer and the remaining 68,000 U.S. troops in Afghanistan are to continue to be reduced at a steady pace thereafter through 2014, according to President Obama.

U.S. and coalition forces have begun to move from the combat lead to an advise-and-assist role in support of the Afghan Security Forces (ASF) as those forces increasingly assume the lead for providing security. This transition is to be completed by 2014, when the ASF will have assumed the security lead throughout the country.

As the U.S. troop presence in Afghanistan winds down, our Special Operations Forces (SOF) will assume greater and greater responsibility for the Afghanistan mission and for advising and supporting the ASF. Even after 2014, our U.S. military plans on having an ongoing presence in Afghanistan to train the Afghan forces, conduct counterterrorism operations, and provide key enablers, such as logistics, airlift, and intelligence support.

The recent violence in Afghanistan following the unintentional and regrettable burning of Korans at a U.S. military base is deeply troubling. President Obama has expressed his regret, and I would hope that President Karzai would condemn the killing of six American soldiers as part of that violence.

While these events could weaken the level of trust between the United States and ASF, Secretary Panetta has reaffirmed that the United States remains committed to the current approach in Afghanistan, saying that the recent attacks on our troops "will not alter our commitment to get this job done."

The success of the Afghanistan mission will depend on building the capabilities of the ASF. At the end of the day, the conflict in Afghanistan is an Afghan war and it will be up to the ASF to win it. For this reason, I am concerned by news accounts that the United States is circulating within the North Atlantic Treaty Organization (NATO) a proposal to reduce the ASF by as much as one

third. According to the Wall Street Journal, under this proposal the size of the Afghan army and police would be reduced from 352,000 personnel this year to 230,000 after 2014. Lieutenant General Daniel Bolger, the head of the NATO Training Mission in Afghanistan, is cited as saying this proposal is based on “what the international community will provide financially and what the Afghans can provide for themselves.”

I am surprised and I am disappointed to hear our military commanders are focusing on Afghan force size based on what they think might be affordable instead of what number of ASF they believe will be needed to maintain security. It strikes me as unwise to base decisions on the future size of the Afghan army and police exclusively on projections of future affordability, instead of military requirements to secure the gains that have been made at great cost and to prevent a Taliban return to power.

The sustainability of the progress on security in Afghanistan will also be affected by a number of issues, including the progress of reconciliation talks with the Taliban, whether Pakistan chooses to play a constructive role in those talks, eliminating the threat from insurgent safe havens in Pakistan, the establishment of a long-term strategic partnership between Afghanistan and the United States, and the Karzai Government’s efforts to improve governance, deliver services, increase government revenues, fight corruption, and promote inclusive and transparent elections. General Mattis, the committee is going to be interested in your assessment of the progress on security in Afghanistan and the sustainability of security gains through 2014 and beyond.

There is a strong determination on this committee and in this Congress to do all we can to counter the threat posed by Iran, and in particular, to stop Iran from acquiring nuclear weapons. The National Defense Authorization Act (NDAA) included breakthrough sanctions with respect to Iran by requiring foreign financial institutions to choose between maintaining ties with the U.S. financial system or doing business with the Central Bank of Iran, especially relative to the purchase of Iranian petroleum and related products. President Obama has appropriately focused considerable and determined diplomatic effort “to prevent Iran from getting a nuclear weapon,” and he has repeatedly said that there are “no options off the table” to achieve that goal.

General Mattis has the task of conducting the prudent planning and assembling the military options for the President relative to Iran in case they are needed.

I’m going to put the balance of my statement in the record, except for the following: The new strategic guidance and priorities emphasize the importance of special operations personnel for counterterrorism operations, capacity-building, and other theater security cooperation activities in support of the geographic combatant commanders. Admiral McRaven, recent published reports indicate that you are seeking new authorities that you believe would help SOCOM be more responsive to the geographic combatant commanders’ requests for special operations personnel and the unique capabilities that they provide. The committee looks forward to your comments on these reports and learning more about any authori-

ties that you believe may be necessary to fulfill SOCOM's global missions.

Finally, General, we would appreciate your comments relative to the events in Syria, as to what you believe the options might be to end that slaughter of Syrian civilians by the Government of Syria. We are all determined that we want to end it. The question is what are the military options that might be available in the case that they were seized upon as being one of the ways to do that, and we would very much appreciate your comments on that.

Gentlemen, again, our thanks to both you and the men and women who serve with you for your great work.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT BY SENATOR CARL LEVIN

This morning we continue the committee's review of the posture of our combatant commanders to meet the security challenges and operational requirements in their areas of responsibility, in light of the President's budget request for fiscal year 2013. Our witnesses are General James Mattis, Commander, U.S. Central Command (CENTCOM), and Admiral Bill McRaven, Commander, U.S. Special Operations Command (SOCOM), who is making his first posture statement since taking command last summer.

Thank you both for your dedicated and distinguished service to this Nation. Also, on behalf of this committee, please extend our heartfelt gratitude to the military men and women serving under CENTCOM and SOCOM. Many have served multiple deployments, often directly in harm's way. We thank them for their dedication and courage, and we thank their families, whose support is so essential.

As reflected in the President's budget request of \$88.4 billion for Overseas Contingency Operations in fiscal year 2013, the conflict in Afghanistan remains our military's foremost security challenge. The Afghanistan mission is entering a crucial phase of transition. The drawdown of the 33,000 U.S. surge force is scheduled to be completed by the end of this summer, and the remaining 68,000 U.S. troops in Afghanistan are to continue to be reduced "at a steady pace" thereafter through 2014, according to President Obama. U.S. and coalition forces have begun to move from the combat lead to an advise-and-assist role in support of the Afghan National Security Forces as those forces increasingly assume the lead for providing security. This transition is to be completed by 2014 when Afghan security forces will have assumed the security lead throughout the country. As the U.S. troop presence in Afghanistan winds down, our Special Operations Forces will assume greater and greater responsibility for the Afghanistan mission and for advising and supporting the Afghan security forces. Even after 2014, our U.S. military plans on having an ongoing presence in Afghanistan to train the Afghan forces, conduct counterterrorism operations, and provide key enablers such as logistics, airlift, and intelligence support.

The recent violence in Afghanistan, following the unintentional and regrettable burning of Korans at a U.S. military base, is deeply troubling. President Obama has expressed his regret. I would hope President Karzai would condemn the killing of six American soldiers as part of this violence. These violent incidents have the effect of weakening the level of trust between U.S. and Afghan forces, but Secretary Panetta has reaffirmed that the United States remains committed to the current approach in Afghanistan, saying that the recent attacks on our troops "will not alter our commitment to get this job done."

The success of the Afghanistan mission will depend on building the capabilities of the Afghan National Security Forces. At the end of the day, the conflict in Afghanistan is an Afghan war, and it will be up to the Afghan forces to win it.

For this reason, I am concerned by news accounts that the United States is circulating within NATO a proposal to reduce the Afghan security forces by as much as one third. According to the Wall Street Journal, under this proposal the size of the Afghan army and police would be reduced from 352,000 personnel this year to 230,000 after 2014. Lieutenant General Daniel Bolger, the head of the North Atlantic Treaty Organization Training Mission in Afghanistan, is cited as saying this proposal, which is estimated to cost \$4.1 billion annually, is based on "what the international community will provide and what the Afghans can provide for themselves." I am surprised and disappointed to hear our military commanders are focusing on Afghan force size based on what they think might be affordable instead of what

number of Afghan security forces are needed to maintain security. Decisions on the size of the Afghan army and police 2 years from now need to take into account conditions at that time. It strikes me as extremely unwise to base decisions on the future size of the Afghan army and police exclusively on projections of affordability instead of military requirements to secure the gains that have been made at great cost and to prevent a Taliban return to power.

The sustainability of the progress on security in Afghanistan will also be affected by a number of issues, including: the progress of reconciliation talks with the Taliban; whether Pakistan chooses to play a constructive role in those talks; eliminating the threat from insurgent safe havens in Pakistan; the establishment of a long-term strategic partnership between the Government of Afghanistan and the United States; and the Karzai Government's efforts to improve governance, deliver services, increase government revenues, fight corruption, and promote inclusive and transparent elections. General Mattis, the committee will be interested in your assessment of the progress on security in Afghanistan and the sustainability of security gains through 2014 and beyond.

#### *Iran*

There is a strong determination on this committee and in this Congress to do all we can to counter the threat posed by Iran and, in particular, to stop Iran from acquiring nuclear weapons. The National Defense Authorization Act included breakthrough sanctions with respect to Iran by requiring foreign financial institutions to choose between maintaining ties with the U.S. financial system or doing business with the Central Bank of Iran, especially relative to the purchase of Iranian petroleum and related products. President Obama has appropriately focused considerable and determined diplomatic effort "to prevent Iran from getting a nuclear weapon," and he has repeatedly said there are "no options off the table to achieve that goal." General Mattis has the task of conducting the prudent planning and assembling the military options for the President on Iran, in case they are needed.

#### *Terrorism*

The U.S. campaign against the global jihadist movement had a number of significant successes in the last year—most notably operations against Osama bin Laden and Anwar al-Awlaki. These successes struck major blows to al Qaeda's senior leadership and one of its most active affiliates, al Qaeda in the Arabian Peninsula. As a result of these operations and sustained pressure in Pakistan, Yemen, Somalia, and North Africa, al Qaeda and its affiliates are showing strain. However, al Qaeda is nothing if not resilient. Secretary Panetta and others have highlighted that al Qaeda continues to become more decentralized. Recent reports indicate that elements of the al Qaeda in Iraq are migrating to Syria to take up the fight of the opposition in the hope of establishing a hub for its violent ambitions.

Continuing to pressure the network of al Qaeda operatives is critical to our security and our Special Operations Forces will continue to lead these efforts. While the preponderance of deployed Special Operations Forces are in the CENTCOM area of responsibility, special operators are also deployed to dozens of countries around the world, working to counter the influence of al Qaeda and its affiliates and helping to build the capacity of our partner nations to confront the common threats we face. Admiral McRaven, I hope you will update the committee on the progress of these efforts to counter these groups globally.

#### *Syria*

Over the past year, the international community has acted to prevent a mass atrocity in Libya and is currently bearing witness to the Syrian army waging war against its own citizens. This committee will be hearing from Secretary Panetta and Chairman Dempsey on Syria tomorrow, but we are also interested in General Mattis' view on the situation and its impact across his area of responsibility.

#### *U.S. Special Operations Command*

The new Defense Strategic Guidance and Priorities emphasize the importance of special operations personnel for counterterrorism operations, capacity building, and other theater security cooperation activities in support of the geographic combatant commanders. Admiral McRaven, recent published reports indicate that you are seeking new authorities that you believe would help SOCOM be more responsive to the geographic combatant commanders' requests for special operations personnel and the unique capabilities they provide. The committee looks forward to your comments on these reports and learning more about any authorities you believe may be necessary to fulfill SOCOM's global missions.

At last year's posture hearing, the previous SOCOM Commander, Admiral Olson, stated his concern that the Special Operations Force was "beginning to fray around

the edges" after 10 years of war. To address this concern, Admiral Olson established a "Pressure on the Force" Task Force to look for new ways to reduce the strain on these forces. The committee looks forward to hearing more about your efforts to implement the recommendations of this task force and other initiatives that provide support to special operations personnel and their families.

Chairman LEVIN. Senator McCain.

#### STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and let me thank our distinguished witnesses, who are two of the most impressive military leaders currently serving our Nation. We're all grateful for their many years of dedicated service. We're also grateful for the men and women they lead in CENTCOM and SOCOM, amazing Americans of every Service who carry on the fight after a decade of war.

Admiral McRaven, this is your first time testifying before this committee as the Commander of SOCOM, and it's fitting that you do so alongside General Mattis, a seasoned veteran of this committee's hearings who has the scars to prove it.

Nowhere is the work of America's special operators more persistent and important than in CENTCOM's AOR. These forces play an instrumental role in ongoing counterterrorism operations both in the region and around the globe.

While al Qaeda's senior leadership has been diminished by sustained pressure against them in Pakistan, al Qaeda's global operations have become increasingly decentralized and no less deadly. Regional affiliates seek safe haven in countries beset by weak governments and internal instability, particularly in places like Yemen, the Horn of Africa, and the Trans-Sahel.

This is why SOCOM's ongoing efforts to build the capacity of partner nations in troubled regions remain a vital component of our strategy to disrupt and defeat these terrorist organizations. I'm concerned, however, that as the administration seeks to decrease the size of our military's conventional ground forces, many people are already coming to see SOF as a fix-all to the myriad security challenges that our country faces.

I look forward to your thoughts, Admiral, as to the proper role of special operations in the total force and what more can be done to ensure that these operators are not stretched at the expense of their unique core responsibilities.

General Mattis, all of us have the utmost respect for you, but we do not envy you. Few of our military leaders have more on their plate, from supporting our friends in Jordan, Egypt, Saudi Arabia, and the United Arab Emirates, to keeping a watchful eye on the fragile but very different situations in Bahrain, Yemen, and Lebanon.

In Afghanistan, despite the progress that our troops are making on the ground, we are at an impasse with President Karzai on the negotiation of a strategic partnership agreement, which is critical to sustaining our goals and locking in lasting success. In Pakistan, our relationship remains fraught by a series of setbacks and a lack of trust, largely arising from the fact that the country's intelligence service continues to support terrorist groups such as the Haqqani network that are killing Americans.

In Iraq, Prime Minister Maliki continues to centralize power at the expense of the other political blocs, while the threat posed by al Qaeda appears to be growing, along with the kinds of horrific, spectacular attacks like the one we saw yesterday.

The Iranian regime continues working to subvert Iraq and many other countries in the region. Its recent attempt to assassinate the Saudi ambassador in Washington, as well as Israeli officials in Southeast Asia and the Caucasus, suggest a growing and increasingly reckless threat, a threat that would expand exponentially if the Iranian regime were to acquire the nuclear weapons that it clearly seeks. Unfortunately, the impressive international effort to impose crippling sanctions appears to have done nothing to dissuade Iran from its military nuclear pursuits.

Then there is Syria. After a year of bloodshed, the crisis has reached a decisive moment. It is estimated that nearly 7,500 lives have been lost. Syria today is the scene of some of the worst state-sponsored violence since the Balkans. Bashar Al-Assad and his top lieutenants appear to be accelerating their fight to the finish, and they're doing so with the full support of Russia, China, and Iran. A steady supply of weapons, ammunition, and other assistance is flowing to Assad from Moscow and Teheran and, as the Washington Post reported on Sunday, Iranian military and intelligence operatives are likely working in Syria to support Assad.

The President has made it the objective of the United States that the killing in Syria must stop and that Assad must go. He has committed the prestige and credibility of our Nation to that goal, and it is the right goal. The United States has a clear national security interest in stopping the slaughter in Syria and forcing Assad to leave power.

The end of the Assad regime would sever Hezbollah's lifeline to Iran, eliminate a longstanding threat to Israel, bolster Lebanon's sovereignty and independence, and remove a committed state sponsor of terrorism that is engaged in the proliferation of weapons of mass destruction. It would be a geopolitical success of the first order and a strategic defeat for the Iranian regime.

However, it is not clear that the present policy will be able to achieve our goals in Syria. In recent testimony to this committee, the Director of National Intelligence (DNI) stated that if the status quo persists, Assad could hang on for the foreseeable future. That was before the city of Homs fell. With each passing day, the international response to Assad's atrocities is being overtaken by events on the ground in Syria.

What opposition groups in Syria need most urgently is relief from Assad's tank and artillery sieges in the many cities that are still contested. But time is running out. Assad's forces are on the march. Providing military assistance to the Free Syrian Army and other opposition groups is necessary, but at this late hour, that alone will not be sufficient to stop the slaughter and save innocent lives. The only realistic way to do so is with foreign air power, and the time has come for it.

Air strikes would help to establish and defend safe havens in Syria, especially in the north, in which opposition forces can organize and plan their political and military activities against Assad. These safe havens could allow for the delivery of humanitarian and

military assistance, including weapons and ammunition, body armor, tactical intelligence, secure communications equipment, food and water, and medical supplies. These safe havens could also help the Free Syrian Army and other armed groups in Syria to train and organize themselves into more cohesive and effective military forces, likely with the assistance of foreign partners.

Rather than closing off the prospects for some kind of a negotiated transition that is acceptable to Syria's opposition, military intervention is now needed to preserve this option as credible. Assad needs to know that he will not win. But right now, unfortunately, Assad seems to think he can win, and for good reason, I'm afraid.

I look forward to hearing our witnesses' advice about how we can change the balance of power against Assad so as to finally end his bloodshed and brutal rule in Syria.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Let me call on you, General Mattis.

**STATEMENT OF GEN. JAMES N. MATTIS, USMC, COMMANDER,  
U.S. CENTRAL COMMAND**

General MATTIS. Thank you, Mr. Chairman, Senator McCain, and members of the committee. I appreciate this opportunity to discuss the CENTCOM region. I have submitted a written statement and request it be accepted into the record.

Chairman LEVIN. It will be.

General MATTIS. It's my privilege to appear today alongside an admired leader and good friend, Admiral Bill McRaven. No two commands work more closely together than SOCOM and CENTCOM.

Let me begin with what I see today in the region. The Arab Awakening is manifesting differently in each country. While we may hope for and certainly we firmly support all efforts for more democratic governments in the region, the Awakening's origins are not necessarily a rush for democracy. Rather, this Awakening stems from a breakdown in the social contract between governments and their people. Unjust or unresponsive regimes have fallen or are in the throes of falling, as is the case in Syria. However, the transition to a democratic government is never easy, as we see in Egypt. Further, it is not clear what the resulting governments will look like.

Challenges remain beyond the promise of the Arab Awakening. Iran and its surrogates continue to orchestrate violence worldwide, as evidenced by its plot to kill the Saudi Ambassador here in Washington, DC. Iran presents the most significant regional threat to stability and security. Its reckless behavior and bellicose rhetoric have created a high potential for miscalculation.

While we've made security gains in the fight against terrorists, the threat remains. Al Qaeda and associated groups continue to kill innocents from the Levant to Yemen and are adapting in the face of U.S. pressure. While we maintain our pressure on this enemy, we are nesting our military efforts inside four broad U.S. diplomatic objectives: first, support for each country's political reform to adapt at their own pace; second, support for economic moderniza-



tion that provides the people ownership of the future; third, a renewed pursuit of Middle East peace, recognizing the status quo is not sustainable; and finally, we stand firmly with our friends in supporting regional security, territorial integrity of the sovereign nations, and the free flow of commerce.

As the military commander for the CENTCOM AOR, my overarching goal is to prevent further conflict. We seek to deter those with hostile intent and, should deterrence prove unsuccessful, we provide military options to the President. As our President has said, our strong presence in the Middle East endures and the United States will never waver in defense of our allies, our partners, or our interests.

The military challenge will be determining how we retain a sustainable presence and operational flexibility in a fiscally constrained environment. Although we are withdrawing some ground forces from the region, we are not withdrawing our support for long-time allies and partners, nor are we pulling back our commitment from a region that too many times has taken a commitment of American blood and treasure to restore stability.

Through persistent military-to-military engagement, our troops reassure our friends and temper adversary intentions. Security cooperation activities, such as foreign military sales, international military education, security force training, and multinational exercises, are cost-effective means for building our friends' defensive capabilities, allowing us to operate in concert with allies and friends, and to rapidly respond in times of need.

A sustained joint presence with a pronounced naval character, supported by embarked troops, agile SOF, strong aviation elements, and an expeditionary Army ready, demonstrates our commitment to allies, underwrites regional stability, familiarizes our forces with the theater, and builds partners' abilities to protect themselves, all while we're providing timely response to crises.

There are some other key needed capabilities that we have: improved counter-improvised explosive device (C-IED) efforts to protect our troops from a pervasive threat that extends well beyond Afghanistan; information operations and voice programs to counter adversary information and recruiting on the Internet; improved intelligence, surveillance, and reconnaissance assets that enable us to locate an elusive enemy; and intelligence expertise to support our deployed elements.

We also need specific resources that are vital to the Afghanistan campaign. Coalition support funds, the Commanders' Emergency Response Program (CERP), Afghan Infrastructure Fund, and reintegration authority enable us to meet urgent humanitarian and infrastructure needs of a population that is increasingly secured by its own forces, forces we have been building and training through the Afghan Security Forces Fund.

In conclusion, I appreciate the essential resources you provide, which enable us to carry out the strategy assigned to us. We ask only for what we need and what we request is critical as we carry out the transition in Afghanistan and continue on course to achieve our desired strategic end-state there by December 2014, as laid out at the NATO conference in Lisbon.

Thanks to congressional support and to the sacrifices of our military families, our forces represent America's awesome determination to stand by our friends and maintain regional stability in defense of our values and interests.

I look forward to answering your questions.

[The prepared statement of General Mattis follows:]

#### PREPARED STATEMENT BY GEN. JAMES N. MATTIS, USMC

##### I. INTRODUCTION

In over 30 years of supporting U.S. Forces in the U.S. Central Command (CENTCOM) area of responsibility (AOR), I have never witnessed it so tumultuous. Change is the only constant and surprise continues to be the dominant force in the region. Across the AOR at large, both opportunities and challenges exist. The CENTCOM AOR encompasses the world's largest energy Reserves, yet also some of the most crucial and vulnerable chokepoints. It is home to a rich array of cultures, religions and confessions; but also tainted by radicals, violent extremists, malign networks and state-sponsored agents and unconventional proxies who seek to violently exploit those differences. These problems are coupled with systemic challenges of poor governance, a large youth demographic bulge and insufficient economic opportunity, and the social construct between governments and their people breaking down in numerous places.

CENTCOM is postured to address these challenges, while working closely with the Department of State and other agencies to promote peace and stability. The CENTCOM AOR remains of great strategic importance to other world powers and is vital to many of America's most enduring national interests. The historic transformation underway throughout the region requires extensive U.S. engagement. We must see this Awakening for what it is, not for what we wish it to be: the Awakening reflects a breakdown in the social contract; it may or may not embrace democracy as a result of the understandable unrest.

The defense of our interests in the AOR comes at a grim cost. Over 10 years of war in this theater have cost us precious casualties, including more than 612 killed and 8,251 wounded since I took command in August 2010. At the same time, it has also brought out the best of our All-Volunteer Force and produced a generation of elite leaders as your troops proved themselves the equals of previous generations of combat veterans who answered their country's call.

##### II. STRATEGIC LANDSCAPE

###### *Arab Awakening*

While the Arab Awakening will manifest differently in each country, it is important that we see what is happening in its true context: while we may hope and support efforts for more democratic governments, its origins lie in the breakdown of that social contract between governments and their people. Unjust or unresponsive regimes have fallen or are in the throes of falling as is the case in Syria. Of all the uncertainties associated with this ongoing movement, one thing is certain—the region is never going back to what it was. The Arab Awakening continues to impact countries across the region and the world with an uncertain future and redefined political landscape. Popular calls for more responsive government continue to move at different paces and it is too early to discern its final stage. Our ability to respond demands unprecedented flexibility and balancing of national interests.

Though coalition efforts succeeded in supporting the rise of a new Libya, Syria is unraveling in disarray. Additionally, working closely with the Gulf Cooperation Council (GCC), the United States contributed to the ongoing transition of power in Yemen; however, violence continues to plague that country, some of it fomented by Iran and much of it fomented by al Qaeda in the Arabian Peninsula (AQAP). While transformation is underway across the region as a result of the Arab Awakening, malign efforts by other regional actors—particularly Iran—to influence the ultimate outcome represent perhaps the greatest immediate- and long-term threat to regional stability. As Egypt continues its transition to a fully-functioning democracy, our bilateral relationship is likely to face challenges along the way, as evidenced by the tension that has resulted from the nongovernmental organizations (NGO) raids and their aftermath. We must adapt our military approach and stay steadfast to our values as we remain engaged in the region. We will be pragmatic, principled and proactive. We must be prepared for all contingencies in case of crisis, but there is reason for optimism despite some pessimistic forecasts.

### *Middle East Peace*

It should come as no surprise that the lack of a sustainable solution to the Palestinian-Israeli conflict is a preeminent flame that keeps the pot boiling in the Middle East, particularly as the Arab Awakening causes Arab governments to be more responsive to the sentiments of their populations. The inability to resolve tensions between the state of Israel and the Palestinians imposes a heavy cost on our activities in the AOR, and is raised in almost every meeting I have with key leaders in the region, particularly in the Arabian Peninsula and Levant. A peace agreement between Israel and the Palestinians would facilitate more public, robust support by regional partners for U.S. initiatives, bolster regional collaboration and remove fertile ground for extremism and resentment to flourish. We owe it to the next generation to do everything possible to solve this vexing issue that gives so much fuel to extremist ideology.

### *Non-State Threats in Undergoverned Areas*

Our terrorist adversaries are networked and globalized, not bounded by geography, rules or specific organizational or hierarchical lines. They operate in the shadows of undergoverned spaces and safe havens, and remain ever determined to harm us, our allies and innocent civilians around the world. The successful targeting of al Qaeda leadership has weakened the organization from a morale perspective as well as a command and control standpoint. Yet there is a resiliency as the threat morphs and other franchises arise that must be met by more than military power alone. We must focus on undercutting ideological extremism in order to reduce its attractiveness to disappointed peoples.

Although we have achieved substantial success against the terrorist threats we face in the AOR, the global threat is not stabilized, and is in fact evolving. Years of activity have allowed al Qaeda to syndicate relationships with other violent extremist organizations as, for example, we have just witnessed with respect to al Shabaab. There are strong indications of resilient and possibly stronger al Qaeda elements emerging in locations outside of Iraq and the Federally Administered Tribal Areas in Pakistan. Iraq, too, will be challenged to hold al Qaeda at bay. These same organizations also seek to exploit the turmoil and foment regional tensions amidst the Arab Awakening. We must remain vigilant as al Qaeda attempts to reconstitute and consolidate in areas more hospitable to their pernicious activities. In short, this fight is not over.

At the same time, Iran poses the single greatest threat to U.S. interests and to our friends and stability in the region, and poses a global threat through its worldwide proxy network as recent attacks have demonstrated.

### *Naval Presence*

With the withdrawal of our last troop units from Iraq, excluding our men and women in the Office of Security Cooperation-Iraq (OSC-I), and as we continue to draw down in Afghanistan and transition operational lead to the Afghanistan National Security Forces (ANSF), our ground-based troop presence across the region is decreasing. However, as the President has stated, "our strong presence in the Middle East endures . . . and the United States will never waver in defense of our allies, our partners, or our interests." The question then becomes, how do we maintain our presence with a light footprint?

To accomplish this, the CENTCOM AOR will assume an increasingly maritime character with Special Operations Forces and strong air enablers. Naval forces—with embarked troops—provide presence and a cost efficient means of rapidly projecting power in a crisis to execute contingency operations. Sustained naval presence and response forces provide a lighter "footprint" on the ground, and are vital for reassuring our partners, deterring those with malign intent and tempering destructive actors from fermenting trouble in our region.

The maritime environment also permits freedom of action unfettered by international boundaries and agreements. However, the stacked Iranian threats in our AOR of ballistic missiles, long range rockets, mines, small boats, cruise missiles and submarines demand stronger naval presence and capability to protect vital sea lines of communication. I view with concern efforts to decrease our naval presence and capability when our volatile AOR and the threats of the future are increasingly maritime. Demands on our naval forces will only grow in the future; I anticipate that we will need more maritime missile defense, anti-fast attack craft capabilities, amphibious ships and mine-countermeasure capability, and intelligence, surveillance, and reconnaissance assets. Maintaining a credible naval force covered by sufficient aviation combat power is essential for demonstrating our enduring commitment to regional partners, building trust and relationships and rapid projection of power in

a crisis. We are working to address our near-term capabilities and I am grateful for the committee's strong support.

### III. FISCAL REALITIES

We are entering a period of increased national fiscal austerity. This reality may force us to do less in the region; however, we will not do it less well and the quality of our performance will remain the best in the world. Our strategy starts with what we determine the Armed Forces must be capable of doing, bounded by a clear articulation of the objectives—or “ends”—we seek to achieve in the region. Our approach and posture are predicated upon several national-level documents, chief among them the National Security Strategy and the newly published Defense Strategic Guidance. We seek to match our regional ends with our methods—or “ways”—and our resources—or “means”—and determine how to mitigate risk. Key to our success is making grounded projections into the future rooted in hard-learned lessons from our current conflicts and which provide an operational shock absorber when the inevitable surprises present themselves—and to do so while ensuring we are responsible stewards of every dollar allocated.

Specific to CENTCOM and its components, we operate austere according to our needs, not our wants. We prioritize our efforts to leverage the expertise and capabilities of others. My headquarters structure is expected to decrease 30 percent over the next 5 years. We are rigorously reviewing every contract and we intend to increase our effectiveness while we excel in meeting efficiency goals. General Allen and his team are doing detailed, commendatory work in scrubbing requirements to pursue an Afghan-right approach and provide cost-savings back to the Department as demonstrated by the return of \$1.6 billion in the fiscal year 2012 Afghanistan Security Forces Fund request last fall.

While new Strategic guidance prioritizes the Pacific region, we remain committed to our strategic interests in the Middle East. We will stand by our friends and partners in the region and that is not going to change. Our military approach will necessarily evolve and adapt and our partners will become even more important as we work to ensure regional security and stability. Our efforts in the Middle East reflect a multilateral coalition-building approach with traditional allies in the region and we fight alongside the largest wartime coalition in recent history in Afghanistan. We have forged key partnerships throughout the Gulf region both bilaterally and through the GCC. These efforts promote cost-sharing, and in fact, directly contribute to U.S. economic interests through security assistance purchases.

As we work to maintain the cohesion of the coalition and our momentum in security operations in Afghanistan, it will be necessary to include those critical and unwavering partners who stand by us but who would not be able to participate without some training, sustainment and reimbursement support from the United States. These efforts would not be possible without the resources and funding you provide. To that end, your support for the Commanders' Emergency Response Program and Afghanistan Infrastructure Fund provides key tools we need to build capacity for a successful transition. I also appreciate your attention to the Afghanistan Security Forces Fund and reintegration authority—key, flexible tools in accomplishing this part of our mission.

### IV. STRATEGIC PRIORITIES, VISION AND APPROACH

The 2011 National Security Strategy identifies four broad, enduring American interests as:

- The security of the United States, its citizens, and U.S. allies and partners
- A strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity
- Respect for universal values at home and around the world
- An international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges.

Our overarching goal is to support U.S. objectives through peaceful means and to prevent conflict. However, in the case of impending conflict, my job is to provide the President feasible military options. Throughout history, not being militarily prepared for operations and contingencies has never proven a reliable path to keep the peace. Therefore, we are and will remain prepared to respond to crises, deter and prevent war and ensure military readiness and flexibility. CENTCOM's vision for the AOR is a region where improved security leads to greater stability and where regional cooperation helps to isolate and counter those who would use violence in pursuit of their goals.

CENTCOM's strategic approach is to build and maintain a robust and flexible force posture that promotes regional stability through relationships with key allies and partners. We will accomplish this by consistently conducting military-to-military engagements—which builds trust—and by promoting security cooperation with partners, while retaining the right to self-defense and force protection. Additionally, events do not occur according to the neat lines and areas of responsibility we draw on the map of the world. Security challenges posed by piracy, violent extremist organizations and criminal elements based in the Horn of Africa impact operations in the CENTCOM AOR. Broadly, the challenges in our AOR are not isolated, and most solutions require extensive collaboration with our allies within and beyond CENTCOM's boundaries. In the future, it will become increasingly important to invest in building relationships and the capacity and capability of our partners to respond to emerging challenges.

The United States has the power to both inspire and intimidate. Going forward, we will emphasize the power to inspire. A major component of inspiring is building relationships through a diplomatic approach. Strengthening our relationships with allies, forging greater collaboration with international partners and ensuring effective coordination within our own government will continue to hallmark our approach. Exceptional U.S. civil-military partnerships among U.S. Government inter-agency actors like those forged these last 10 years are the gold standard that must be sustained in all our endeavors. In that regard, I applaud Secretary Clinton's Quadrennial Diplomacy and Development Review initiative, which is strengthening in unprecedented ways interagency collaboration to achieve U.S. Government objectives.

CENTCOM military efforts will continue to firmly nest with and buttress diplomatic efforts. A good start point is four principles of our foreign policy in the Middle East. Support for peaceful democratic change; at their own pace; for every nation must ultimately incorporate the will of their people that we are watching unfold across the region with the Arab Awakening. Support for economic modernization to bring the benefits of economic progress to the wider population: so more people have a sense of hope and ownership. Renewed pursuit of a comprehensive Arab-Israeli peace to achieve a two-state solution: because the status quo is not sustainable. As Harvard professor C.H. McIlwain said in 1937, "the preservation of the status quo is a solution that can satisfy none but the contented and just now most men are not contented". Our own enduring stake in regional security and territorial integrity: to check mischief of malign actors and reduce terrorist threat to all nations.

Using these four principles as our guideposts, CENTCOM will work toward five broad strategic objectives in the AOR. We will promote common interests in order to enhance stability and security as we defeat violent extremist organizations (VEOs) that threaten the U.S. Homeland, our overseas interests, or U.S. allies. Importantly, we will counter the proliferation, acquisition, and use of weapons of mass destruction. We will support Department of State's broader diplomatic objectives by assisting in setting the conditions that will enable representative government and prosperity. Lastly, we will prepare U.S. and partner forces to respond to emerging challenges.

Through persistent military engagement, CENTCOM will maintain a presence in the region to protect vital interests, prevent future conflict, ensure access in the event of a crisis and invest in future regional security. Acknowledging each country's unique circumstances, we will advance our strategic objectives through a tailored approach by seeking a nexus of common interests and identifying common ground with partners that puts us on a trajectory for shared, long-term benefit. Trust and harmony of effort among partners are what counts when the inevitable crises strike: Our fundamental premise is every country has something to contribute through strong regional relationships to strengthen our collaborative efforts. Numerous nations in the region trust us—making our presence and pursuit in building enduring military relationships all the more paramount.

Military-to-military engagements serve as vital connective tissue in our relationships with partners and allies as the United States seeks to respond effectively to the Arab Awakening, while continuing to pursue regional stability and security. CENTCOM seeks to build partner capacity and competencies—developed through training, professional military education, foreign military sales, bilateral and multilateral agreements and exercises. Building partner capacity is the long-term solution to reduce costs on the United States and to defend our interests in a fiscally constrained environment. The result is competent partners—technically and tactically capable of taking lead on issues of mutual interest—having as much at stake as we do. Years of nurturing our military-to-military relationship with Jordan and United Arab Emirates contributed to the mutual trust and interoperability necessary for their support of Libyan operations. The Egyptian military, while not per-

fect in its leading of the transition, has performed more responsibly than anyone would have presumed. Without years of assistance and partnership with the United States, this would not have been the case. When you compare the Egyptian military's actions with the events continuing to unfold in Syria as the Syrian military continues to ruthlessly use lethal force with impunity against the Syrian people—the value of properly constructed, ethical military-to-military engagement is clear.

#### IV. REVIEW OF THE AOR

The primary threats to these interests from those with hostile intent are: state-based aggression; non-state actors/VEOs; weapons of mass destruction; and some combination thereof. Each of these threats is in play across this dynamic AOR.

There is only one state in our AOR actively seeking to destabilize the region and actively fomenting violence—Iran. The combination of Iran's potential nuclear weapons aspirations, defiance of international obligations and norms, employment of proxies to attack others around the world to include U.S. Forces, and regional hegemonic goals make Iran the single greatest threat to regional stability—and to the security of the United States—in the Central region. Iran and its surrogates foment much of the malign activity across the AOR. From active attempts to exploit the Arab Awakening, to working to undermine and subordinate the democracy in Iraq, to supporting the Assad regime in Syria, to heightening Shiite-Sunni tensions, to active support for Lebanese Hezbollah, Iran's activities are motivated by its hegemonic ambitions, despite its growing regional and international isolation. An Iranian decision to develop nuclear weapons will have a destabilizing effect on the region and could motivate its neighbors to proceed with their own nuclear development programs. Iran's well-established pattern of deceit and reckless behavior has progressively increased the potential for miscalculation, and is the primary catalyst pushing the region toward an arms race or armed conflict.

While the fight against violent extremism continues in Afghanistan, military progress is undeniable. The ISAF Campaign Plan is succeeding; even while progress and violence coexist. While significant risks remain and development of the Government of Afghanistan's economic and governance capacity is a persistent challenge, we continue the effort to neutralize the enemy in Afghanistan while transferring the lead for security to ANSF which has made great strides in growth, quality and effectiveness. The Afghans are proving themselves on the battlefield and I am optimistic that the 2014 date, established in Lisbon by NATO, is achievable for the Afghans to be in the lead across the entire country.

The insurgency is less capable, physically and psychologically, than in previous years. The ISAF Coalition has broadly arrested insurgent momentum—limiting insurgent freedom of movement, killing or capturing leaders and fighters, and in many areas effectively separating the insurgents from the population. The enemy's reliance on high-profile attacks and assassinations of Afghan senior leaders illustrates our enemy's limited military options against ISAF and the ANSF, and diminished capacity to influence events on the ground. Violence is down in Helmand and Kandahar and enemy efforts to sustain attacks in Kabul have failed. Yet, the insurgency remains both resilient and capable, so we must remain vigilant and resolved as our gains are reversible.

Execution of the major elements of this complex campaign—transition, surge recovery, ANSF growth, evolution to security force assistance, reconciliation and establishing an enduring force—must be comprehensive, maintain hard-fought momentum, and preserve coalition unity. I appreciate your continued support of the Afghanistan Security Forces Fund and reintegration authority, which are key to building on our successes. General Allen and his team, in partnership with the Department of State and GIRoA, are carefully examining plans to train, equip and sustain the ANSF and have revised our approach to be appropriate to the situation. Additionally, as U.S. drawdown proceeds, preservation of enablers in terms of logistics, medical evacuation, communications and air support (among others), will be essential for our partners, many of whom have expressed concern over potential loss of these capabilities. As these major efforts proceed, increasingly integrating Coalition and partner-nation plans and insights will be critical to maintaining Coalition support in the lead up to the NATO summit in Chicago in May and through 2014. This, the largest coalition in recent military history, validates the common interest of our international and regional partners, and we must sustain our “in together out together” approach in our mutually supporting efforts. Continued support of the Coalition Support authorities, to include lift and sustainment, will enable key partners to maintain their active engagement in support of security transition and in training and advising the Afghans to build on the momentum in establishing independent operations.

In Pakistan, the threats we face come together in a potentially dangerous nexus. The unstable environment in Pakistan is exacerbated by terrorist attacks and tenuous government control in parts of the country, economic distress, radicalization of segments of the population, a military over-stretched, strained relations with India, repeat natural disasters and more. The United States has a vested interest in Pakistan and, despite challenges to the bilateral U.S.-Pakistan relationship, Pakistan remains a regional partner and must play a constructive role if Afghanistan is to achieve long-term security.

Although 2011's challenges were numerous—from fall-out over Wiki-leaks and the Ray Davis incident to significant tensions following the raid that killed Osama bin Laden, Haqqani Network attacks on our Embassy in Kabul, and the tragic Salala incident in which 24 Pakistani troops were killed in a cross-border friendly-fire incident—our focus must remain on shared strategic interests. A candid, constructive military-to-military partnership can help establish common ground from which to act against our common enemy. Pakistani intelligence support has been critical to neutralization efforts against al Qaeda senior leadership even while some aspects of its security policy appear self-defeating. Cross-border coordination is improving between ISAF and Pakistan's military. Continued support for the Pakistan Counterinsurgency Capability Fund, Foreign Military Financing, International Military Education and Training, and the Coalition Support Fund for Pakistan provides the tools to enable this military-to-military partnership and pursue what are truly shared interests.

Our successful military drawdown from Iraq puts the need to develop a new strategic relationship with the Iraqi government at the forefront of our regional policy. The OSC-I has been established and testifies to our respect for Iraqi sovereignty. Our relationship going forward will be based on mutual respect between two sovereign nations. CENTCOM will work to expand security cooperation activities and deepen our military-to-military ties with Iraq while helping to expand its military engagement with key regional partners. Simultaneously, we remain clear-eyed, recognizing Iran's access to and efforts to subordinate Iraq and work to counter that malign influence. OSC-I—working under Chief of Mission authority and with the full support of CENTCOM—is the lead proponent for executing the military component of our intent. Thank you for your fast action in support of our special authority for OSC-I and for your continued patience as we work through a successful transition. The danger from al Qaeda in Iraq is still serious and it remains capable of spectacular attacks against the people and the government there even as it takes advantage next door in Syria to mount attacks there.

We witnessed last year the benefit of mature military-to-military relationships as the Arab Awakening unfolded in Egypt unlike how it's unfolding in Syria. Although there have been challenges—including the ongoing NGO issue—the Egyptian military continues to facilitate the transition to democracy and civilian rule. As Egypt makes progress in its democratic transition, CENTCOM will remain committed to our longstanding relationship with the Egyptian military. Field Marshal Tantawi is enabling the democratic process to unfold, presidential elections are upcoming, and the Supreme Council of the Armed Forces will transition to a freely-elected, civilian government by the end of June. Transition periods are difficult, but this situation presents unique opportunities to reaffirm and enhance U.S. relations with the Egyptian military and emergent civilian government via sustained diplomatic and military-to-military engagements. In a democratic system, everyone is free to share their views, and those views may not always be compatible with our own. But I believe the prospects for a continued close and positive relationship with Egypt—even if it is more complicated than it has been in the past—are better because of the long standing ties between our two nations.

Jordan remains one of our staunchest regional allies, ready to stand by us when we need them and one that has deployed side by side with U.S. Forces. Jordan has shared interests with the United States—and other responsible Middle East nations—in regional stability and reform. We remain grateful for King Abdullah's leadership in hosting direct discussions between Israeli and Palestinian negotiators. The Jordanian Armed Forces leadership is committed to its partnership with the United States and understands that in order to stay relevant, they must adapt their forces. To that end, they are conducting a Strategic Defense Review aimed at transforming the military to a lighter, more adaptable force capable of operating against today's threats.

As the sole multi-confessional institution providing stability in Lebanon, the Lebanese Armed Forces (LAF) is the principal governmental organization viewed with respect by Lebanese from across their society. We support the LAF through a variety of programs as they perform a balancing role in maintaining peace and addressing Lebanon's territorial integrity. Over the years, our efforts with the LAF have

been crucial in building the capability and capacity to serve as a counterbalance to Lebanese Hezbollah (LH). In that sense, these programs have served security in the country and region, and warrant our continued support. Our shared goal is to offset the influence of LH and malign Iranian influence—which are very strong.

Events in Syria will have strategic repercussions throughout the region. The Syrian regime has a substantial chemical-biological weapons capability, a significant integrated air defense system, thousands of shoulder-launched anti-air missiles and a wholly unsustainable political hierarchy. The tumultuous security situation continues to deteriorate as the Assad regime escalates the level of lethal force employed upon its own people. As a result, the regime is battling for its survival against a popular uprising, raising the prospect of a civil war. The bravery of the Syrian people is laudable but the options available to address the situation are extremely challenging.

We continue to see growing signs of GCC unity and cohesion, and a growing appetite for U.S.–GCC multilateral exercises, air, sea, and land. The Gulf states have demonstrated a strengthened willingness to work with one another, and with international partners, to counter malign influence in the region. Our State Department is working with the GCC to formalize our security policy coordination among and with GCC member states. GCC member states are stalwart partners and we continue our close collaboration with them, both bi-laterally and multi-laterally.

The United Arab Emirates (UAE) has been a valued partner in operations in Desert Shield/Desert Storm, Bosnia, Kosovo, Somalia, Afghanistan, and Libya and we continue to deepen our military relationship. The Emirates recently completed their very successful participation on Operation Unified Protector in Libya and continue their support to Operation Enduring Freedom in Afghanistan. In an effort to strengthen its air and missile defense capability, the UAE recently signed a Foreign Military Sales case for their purchase of the Theater High Altitude Area Defense system, valued at approximately \$3.5 billion. The UAE was the first foreign government to purchase this system. The UAE's many contributions today and close military ties over many years marks this partner among our strongest friends.

The deep U.S.–Bahrain security relationship is the cornerstone for our collective security in the Gulf region. Home to our sole main operating base in the Mid-East, Bahrain provides key support for U.S. interests by hosting U.S. Navy's 5th Fleet and providing facilities for other U.S. Forces engaged in regional security. Bahrain faces a challenge balancing the demands for greater political participation by its citizens and the maintenance of security and stability as it continues needed political reform. In this regard, the small island nation is a microcosm of the tensions sweeping through the region. After the unrest a year ago, the government invited in a group of internationally respected human rights and legal experts to lead the Bahrain Independent Commission of Inquiry (BICI). The government gave full support to its investigation. The BICI findings and recommendations were received by the King on live television and the government's positive response to the recommendations is encouraging. While implementing the recommendations is not an easy task, the Government of Bahrain has taken encouraging steps on reform, and it is important we support the efforts they've undertaken to date. Dialogue between the government and opposition groups is essential. One of the greatest bulwarks against Iranian influence is a strong and stable Bahrain that is inclusive and respects the rights of all its people. Bahrain is an important partner, and has been a reliable friend through good times and bad. It is showing now, by learning from its mistakes, that it is equally committed to this important relationship.

Qatar hosts significant U.S. military capabilities and has taken an increasing role in pursuit of regional stability, supporting operations in Libya with both military and humanitarian aid. Qatar will continue to pursue an assertive and independent foreign policy and is playing an important role in an effort to stop Syrian brutality, including through an Arab League resolution suspending Syria's membership. Qatar has also placed wide-ranging sanctions on Syria in response to the Assad regime's violence against its own citizens.

Oman is strategically located along the Strait of Hormuz and the Indian Ocean and has played a steadying role and voice of moderation in the region for many years. Internally the Sultan remains admired and he addressed demonstrators' concerns in early 2011 in positive ways. We have shared appreciation of the situation in the Gulf and Oman provides valued military advice for maintaining stability.

Kuwait remains a steadfast friend of the United States and has been indispensable in facilitating U.S. troop and equipment flow in and out of the AOR. Kuwait's foreign policy will continue to be grounded in its long-standing strategic alliance with the United States. We maintain a robust security cooperation program with the Kuwaitis and their support for U.S. Forces is essential for maintaining collective regional security.



For decades, security cooperation has been a cornerstone of our relationship with the Kingdom of Saudi Arabia. As we face ever more sophisticated regional challenges in the Middle East, upgrading Saudi Arabia's defense capabilities sustains our strong military-to-military relations, continues operational interoperability, and helps the Kingdom prepare to meet regional threats. In difficult times, the Kingdom has demonstrated its willingness and capability to use its military capabilities to fight as part of a coalition against regional hegemony. Modernizing the Saudi military and allowing the Kingdom more prompt access to equipment deters hostile actors and ensures the security and stability of the Kingdom coupled with our longstanding military ties.

Following the signing of a GCC-backed plan under which President Saleh handed over his executive powers to the Vice President, a national unity government was formed and a presidential election took place on February 21, 2012. Yemen has a new leader after over three decades of rule by President Saleh. Following an extended period of internal strife, Yemen is poised for effective political transition. The GCC plans also provided for the creation of a Military/Security Committee which has played a key role in de-escalating the security situation and will be instrumental in reorganizing the military and security structure in Yemen. The new Yemeni government will need assistance in order to reorganize its military under civilian control and build capacity to deal with critical national security threats. We are supporting military professionalization and look to continue our relationship in the fight against AQAP in accordance with our national policy. We expect increased Iranian malfeasance in an attempt to undercut Yemen's efforts to create a peaceful path to the future.

The Central Asian States are key to our Afghanistan campaign because the Northern Distribution Network (NDN) is a critical part of ISAF's resupply and retrograde efforts. Over the past 2 years, the expansion of the NDN for transportation to and from Afghanistan has been one of the most significant areas of cooperation with our Central Asian partners. Central Asia shares similar threats from the Afghan border regions and CENTCOM military assistance focuses on building the capacity to fight against violent extremists. We are committed to preventing violent extremist organizations from using Central Asia as a base for terrorist operations and strengthening relationships based on shared understanding of the terrorist, criminal and narco-trafficking threats. Military assistance is focused on building counterterrorism capacity.

Our relationship with Kazakhstan continues to mature. We have recently signed new agreements for 5 years of defense cooperation and Kazakhstan continues to contribute to the Afghanistan mission. In 2012, Kazakhstan desires to expand the number of nations participating in Exercise Steppe Eagle, a peacekeeping exercise co-sponsored by Kazakhstan and the United States.

Kyrgyzstan continues to be a key partner for U.S. efforts in Afghanistan and the region. The peaceful transition of power to President Atambayev demonstrated the Kyrgyz Republic's effort to sustain democratic reforms. Our military relationship continues to improve, particularly in the areas of regional security and military security cooperation. Additionally, the Kyrgyz Republic aims to deploy a U.S.-trained peacekeeping mission within the next 2 years.

For Tajikistan building and maintaining counterterrorism, border security and counternarcotics capability to protect our mutual interests from the threat of violent extremist organizations are paramount to regional stability. In concert with our counterterrorism efforts, we are working with Tajikistan to improve disaster response. Tajikistan is committed to deploying their U.S.-trained peacekeeping battalion on a United Nations peacekeeping mission in 2012. We continue to explore options to facilitate the transit of goods and services in support of ISAF with this important partner.

Our security cooperation with Turkmenistan continues to develop along lines consistent with our mutual objectives of countering violent extremists and improving border security to counter narcotics trafficking.

Our relationship with Uzbekistan continues to improve in a deliberate, balanced way driven by regional security considerations, expansion of the NDN and mutual benefit. Security cooperation serves to provide increased U.S. access and influence in cultivating engagement for humanitarian and democratization efforts. We recently signed new agreements providing important new capabilities in support of Afghanistan and expect cooperation to continue to progress in a methodical step-by-step manner that addresses security threats of our mutual concern.

## VI. CRITICAL NEEDS AND CONCERNS

The improvised explosive device (IED) remains one of the greatest threats to our men and women serving in harm's way. The ubiquitous nature of the IED threat networks, operating in an environment characterized by the easy flow of dual use components through legitimate businesses with access to readily available explosive materials, presents an ominous threat to our Nation's security interests at home and abroad well beyond the end of mission in Afghanistan.

An effective counter-IED (C-IED) effort requires specific and focused capabilities to address both the threat networks and their devices. It is critical that DOD maintain an ability to continually identify likely capability gaps and focus our supporting communities of interest to develop viable solutions. The Joint IED Defeat Organization (JIEDDO) has been instrumental in coordinating the research and development (R&D) community to provide material solutions, rapidly harnessing the latest technologies and concepts in order to field effective and timely C-IED requirements to the warfighter. The synchronization of JIEDDO's three lines of operation—Attack the Network, Defeat the Device, and Train the Force—builds on the experience amassed over the past decade enabling the combatant commanders a capability to defeat the IED as a weapon of strategic influence. Expanding the community of practice to academia and industry in focused pursuit of pre-detonation detection measures is the next step in this important effort.

ISR capabilities remain vital to our ability to operate in denied areas and support multi-intelligence collection across all domains. We must sustain our capabilities and continue enhancements that keep us ahead of threats while supporting all plans and operations. In addition to communications and hardware assets we rely upon, the imbedded Intelligence Community personnel and liaisons at CENTCOM provides continuous expert support to the command and all deployed elements. Sustaining this effort is critical to CENTCOM's ability to stay abreast of regional dynamics and the changing threats.

Information operations provide CENTCOM a key non-lethal, traditional military tool to counter all threats and "win" in the strategic messaging campaign. As an example, we conduct Regional Web Interaction Program (RWIP) activities online to degrade violent extremist organizations' recruiting and fund raising. RWIP activities are coordinated with a number of U.S. Government departments and agencies, focus solely on undermining extra-governmental violent extremist organizations that pose a potentially lethal threat in our region, and do not address the American public nor are they a Public Diplomacy tool to increase popular support for any U.S. policy.

## VII. CONCLUSION

I appreciate your support for CENTCOM as you fulfill your role as the responsible overseers of the American people's tax dollars. To that end, I would like to extend my personal gratitude for your continued support to our men and women in uniform. We intend to earn your respect by being the best possible stewards of resources allocated in this challenging time: we will continue to challenge assumptions with cost-saving measures in mind.

Chairman LEVIN. General, thank you so much.  
Admiral McRaven.

**STATEMENT OF ADM WILLIAM H. McRAVEN, USN,  
COMMANDER, U.S. SPECIAL OPERATIONS COMMAND**

Admiral McRAVEN. Good morning. Chairman Levin, Ranking Member McCain, and distinguished members of the committee. Thank you for the opportunity to appear before you today and to represent the extraordinary men and women of SOCOM. It is an honor to command the world's finest SOF, a force serving side-by-side with our broader military and interagency teammates. I am proud to appear today with my good friend and next-door neighbor, Jim Mattis. Admittedly, though, Jim is rarely there, but when he's there, he's a great neighbor.

With your permission, I'll submit my written posture statement for the record and open with some brief remarks.

This morning I'd like to provide you an overview of SOF's role in addressing our Nation's ongoing and emerging security chal-

allenges. Secretary Panetta recently outlined how he viewed the future joint force. He called for low-cost, lean, technologically-advanced, agile, responsive, innovative, efficient, and effective forces able to address a variety of challenges and adversaries. As I read those characteristics, I am struck at how accurately they describe your SOF and what we bring to our Nation's arsenal.

SOF have had a tremendous impact on our Nation's security and never more so than during the last 10 years of war. Since September 11, our forces have doubled in size, now at 66,000, our budget has tripled, and the number of deployed SOF has quadrupled to meet the emerging demands. However, even with that growth, our \$10.4 billion budget in fiscal year 2013 still comprises only 1.7 percent of the total Department of Defense (DOD) budget. Simply put, SOF remains relevant, in high demand, and offers an unparalleled return on the Nation's investment.

As we evaluate today's rapidly evolving strategic landscape, it is clear that the demand for SOF capabilities will remain high. Our near-term focus is on winning the current fight against violent extremism. First and foremost, we will sustain our efforts in Afghanistan in support of International Security Assistance Force (ISAF) by continuing the application of SOF's direct and indirect approach.

The direct approach, lethal and precise, continues to degrade extremist leadership and their facilitation networks. The indirect approach, which I believe offers the greatest opportunity for victory, builds security and governance through efforts such as village stability operations (VSO) and development of ASF. Both the direct and indirect approaches continue to have daily positive impacts on ISAF strategy.

Our sacrifice and effort in Afghanistan has been tremendous, and we continue to make this our highest priority. In addition to our efforts in Afghanistan, we also strive to maintain persistent presence globally. Today, U.S. SOF are in 78 countries around the world supporting U.S. policy objectives. In the Pacific, Africa, Latin America, Europe, and other regions, SOF's unique skills, cultural knowledge, and the ability to work with partners create effects far above our relatively small numbers. All of these international engagements are done with the complete support and approval of the respective geographic combatant commanders and the chiefs of mission.

In addition to our focus on winning the current fight, I am committed to strengthening our support to the geographic combatant commanders by reinforcing and enabling their theater SOCOMs. The theater SOCOMs are sub-unified commands of the geographic combatant commanders and provide the regional commander his special operations capability. As the force provider for those SOF capabilities, SOCOM will ensure theater SOCOMs have the human capital, the capability, and the SOF expertise to meet the geographic combatant commanders' requirements.

Another important aspect of SOFs' utility to the geographic combatant commanders is our ability to partner with other national SOF units. Since the establishment of service SOF in the 1960s and then SOCOM in 1987, our relationship with our allied partner force around the world has strengthened each nation's SOF and

each nation's ability to deal with their own security problems. We must continue to build these relationships wherever possible.

To win the current fight and strengthen our support for the geographic combatant commanders, it will be necessary to ensure our force and their families remain strong. My predecessor, Admiral Eric Olson, established a task force to examine the fraying around the edges in our SOF community. We confirmed that a decade of war, coupled with a consistently high demand for SOF, has exerted a physical and emotional stress on our force and families.

I am committed to taking care of our people with the best support we can provide. I have put a general officer and my command sergeant major in charge of the preservation of the force and families. They are empowered to implement innovative solutions across the SOCOM enterprise, to improve the wellbeing of our warriors and their families.

In conclusion, the demands on SOF will not end in the foreseeable future. With your strong advocacy, we will continue to sustain a world-class special operations capability, thereby providing the Nation a decisive edge in addressing the challenges that affect us today and will undoubtedly emerge tomorrow.

It is an honor to appear before you today as the Commander of SOCOM. You can take pride in what the men and women of SOCOM are accomplishing around the world each and every day. Thank you for your continued support. I look forward to answering your questions.

[The prepared statement of Admiral McRaven follows:]

PREPARED STATEMENT BY ADM WILLIAM H. MCRAVEN, USN

Mr. Chairman and distinguished members of the committee, thank you for this opportunity to address the committee in my first posture statement as the 9th commander of U.S. Special Operations Command (SOCOM). As always, we deeply appreciate your continued commitment and support of U.S. Special Operations Forces (SOF) around the world.

In response to a rapidly evolving strategic landscape and an increasingly constrained fiscal environment our leadership has recently issued new strategic guidance to focus the efforts of the Department of Defense (DOD). My intent today is to provide a brief review of how SOF will support this guidance while also highlighting SOCOM's responsibilities, authorities, structure and major programs and initiatives.

SOCOM ASSIGNED RESPONSIBILITIES, AUTHORITIES, AND STRUCTURE

As the only Unified Combatant Command legislated into being by Congress, SOCOM has a distinct appreciation for the advocacy and unique authorities given to us since 1986. We are one of nine Unified Combatant Commands and similar to others in many regards, yet SOCOM is distinct in that we exercise numerous Service, military department, and defense agency-like responsibilities under guidance provided by the Secretary of Defense (SECDEF) and Chairman of the Joint Chiefs (CJCS), the Unified Command Plan, and Title 10, Section 167 of the U.S. Code.

Unlike combatant commands with specific geographic areas of responsibility, SOCOM is a functional combatant command with global responsibilities. We are the lead Combatant Command tasked with synchronizing the planning of global operations against terrorist networks. SOCOM is also responsible for providing, training, and recommending sourcing solutions for combat-ready SOF forces supporting the Geographic Combatant Commands' (GCC) requirements. While these forces normally deploy under the control of the GCCs' Theater Special Operations Commands, SOCOM can execute global operations against terrorist networks when directed to do so by the President or SECDEF.

SOCOM is also the lead component with executive agent-like responsibilities for the North Atlantic Treaty Organization (NATO) SOF Headquarters (NSHQ) responsible for strengthening the role of NSHQ in fostering special operations capabilities

within NATO. This includes advocacy for resources, personnel, and funding within DOD; sharing best practices and lessons learned; and providing the latest releasable U.S. policy, strategy, operations, tactics, and training for NSHQ-supported SOF. This advances a worldwide network of SOF professionals conducting operations to increase, return, or develop peace and stability in support of U.S. national interests.

Through the foresight of Congress, SOCOM is empowered by unique legislated budget and acquisition authorities in Major Force Program-11 (MFP-11). MFP-11 allows rapid and flexible acquisition of "SOF-peculiar" equipment and modification of service common systems to meet special operations requirements. MFP-11 funding supports SOF's persistent global presence meeting the SECDEF's guidance for forces "agile, flexible, and ready for the full range of contingencies and threats." We appreciate the Committee's authorization of \$10.5 billion for fiscal year 2012. In fiscal year 2013, the command is requesting a total of \$10.4 billion; \$7.8 billion of baseline and \$2.6 billion of Overseas Contingency Operations (OCO). This includes beginning the transition of funds from OCO to the base SOCOM budget in recognition of the enduring nature of many of our global requirements.

The total fiscal year 2013 SOCOM budget request is 1.7 percent of the overall proposed DOD budget. When combined with the Service-provided capabilities necessary to enable our operations we still represent less than 4 percent of the DOD total.

Unique to Special Operations, our 1208 authority remains critical to funding SOF's work with indigenous forces in support of counterterrorism operations around the world. We appreciate the committee's extension of this funding through 2015 and its approval of increasing the annual cap to \$50 million in 2012. Your continued support with 1208 has provided us the flexibility to support current operations today and rapidly address emerging operations tomorrow.

Collectively these funds support a force with a current strength of approximately 66,100 personnel (growing to near 71,100 by fiscal year 2015), spread across 5 subordinate component commands: the U.S. Army SOCOM, Air Force SOCOM, Naval Special Warfare Command, Marine Corps Forces SOCOM, and the Joint SOCOM.

#### SOF SUPPORT FOR 21ST CENTURY DEFENSE

As articulated in Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, the global security environment presents an increasingly complex set of challenges and opportunities. By their very nature, SOF are particularly well-suited to respond to this rapidly changing environment, and I fully expect the operational demands placed upon SOF to increase across the next decade, and beyond.

As the current CJCS General Martin Dempsey recently noted, "We're at a strategic inflection point, where we find a different geopolitical challenge, different economic challenges, shifting of economic and military power." Strategic trends and challenges are producing a distinct change in the character of conflict. Insurgents, transnational terrorists, criminal organizations, nation states and their proxies exploit gaps in policy developed for the more predictable world of yesterday. Increasingly these threats are networked, adaptable, and empowered by cyberspace to find new ways to recruit, train, finance, and operate. In short, the strategic environment is changing—quickly and constantly.

The decade of war after September 11 has proffered many lessons; among them, specific to SOF, is the complementary nature of our direct and indirect approaches and how these SOF approaches are aligned to this changing strategic environment. The direct approach is characterized by technologically-enabled small-unit precision lethality, focused intelligence, and interagency cooperation integrated on a digitally-networked battlefield. In today's global counterterrorism fight, U.S. SOF continues to directly degrade al Qaeda and its affiliates' leadership around the world, greatly reducing their ability to effectively plan and conduct operations. Extreme in risk, precise in execution and able to deliver a high payoff, the impacts of the direct approach are immediate, visible to public and have had tremendous effects on our enemies' networks throughout the decade.

As al Qaeda and other extremist organizations attempt to franchise their ideology and violence globally, we will likely remain engaged against violent extremist networks for the foreseeable future. As Secretary Panetta recently stated, "We need to continue to put pressure on them, whether they're in Pakistan, whether they're in Yemen, whether they're in Somalia, whether they're in North Africa." The direct approach will remain a hallmark capability for SOF in order to provide the necessary means to disrupt this threat. However, the direct approach alone is not the solution to the challenges our Nation faces today as it ultimately only buys time and space for the indirect approach and broader governmental elements to take effect. Less well known but decisive in importance, the indirect approach is the complementary element that can counter the systemic components of the threat.

The indirect approach includes empowering host nation forces, providing appropriate assistance to humanitarian agencies, and engaging key populations. These long-term efforts increase partner capabilities to generate sufficient security and rule of law, address local needs, and advance ideas that discredit and defeat the appeal of violent extremism.

While both approaches build trust and confidence with our partners and assure them of our support and reliability, the indirect approach values local-led efforts to buy down our partners' security threats. Here, SOF amplifies our partners' capabilities, epitomizing the SECDEF's assertion that "building capacity elsewhere in the world also remains important for sharing the cost and responsibilities of global leadership."

As for the future, the indirect approach will be critical in the fight to deter, disrupt and deny sanctuary to our enemies. Therefore, we must use this approach to strengthen and foster a network of mutually supporting partnerships that are based on shared security interests. Through this network of relationships, SOF can provide a hedge against strategic surprise by identifying and working preemptively to address problems before they become conflicts.

One way SOF achieves this goal through the indirect approach is through forward and persistent engagement of key countries. Small in scale by design, this engagement directly supports the Country Teams' and GCCs' theater plans to counter threats to stability. This approach directly supports the SECDEF's direction that, "Whenever possible, we will develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence, and advisory capabilities." Throughout the year, SOF conducts engagements in more than 100 countries worldwide. At the heart of this presence is the operational context and access it provides.

Operational context is the thorough understanding of the environment gained through the knowledge and experience built in personal relationships from multiple visits to the same locations. This includes understanding the local culture and society, language, economy, history, politics and leadership, physical and virtual terrain as well as the enemy. It provides insight into the society's beliefs, values, and motivations. The addition of Cultural Support Teams (U.S. females attached to SOF units in Afghanistan) furthers this cause, enabling dialogue and routine interaction with the Afghan females normally isolated from exposure to male SOF personnel. This depth of context makes SOF more precise in enabling early action to maximize desired effects and minimize unintended consequences.

The successful application of the indirect approach is evident in the ongoing relationship between SOF and the Armed Forces of the Philippines (AFP). This effort originally began when SOF deployed to the terrorist safe haven of Basilan Island in 2002 to assist the AFP in operations against the insurgent group Abu Sayyaf. Immediately upon arrival, SOF personnel conducted a series of engagements with the local residents to learn their basic needs and grievances as a precursor to severing their ties with the insurgents. As SOF trained and advised the AFP personnel leading the security efforts, they coordinated a comprehensive interagency and multinational program to address water, security, medical care, transportation, and education needs. As a result, people in the area continue to support AFP and SOF's presence today facilitating the return of economic prosperity and stability to the region.

Other examples of the indirect approach are SOF's contributions supporting interagency diplomacy and development efforts. Currently, 22 Military Information Support Teams (MISTs) and 4 Regional Information Support Teams (RISTs) support the Department of State by augmenting and broadening their public diplomacy efforts. MIST elements are requested by U.S. Chiefs of Mission and work under their direction to blend the embassy's Mission Strategic Plan and the GCC's Theater Campaign Plan.

SOCOM also supports interagency development efforts by deploying civil-military support elements (CMSEs) to address refugees, displaced persons, populations at risk, and humanitarian or disaster assistance. CMSEs are engaged in 17 countries today and are forecasted to expand to 20 countries in fiscal year 2013 and 30+ countries by fiscal year 2017. Today, SOF Civil Affairs (CA) elements are integral to Joint Special Operations Task Forces (JSOTFs) in Afghanistan, the Trans-Sahel, and the Philippines to support population-focused indirect approaches to combat violent extremism. To support these increasing demands, SOCOM added a fifth SOF CA battalion in fiscal year 2012 to ensure regionally-oriented CA support is available to each GCC.

These underreported, yet vital, contributions are designed and prioritized to create long-term effects beyond the direct, kinetic actions that are essential for winning the current fight. In the end, it will be such continuous indirect operations that will

prove decisive in the global security arena. Of course, both direct and indirect approaches will continue to be necessary and mutually supportive elements of effective SOF employment. Nowhere is this more true than in the emerging SOF requirements for SOF in Afghanistan.

As total forces start to draw down in Afghanistan, SOF's unique ability to simultaneously blend direct and indirect approaches will likely drive increasing requirements for SOF. While the aggregate number of total personnel in Afghanistan will decrease as we approach 2014, the SOF contribution may increase by some small amount. Currently, SOF constitute 8 percent of the forces in Afghanistan, but has the lead for two major elements of operations; Village Stability Operations/Afghan Local Police (VSO/ALP) initiatives and the ongoing CT mission. In conjunction with other ISAF elements, SOF have recruited and trained nearly 11,000 ALP who are vetted by our Afghan partners. There are now VSO in 57 districts increasing stability and enabling local governance, development, and security at the village level. Additionally, our Afghan Commando partners are making significant progress in CT operations. Virtually all CT operations are now partnered with the Afghans and an increasing number are led by Afghan elements with SOF fulfilling an advisory and supporting role. To command and control these efforts, SOCOM currently provides an operational SOF headquarters and the requisite planning capabilities which directly support the ISAF commander.

While supporting U.S. Central Command efforts in Afghanistan remains our top priority, we also recognize that providing SOF capabilities to the other GCCs is critical to mitigating regional threats to stability. Even with the conclusion of operations in Afghanistan, historical deployment data reveals a constant demand for a "steady state" deployed force of nearly 12,000 SOF to support the GCCs' requirements. Continuation of the QDR-directed SOF growth is essential to meeting this current and projected demand for SOF. By fiscal year 2017, we assess our programmed growth will provide adequate capacity to meet contingency demands without having to accept undue risk in global CT operations. Because SOF are uniquely recruited, assessed, selected, and trained to perform these difficult missions, the projected 3–5 percent growth rate through fiscal year 2017 is the maximum rate of growth that is sustainable.

In the 25 years since SOCOM's creation, the global environment has undergone, and continues to experience major change; established powers falling, new ones rising, and the number and scope of threats increasing exponentially. The attacks of September 11 forced the United States to confront the growing danger posed by ideologically-driven non-state actors. As a result, we have been involved in a decade long war that has been costly not only in terms of our fallen and injured, but also financially. These costs, combined with today's constrained fiscal environment, are forcing us to be more innovative and inclusive in the development of solutions to our global security challenges. To effectively address these problems, we must work closely with our allies and partners to effectively build partner nation capacity, integrate forces where appropriate, and improve information sharing.

Europe's NSHQ serves as an example of how SOF has adapted to the realities of today as it typifies the potential of an integrated multinational approach. Secretary Panetta's recent comment that, "most European countries are now producers of security rather than consumers of it" helps to validate the success of NSHQ and recognizes the contribution that our NATO partners have made to the current fight. Consequently, SOCOM will continue to bolster and strengthen the vitality of U.S. SOF's contribution to NATO through our increasing role as the NSHQ lead component and advocate to the Joint Staff and Office of SECDEF.

Another example of how SOCOM and the SOF community are adapting to the current environment is exemplified in how we are preserving our force's capabilities to meet the enduring nature of war. My predecessor Admiral Eric Olson initiated a Pressure on the Force and Families (POTFF) study to examine the effects of a decade of continuous combat operations on the SOF community. The study identified core problems, their underlying factors, and captured best practices of Service and SOF support programs. The research included more than 400 non-attribution focus groups, consisting of more than 7,000 servicemembers and more than 1,000 spouses from 55 different SOF units located at home and overseas. The results of the study illustrated two primary sources of ongoing stress. First is the lack of predictability resulting from a demanding operational tempo, exacerbated by significant time spent away from home for training. Second is an increased difficulty for our force when reconnecting and reintegrating into family activities.

Armed with these findings, I have appointed a Brigadier General and my Command Sergeant Major to transition the Pressure on the Force and Families Task Force to the Preservation of the Force and Families Task Force. More than simply a name change, this inter-disciplinary team is empowered to build and implement

innovative solutions across the SOCOM enterprise to improve the well-being of our force and families. While we understand that this begins with increasing predictability, the holistic approach will also ensure we provide responsive counseling, medical, psychological, and rehabilitative care to our SOF warriors and their families.

Many SOF-specific support programs and organizations do exist and are addressing portions of the challenges we face. Resiliency programs are facilitating early identification of underlying SOF issues relating to physical, mental, and spiritual well-being. Programs such as Naval Special Warfare Command's Third Location Decompression Program and the Tactical Human Optimization, Rapid Rehabilitation and Reconditioning Program (THOR3) are noteworthy. The Third Location Decompression program allows operators time to stop and stand down at an enroute location easing the transition from combat to domestic life. During this time, evaluations are conducted to assess members' well-being and identify early areas of concern. THOR3 is designed to train, educate, and evaluate SOF on human performance, rehabilitation, and nutrition to optimize battlefield effectiveness. THOR3 has improved recovery time and increased return-to-duty rates from acute and chronic injuries.

Additionally, the SOCOM Care Coalition program provides outstanding support to SOF warriors and their families and is a model advocacy effort within DOD. For the life of a wounded, ill or injured SOF warrior, the Care Coalition tracks and supports the member through the rehabilitation and reintegration process whether returning to duty or transitioning to civilian life.

But the required solutions go beyond these care programs and rehabilitative services. Based on our findings, we are also focused on improving how our PERSTEMPO (to include time away from home) is used to track and report individual and unit readiness. Ultimately, this will be incorporated into the force generation process to provide us a more accurate picture regarding the health of our force, units' availability for deployment, and predictability as a key element of long-term performance and resiliency.

Additionally, SOCOM will continue to work with the Services to secure priority access to local ranges and training areas reducing SOF's need to "travel to train." Increasing this priority and access for deploying SOF units will further improve predictability and PERSTEMPO. I have spent much of the last few months visiting each of my component commands to listen and talk with the force and families and address POTFF-related issues ensuring we are on the right track.

We have a resilient force and it remains steadfast in its mission. While SOF capabilities are not in danger of degradation now, we must and will continue to look for ways to mitigate potential problems in the future. We will continue to work with the Services and this committee to develop solutions to this problem. We recognize and appreciate your long-standing advocacy and funding of support programs for our warriors.

Finally, in order to drive and sustain change within our formations, SOCOM is forging a comprehensive leadership development program designed to train, educate, and manage the career paths of future SOF leaders. We will develop tailored SOF professional military education to provide the tools required for today's complex environment, and we will work with the Services to more effectively manage career progression of SOF leaders including key combined, joint, and interagency assignments.

#### FUNDING AND EQUIPPING THE FORCE

SOCOM has a solemn obligation to appropriately fund and equip the warriors from whom we ask so much sacrifice. We also recognize the increasingly austere fiscal environment for the Department. To that end, SOCOM is in compliance with the Department's Savings and Efficiencies guidance and that model has been incorporated into SOF business practices. SOCOM is in a fiscally sound position, but the force requires continued support. The President's budget request for fiscal year 2013, if approved, is an essential step towards meeting the growing demand on our force by providing SOCOM the resources required to sustain our programs and initiatives.

SOCOM's funding request for fiscal year 2013 totals \$10.4 billion of which \$7.8 billion is baseline and \$2.6 billion is OCO funding. Fiscal year 2013 begins the directed migration of requirements previously funded with OCO resources into the baseline appropriation. Nearly \$960 million will migrate to the baseline from OCO, supporting approximately 37 percent of fiscal year 2013 global SOF operations and sustainment costs.



Last year, SOCOM made a significant investment in Military Construction (MILCON) to better support SOF operations, training, maintenance, and storage facility requirements. This effort was targeted at addressing MILCON shortfalls attributable to new capabilities and missions, force structure growth disconnects, and primarily, inherited antiquated infrastructure. SOCOM is committed to sustaining a consistent level of funding to satisfy our critical infrastructure needs. As such, the fiscal year 2013 MILCON request of \$536 million equates to 6.8 percent of SOCOM's baseline MFP-11 funds and is in line with the command's new Strategic Planning and Programming Guidance of a 6 percent minimum funding level for MILCON. The fiscal year 2013 budget includes 21 construction projects in 9 States, 1 overseas, and 1 at a classified location.

Also critical to meeting the demand for SOF capabilities worldwide is SOCOM's ability to execute rapid acquisition of its material and service programs. SOCOM's acquisition enterprise remains at the forefront of DOD, continuing to meet the high demand to deliver and field critical material requirements and new technologies. Key to success is our major recapitalization and modernization effort to incorporate enhanced capabilities in our rotary, fixed-wing, and maritime mobility platforms. We are grateful for strong congressional support in fiscal year 2012 enabling us to continue with these efforts.

The need for SOF Combat Support (CS) and Combat Service Support (CSS) has increased due to programmed operator growth over the past decade. By design, SOF are inherently lean and we have not attempted to grow organic "enablers" that duplicate Service-provided capabilities at the same rate as our operational elements. Therefore, leveraging the logistical support of the Services continues to be important.

The heavy-lift rotary wing MH-47G Chinook has completed the Service Life Extension Program with 61 MH-47Gs delivered. The upgrade of MH-47Gs to a Block 2 configuration is underway and a new program to build eight additional monolithic hull MH-47Gs was initiated to bring the total number to 69 by fiscal year 2015. The MH-60 recapitalization effort to replace the MH-60L/K with the MH-60M delivered 6 new MH-60M aircraft, bringing the total number delivered to 12.

The vertical mobility of the tilt-rotor CV-22 continues to deliver unmatched speed and range to SOF battlefield commanders. Twenty-three of the planned 50 aircraft are fielded to date. We completed modification of 12 MC-130Ws with a Precision Strike Package (PSP) which continues to perform superbly in combat. SOCOM has started the AC-130J recapitalization effort, using the MC-130W PSP as a key risk reducing capability. The MC-130J program is on track to replace our aging MC-130Es and MC-130Ps, with core HC/MC-130J aircraft having successfully completed developmental testing in June 2011.

Our Non-Standard Aviation Program continues to demonstrate great success in operations around the world. Looking forward, we have several initiatives to more efficiently meet demand.

The modernization of our maritime mobility systems is underway with significant developments occurring this year. Competitive prototype contracts for the Combatant Craft-Medium (CCM), as a replacement for the Naval Special Warfare Rigid Hull Inflatable Boat and Mk V fleets, were awarded this fall with development of test articles expected in September 2012. Thanks to congressional support, the purchase and fielding of 24 High Speed Assault Craft will provide a critical "bridge" capability to SOF until the CCM is complete.

As the land contingent of SOF mobility, the SOF Family of Special Operations Vehicles provides a variety of specialized combat wheeled vehicles for SOF missions. These vehicles are modified to achieve required performance for global deployments across a wide range of environments and threats. These SOF-unique vehicles provide enhanced tactical mobility and force protection, as well as platforms to support command, control, communications, intelligence, surveillance, and reconnaissance (ISR) capabilities. Two specific programs underway are the Non-Standard Commercial Vehicles (NSCV) and the Ground Mobility Vehicle (GMV 1.1). The NSCV provides low profile commercial vehicles modified with ballistic protection and communications equipment enabling SOF to operate non-obtrusively supporting a multitude of SOF missions. The GMV 1.1 is the next variant of medium vehicles designated to replace the SOF-modified, service-common High Mobility Multipurpose Wheeled Vehicle. This vehicle satisfies the critical need to deploy from the CH-47 aircraft internally.

Protection and casualty care improvements for our SOF warriors continues with research, development, testing, and acquisition of personal protective equipment. Recent Office of the Secretary of Defense ballistic test initiatives have been integrated into the SOCOM acquisition process and several mission-specific protective

systems are now available. Optimization of signature management and camouflage initiatives provide multi-spectral protection for SOF operators.

Continued progress in information communications and networking capabilities with our SOF Deployable Node (SDN) family of Wide Band SATCOM systems is providing increased access to the SOF Information Environment (SIE) voice, data, and video services for our deployed headquarters and operational elements worldwide. In fiscal year 2013 our command focus areas are providing greater access to the SIE for SOF operators by downsizing system profiles, engineering common and scalable components, extending access through SDN to wireless users, and providing SIE access to maritime and ground mobility platforms.

SOCOM continues to advance our technical surveillance and intelligence collection programs through evolutionary technology insertions, while making SOF ISR data more discoverable and external information more accessible with our Defense Common Ground/Surface System. Our other investments include a mix of manned and unmanned airborne ISR systems as well as the accompanying Processing, Exploitation, and Dissemination capabilities and supporting communications architectures. Although we continue to pursue investments in airborne ISR capability, including High-Definition ISR technology, we also rely heavily on the Services to expand their capabilities and capacity that benefit DOD across the board.

Our effort to identify key emerging technologies beneficial to SOF ensures our forces are equipped with the right capabilities to detect and engage our adversaries. This includes conducting collaborative technology discovery, coordinating research and development activities, and rapidly integrating and inserting new technology developments for equipment and techniques across the force. This process will align SOF capability gaps with technology enablers to focus ongoing efforts across the Science and Technology enterprise as well as identify additional innovation that is required to address these gaps.

#### CONCLUSION

During 2011, we saw significant emphasis on the employment of SOF. SOF operators, to a degree greater than ever before, performed missions that they were selected, trained, and equipped to do.

SOF are a source of deep national pride. Their ingenuity, perseverance, spirit, and skill are unprecedented. In significant ways, our forces are creating visible and dramatic effects of the greatest magnitude across the globe. I consider it a profound honor to lead such an extraordinary group of professionals—it is a privilege to represent them before this committee.

As always, our success is only possible because of your continued advocacy for SOF and our assigned missions. Your support for the President's budget will ensure our continued ability to successfully address the most challenging security demands of our Nation. Thank you.

Chairman LEVIN. Admiral, thank you so much.

We'll try a 7-minute round for our first round.

General Mattis and Admiral McRaven, first let me ask you about the fiscal year 2013 budget and the administration's recently revised strategy. Does the 2013 budget request reflect the recently revised strategy, General?

General MATTIS. Yes, sir, it does.

Chairman LEVIN. Admiral?

Admiral MCRAVEN. Yes, sir, it does.

Chairman LEVIN. General, do you support that budget request?

General MATTIS. I do, completely.

Admiral MCRAVEN. Absolutely.

Chairman LEVIN. In the wake of the violence following the burning of Korans in Afghanistan, including the killing of at least six American soldiers, Secretary Panetta has said that, "this violence is not going to alter our commitment to get this job done" in Afghanistan. He added that, "our goal is that by the end of 2014 the Afghans will have the responsibility to govern and secure themselves."

General, following the violence over the Koran-burning incident, should we modify our strategy in Afghanistan?

General MATTIS. No, Mr. Chairman, I don't believe so. I'm delighted to defend our strategy. I believe it is working. We should not allow a few criminals and malcontents to define the ASF. Even their performance during these last 2 weeks—disciplined, restrained, standing by us—is an indication that this is a force that's come a long ways.

Right now, the ASF is nearly at the 352,000 personnel mark that we had set up. It shows that the Afghans are willing to fight for their country. We want it to be at 352,000 by October. We should be there within 60 days. We're on track, Mr. Chairman.

Chairman LEVIN. How do the events which occurred, where we had some Afghans killing Americans and other coalition forces and their own people, strike you? Is that a significant shift in terms of either the Afghans' willingness to take on the Taliban or the reliability of the Afghan army?

General MATTIS. Sir, treachery has existed as long as there's been warfare, and there have always been a few people that you couldn't trust. I'm one of those who has slept peacefully under Afghan boys guarding me back in 2001. No force is perfect. I would just remind everyone that even Jesus of Nazareth had 1 out of 12 go to mud on him.

My point is that no matter what selection process you use, you're going to have somebody who doesn't make the standard. In this case, the overwhelmingly positive response by the ASF, even in the face of what was a very disappointing and unintentional mistake by the U.S. Forces, did not shake their confidence in us, it did not shake the teamwork.

I think that right now it does not cause us any question about the overwhelming reliability. At the same time, prudent measures, taken with the full support of the Afghan chain of command—unprecedented, I might add, absolutely unstinting support—means that we're on the right track to address what is a bona fide insider threat concern.

Chairman LEVIN. Thank you.

According to the Wall Street Journal the United States has proposed reducing the size of the ASF from the 352,000 end strength goal for this year to 230,000 after 2014 as a way of reducing the cost of sustaining the ASF. First of all, what's your reaction to that? Is this something which we have decided upon and, if so, why are we projecting the need for Afghan troops 2 years in advance, as the security force needs of Afghanistan?

General MATTIS. I understand your question, Mr. Chairman. I completely support General Allen's recommendation that we hold at 352,000 ASF through 2015. While there can be any number of varying levels of maturity of planning or thinking going on, the conditions on the ground will have to determine the size of that force. But between now and 2015, I think, to sustain the gains we've made, especially after 2014 when our troops will have been largely withdrawn other than advisers, the 352,000 is a prudent measure.

Chairman LEVIN. As far as you know, has a decision been made relative to that?

General MATTIS. I am confident there has not been a decision made on that.

Chairman LEVIN. I want to change the subject a bit to VSO. Some have accused Afghan local police units of serious abuses against the populations that they're tasked to protect. I'm wondering whether or not you have a response to that. I ask you both because you're both very much involved in the Afghan local police and their support by our SOF and general purpose forces.

First, General, what is your response to the criticisms that we've read of the Afghan local police program? Then, Admiral, I'd like to ask you the same question.

General MATTIS. Mr. Chairman, that program is under the provincial governors' command. They're not on their own out there. They have U.S. SOF as advisers living alongside them. It is interesting that during all these months of difficulty with this insider threat, as we called it, where we've had some of our troops attacked, not one of these troops living out on the very edges of the battlefield, in small groups, has been attacked.

We find that those forces are ethical. We keep a close watch on them. If we get any indication of unethical behavior, violent behavior, or taking advantage of their position, it's investigated immediately, and we keep a very close watch on it.

Chairman LEVIN. Admiral?

Admiral MCRAVEN. Yes, sir. General Allen investigated some of these allegations, had a joint investigation with the Afghans, and they found the allegations to be false.

As General Mattis mentioned, the VSO program and the Afghan local police, in particular, are, in fact, part of the Ministry of the Interior. So that chain of command goes right back to the central government and gives it some credibility from the tribal level, the village level, up to the central government. We think this is very important.

There are currently about 11,000 Afghan local police and we are growing to about 30,000 over the next couple of years. We think this is an exceedingly important program for the stability of Afghanistan.

Chairman LEVIN. Thank you both very much.

Senator McCain.

Senator MCCAIN. General Mattis, after all the sanctions have been imposed on the Iranian regime, do you believe the regime has been at all dissuaded from pursuing a nuclear weapons capability?

General MATTIS. No, sir, I have not seen that.

Senator MCCAIN. General Mattis, are there strong indications that al Qaeda is making a comeback in Iraq?

General MATTIS. Yes, sir, notably in the western Iraq area, but the threat is extending into Baghdad.

Senator MCCAIN. General Mattis, the Director of the Defense Intelligence Agency, General Burgess, testified last month that the Assad regime and its military remain "a viable, cohesive, and effective force." In the same hearing, the DNI, James Clapper, testified that, absent some kind of external intervention, Assad will "hang in there and continue to do as he's done."

Do you agree with General Burgess' and Director Clapper's assessments?

General MATTIS. Sir, Assad has chosen violence. I think his military is under more pressure every day. Their desertion rate is

going up. But in aggregate, I agree with General Burgess' assessment.

Senator MCCAIN. If current conditions persist, absent external intervention, how long do you think Assad could remain in power? Indefinitely?

General MATTIS. I don't think indefinitely, sir. But I would be very slow to put a time horizon on it. I think he's going to be there for some time because I think he will continue to employ heavier and heavier weapons on his people. I think it will get worse before it gets better.

Senator MCCAIN. Recent reports of increased Iranian involvement, as well as Russian arms supplies, make it worse. Would you say that Assad's crackdown, especially in recent events in Homs, is gaining or losing momentum?

General MATTIS. He's gaining physical momentum, sir, on the battlefield. I think he's creating more enemies. I think he's creating more international pressure against him. But on the tactical battlefield, he is clearly achieving what he wants to achieve.

Senator MCCAIN. I think we would agree that Syria out of the hands of Assad and a chance to be free and democratic would be one of the greatest blows to Iran. Would it be in America's strategic interest to see Assad go?

General MATTIS. Yes, sir, it'll be the biggest strategy setback for Iran in 20 years when Assad falls; not if, but when. He's going to go.

Senator MCCAIN. Fundamentally, we went to the Balkans because ethnic cleansing and genocide were taking place in Bosnia and Kosovo in the 1990s. Do you see a difference between the kind of slaughter that's going on in Syria now and the kind that was going on in Kosovo and in Bosnia? There may be a difference in scale, but do you see the same sort of actions being taken by the government?

General MATTIS. Certainly each situation is unique, but as far as the trend, I would not disagree with your characterization.

Senator MCCAIN. Under current conditions, would simply providing arms to the opposition be sufficient to help them end the violence and to force Assad to leave power?

General MATTIS. Sir, providing arms would be a policy option. I think we'd have to do our best to determine who we're providing the arms to and follow the physician's oath of "First, do no harm," to make certain what we're doing is actually going to reduce the scale of violence ultimately. It may go up for a short time, but I think you'd have to look at it very closely, because the longer this goes on the more potential there is for al Qaeda and for basically a full-scale civil war.

Senator MCCAIN. Have you seen any evidence that al Qaeda has had any significant role in the Syrian opposition today?

General MATTIS. Yes, sir, we have, in terms of the rather spectacular improvised explosive device (IED) attacks.

Senator MCCAIN. Every time I've seen one of these crises, the first question is: We don't know who these people are, and it could be al Qaeda. I heard that in Egypt; I heard that in Tunisia; and I heard it in Libya: We don't know who these people are and they're probably al Qaeda.

You know what that flies in the face of, General? People who yearn for liberty and not being under the rule of an oppressive, brutal dictatorship. So all of a sudden now we will again assume: Well, it's al Qaeda. I've just returned from a trip to Egypt, Tunisia, and Libya, and there's always the threat of extremism. But there's no doubt the people that made the revolution were not al Qaeda. In fact, they were in direct repudiation of al Qaeda.

Frankly, one grows a little weary of this: We don't know who they are and they're probably al Qaeda.

Admiral, do you think we can find out who they are?

Admiral McRAVEN. Sir, I think it's always prudent to find out who your allies are and who your enemy is.

Senator MCCAIN. Is it prudent to stand on the side of freedom and democracy against one of the most oppressive dictators in the world?

Admiral McRAVEN. No, sir.

Senator MCCAIN. Is that prudent?

Admiral McRAVEN. No, sir.

Senator MCCAIN. Isn't that what the United States has been standing for for a couple of hundred years at least? Isn't that why we fought wars?

So frankly, I grow irritated and I grow angry when I see and meet these people who have sacrificed their very lives and their family and are wounded, when I visit a hospital in Benghazi where a whole shipload of wounded young men have just returned. I didn't see a single one of them that was al Qaeda, not a single one. I didn't see a single one of them that died before my eyes that was al Qaeda.

So I suggest we find out who these people are. I guarantee you that you will find out that it's not al Qaeda; it's people who have the same yearnings that are universal, and that's freedom, democracy, and our God-given rights.

I would hope we would spend some time with your unique capabilities in finding out who these people are. I'm surprised you haven't tried to do that before. You should do it, because this conflict is going to go on and a whole lot of people are going to die if we allow the status quo to prevail and the slaughter to continue because "we don't know who they are."

Senator LIEBERMAN [presiding]. Thanks, Senator McCain.

General Mattis, Admiral McRaven, thanks very much for being here. Thanks for your leadership. Honestly, as I consider the records both of you have had and what you're doing now, I don't think we could have two better people in the positions that you're in, and we ought to be very grateful to you for that.

General Mattis, I always look forward to your testimony because in some sense I feel when I read your stuff or I listen to it that I'm back in the classroom, because you do have a very developed sense of history. I just want to read in the context from your submitted testimony: "In over 30 years of supporting U.S. Forces in the CENTCOM AOR, I have never witnessed it so tumultuous. Change is the only constant and surprise continues to be the dominant force in the region. While transformation is underway across the region as a result of the Arab Awakening, malign efforts by other regional actors, particularly Iran, to influence the ultimate

outcome represent perhaps the greatest immediate and long-term threat to regional stability.”

Then I’m skipping here, but again I thought this is an interesting perspective, which maybe we miss in all the tumult in the region: “There is only one state in our AOR actively seeking to destabilize the region and actively foment violence, and that is Iran.” I think that helps us put things in context.

Let me go back to something that Senator McCain touched on, but I want to ask you if you could go into it in a little more detail; it’s about Syria. Can you describe in more detail, what is the extent of both Iranian and Russian military assistance to the Assad government at this time?

General MATTIS. Senator, the Russians have provided very advanced integrated air defense capabilities, missiles, radars, that sort of thing, that would make imposition of any no-fly zone challenging if we were to go in that direction. In terms of Iran, they are working earnestly to keep Assad in power. They have flown in experts. They are flying in weapons. It is a full-throated effort by Iran to keep Assad there and oppressing his own people.

Senator LIEBERMAN. So the Iranians, to the best of your knowledge, have some expert or high-ranking personnel that have come from Teheran to Damascus to assist the Syrian forces?

General MATTIS. They have, sir, yes.

Senator LIEBERMAN. Generally speaking, what kinds of hardware, military assistance, and systems are they providing to the Syrian army?

General MATTIS. They’re providing the kinds of weapons that are being used right now to suppress the opposition. They’re providing eavesdropping capability to try and pick up where the opposition networks are at. They’re providing experts who I could only say are experts in oppressing. They’re pretty well-schooled. They know how to oppress their own people in Teheran. They’ve flown them into Damascus to help Assad do the same thing.

Senator LIEBERMAN. I’m generally sympathetic to the argument that Senator McCain just described, that the international community, for reasons that are both humanitarian and strategic, really just can’t sit back any longer and watch Assad do what he’s doing. My own sentiment is that eventually he’ll fall, but when there’s such a disproportion of military power between the government and the opposition, he can really, as you suggested earlier, hang on for a long time and the killing can go on for a long time.

We actually saw this in the Balkans in some sense in the 1990s before we finally got involved and stopped it.

I don’t minimize the difficulty of getting involved here, but I do want to say that your answer to the last question, which I appreciate, does lead me to say this. Some people say if we, our Arab allies, or the European Union, get involved and provide weapons to the opposition army, that we will be militarizing the conflict. But the conflict is already militarized in one sense. It’s only militarized adequately on one side. The Iranians and Russians are providing a lot of military support to the Assad government and the opposition doesn’t have much of that at all.

Has the White House asked you as head of CENTCOM to prepare any contingency plans for possible assistance to the Syrian opposition?

General MATTIS. Senator, I'd prefer to answer that question in a closed hearing, if I could, sir.

Senator LIEBERMAN. The chairman had to go away to another meeting, but I hope we will have the opportunity to have a closed hearing before this is over. I note for the record that I don't believe that Senator McCain believes that we should do this on our own. I hope we can help organize something, but I gather that the Saudis and Qataris are now actively thinking about at least supplying some weapons to the Syrian opposition.

Let me move to another area. This also goes to Iran. I have heard reports that the Iranian regime is now involved more actively in malign activities in other countries in the region in a way that poses some threat to our forces in the region. I want to ask you to talk about that. I'm thinking particularly of Yemen, but if beyond Syria there are other areas in your AOR where you feel Iran is beginning to threaten our forces, I would like to hear about it.

General MATTIS. Sir, they're fighting basically a shadow war every day. They're moving weapons into Sudan. They're sending them into Yemen. They are trying to make inroads there by passing out money and ordnance to various factions in Yemen as they take their first steps towards some kind of a democracy in their future, having come out of a very good election.

We see what they're doing in Damascus. They recognized that their link to Lebanese Hezbollah will be cut if, in fact, Bashar Assad falls. We see this throughout the region. The Iranians have never gotten along that well with the Taliban, and yet they're willing to help the Taliban to some degree to fight us in Afghanistan. We also see their mischief all around the world, of course, right down here to Washington, DC, where they attempted to kill an Arab ambassador.

So this is an ongoing effort, I think, with this regime, it's something we simply have to accept as part of their modus operandi, and we certainly take a lot of prudent steps to maintain our own force protection. But we also see them trying to find their way in and take advantage of any of these Arab Awakening causes that come up. They've tried it in Cairo. I think they were pretty well rebuffed there. The Iranian revolution is not being seen as an example for any of the Arab nations in their awakening.

So it's not completely successful, but at the same time it's highly concerning.

Senator LIEBERMAN. Is all this activity in the region by Iran evidence that they really have hegemonic ambitions, that they want to stretch out across the region, or can we not conclude that?

General MATTIS. Sir, I think that is one of the reasons we're seeing the unity of the Gulf Cooperation Council right now and the way the Arab League is banding together and becoming a force for initiating operations, whether it be in Libya or in other areas. There are concerns about Damascus. I think what we're seeing is the whole region is becoming aware of this effort on Iran's part and it's causing a more unified opposition to them, almost akin to 1948



in Western Europe, when NATO was formed out of a fear of the Soviet Union and their forces.

Senator LIEBERMAN. It's a very significant parallel.

Thank you very much, General.

Senator Brown is next.

Senator BROWN. Thank you, Mr. Chairman.

Thank you both for your service. Admiral, thank you for taking the time to come in. I think it was Senator Levin who actually referenced the Afghan local police program, which I had an opportunity and honor to observe as a soldier this summer. I have to go out and visit with the Special Forces and see that program at work and visit many of the villages and speak with the tribal leaders and also the soldiers that were there.

To me, it's the program we should have implemented from day one. The value for the dollar is incredible. The amount of cooperation between the tribal leaders and people of the villages and the Special Forces is unheard of. It's never happened like it's happening now, that check-and-balance, when one village is actually coming to the aid of another village when they're being attacked or harassed. It's never happened, and that's obviously because of the advent of just a simple road connecting those villages.

That's why it's very important to continue with the infrastructure in that region, so they can get from point A to point B and see what the other village is doing, create trade with that village, come there and be the safety and security for that village, and vice versa.

Is that your observation, that those types of positive activities are a result of our involvement in the Afghan local police program?

Admiral MCRAVEN. Sir, it absolutely is. The Afghan local police program is one component of VSO, which really looks at security, governance, and then economic development. The Afghan local police are part of that security aspect at the village level, linking the village to the district, and then the district to the province, and then the province eventually to the central government. We think the program is working exceedingly well.

Senator BROWN. Thank you.

General, I also had the opportunity as a result of my military duty to actually go to the detainee facility and participate in a board to determine whether that detainee should be released. It was not dissimilar to our drug boards and other types of boards that seem to be in concert with everything that I've been taught as a Judge Advocate General.

I found it fascinating. I also found it a little bit troubling because the Strategic Partnership Agreement with the Afghan Government is absolutely important. It's something we need to get signed and implemented right away, because it puts to bed the notion that we're packing our bags and leaving. However, accelerating the transfer of detainees to Afghan custody presents real concerns for me.

I don't think they have the capacity at this point, based on my personal observations, to assume the security of these detention facilities. I found it was one of the best run facilities I have ever seen. I've been down to Guantanamo Bay (GTMO). In my old sen-

ate district back home in Massachusetts, I was responsible and participated in getting funding for three or four prisons.

General, is that your understanding as well? Are you concerned about that transfer and whether they can handle that?

General MATTIS. Yes, sir, we are. We're in negotiations with them now. Ambassador Crocker is leading those negotiations with General Allen right alongside him. I think the most important thing is that we figure these things out and not go into an agreement. What we want is the right agreement and, as you point out, we want to make certain we're not turning people over before the Afghans are ready to take care of them and then we end up with abuse or some failure in terms of how we take care of these prisoners.

Senator BROWN. It's a top-notch facility. I know they're expanding it. I've seen the caliber of Afghan corrections officers or soldiers who would be manning it. I have to be honest with you. I have deep concerns. This is something I want to, probably with Senator Graham, monitor very, very closely, along with you. I know Ambassador Crocker and General Allen are obviously working that through.

Regarding Iraq, I am concerned, as others are, about the vacuum that's been created. Al Qaeda in Iraq has carried out more attacks this year alone than it did in the entire second half of last year. Do you think there's a security vacuum there now since we've left?

General MATTIS. It's not a security vacuum, Senator Brown. But it is a less capable Iraqi security force without our capabilities there. They're scrambling to try and fill in those gaps. We are working with our small footprint there to help them fill in those gaps. But it's a concern, I know, for the Iraqi Government and it's a concern for Ambassador Jeffries.

Senator BROWN. Do you think al Qaeda is making a comeback in Iraq?

General MATTIS. Yes, sir, they are. It's not significant. It won't threaten the government. It will kill a lot of innocent people.

Senator BROWN. What about the favoritism in the Iraqi Government for the majority Shia political party? Do you think that's fueling another insurgency potentially, and does this play right into al Qaeda's hands to create that instability?

General MATTIS. It's not playing into al Qaeda's hands yet, and I think that there has been some progress back into a political dialogue here in the last couple of weeks, that I think is back on the right track. So I give you a cautious, optimistic view of this, but it's very, very cautious at this point.

Senator BROWN. Regarding Syria, do you see that Iraqi al Qaeda are moving over to Syria to fight against the Syrian regime? How do you think this affects our understanding of the Assad opposition?

General MATTIS. Al Qaeda is just trying to increase the chaos because they like ungoverned spaces. I don't think they have a moral bone in their body. They're simply opportunistic. I don't think that they characterize or represent or define the opposition to Assad. That they would try to take advantage of it I have no doubt. It's in their genes. But they do not define the opposition to Assad.

Senator BROWN. Admiral, can you comment on the contributions of the Guard and Reserve elements in SOCOM? How do you view their role now and how do you view the role in the future?

Admiral MCRAVEN. Sir, thank you. The Guard and Reserve have been absolutely essential to SOCOM's capability and their fight here in the last 10 years and really since the establishment of SOCOM back in 1987. We have two Reserve units, the 19th and the 20th Special Forces Groups, that do phenomenal work for us in Afghanistan. We have the 193rd Special Operations Wing, which flies some of our unique Guard and Reserve assets.

So we are very strongly enabled by the Guard and Reserve across all Service components of special operations. We expect that they will continue to be well-resourced in the years to come and play a vital role in U.S. special operations.

Senator BROWN. You welcome that role?

Admiral MCRAVEN. Absolutely, sir.

Senator BROWN. Thank you.

Thank you, Mr. Chairman.

Senator LIEBERMAN. Thanks, Senator Brown.

Senator REED.

Senator REED. Thank you very much, Senator Lieberman.

Gentlemen, thank you for your extraordinary service to the Nation and to the men and women that you lead with such distinction and their contributions also.

General Mattis, you indicated that the most significant threat in your region is Iran. Given the issue of strategy focus, where if you have limited resources you have to keep maximum pressure on the key threat, can you comment about what could happen if we either coordinated, supported, encouraged, or even participated in military operations in Syria with respect to the Iranians? Would this be neutral in terms of our efforts? Would this disrupt international collaboration? Would this create unanticipated and unwarranted advantages to the Iranians?

General MATTIS. Sir, I think that if we went into providing options, whatever they are, to hasten the fall of Assad, as long as those were put together in a coalition international form it would cause a great deal of concern and discontent in Teheran.

Senator REED. But the one area that would be problematic would be something that was perceived as unilateral or so dominated by the United States that this lack of international collaboration could undermine our intentions and our motives; is that true?

General MATTIS. I think international collaboration would be essential to the successful outcome.

Senator REED. So in effect we're working on, as we speak, pulling together that international context for efforts that are directed to the ultimate demise of the Assad regime; is that a fair characterization?

General MATTIS. Yes, sir.

Senator REED. Let me just take it one step further, because there's been discussion of establishing safe areas and safe havens. Operationally on the ground, let's assume that could be done. It would seem to pose some problems. First, the Syrian military forces are very well-organized and robust and fairly proficient. I don't know how long they would tolerate those safe havens.

But second, given safe havens, I think it would imply that someone would have to go in and organize training and organize, literally, an army. That could take months, if not years. Are those considerations being thought through carefully and what it would mean in terms of commitment and resources, and again deflecting efforts away from other more serious threats?

General MATTIS. Sir, I have not been directed to do detailed planning on these. I would prefer to take some of this in the closed session. But it would require regional or surrounding state support to do something like this. I've looked at the maps and there are no terrain-delimiting features where we could create those safe havens. In other words, you would have to create them using military forces. It's not like the mountains of northern Iraq, where the Kurds could be up in that area against Saddam Hussein.

It would be a significant commitment of resources. Of course, the international aspect could reduce our commitment if we got sufficient participation from others.

Senator REED. Thank you very much.

General Mattis and Admiral McRaven, one of the difficult points negotiating a strategy framework with the Afghans is the persistence of President Karzai to resist operations of our forces at night, even his own forces. Can you, Admiral McRaven, comment on how critical this is to us, and is there a way to somehow ameliorate his concerns but to continue to be tactically effective?

Admiral MCRAVEN. Sir, we think the night raids are essential for our task force to go after high-value individuals. The high-value individuals that we pursue during the course of a 24-hour period or days or weeks generally bed down at night. They are much more targetable at night, and, in fact, I think if you look at it tactically, what you find is the Afghans are actually much safer if we target an individual at night because there aren't so many people out and about in the little villages.

What we have done to reduce the Afghans' anxiety on this is the Afghan special forces are in the lead on all of our night operations. I think this is an important point. I know it is an important point that General Allen and General Mattis have made, as well as Ambassador Crocker, to President Karzai, is that these are his forces that are, in fact, surrounding a particular compound, trying to call out the specific individual, and the first forces through the door. We think that is the best way to reduce the Afghans' concerns.

But it is a critical tactical component of what we do every day in Afghanistan.

Senator REED. General Mattis, do you have any comments?

General MATTIS. I would emphasize, Senator Reed, that there is less chance of collateral damage, of innocent people being killed. I think that on a moral level, besides the military efficiency aspect, dictates that we continue these operations so long as the enemy keeps an active force in the field.

Senator REED. Thank you.

One of the principal assumptions going forward is that we will be able to operate with the Afghan National Forces (ANF), their police forces, their special forces, and their army forces, at small unit levels, which means essentially small groups of U.S. and

NATO personnel embedded with larger units. This is in particular something that your Special Forces soldiers and other operators do.

The recent attacks by Afghan military forces against American forces, literally the one-on-one violence, to what extent has that caused you to reevaluate that approach and that assumption, Admiral McRaven?

Admiral MCRAVEN. Sir, as General Mattis mentioned earlier, we have not had any what we refer to as green-on-blue incidents with respect to our partner relationships from SOF with the Afghans. But that's not to say, as General Mattis mentioned, that there couldn't be treachery in the ranks. I think we are always cognizant of that.

Having said that, we have built these partnerships over many years. They're very strong partnerships. We have great respect for our Afghan partners. We think that this strategy of partnering with the Afghans is absolutely essential to victory in Afghanistan.

Senator REED. General Mattis, any comments about the Afghan National Army (ANA) less so than the special operations community?

General MATTIS. Sir, the ANA is definitely defined by the tens of thousands of boys who fight loyally alongside us. Their casualties are routinely significantly higher than ours. They're doing much of the fighting now, and there's an increasing need for us to have mentors among them as they take the lead.

This will be something where we'll take every prudent measure, but at the same time it eventually comes down to the trust between young men fighting alongside each other. This is characterized by a high degree of trust overwhelmingly, although these tragic incidents become understandably what we hear about.

Senator REED. Thank you, gentlemen.

Thank you.

Senator LIEBERMAN. Thank you, Senator Reed.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

General Mattis and Admiral McRaven, thank you for your distinguished service to our country.

General Mattis, I wanted to ask you about the recidivism rate from Guantanamo Bay (GTMO). The Associated Press ran a story yesterday which I believe is misleading, and the headline was: "Not so many Guantanamo reoffenders." The story said that: "Far fewer detainees released from GTMO have rejoined terrorist activities than previously reported."

However, before this committee this is an issue that I've questioned many individuals about. Last year, Director Clapper said that the reengagement rates from former GTMO detainees who were confirmed or suspected of reengaging was 27 percent. In fact, just 3 weeks ago he was before our committee again and he actually said that the reengagement rate of those who had reengaged, who we've confirmed are in the fight or suspected to be reengaging, was actually increased, close to 28 percent. I believe it's 27.9 percent.

Of course, we've heard the same testimony from Secretary Gates as well as Secretary Vickers, that the way that we calculate the re-

civism rate is not just those who have returned, but those who are suspected of returning to the fight.

One of the big issues we have, of course, is that it's difficult to determine who has reengaged because we're so poor at confirming once they have reengaged. We can't always reconfirm who's out there, who's back fighting us again. Often we find them when we encounter them in the battlefield or elsewhere.

In my view, one terrorist reengaging us is one too many. The reason we've tracked both those who have reengaged and those we suspected reengaged is because that is a more accurate reflection of where we are with reengagement rates. There are two individuals I'd like to ask you about, General Mattis, who have reengaged in the fight. They are Said Al-Shihri and Abdul Zahir, two former GTMO detainees who've been released. One became a leader in al Qaeda in the Arabian Peninsula and the other became a leader in the Taliban in Afghanistan. Both of these former GTMO detainees have been actively involved against us and our allies.

Can you update the committee on the status of these two former illustrious GTMO detainees and what types of activities they're engaging in against us and our allies?

General MATTIS. Yes, thank you, Senator. On Shihri, he is the number two man in al Qaeda in the Arabian Peninsula. That's in Yemen. He is their number two military commander right now. He is engaged in active operations and we can confirm that.

On Zahir, he is a Taliban commander in Afghanistan and again engaged with us. I could get back to you with more specifics on what we've picked up in a classified setting.

Senator AYOTTE. I look forward to having more detail on that.

[The information referred to follows:]

[Deleted.]

Senator AYOTTE. But just to put it in perspective, both of these individuals are engaged in activities to kill Americans or our allies, are they not?

General MATTIS. That's correct, Senator.

Senator AYOTTE. I can't imagine how frustrating it must be for our troops to reencounter someone we've had already in detention. One of the concerns I have had is what do we do if tomorrow we recapture them, in terms of where do we detain them to interrogate them?

Admiral McRaven, you testified before the committee last year that, for example, if we got Ayman Al-Zawahiri that we couldn't hold him in Afghanistan, that we needed a long-term detention facility, that that would be helpful.

Where are we on that? What would we do if we captured, for example, the two individuals we just talked about again tomorrow in terms of interrogating them? Where would we hold them under the law of war? Have we solved this problem? Have we moved forward at all on it?

General MATTIS. Senator, I am confident that we would be able to hold them. Each case is looked at individually, so I cannot tell you in advance how we would do it. But if they're listening, I'd suggest they don't sleep well at night, because we're after them and we will hang onto them if we get them. I'm not quite certain where

we'll put them, but we will be interrogating them if they're alive, and we will do our best not to see them on the battlefield again.

Senator AYOTTE. But we don't have a designated facility, because we're essentially not taking anyone else in GTMO, as far as I understand it, pursuant to the administration's policy?

General MATTIS. There is not a designated facility, no, ma'am.

Senator AYOTTE. One of the concerns I have is we certainly can't hold everyone on a ship, particularly if we have to hold them in long-term detention. Would you both agree with me on that principle?

General MATTIS. Yes, ma'am.

Admiral MCRAVEN. Completely.

Senator AYOTTE. So it's not clear where we would put them if we captured them tomorrow?

General MATTIS. No, ma'am. We have captured some people and we have been able to facilitate their transfer to a detention facility.

Senator AYOTTE. I would hope that we would not bring those two individuals to the United States, because I'd have a hard time explaining that to my constituents when we have the availability of the GTMO detention facility. I would hope that wouldn't be an option, given how dangerous both of those individuals are. Do you think that's a good option, bringing them to the United States?

General MATTIS. That's a policy decision, ma'am. It's certainly an option for the President to consider.

Senator AYOTTE. Why wouldn't we just use the facility that's secure at GTMO?

General MATTIS. Ma'am, I'm probably not the right person to ask the question. It's a policy decision and I have no reservations as long as we have a facility to put them.

Senator AYOTTE. Admiral, is there anything you'd like to add on this?

Admiral MCRAVEN. Ma'am, in the case of Shihri and Zakir, if they are captured in Yemen and Afghanistan respectively, then obviously we have agreements with both the Yemenis and the Afghans that they could be held in their country of origin. So right now, for those two individuals, I think that would be the likely solution.

Senator AYOTTE. Admiral, I just wanted to follow up briefly. When you were before the committee last year for your confirmation hearing, I had asked you about Ayman Al-Zawahiri and I asked you the scenario if we caught him tonight in Pakistan where would we place him for long-term detention. Last year you said you weren't sure what we would do in that circumstance.

Has anything changed since then?

Admiral MCRAVEN. No, ma'am, nothing has changed since then.

Senator AYOTTE. Okay. Certainly we couldn't put him in Afghanistan. We can't take individuals who we've captured outside of Afghanistan, for example in Pakistan or Yemen, and bring them to Afghanistan for detention?

General MATTIS. That's our practice now, is not to do that, that's correct. It would take a government-to-government agreement to do something like that.

Senator AYOTTE. Where we already have existing issues we're trying to resolve with the Afghans on the secure way to deal with the detainees that they have now.

So thank you, both of you.

Senator LIEBERMAN. Thanks, Senator Ayotte.

Next is Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Let me add my appreciation for your service as well. Thank you.

I have a number of concerns about our presence in Iraq at the current time. I don't think that I have a clear understanding of what our mission is there. It's further complicated by the fact that we have questions about the new embassy, which is a significant building in terms of size, with a significant number of security contractors located there, perhaps not even functioning in a security role outside of the embassy. The embassy continues to be expanded, and I understand perhaps the Department of State (DOS) now is in charge of establishing what our mission in Iraq is.

Can either of you help enlighten me about what our mission truly is in Iraq today and how that might relate to the providing of security by contractors and the continuing expansion of a building that seems to be gargantuan in size already? General Mattis?

General MATTIS. Sir, as far as our mission in Iraq, it's going from a military-led effort in Iraq over the last 8 years to a DOS-led mission under the ambassador. I do have a lieutenant general with a small footprint on the ground, part of the Office of Security Cooperation-Iraq, and they are engaged in everything from the sale of certain military equipment, providing contractor-led training, to organizing the Iraqis who want to go to military schools in the United States so we maintain those relationships. That's what they're doing.

As far as the security contractors who actually protect the embassy, those come under DOS. But, having been there recently, they're simply doing the guard duty you would expect in a high-threat area.

As far as the size of the building, Senator, I'm really not competent to respond on that question, sir.

Senator NELSON. But it is big, isn't it?

General MATTIS. It's big, sir.

Senator NELSON. Thank you.

I'm trying to understand the role of the contractors there in providing security. In other embassies in other countries do we require ourselves to provide security or do we look to the host nation to provide security?

General MATTIS. Sir, the host nation provides the external security outside the grounds. Inside the grounds, it's sovereign territory and we do that. We do it generally with contract guards. Many of them are long-serving guards there. Inside the embassy building itself, you have Marine Corps security guards.

Senator NELSON. Is that the way it works in Baghdad?

General MATTIS. Yes, sir, it is.

Senator NELSON. The Iraqis provide the external security?

General MATTIS. They do, sir.

Senator NELSON. If our personnel are moving from one place to another, who provides the security?



General MATTIS. That security is provided by our own contract guards.

Senator NELSON. What level of security would the Iraqis provide externally to the embassy?

General MATTIS. In that zone, when you go there, sir, you see their checkpoints are set up some blocks away. They have patrols that go by. It's not just for our embassy; it's for other embassies in town as well, as they provide the kind of diplomatic security that's expected around the world. Here in Washington, DC, some policemen can provide it because the threat is very low. In a place like Baghdad, prudent measures require Iraqi army and Iraqi police to do the external security in a much more visual, obvious way.

Senator NELSON. Turning back to Iran, as we all know, the threat in Iran is real. You've discussed the relationship of Iran to Syria, to Hezbollah. On the television show, 60 Minutes, Secretary Panetta said that there was a red line for us. I know in the discussions between Mr. Netanyahu and the President in the last several days there seemed to be some closing of the gap on our different ideas about dealing with Iran and the growing concern.

What actions, military or otherwise, should we be considering in connection with Iran? I don't mean to put you in a classified position, but just generally could you give us your idea?

General MATTIS. Yes, sir. The Iranian threat is basically along four lines. There's their nuclear program, where they're enriching more uranium than they need for any peaceful purpose, and through denial and deception, they have tried to keep that program going. The International Atomic Energy Agency (IAEA) has tried its best to monitor it. They've had an unfortunate visit there recently.

The second threat is the long-range rocket and ballistic missile threat. That one has the attention of all of our friends in the region as far as how they protect against that.

The third threat is the maritime threat, and so we're going to have to be prepared to keep the sea lanes open.

The fourth threat is the Quds Force, the Iranian Ministry of Intelligence and Security (MOIS), their secret service, their surrogates, proxies like Lebanese Hezbollah, and other terrorists that they fund. On that one, it's largely a police and intelligence-driven effort as we try to contain that, but also our SOF work that issue very, very closely.

So there are four basic threats and we look to how we can check each one of those, working alongside some of the most enduring long-term partnerships we've had with some of the countries out there.

Senator NELSON. Since this is a budget hearing, in your opinion, does the current budget proposal deal sufficiently with the kinds of threats and the responses that we are now providing to those threats?

General MATTIS. It absolutely does, Senator Nelson. I can say this, though, because I'm first among equals when it comes to the combatant commanders. Basically, if I need something, I go to Secretary Panetta and I get it. So I'll just tell you that I'm well-resourced, sir.

Senator NELSON. Admiral McRaven, from your perspective?

Admiral MCRAVEN. Sir, I'm also exceedingly well-resourced.

Senator NELSON. You don't think that the budget was prepared under different assumptions and the circumstances have now changed with regard to that?

Admiral MCRAVEN. No, sir.

Senator NELSON. General?

General MATTIS. We will always have to adapt, sir. But right now I think the strategy is well-supported by the budget.

Senator NELSON. If circumstances were to change to where military action was required, would we be having to change circumstances then as well?

General MATTIS. Senator, active operations along those lines would be very expensive. Obviously, that's one of the characteristics of war. We're doing everything we can to try and deter war, to try to keep the stability, the peace, or what passes for peace, in the Middle East 1 more year, 1 more month, 1 more week, 1 more day, to allow Secretary Clinton and the diplomats to convince Iran this is not in their best interest, to go the way they're going now.

Senator NELSON. Would that apply in any engagement that we might have in Syria as well? Very expensive, and probably not provided for in the budget?

General MATTIS. I'm absolutely certain it would apply, sir.

Senator NELSON. Admiral?

Admiral MCRAVEN. Yes, sir.

Senator NELSON. Thank you, gentlemen.

Thank you, Mr. Chairman.

Senator LIEBERMAN. Thank you, Senator Nelson.

Senator CORNYN.

Senator CORNYN. Thank you, Mr. Chairman.

General Mattis, Admiral McRaven, thank you for your service to our country.

I want to focus a little bit on Iran, not surprisingly, in light of your testimony, General Mattis, where you say that their reckless behavior and bellicose rhetoric create a high potential for miscalculation in the region. In another area of your testimony, you say it represents perhaps the greatest immediate and long-term threat to regional stability.

I wonder if you would agree with the characterization of a think tank here in Washington, the Center for Strategy and Budgetary Assessments (CSBA), when they define Iran's strategy as anti-access/anti-denial (A2AD) strategy, designed to take advantage of the unique geographic attributes of the Persian Gulf? Rather than confront U.S. Forces generally directly, Iran could attempt to use ballistic missiles or terrorist proxies to coerce Gulf states to deny U.S. Forces permission to operate from their sovereign territory.

Without going on to describe that further, I wonder if you would agree with that characterization of Iran's strategy or if you have a different way you would characterize it?

General MATTIS. Senator, I would agree that A2AD is their modus operandi as they look toward active operations if it comes to that. But I would also add to the two threats they outlined, I would add the ballistic missile, long-range rocket capability they have.

Senator CORNYN. If the United States had a reliable source of oil from a friendly source, would we be as concerned about Iran's threat to block the Strait of Hormuz?

General MATTIS. I believe we would be, Senator, because of the vital interest to the world economy, which would have immediate and significant impact on our own economy and our own way of life if one nation, Iran, the only nation that's threatened to close the Strait, did so.

Senator CORNYN. Just to list the areas in the Middle East where Iran has its very clear fingerprints, I think it's helpful to remind ourselves from time to time just how they operate in Lebanon, through Hezbollah, a terrorist organization. In the West Bank and Gaza, we know that Hamas has received funding from Iran. We know that in Iraq, that Iran was the source of many of the explosively-formed penetrators that killed U.S. servicemembers. Of course, in Afghanistan and now in Syria.

Is there any other place that I've left off the list that Iran's fingerprints are most obvious?

General MATTIS. Absolutely, sir. I would add Yemen. I would add they've tried to get involved in the internal aspects in Bahrain of the shaking out there of the opposition to the government and the efforts by the government to engage that opposition. We believe Iran is probably trying to undercut that because they would not want to see those elements get together and come up with a Bahraini solution.

In Kuwait, they've had their spies captured. They've gone all over the place, sir. They enjoy this sort of thing. I would add that in Gaza, however, Hamas' pulling out on Assad, I don't know what the effect is going to be on Iran continuing to fund them since they've just pulled out support from Assad when, obviously, Tehran wanted them to continue supporting Assad. So we'll have to watch and see what happens there.

Senator CORNYN. What do you think Iran's reaction would be if there was a coalition of forces that intervened in Syria to stop the bloodshed there and the Assad regime? Would they sit quietly on the sidelines?

General MATTIS. No, sir. They'd try through their proxies and their surrogates to do some mischief there. I don't think you would see anything overt. I think they would try to keep their fingerprints off it, especially seeing that it would get them cross-wired with an international coalition of some kind.

Senator CORNYN. I know you've alluded to al Qaeda activity as opportunistic in the region. Part of their activity is to create sectarian strife and conflict. But it strikes me that, although al Qaeda is a non-state actor, its goals share a lot in common with that of Iran in terms of creating instability and conflict in the region, which then provides space for them to grow in power and influence.

Do you agree with that or do you have a different view?

General MATTIS. Coming from two different directions, obviously, al Qaeda would prefer to see Shias killed, as they're doing in Iraq, killing innocent Shias there. Iran, on the other hand, heightens the tensions between Sunni and Shia from a Shia perspective. Frankly, I don't know what the advantage they see accruing to themselves

for it, but it goes to your point: They're both doing the same thing; they just come from a different direction on it.

Senator CORNYN. Admiral McRaven, do you have any views on that?

Admiral MCRAVEN. Sir, I think General Mattis' characterization captured it well.

Senator CORNYN. I guess the challenge that the United States has is that Israel has said they will do whatever they need to do in their national self-interest to prevent Iran from gaining a nuclear capability that would threaten their existence. Secretary Pannetta has said that gaining a nuclear capability would be a red line that Iran would not be able to cross. The President of the United States said yesterday that his policy was not one of containment; it was to stop Iran.

You've talked, I think eloquently, about delay for a day or a week or months. But, having said that, nothing that we have attempted so far by way of sanctions has appeared to deter Iran on this pathway toward a nuclear weapon, where do you see this headed?

General MATTIS. Sir, I hate to speculate on something like this because in public I cannot make any casual statement. However, Iran has obviously missed several opportunities to engage positively with the IAEA, to respond to the U.N. Security Council resolutions. They're very much a problem and I don't see this going in the right direction until the full effect of the sanctions can accrue. I say "until" because even now as we see inflation and unemployment going up, the internal frictions have to start telling. At some point I think the Iranian people are going to question, is this the right direction?

So if we can keep this in a diplomatic, economic track and get full advantage of what these sanctions and the international isolation are doing; this country basically lacks any significant strategy ally. There are some that have blocked for their own reasons resolutions in the U.N., regrettably. But I don't see them having allies, and I don't count that little fellow down in Venezuela as a very significant ally.

Senator CORNYN. If I can just conclude on this, Mr. Chairman.

It sounds to me like we have a race, one to see if sanctions are successful in causing the regime to implode and thus deny their aspirations for a nuclear weapon; but if that doesn't occur fast enough, there's another parallel track where they are on a pathway to achieve a nuclear capability. The question is, for us and for the world, who's going to win that race, sanctions or a nuclear weapon?

General MATTIS. Yes, sir. I'm not sure that Iran needs to implode. I think that they can come to the realization that this organization that's running the country right now with these cosmetic elections they're running—they're not real free and fair elections—that this leadership is not what those people deserve. At some point, I hope they would say, we want to stop this program, and somehow those voices would be heard in a way that convinced them that they had to. The best we can do otherwise, sir, is delay them. Only the Iranian people can stop this program.

Senator CORNYN. Thank you very much.

Thank you, Mr. Chairman.

Senator LIEBERMAN. Thank you very much, Senator Cornyn.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Let me begin the same place I began last year with you, General Mattis. This comment extends to Admiral McRaven as well. If you look at these two gentlemen's records of service in the military, the ultimate reward of competent leadership is command. If you look at the number of times that command shows up on both of these leaders' military files, there's no two better people we could have in the positions that you are in, and you have my thanks for the contributions that you're making on behalf of our country.

I'd like to clarify something just as a result of the discussion that has occurred during this hearing. I don't think it's accurate for those who are pushing for a faster pace move toward military involvement in Syria to characterize those, including myself, who have been asking for us to be very careful in terms of how we define the opposition movements as simply some reductionist statement about al Qaeda.

I have put the question to General Dempsey, I put it to the DNI, James Clapper, my concern that we move forward in a careful way to define how much of this opposition is domestic, how much of it is regional, and indeed whether or not al Qaeda has been a player in it. In all of these situations we've seen over the last year, it's really important to stay on an examination of those realities.

General Mattis, as you pointed out in your opening statement, a good deal of what has been going on has been, for lack of a better term, the rupture of a social contract, such as it was, in this region. Again as you said, it's not predictable that there's going to be a democratic movement or a democratic result in some of these countries. In fact, the implications of what has been happening are going to play out over years. We're just not going to see a quick resolution in a way that we can say if it's a democracy or something else.

So it's very important to be careful in terms of what sort of military assistance would take place, if it were to take place, and with whom. I think I'm hearing that today and I'm glad that I am.

One of the pieces that I think has been missing from this discussion, not just here but in other hearings, is how we should be approaching China and what we should be expecting and asking from China in terms of asking for their assistance in terms of increasing the stability in the entire region. I think this is a good opportunity to get some feedback from you, General Mattis, on this.

We've been talking about Iran. We've been talking about Russia. There was a resolution proposed in the Senate Foreign Relations Committee that originally did not even mention China's participation. There was also the veto of the U.N. Security Council resolution.

In the region, I think we should be expecting more out of China in terms of stepping forward to attempt to resolve some of these issues. Pakistan calls on their most important friend. We have the sanctions that we've been attempting to move on Iran and we're not seeing clear assistance there.

With respect to the situation in Syria, I've been asking, why would they, why would China not support the type of resolution that went before the Security Council? Let's be honest here. This

is a system of government that has not been afraid to repress its own people. Probably the most glaring example of a repressive regime that survived over the past 23 years is the Chinese regime that sent tanks and troops onto its own people at Tiananmen Square in 1989.

We hope that their system has evolved beyond that by now, but perhaps that does play into these situations.

General, can you give us an idea of what it's been like to interact with the Chinese in the region in which you're responsible?

General MATTIS. I can't give you too much on that, Senator. I'll tell you, on counterpiracy efforts, there's a pretty fair collaborative effort, at the low tactical level, ship-commander-to-ship-commander, there have been no problems between us out there on the station in the Gulf of Aden. I notice that on Iran that China did come out with a rather strong statement that Iran getting a nuclear weapon was not in their interests and they did not support that effort.

I don't have very much contact with the Chinese in my region, though, sir. It's very, very limited. I would suggest it's probably more in the DOS realm; relations are pretty absent as far as military-to-military.

Senator WEBB. I would venture that in terms of cooperation on antipiracy there is a clear benefit, even on a tactical level, to the Chinese because now they're operating their navy in an area that they weren't operating in before. We welcome collaborative efforts, but I don't think we should look at that as some statement of national intent here.

I know this is principally a diplomatic question, but I hope that we might be able to pursue ways to encourage China to help us resolve these larger issues, whether it's Korea, whether it's Burma, but particularly in this region, where they clearly have geographic and strategic reasons to be further involved, even in a place like Afghanistan, where they know that they've now started moving economically. But we need to hear more from China.

Admiral, I think my time is going to run out. I have a question and I'd just like in a general sense to hear your policy with respect to officers who handle classified information that might, even on a temporary basis, end up in the hands of foreign nationals. Is there a policy if that were to occur?

Admiral MCRAVEN. Yes, sir, absolutely. Anybody that transfers classified information without the approval of the U.S. Government with that process falls under the Uniform Code of Military Justice (UCMJ) with a violation of the UCMJ.

Senator WEBB. What about just through negligence? They left something laying around?

Admiral MCRAVEN. Same thing, sir.

Senator WEBB. Okay, thank you very much, sir.

Thank you, Mr. Chairman.

Senator LIEBERMAN. Thank you, Senator Webb.

Senator McCaskill, I really apologize. I've seen you sitting there, but I think Senator Blumenthal in terms of original arrival is on the list first.

Senator MCCASKILL. Okay, no problem. I'll wait.

Senator BLUMENTHAL. If Senator McCaskill has another commitment, I'd be happy to——

Senator MCCASKILL. Absolutely not. Go ahead.

Senator BLUMENTHAL. Thank you.

Senator LIEBERMAN. Thanks.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you. Thank you, Mr. Chairman.

I want to add my thanks to both of you and the men and women under your leadership for your really extraordinary service, which I had the privilege to see a bit firsthand during my second trip to Afghanistan last February with Senator McCain and Senator Graham and others of my colleagues. As I mentioned to you, Admiral McRaven, I was particularly impressed by the really remarkable achievements of our special operators there. The numbers tell a powerful story, but so do the more anecdotal information, particularly about turning over a lot of this work and training to the Afghans themselves, which I think is a really unprecedented achievement in our military history in terms of special operations.

I hope that we all keep sight of that work and also, General, the work that all of our men and women there are doing, despite the incidents that may sometimes cloud the clearer picture that we should have and the appreciation that we should always maintain of the service and sacrifice and the achievements, a real success there.

I want to begin by asking, Admiral, whether you are satisfied with the work that is being done in terms of turning over that function to the Afghans themselves, of the night raids, the SOF, and what we can do, if anything, to help you in that very critical part of your mission?

Admiral MCRAVEN. Yes, sir. I've actually been very pleased with the progress. We have a number of efforts ongoing and have for quite some time in our partnership with the Afghans. U.S. SOF have had a collaborative effort with the Afghan commandos. They have built an Afghan special forces element. Some of our other special forces have partnered with all the Afghan partner units, and these are the forces that predominantly do the direct action raids and are leading on those direct action raids.

We also have our NATO SOF brethren that are partnered with a number of Afghan forces as well. So across the SOF spectrum, it is all about partnership and it is all about the Afghans leading in that partnership. Our progress certainly over the last year has accelerated dramatically and I'm very pleased with the glide slope we're on right now.

Senator BLUMENTHAL. One of the impediments, I think, to understanding generally in the American public about how successful we've been, not just in targeting and taking out those elements of the al Qaeda and Taliban leadership, but also with the very, very small number of civilian casualties that have occurred, is that the numbers are classified. But they are powerfully impressive. So I would just put a pitch to you that if we can declassify some of this information, it would really enhance the appreciation and understanding of the American public in general.

I want to move to a topic that has concerned me for a long time, the continued flow of IED bomb-making material from Pakistan,

which is the source of the vast predominant part of the components that go into the roadside bombs, and of course the roadside bombs themselves cause the majority of casualties to our troops.

We had testimony recently from James Clapper, the DNI, and from Lieutenant General Burgess, and Director Clapper very specifically said that his view is that Pakistan is not making a significant effort to stop the flow of those bomb-making components. I wonder if either of you have any views on that topic?

General MATTIS. Senator, it has been an area of frustration. It has been a serious topic of dialogue with us. They have passed laws now that will enable them to make arrests that they could not make before in this regard. They have also put together their C-IED strategy here in the last few months, and I need to get back into Pakistan and talk with them more about it. There is some reason for more optimism today than if I was testifying last year, but I need to do more homework before I can give you a complete answer.

At the same time, Pakistan, as you know, it's called the Federally Administered Tribal Area for a reason up in the north there. It's a very unique status that it's had since Pakistan became a country, and their level of sovereignty over everything that goes on there has also been at times nebulous.

So there are a number of factors that come to bear and I hope to give you a better report on this within about a month or 2, 3 at most, about where I really think they're at, are we seeing real progress or not.

Senator BLUMENTHAL. I appreciate your care and caution in commenting on the work that the Afghans and the Pakistani forces are doing in this area. My view is that they have not yet made a significant effort to stop the flow of ammonium calcium nitrate and other bombmaking components, based on everything that I have seen and heard. So I would appreciate any additional update you can give me at an appropriate time.

[The information referred to follows:]

[Deleted.]

Senator BLUMENTHAL. In the time I have left, I'd like to turn to a subject that really concerns all of our men and women in uniform, the proposals for changes in the retirement and health care systems. You in particular, General Mattis and Admiral McRaven, work with some of the most dedicated career professionals in our military. I am greatly concerned by the potential impact that some of these proposals could have on the ability of our military to attract the quality of people, and they are people of truly extraordinary quality, as you know better than I. But I have been very powerfully impressed by the kinds of people we are attracting.

Could you give me any concerns you have about these proposals and the ability of our military forces to attract and keep the kind of career professionals we have now?

Admiral MCRAVEN. Sir, I'll start on this and then turn it over to General Mattis. We see right now our recruiting goals in terms of SOF are up from previous years. I think if you polled a lot of those young men and women coming in, they probably wouldn't cite the health care and the retirement benefits as the reasons that they



are joining. However, it could very well be the reason that they stay after a certain point in time.

I think as we move forward we need to do some very prudent and careful looking at the retirement and the health care system, so that we keep those experienced noncommissioned officers (NCO) and officers in and take care of them for the services that they have rendered over the life of their careers.

General MATTIS. Senator, I would agree with Admiral McRaven. I've been on recruiting duty. Very few people come in and ask a lot about health benefits, unless they're quite old, and in the Marine Corps we didn't let them in, as you know from your service.

But on retention, I think it's something we have to look at very carefully. The point I make to our soldiers, sailors, airmen, and marines out in the field when I'm asked about it is: You will still have one of the best retirement systems, no matter what, because I'm confident that the Secretary of Defense and the Chairman of the Joint Chiefs will only bring forward those proposals that keep us able to attract the high-quality young men and women who look beyond the political rhetoric that goes on every day and sign up to defend this country.

So I'm optimistic that we'll find the right way forward on this, sir.

Senator BLUMENTHAL. Thank you very much. I think it is so profoundly important that we find the right way forward, because our greatest asset is the people, the men and women who serve and sacrifice for us. As much as we may talk about the hardware and the weapons systems and all the rest of it, our people are our greatest asset.

Thank you very much.

Senator LIEBERMAN. Thanks, Senator Blumenthal.

Senator McCaskill, patience is once again rewarded.

Senator MCCASKILL. Thank you, Senator Lieberman.

Correct me if I'm wrong, but I think that the last time I checked the gross domestic product (GDP) in Afghanistan without us is around \$2 billion, and the GDP with us is around \$16 billion. Does that sound about right? Am I off there, General Mattis?

General MATTIS. I'd hate to say it's right, but it sounds about right.

Senator MCCASKILL. By the way, thank you both for all of your service and your leadership. I have said repeatedly I am supportive of what we are trying to do in Afghanistan. But I have become increasingly skeptical about the infrastructure projects that we are spending money on. I have followed the saga of CERP from my first days on this committee. I have watched it have successes and, frankly, one of the things I've noticed is that, while everyone thinks the idea is good, we are yet to have an objective study that shows the value of a lot of the CERP money.

Now we have what I am affectionately calling the Son of CERP, which is the Afghanistan Infrastructure Fund (AIF), which is part DOS money and part DOD money, which, while not unprecedented in our history, is very unusual for our military to be building major infrastructure while we're engaged in a fight on the ground.

There's a reason for that, because I think typically the military would say the security needs are a problem and the sustainment

is a problem. It seems like we've blown over some of those considerations as we have engaged in some of this infrastructure building. I can give you anecdotally disasters in Iraq. In fact, I am trying to compile all of the infrastructure we built in Iraq and what the status is of it today.

But I think everyone knows it's not a pretty picture: how much got blown up; how much was never utilized; and how much sits crumbling. That's an incredible amount of resources of our country that we've invested.

Which brings me to the request for fiscal year 2013 for CERP and AIF. The projects that are being funded in fiscal year 2012 with this new AIF that DOD has requested, are three power projects, three transportation projects, and three water projects. According to the briefing that my office has received, you will finish these projects with fiscal year 2012 money, but some of them are not going to be finished until 2014.

Juxtaposition this with what we're envisioning in terms of drawing down. We have requests for 2013, and my question to you, General Mattis, would be what are those for? What is the almost billion dollars that we're requesting in CERP and AIF for? What major projects are we going to build beyond the ones that the fiscal year 2012 money is going to finish? How many years forward are we going to be working on those, and how many contractors will we leave on the ground as we try to manage our transition out of Afghanistan? Then I'll get to sustainment.

General MATTIS. Senator, I need to go back and take part of that question for the record so what I give you is absolutely accurate. I will tell you, ma'am, that we would not disagree that we've had significant problems in the midst of a war trying to do something that, as you point out, we've not done before.

However, we've also gone through a very rigorous scrub year by year now to try to reduce it to what is actually necessary, not what is good to have, but what is absolutely necessary to the counter-insurgency (COIN) campaign. It's a different kind of war that we fight today. The enemy has identified our strengths and has decided to fight us in a way that does not lend itself to us using our strengths—our mechanized divisions, our aircraft carriers—as the tool to win. They are enablers, but what we have to do is reach the people, and the reason we're in Afghanistan—and I know that you've supported us over the years on this—is to keep it from becoming again a terrorist safe haven for attacks on us.

Part of what we're trying to do here is take a society that was turned upside-down 30 years ago and bring it back into a way forward that at least provides the most basic services. We're not talking about things that perhaps at one time some more idealistic people were coming in with, a much broader idea about what we could do there.

So let me get back to you on this, what the major projects are, and I'll give it to you in great detail. I would tell you that the AIF was an attempt to break out of CERP, to give more fidelity to you for your oversight. I have no reservations about providing this, and if it can't stand the scrutiny that you give it, then we'll change it.

[The information referred to follows:]

The Afghanistan Infrastructure Fund (AIF) serves as a key force multiplier for Department of Defense and Department of State activities. AIF supports the overall counterinsurgency strategy and fuels economic growth while improving credibility of the Government of the Islamic Republic of Afghanistan (GIROA) with its own people. AIF is the economic cornerstone and is vital to the transition plan for redeploying U.S. Forces. It provides the average Afghan citizen visible improvements to the quality of life under GIROA and these improvements serve to discredit the influences of the insurgency. Specifically, AIF provides the long-term power distribution solution for a significant sector of the Afghan population and improves agricultural irrigation in the Helmand Valley region, a former enemy stronghold.

Senator MCCASKILL. I understand. Maybe I'm being a little cynical here. But I think part of this happened because it's very hard to get the funds for major infrastructure through the DOS budget.

Speaking of sustainment, we have big projects that were funded through DOS, that have not been sustained even in Afghanistan, and particularly as you look at the power plant. You look at the power plant in Kabul and it is hundreds of millions of dollars, and it's sitting there idle for most of the time, used for just overload situations. They're still buying electricity from the Stans. I don't think they have the capacity or the resources to operate what we've built for them.

That brings me to sustainment. On the highway funds, I looked at some of the materials that you provided my office on sustainment on the roads. Right now we have hundreds of millions of dollars we're putting into road and bridge projects which, by the way, as an aside, I will say we desperately need in this country. They're not going to get built while we build them, and we're not going to have to pay off the bad guys to create the security in order to build them.

There is no revenue in place right now to maintain or support these roads after we leave. In fact, there's not even a government road authority to focus on the networking operation. There was talk in the briefing that we received that we think they could.

To me, it has a lot more credibility that the government is delivering these services, which is ultimately the theory behind COIN, that we're trying to make the Afghanistan Government look like it's a real government to the people of Afghanistan, so they like them better than the Taliban.

Why aren't we requiring that the government do that first, that the government provide some kind of gas taxes or some kind of revenue that would maintain these roads, or at least a government-wide authority that would allow them to operate a system of roads and bridges in Afghanistan, before we put hundreds of millions of dollars of American taxpayers' money into these projects?

General MATTIS. Senator, they're very good questions. I won't tell you I have all the answers, but we are consistent with your view right now in everything we're doing. If they cannot sustain it, we're not going to build it. If it can't be sustained by the Afghans themselves then it's not going to be part of the program.

But I think we have to remember where we started there, and even finding educated people is difficult. There's not a big bench of people that we draw from. But I'm simply outlining the problem. We owe you a solution and I will get back to you with more specifics about the way ahead here.

[The information referred to follows:]

U.S. Forces-Afghanistan (USFOR-A) uses the Commander's Emergency Response Program (CERP) to, among other things, fund transportation improvement projects to provide the Afghanistan populace security, development, and governance by increasing freedom of movement. Proposed CERP projects must include a signed agreement with local ministry entities to provide sustainment for the completed project. USFOR-A identified the need to partner with the U.S. embassy personnel and the Government of the Islamic Republic of Afghanistan Ministry of Finance to ensure those sustainment estimates are included in their budgeting/spending plans. The U.S. Congress created the Afghanistan Infrastructure Fund (AIF) to eliminate the large infrastructure requirements levied upon CERP and yet provide a means to address large-scale infrastructure construction and repairs to support the Afghanistan Government's ability to provide for basic needs of its populace, like reliable power, water, and transportation infrastructure. There is a need to improve Ministry of Finance support for funding and training for Ministry of Public Works personnel to ensure highway projects funded with AIF are sustained.

Senator McCASKILL. I don't want anyone to misinterpret my willingness to pull some of this money out and put it in the highway trust fund in this country as not supporting what our military is trying to do there. But as we are transitioning out, it's almost like the two views are not matching up here. You know what the problem is, General, honestly; we can do this stuff, and Afghanistan can't. Let me give you all credit as leaders of an amazing organization. You tell the people under you that we want to do something, you know what? They're going to do it.

So we can build these roads. We can build this power grid. We can contract, we can do all of this, and it is a can-do attitude that is so part of our culture that I think sometimes there is a sense of denial about whether or not we can do it, but how this ends up at the end. I want to tell you, I believe with every intellectual capacity I have that this is not going to end up well on these infrastructure projects, that it's not going to be a good ending, that there are not going to be roads and bridges and cars, and that the Afghanistan Government is not going to have a good handle on this, especially in light of the time that you face in terms of us drawing down.

So I want these things to match up and I want to be realistic. I do think this part of the COIN strategy needs even more examination because I listened to Israeli Prime Minister Benjamin Netanyahu talk about it talking like a duck, quacking like a duck, looking like a duck, and it being a duck last night. This really looks like nation-building in every essence of the word, and I think there is more nation-building here than there really is COIN. That's my bias at this point, but I am certainly willing to be talked out of that bias with good objective proof points.

General MATTIS. Let me try, Senator. If I can't then we'll have to change something.

Senator McCASKILL [presiding]. Thank you. Thank you very much, General.

Thank you, Admiral.

I will call on Senator Hagan. She's the only one left.

Senator HAGAN. Thank you. Thank you, Madam Chairman.

Senator McCASKILL. I was looking around, seeing who else I could call on. But I guess it's just you.

Senator HAGAN. Last but not least.

General Mattis and Admiral McRaven, thank you so much for your testimony today and even more so for your service to our country. I agree with Senator McCaskill, we certainly do have a

can-do attitude and you can do great things, and I really do appreciate it.

Admiral McRaven, thank you for coming by my office yesterday. I did want to go over a question that we talked about. Several public reports have indicated that you are seeking several new authorities to give you more control over the deployment and utilization of SOF. For example, the New York Times recently reported that you want authority to deploy SOF without going through the traditional force generation process managed by the Joint Chiefs.

I know we've discussed this, but if you could also go over again: Are you seeking authorities that would provide SOCOM with additional control over the deployment and utilization of SOF?

Admiral MCRAVEN. Thank you, Senator Hagan. First, I appreciate the question. I appreciate the opportunity to set the record straight. As you said, there's been a lot in the news about this lately.

Every 2 years the Joint Staff goes through a staffing drill to look at the Unified Command Plan (UCP), which defines the roles, responsibilities, and the missions of the combatant commanders. Every year we go through a review of the forces which talks about the assignment of forces to those commanders.

What we at SOCOM have done is we are participating in that staffing process. Right now it is an internal process. My recommendations have not even gotten to the Chairman, much less the Secretary or the Commander in Chief yet. So I think it's premature to talk about what my recommendations are in an open forum.

However, having said that, what I would like to set the record straight on is that we will never deploy forces to a geographic combatant command without that commander's approval. We never go into another country without getting country clearance from the Chief of Mission, and the Chief of Mission always has a vote in whether or not U.S. Forces arrive in the nation that he or she is sitting in.

So there is nothing in my recommendations now, nor will there ever be, that talks about circumventing either the geographic combatant commander or the Chief of Mission.

Senator HAGAN. I think it's important to set that record straight, so thank you.

General Mattis, the Jordanians and the Turks share the longest border with Syria and they stand to bear the brunt of any refugee flows out of Syria. Senior officials from both governments have publicly stated that President Assad must go and they have indicated a willingness to receive the Syrians fleeing from the conflict.

But there's been little discussion about what the Jordanians and the Turks are willing to do to support Arab or western efforts to aid or arm the opposition in Syria. What is your understanding of the Jordanian and Turkish views on the situation in Syria, and would they support the provision of non-lethal and/or lethal assistance to the Syrian opposition?

General MATTIS. Thanks, Senator. I don't want to speak for them. I'll give you my view of it. I don't think they want to see the opposition armed right now. I think they want to see a more defined end-state. They want to know better who it is they're arming.

But again, I don't want to speak for them. I think that the refugee flows would be very destabilizing in either country, but especially so in Jordan, if they came in, because of the internal dynamics in the country there and our inability to get the Middle East peace process reenergized that might give some view of a Palestinian state, that would take some of that pressure off the country and leave only the refugees for them to consider.

As it stands now, I don't think they want the refugees inside Jordan. I think they want to set up the camps inside southern Syria and help them there. I know the King would do that.

Senator HAGAN. Is anything like that going on?

General MATTIS. There are humanitarian efforts under the Red Cross and the Red Crescent. Certainly both governments are looking toward what they can do for refugees, yes, ma'am.

Senator HAGAN. Thank you.

Admiral McRaven, concerns have been raised in the past that the heavy concentration of SOF in the CENTCOM AOR is degrading the cultural and language expertise of special operations personnel who have been traditionally focused on other parts of the world. You told the committee last year that one of the command's top challenges is to better understand the people and conditions in the places that we go.

How are you addressing the tension between the demand for SOF in CENTCOM and the need to maintain regionally aligned expertise elsewhere? It's a big world.

Admiral MCRAVEN. Yes, ma'am, it is. As I mentioned earlier today, we're in about 78 countries globally. So as we develop particularly our SOF officers and NCOs, part of their career path is to get language and cultural training. As you well know, at Fort Bragg this really is the center of excellence in terms of our throughput for those NCOs and officers.

Right now we have a pretty robust program that looks across the globe at our cultural and language requirements. I'm pretty satisfied with where we are. The issue is, as General Mattis well knows, about 80 percent of my forces are in CENTCOM. Having said that, that doesn't diminish the effort we are putting into the cultural training or the language training with respect to those other folks that are deployed globally.

It will be a function of balancing and probably reemphasizing some languages and some cultures as we move from a CENTCOM-centric environment to a more globally balanced environment over time.

Senator HAGAN. Thank you.

From time to time there are reports of Iranian support to the Houthis in northern Yemen. Given the ongoing surge by al Qaeda in the Arabian Peninsula, the matter of Iran's involvement in Yemen has been getting less press. General Mattis, can you update me on Iran's activities in north Yemen and are they continuing to provide material support to the Houthis?

General MATTIS. They are providing material support. Compared to last year at this time, they're providing more, to include weapons, not just money. But, interestingly, they are also trying to influence now the non-Houthi tribes and invite their political leadership to Tehran on expense-paid vacations basically, to meet with

certain leaders there. So it's very interesting. What you and I have seen over the years with the Houthis is now expanding in Yemen.

Frankly, I think Tehran sees the Lebanese Hezbollah kind of mental model for where they want to go down there.

Senator HAGAN. Have the Saudis raised concern with you about Iranian involvement in Yemen?

General MATTIS. Yes, ma'am.

Senator HAGAN. What's your assessment of the new government in Yemen? Are they interested in continuing to cooperate on counterterrorism matters?

General MATTIS. I believe they are, yes.

Senator HAGAN. What's the current status of DOD's security assistance programs with respect to Yemen, particularly the assistance program authorized under the most recent NDAA?

General MATTIS. Senator, the long delay in President Saleh leaving basically derailed some of our programs. During the internal frictions that were going on, we didn't want our people engaged in what was really something the Yemenis had to sort out on their own. So we're going to have to get with President Hadi and his organization now and start working this forward again.

We've taken a little bit of a lull, frankly, in what we were doing, but not across the board, not in all areas. I can speak more in private with you on some of that.

Senator HAGAN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

General Mattis, Admiral McRaven, thank you both for being here this morning and for your service to the country.

General Mattis, I'd like to begin asking you about what's happening with Pakistan. I had the opportunity to travel in August with Chairman Levin actually to Afghanistan and to see firsthand what was happening at that time in Afghanistan. One of the things that we did was fly over the Khyber Pass, and it was surprising to me because, obviously, I hadn't been there before, to see just the extent of trucks and vehicles and people lined up to cross at the Khyber Pass. Obviously, that was before the decision to close the Pass in November.

I wonder if you could talk about how important it will be to reopen the Khyber Pass? Last week General Fraser said that being able to get through the Pass would be important if we're going to withdraw personnel and equipment on the timetable that's been proposed. So please talk about where we are in negotiating reopening of the Khyber Pass and how important that will be.

General MATTIS. It is important to us. We have proven that we can sustain the campaign through the Northern Distribution Network and through what we call our multi-modal, which is basically part by air and part by sea, resupply of our effort there.

However, we do need the ground lines of communications through Pakistan. As far as the status of that discussion, I will fly to Pakistan here in about 10 days and we'll reopen the discussion. I think the parliamentary process as far as the new relationship with the United States will be reported out by that point. I think their military will be able to engage with us. They've been waiting

for the parliamentary process to be done and that's why there's been a bit of a delay.

Senator SHAHEEN. When you say they've been waiting for the parliamentary process to be done, does that mean they're looking for civilian blessing of reopening the Khyber Pass, or are they waiting for General Kayani and the military to support that effort?

General MATTIS. I think what happened was the parliament took up the issue about the relationship with the United States. There's been disappointments on both sides. That parliamentary committee has reported out to the parliament, as I understand it, or will very shortly, and I anticipate General Kayani will then have the parliament's framework for how this relationship will move forward, and will do what two different countries do, some with shared interests and some of our interests are not shared, and we'll try to work a way forward.

Senator SHAHEEN. But you're optimistic that we will see some progress on that?

General MATTIS. Yes, ma'am, I am.

Senator SHAHEEN. One of the other things we heard about on that trip was the importance of the cooperation that had gone on in the past on the border between Afghan, Pakistan, and ISAF troops in avoiding border incidents. Obviously, that situation seems to have deteriorated since that time. Can you talk about where we are in those relationships and whether there's hope to get them back on track to restore the kind of communication that would allow us to avoid those border incidents?

General MATTIS. Senator, even in our worst days here in the last several months when we were unable to talk about reopening the ground lines of communication and there was a lot of friction and statements in the press on both sides, even in those worst days our brigadiers and our colonels and our majors were meeting as we tried to coordinate better to avoid the tragedy that happened in late November.

It's actually been the one area where I can tell you we have not been hobbled. It's actually gotten better under this crisis that we've been through and the tragedy of those Pakistani soldiers that were killed by friendly fire, our fire. So it's going better now in the effort to preclude this from happening ever again.

Senator SHAHEEN. We're actually seeing that on the ground?

General MATTIS. Yes, ma'am.

Senator SHAHEEN. It's not just at the negotiation level?

General MATTIS. There are border coordination meetings going on now at different levels, and as soon as we get hit from the other side of the border we're calling the Pakistani military. In other words, the communication channels now are more mature. It's not perfect. I don't want to make this look like it's all okay. We have a lot of frictions along a badly demarcated border in some areas. But at the same time, it's the one area that held in there when everything else kind of came off the track, and it's the one area we're making progress on. We've exchanged standard operating procedures (SOP) for near-border operations. So when we're operating near the border, we have a shared SOP for how we will communicate.

Senator SHAHEEN. Thank you. That's encouraging.



General MATTIS. Yes, ma'am.

Senator SHAHEEN. Admiral McRaven, I want to also say, while I'm talking about our visit to Afghanistan, we visited one of the special operations efforts in one of the villages along the Pakistani border, and it was very impressive. Talking to some of the young men who were serving and hearing their enthusiasm for the work that they were doing was really inspirational. So thank you very much for that.

Admiral MCRAVEN. Thank you, ma'am.

Senator SHAHEEN. I'm pleased to see that the Navy is considering enhancements to the *Virginia*-class subs. In New Hampshire we pay a lot of attention to what's going on with the *Virginia*-class subs because they're worked on at the Portsmouth Naval Shipyard.

Can you talk about the work that's being done there and whether you're confident that the investment in that submarine technology is going to be what's needed and what additional capacity that will allow us to be able to do that is important?

Admiral MCRAVEN. Yes, ma'am. So I don't lead you astray, I'd prefer to take that kind of question for the record and then get back to you. What I can tell you, though, is that when it comes to special operations engagement with the Navy and particularly as the Navy begins to build or refurbish submarines, we are always part of that discussion. So whether it's the *Virginia*-class or other classes, the Navy has been exceptionally helpful in making sure that new special operations capabilities are incorporated into the submarines, because Navy SEALs and some of the Marine Corps SOF work off submarines quite often.

[The information referred to follows:]

The work accomplished at Portsmouth Naval Shipyard (PNS) is managed and executed by the Naval Sea Systems Command (NAVSEA). Special Operations Command (SOCOM) has no direct efforts with the Shipyard; however, through our partnership with the Navy and NAVSEA, we coordinate several projects. One of the more important efforts for Navy Special Operations Forces (SOF) is the management and planning of yard activities for the Dry Deck Shelter (DDS).

The DDS is a unique and highly valued national asset, in service for nearly 30 years. There are currently six DDSs, the first one built in 1982 by Electric Boat, and fielded on the USS *Georgia* (SSGN 729). The remaining five were built between 1987 and 1991 by Newport News Shipbuilding. The DDS service life has been extended to 40 years. With the first DDS reaching end of service life in 2022, significant efforts must be performed to determine an adequate replacement for the DDS to ensure a seamless, operational transition. The urgency to identify a replacement DDS is due to the increased reliance on this system by SOF and the Naval Submarine Force as the dynamics of missions change frequently, and a recognition that an interruption in availability could severely affect national security. Accordingly, the Navy and SOCOM have initiated efforts to develop the next generation DDS capability to continue support for current and future SOF and Navy undersea operations. Several new designs for the next generation DDS have been proposed, but the final solution is yet to be identified. Navy identification of an investment in a next generation DDS should be seriously considered in fiscal year 2013 in order to optimize the design, minimize the cost, and ensure a smooth transition.

The *Ohio*-class SSGNs are a highly valued host platform for SOF, due to their unique capabilities and expansive capacity; SSGNs are the only platform capable of deploying with dual DDSs, supporting the capability to sustain a large contingent of SOF operators capable of conducting multiple mission sorties, over an extended period of time, to the level of a special operations undersea campaign. This enduring SOF requirement for dual DDS operations can be traced back to the USS *Sam Houston* (SSBN 609) and USS *John Marshall* (SSBN 611), and cannot be fulfilled by any other submarine platform in the Navy inventory.

SOCOM and the Navy are exploring alternatives to sustain similar undersea platform capabilities in anticipation of SSGN retirement from the fleet in the mid-

2020s; the Navy is not considering construction of a new SSGN submarine. An alternative proposed by the Navy is to extend the length of the *Virginia*-class SSNs by approximately 90 feet [*Virginia* Payload Module (VPM)]. Although not the primary requirement for design of the VPM, the concept could include enhanced SOF capabilities as compared to legacy *Virginia* capabilities. While the class was designed from the beginning to support SOF, the added hull section will allow the submarine force to support a wider range of missions than currently possible with SSNs. However, VPM-equipped SSNs will not be able to provide SSGN-level SOF support given their smaller size.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator MANCHIN.

Senator MANCHIN. Thank you, and let me just say to both of you, as an American and a West Virginian, I appreciate your service and I'm very, very proud of what you do for our country.

With that being said, I'd like to go on to a few things. I have problems with the presence that we have and the direction that we've gone in Afghanistan. I've been very open about that. But with that, what you all do is unbelievable.

General Mattis, we now reportedly have 150,000 contractors, compared to 94,000 men and women in uniform, in Afghanistan. To me that is troubling. Do you know the percentage of the contractors that are ex-military?

General MATTIS. I wouldn't even hazard a guess, but I'll take the question, Senator, and try to get an answer for you.

[The information referred to follows:]

Although we do not collect this information, we recognize that many of the types of people who would gravitate to these private contractor jobs in combat areas are the same people who would have prior military service. While we cannot give a specific numerical answer to the question, of the total contractor population working in Afghanistan, 22 percent (or approximately 25,300) are U.S. citizens and a smaller number yet are doing military skill-set-type work.

I understand that our reliance on contractors could be competing with those who might otherwise reenlist. However, at our current and projected end strength, the military cannot retain all of the fine junior noncommissioned officers who wish to remain on Active Duty as we simply haven't the room to retain all of them. That said, we cannot identify any direct negative impact on readiness or our combat capability by those who leave Active Duty for service as a contractor.

According to a Congressional Research Service report dated May 13, 2011: "Using contractors to perform non-combat activities augments the total force and can free up uniformed personnel for combat missions. Since contractors can be hired faster than the Department of Defense (DOD) can develop an internal capability, contractors can be quickly deployed to provide critical support capabilities when necessary. Using contractors can also save DOD money. Contractors can be hired when a particular need arises and be let go when their services are no longer needed. Hiring contractors only as needed can be cheaper in the long run than maintaining a permanent in-house capability."

I offer this point because we are doing everything possible to reduce the costs of this war while retaining full military effectiveness and keeping faith with our troops.

Senator MANCHIN. Here's what I run into, sir. In the airports I stop the so-called soldiers of fortune, if you will, and I ask them where they're going? They're going to the front line, Afghanistan.

I ask them also how many of you are ex-military? Almost to a tee, it's 100 percent.

I ask this follow-up question: If it had not been for the contracting that attracted you with the higher salaries, would you still be in the military? Almost unequivocally, yes.

That tells me something's wrong. Then when I hear people say that we're going to be cutting back DOD and we'll be weakening, and they want to play political football with this. To me, we could cut back on contractors and basically put a certain amount of that towards our men and women in uniform. General Mattis, your budget, and Admiral McRaven, your request, we waste more money with contracting a year than you have asked almost for half of your budget.

To me, we could strengthen our men and women in uniform, strengthen our military, by basically drawing down what we do and the amount of money we spend on contractors. I don't think that should be a political football. That's just common sense in West Virginia. We say we're going to take care and strengthen the people that basically are on the front lines and not continue to spend so much money in attracting our best and brightest when they get their 10 years and, boom, they're dropping over.

I don't know if you can speak on this or not. But to me, when I go home people ask me: What are we doing? Why are we spending so much money trying to rebuild a nation in Afghanistan that doesn't care for us that much and doesn't want us there? We had more of our so-called allies killing Americans since February than we do al Qaeda and all the terrorists.

I don't know. General, please comment on this, and then, Admiral, what do you believe? How could we better strengthen your budget to do the job that we're allowing contractors to do now, but do it much more economically? Is that doable?

Admiral MCRAVEN. Sir, I will tell you that the budget I have right now meets all the needs for U.S. SOF for fiscal year 2013.

Senator MANCHIN. Would that be saying as long as you have the contracting support? If you didn't have that contractor support and we asked you to do the job that they're doing, could we do it more effectively and efficiently?

Admiral MCRAVEN. Sir, I will tell you, the contractors play a very vital role and no one should diminish the role that they play. It is expensive, but there are places and times where having a contract force works well for us, as opposed to putting uniformed military to use, whether it's a training mission, a security guard mission, et cetera. There are some places where you would rather have uniformed military than contractors.

So while I don't want to speak to the total size of the U.S. Government's contracting force, what I will tell you is that I think there is an appropriate balance between uniformed personnel and contractors, and the contractors do a good service.

Senator MANCHIN. As a civilian, what I found disturbing is that when I was over there—I've been there twice now—and I talked to the different servicemembers and I asked, when are you getting out; when you're getting out, are you going to reenlist? No, I'm not; I'm going to go over here and make three times more. Sir, that's disturbing. As a civilian, a taxpayer, and a lawmaker, it's disturbing. You go home to West Virginia and explain that our best and brightest are going out because they're going to go right back and do the same job in a civilian uniform, making two to three times the pay that they were in the military.

Admiral MCRAVEN. Sir, we had some of this problem early on within the special operations community after September 11, where we saw a number of our senior NCOs who looked over the fence, at what the contractors were providing and decided to make that leap at the time.

However, I will tell you our experience within special operations is most of those folks regretted that move. While it is only anecdotal in terms of their service, I can tell you the few that did get out regretted it. While we had a trend, we were able to correct that trend through appropriate bonuses and pays, but the fact of the matter is when we were able to correct that trend and we talked to some of those soldiers, sailors, airmen, and marines, a lot of them said, hey, we preferred to serve.

By the way, when you look at it from a cost-benefit analysis, you're much better off staying in the military over the long haul, because the retirement package is very sound, it is very good. A lot of these young fellows really just didn't do the basic calculation early on.

Senator MANCHIN. I'm troubled by this. But also, with our presence now with the turn of events in Afghanistan, I'm understanding we have slowed, or basically stopped, the withdrawal of our troops because of the violent unstable situation we have there. Is that slowing down or are we still on course to draw down, General Mattis?

General MATTIS. No, Senator, we have not stopped it. We have pulled the first 10,000 troops out. We have the plan coming, I think I'll have it on April 1, for the next 23,000 to come out.

Senator MANCHIN. You're talking about just people, just our men and women in uniform, correct?

General MATTIS. That's correct.

Senator MANCHIN. Not contractors?

General MATTIS. That's correct.

Senator MANCHIN. So contractors, we could even keep the same or beef up?

General MATTIS. Yes, sir, or reduce.

Senator MANCHIN. Yes, I would hope that. But I'm saying that's not been the case.

General, how many contractors do we still have in Iraq?

General MATTIS. Under the U.S. military, sir, I need to take it for the record, but I think it's probably around 500. They're doing training, they're people who can teach Iraqis how to use the new artillery piece or the new tank they bought from the United States. There are people who do that kind of training.

[The information referred to follows:]

As of the first quarter of fiscal year 2012 manual census there are 113,491 contractors in Afghanistan. Department of State (DOS) projects 14,000 contractors in Iraq, but currently 8,500 work under Department of Defense (DOD) contracts supporting both DOS and DOD missions.

Senator MANCHIN. We've pulled out of Iraq, correct?

General MATTIS. Yes, sir.

Senator MANCHIN. But we still have contractors doing the job that military would have been doing if we let military in there, correct?

General MATTIS. I have about 200 military personnel there, sir, under the Office of Security Cooperation-Iraq. That is a lieutenant general who is under the ambassador. They do the transfer of the actual equipment when it comes in. He then has several hundreds of instructors, and I'd prefer not to take them out of our ranks. I need them in the serving units.

Senator MANCHIN. I know my time is up, but if I could just finish up. As a West Virginian, and the people in West Virginia support the military as strong as any State that I know of, we believe that we can strengthen the military's position by being responsible with the budget, but it would come off the backs of the contractors that we've built up. I want to make that very clear. We do not, nor would I ever vote to weaken our military. I would strengthen our military. But I would deplete the contracting and the amount of money we spend on contracting to do that.

Chairman LEVIN. Thank you very much, Senator Manchin.

Senator Shaheen or Senator Manchin, do you have any additional questions?

Senator SHAHEEN. I do, Mr. Chairman.

Chairman LEVIN. Sure.

Senator SHAHEEN. It's not quite 12:00, so come on. We have a minute.

Chairman LEVIN. No, we have more than a minute if you need it.

Senator SHAHEEN. I know. I'm just kidding.

General Mattis, I would like to turn to Syria for a minute. I understand there have been a number of questions this morning about the opposition in Syria and who they are. But I'd like to raise a question about the weapons and the stockpiles that are there. Earlier last month, Senators Gillibrand, Collins, and I sent a letter to the administration to raise specific concerns about the threat of what happens to those conventional and chemical weapons.

According to a recent report, Syria probably has one of the largest chemical weapons programs in the world. So there are two concerns. First, what happens if those weapons are left unsecured? Could they potentially disappear and be used throughout the region? Second, obviously, is there any suggestion that Assad might actually use these weapons against the people of Syria? I wonder if you could comment on both of those questions.

General MATTIS. Yes, Senator, I can. In the conventional weapons, the large stockpiles there are certainly a concern. Out of the conventional weapons, the biggest concern I have are the shoulder-launched anti-air missiles, and you understand the danger.

On the chemical weapons, you're right to characterize it as one of the largest stockpiles in the world. If left unsecured, it would be potentially a very serious threat in the hands of, I will just say Lebanese Hezbollah for example, because they're in close proximity.

At the same time, they're not easily handled. Obviously, it takes highly trained troops to do that. I'm not saying it's a fait accompli that if they're left unsecured automatically someone can grab them and use them. They may end up frying themselves.

But I think that it's going to take an international effort when Assad falls—and he will fall—in order to secure these weapons. I

don't think he will use them on his own people, but that is speculation. We have not seen any effort to use it yet, but we're watching very closely. I think that what would stop him would be the international condemnation and probably the call to arms it would bring if he used chemical weapons. But right now that's purely speculation, Senator.

Senator SHAHEEN. Given our experience in Libya with the Man-Portable Air Defense System, should we be more comfortable that in Syria those are likely to be better secured than they were in Libya?

General MATTIS. I think perhaps better secured until Assad falls, and then we'll have to see if the forces guarding those retain control or not.

Senator SHAHEEN. Is there any planning under way to look at how the international community might address those weapons when Assad falls, in terms of coming in and making sure they are secure?

General MATTIS. I'm sure that would be part of the planning if the international community moves towards taking action. It would probably be a key part of the planning.

Senator SHAHEEN. But there's nothing under way right now that you're aware of?

General MATTIS. I'd prefer to speak privately with you about that, Senator.

Senator SHAHEEN. Thank you very much.

Senator MANCHIN. If I could just follow up, Mr. Chairman.

Chairman LEVIN. Sure, Senator Manchin.

Senator MANCHIN. Thank you.

To both of you, I will just say that you probably have more responsibility with your men's and women's boots-on-the-ground defending this country than any other branch right now. With that being said, where do you see the greatest threat we have as the United States?

General MATTIS. In the near-term, sir, and I'm CENTCOM-focused, but I look at North Korea, I look at China, you pay me to be a little broader than just CENTCOM. But my biggest concern is Iran. That is the nation with four different threats: first, its nuclear program, where it's enriching more uranium than it needs for peaceful purposes, and has rebuffed the U.N. efforts to try to monitor it. Second, they have the long-range rockets and the ballistic missiles that they can use and hold other nations at risk from the Mediterranean down into the Gulf Cooperation States. Third, they have their maritime threat, which they've been bellicose about closing the Straits. Then fourth, they have their MOIS, their secret service, their Quds Force, surrogates like Lebanese Hezbollah, that sort of thing, that they have going on as they fight this shadow war.

I think Iran is the biggest threat, Senator.

Senator MANCHIN. Admiral?

Admiral MCRAVEN. Sir, I would agree with General Mattis that Iran is probably the biggest threat. But I don't think we should take our eye off the ball in terms of al Qaeda or the violent extremist networks that are out there. As you look at al Qaeda's senior leadership, most of which still remains in the federally Adminis-

tered Tribal Areas, but you begin to see the franchises in al Qaeda in the Arabian Peninsula, East African al Qaeda in terms of Al Shabab, al Qaeda in the Islamic Lands of the Maghreb, and what they are doing in terms of North Africa, and the other al Qaeda franchise movements, these are something we need to continue to pay particular attention to because that cancer continues to grow, albeit at a slower rate.

Senator MANCHIN. If there's support that we should be giving you and the resources that you're going to be needing to meet these threats and keeping America safe, I would hope that you would be forthcoming. Probably in a private setting, we could sit down and see how we could best make sure that happens.

But again, thank you for your service. I appreciate it very much.

Chairman LEVIN. Thank you so much, Senator Manchin.

In terms of the risk from Iran, I had to leave here for about an hour so I could be with the Israeli Prime Minister and a number of Senators, and that's what the main focus was of that meeting, as I think it is of much of our concern these days. So your identification of Iran as the number one greatest threat we face, I think, is well-placed.

With that, we will stand adjourned, again with our thanks to both of you for your testimony, and our thanks to you and the men and women with whom you serve. Thank you.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

##### JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

1. Senator LIEBERMAN. General Mattis, as you assess your need for intelligence, surveillance, and reconnaissance (ISR) assets in U.S. Central Command (CENTCOM), what role does Joint Surveillance Target Attack Radar System (JSTARS) play in meeting those requirements? Specifically, could you perform your indications and warning and wide area surveillance missions without it?

General MATTIS. [Deleted.]

2. Senator LIEBERMAN. General Mattis, are there specific capabilities that should be added to JSTARS in order to enhance interoperability with ground forces or improve performance in relation to the specific threats in your area of responsibility (AOR)?

General MATTIS. JSTARS aircraft and crews continue to provide excellent support to ground and maritime forces in response to many different threats, both in a counterinsurgency environment like Afghanistan and increasingly in a maritime role. I welcome and endorse Air Force efforts to rapidly integrate the new Enhanced Land/Maritime Mode (ELMM) capability onto the JSTARS platform. It will greatly amplify JSTARS effectiveness in the maritime environment by increasing the sensitivity to small boat targets, even in the presence of radar clutter due to high sea states and by improving the geolocation accuracy for maritime targets. ELMM should be present on all JSTARS platforms deploying to the AOR.

#### QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

##### MILITARY RETIREMENT

3. Senator BLUMENTHAL. Admiral McRaven, under the President's fiscal year 2013 budget proposal, there is a request for Congress to "establish a commission with Base Realignment and Closure-like authority to conduct a comprehensive review of military retirement in the context of total military compensation." Please provide the number and percentage of the Special Operations Forces (SOF) personnel that do not reach the 20-years-of-service mark, the number and percentage of SOF personnel who reach the 20-years-of-service mark, and the number and percentage of SOF personnel who reach the 25-years-of-service mark for the last 10 years.

Admiral McRAVEN. That is a very complex question, and varies for each SOF specialty and for officers and enlisted. Part of the problem is that each of the Services is responsible for the maintenance of the records for each one of the military servicemembers within U.S. Special Operations Command (SOCOM). Once the servicemember leaves SOCOM or the SOF components for new units or to retire, their records fall under the control of the Service that they are from. Unfortunately, at this time, SOCOM does not maintain this data.

4. Senator BLUMENTHAL. Admiral McRaven, please provide any concerns you may have regarding the retention of SOF past the 20-years-of-service mark, and the retention of SOF personnel if the military retirement system were to be reformed as outlined in the President's fiscal year 2013 budget proposal.

Admiral McRAVEN. Retention of SOF personnel is acceptable, and each Service's retention model supports long-term SOF retention and force structure sustainment. While a struggling economy has led to some of the highest overall retention rates in years, many highly trained, skilled, and mature SOF members remain aggressively recruited in the civilian market, placing them at a greater risk of loss to lucrative opportunities in the private sector and/or with other government agencies. The Services' continued support of robust, SOF-focused retention initiatives will have a positive impact on the retention behavior and readiness of our SOF personnel.

The President's fiscal year 2013 budget proposal to establish a Military Retirement Modernization Commission, which, if enacted, will recommend improvements to the military retirement system, should contain provisions that any major military retirement reforms include grandfathering for those currently serving in the military.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

##### MANAGEMENT OF CONCUSSION/MILD TRAUMATIC BRAIN INJURY IN DEPLOYED SETTING

5. Senator MCCAIN. General Mattis, in June 2010, the Deputy Secretary of Defense issued DTM 09-033, "Policy Guidance for Management of Concussion/Mild Traumatic Brain Injury (TBI) in the Deployed Setting," setting forth specific policies and procedures for protection of servicemembers exposed to blast or other concussive events, to include medical evaluation, 24-hour rest for exposed personnel, and reports and procedures for evaluation of recurrent concussions sustained by U.S. servicemembers. How has this policy been implemented within the CENTCOM AOR?

General MATTIS. CENTCOM Fragmentary Order 09-1656, originally published July 2010, directs that leaders at all levels, as well as medical personnel: (1) are trained in recognition of potentially concussive events and protection of servicemembers involved; (2) track personnel involved in events and use available tools to record these events tactically and in the medical record; and (3) screen, medically evaluate, and begin treatment immediately after an event. Commanders support implementing mandatory rest periods since they now see 97 percent of their concussed troopers returned to duty compared to 50 percent 2 years ago.

6. Senator MCCAIN. General Mattis, what is your assessment of the impact of this policy on operational readiness of units in a deployed setting?

General MATTIS. My commanders on the ground have found that the policy assists in operational readiness for a number of reasons. First, it is clear and provides specific guidance for commanders to execute. Second, since most concussion care centers report a greater than 95 percent return to duty ratio, loss of manpower is minimal. And third, front line leaders see good, effective results in returning servicemembers. The policy has increased operational readiness of units that experience high rates of blast exposure.

7. Senator MCCAIN. General Mattis, would you recommend that this policy be extended beyond its current expiration date of July 1, 2012?

General MATTIS. Yes. The policy is currently under review for publication as an enduring Department of Defense (DOD) issuance. I support this policy as it unquestionably standardizes and improves the training, tracking, and treatment regarding mild TBI for our servicemembers.



## U.S. NAVAL ASSETS IN THE GULF REGION

8. Senator MCCAIN. General Mattis, your statement notes that the Bahrain security relationship is the cornerstone for our collective security in the Gulf region. There has been some discussion about adding ships to the Fifth Fleet stationed at Naval Air Station (NAS) Bahrain. What additional ships are being assessed?

General MATTIS. The presence of U.S. naval assets in the Gulf region varies based on articulated requirements of the combatant commander and as coordinated by the Joint Staff and approved by the Secretary of Defense. As part of a CENTCOM request for forces, four mine countermeasure (MCM) ships will soon deploy from San Diego to Bahrain: USS *Sentry* (MCM 3), USS *Devastator* (MCM 6), USS *Pioneer* (MCM 9), and USS *Warrior* (MCM 10). This deployment will bring a total of eight MCM ships in theater for a short period of time.

The *Austin*-class amphibious transport dock ship, USS *Ponce* (LPD 15), delayed its scheduled decommissioning to serve as an interim afloat forward staging base (AFSB) in support of MCMs, aircraft, and patrol craft (PC) ships at sea with refueling, resupply, and maintenance. Basing for USS *Ponce* has not been determined. Additional ships being considered include five coastal PC to be home-ported within the CENTCOM AOR. However, these PC are in preliminary stages of assessment and no decision has been reached regarding their deployment.

9. Senator MCCAIN. General Mattis, will these ships require any upgrades to waterfront facilities or piers?

General MATTIS. Upgrades to waterfront facilities and piers are necessary. Quay wall repair, pier replacement, ship service utilities, ship maintenance shops, and warehouse space are all needed to support ship loading. Ship berthing is constrained at Naval Support Activity (NSA) Bahrain and the existing pier and quay wall are in poor condition and require significant repairs to keep them viable in the future. Although the Navy routinely requires up to 2,000 linear feet (LF), the Navy has a lease that provides priority use of 540 LF of pier space and anticipates a need for more space. Waterfront development under construction at NSA Bahrain will provide the Navy exclusive use of 2,000 LF of required quay wall. Current warehouse space demand exceeds capacity by 30 percent and no ship maintenance space exists. The Waterfront Development Phase IV project that was programmed by the Navy for fiscal year 2012 but not authorized includes a warehouse that would meet warehouse requirements.

## INFRASTRUCTURE REQUIRED TO SUPPORT FORCES AT ISA AIR BASE

10. Senator MCCAIN. General Mattis, the United States also operates at Isa Air Base south of Manama. What is your plan for the transition of this base from tents to a more robust set of facilities and infrastructure?

General MATTIS. We are coordinating with the Bahraini Defense Force on the infrastructure required to support our forces at Isa Air Base. We are planning for limited construction at this location but may improve living quarters to relocatable and arch-span buildings. Infrastructure planned for storage of munitions and aircraft parking at Isa are required to support current and future operations. The facilities improvements at Isa are to be U.S.-funded and the ammunition magazines (\$87 million) and aircraft parking area (\$37 million) are fiscal year 2011 authorized projects. We will upgrade the living conditions through the purchase and installation of containerized, relocatable buildings (\$15 million).

## U.S. FORCES IN KUWAIT

11. Senator MCCAIN. General Mattis, with the withdrawal of U.S. Forces from Iraq, we have repositioned significant forces in Kuwait and are in the process of redefining their roles and missions. Can you describe your long-term plans for U.S. Forces in Kuwait?

General MATTIS. [Deleted.]

12. Senator MCCAIN. General Mattis, will your plan propose an enduring base, and if so, where?

General MATTIS. We have proposed enduring access to five specific Kuwaiti bases to support efforts focused on the defense of Kuwait and support for regional stability. In our Theater Posture Plan we note those locations where we desire enduring access and capability to meet current and future mission requirements. The Kuwait locations are also noted in the Global Defense Posture Report to Congress sub-

mitted annually by the Office of Secretary of Defense (OSD). There are no plans to expand or develop new bases and there is no change to our previous requests for access to select Kuwaiti bases. We regularly adjust our requirements at each base to meet the mission requirements. In fact, by the end of 2013, we intend to return Camp Virginia back to Kuwait.

Our basing approach is to share existing host-nation bases where possible to sustain our force presence and provide the capability to meet our directed operational requirements. We have a long history and partnership between our countries before, during, and after Operation Desert Storm that fosters a cooperative relationship at Kuwaiti bases to establish an enduring footprint to support our forces and mission requirements. These improvements ensure the required capability is maintained at appropriate levels of readiness and to adjust to the Kuwaiti plans for base development. Additionally, we have periodic meetings (monthly to biannually) at different levels in accordance with our Defense Cooperation Agreement where we discuss posture proposals and develop a cooperative action plan for posture development that supports our common security interests in the region.

13. Senator MCCAIN. General Mattis, will your plan involve the need for investments in facilities, ranges, and infrastructure, and if so, please provide a description of those investments.

General MATTIS. We are developing joint plans with the Kuwait Ministry of Defense that may require additional infrastructure. Potential infrastructure under consideration includes joint training ranges, airfield improvements, and equipment storage facilities. We are pursuing host-nation funding for this infrastructure since it is our policy to do so in Kuwait. Negotiations for the training facility improvements are not complete; therefore, we anticipate there will be shared cost for these facilities. These infrastructure plans reflect our military-to-military relationship and are normally less expensive than other combatant commands.

#### AFGHAN SECURITY FORCES FUND

14. Senator MCCAIN. General Mattis, the Chairman of the Joint Chiefs of Staff, General Dempsey, recently stated that the “key to long-term stability in Afghanistan is the development of the Afghan Security Forces (ASF).” Yet, the budget request for the Afghan Security Forces Fund (ASFF)—a fund that resources the training and equipping of the very Afghan forces that will soon be in the lead—is cut nearly in half from last year. What is the reasoning behind such a significant cut to the ASFF, particularly given the increased role ASF are to assume next year?

General MATTIS. The budget request for fiscal year 2013 does not represent a cut but a transition to the next, less expensive, phase of the program. Our assistance to the Afghan National Security Forces (ANSF) is comprised of a build phase and a sustainment phase. The ANSF has been steadily growing in capability for several years and will achieve their planned end-strengths in fiscal year 2012. Fiscal year 2013 represents the transition to sustaining these force levels. Whereas the build phase was characterized by large expenditures to construct infrastructure, procure equipment, and establish the training curriculum, the sustainment phase will focus on continuing training and operations and maintenance sustainment spending, which is much less costly.

15. Senator MCCAIN. General Mattis, what do you view as the most significant challenges to the ASF becoming an effective and sustainable entity?

General MATTIS. The greatest challenge for the ANSF is its development of a national sustainment network that integrates national-to-tactical levels of logistics. The logistics network must procure, prioritize, and distribute supplies and equipment to the regional nodes for issue to tactical formations. Additionally, ANSF leadership must understand how to see and manage the process, adjusting controls and inputs to influence negative readiness indicators. Other challenges include developing a wide range of enablers to support the ANSF and the international financial commitment beyond 2014.

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#### QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

##### FIFTH-GENERATION AIRCRAFT

16. Senator CHAMBLISS. General Mattis, you note in your written statement that “through persistent military engagement, CENTCOM will maintain a presence in the region to protect vital interests, prevent future conflict, ensure access in the

event of a crisis, and invest in future regional security.” Regarding ensuring access, there are numerous countries in the CENTCOM AOR—some of which classify as adversaries of the United States—that have advanced surface-to-air missiles (SAM) that constitute a robust defense of their airspace and key potential targets. Traditional 4th-generation fighters would generally not be capable of penetrating this airspace or striking these targets. Yet CENTCOM does not have any permanently-based 5th-generation stealth fighter aircraft or bombers which you could rely on for short notice or emergency operations.

Given this lack of 5th-generation or stealth capability permanently stationed in CENTCOM’s AOR, at the unclassified level, can you share what options the United States might have if we required the ability to quickly penetrate denied airspace on short notice, and how confident are you that the United States would be able to attain the access we need in a short-notice or emergency situation?

General MATTIS. CENTCOM maintains a robust force posture within the AOR, and can rapidly deploy personnel and assets on alert from outside the AOR. If required to quickly penetrate denied airspace, we could do so with a variety of land, air, and sea-based systems, to include long-range standoff weapons. I am confident in our abilities to hold any adversary at risk and gain access in support of our mission goals. Additionally, I would be pleased to provide more details to you at the classified level.

#### AIRCRAFT PROCUREMENT

17. Senator CHAMBLISS. Admiral McRaven, I understand you are recapitalizing the Air Force Special Operations Command (AFSOC) fleet with C-130J SOF variants. Would a faster annual procurement rate of aircraft be beneficial in order for SOCOM to better fulfill its requirements?

Admiral McRAVEN. Securing a common airframe as the basis for my AC-130J gunship and MC-130J mobility fleets greatly reduces my logistics, maintenance, and aircrew training issues. It also improves my operational flexibility to shift the force to respond, as needed, with equally capable assets. The Air Force procures the basic MC-130J aircraft with Major Force Program (MFP)-4 funding on our behalf, therefore I defer to them to determine the most efficient procurement strategy; however, we believe the optimal quantity for SOCOM’s AC/MC-130 recapitalization rate is eight aircraft per year. Less than eight aircraft per year extends our reliance on the aging legacy fleet, thus forcing higher sustainment, modernization, and flying-hour costs. All of these factors hamper our ability to deliver timely, effective combat-ready aircraft.

18. Senator CHAMBLISS. Admiral McRaven, at the current buy rate it appears that some of your AFSOC squadrons will be in transition for several years. What is the readiness impact of an extended transition from older aircraft to newer aircraft within a squadron?

Admiral McRAVEN. SOCOM is in the process of recapitalizing its fleet of legacy mobility MC-130s and AC-130 gunships, many of which are approaching 50 years old, and have been continuously deployed since 9/11. The current 94-aircraft fleet of six disparate versions will be recapitalized into two fleets of 57 MC-130Js and 37 AC-130Js with significant commonality between them. A fully-recapitalized fleet will greatly simplify sustainment and training, while significantly increasing operational flexibility and combat capability. AC/MC-130Js will be more capable than the legacy aircraft, will have smaller crew compliments, and will have significantly lower costs per flying hour and substantially higher mission capable rates.

Today, AFSOC has all six versions of legacy AC/MC-130s either deployed to the current fight or training SOF units. The current recapitalization plan, though extending out until 2025, is executed sequentially by platform and by squadron at a manageable risk level. As we build up MC-130Js we are retiring MC-130Es. Next will be the MC-130Ps and then the MC-130Hs. In a few years we will begin recapitalizing the AC-130H, followed by the AC-130W, and lastly the AC-130U. Sequencing the platforms allows us to sustain a manageable training pipeline, both operations and maintenance, while building up and modifying the supporting infrastructure. Any further negative adjustments to the recapitalization rate will have severe impacts to our combat readiness as we continue to shed the legacy support infrastructure and manage our personnel to match the growth in new capability. Additional disconnects in the programmatic will increase costs and threaten the executability of the overall effort.

19. Senator CHAMBLISS. Admiral McRaven, would the stability of a multiyear contract with larger annual aircraft buys improve your ability to respond to multiple low-intensity conflicts?

Admiral MCRAVEN. Having a common airframe as the basis for my AC-130J gunship and MC-130J mobility fleets greatly reduces my logistics, maintenance, and aircrew training issues. It also improves my operational flexibility to shift the force to respond as needed with equally capable assets. As far as a multiyear contract is concerned, the Air Force procures the basic MC-130J aircraft with MFP-4 funding on our behalf, therefore I defer to them to determine the most efficient procurement strategy. My MFP-11 funding only adds the unique capabilities that bring the aircraft up to a required SOF standard. Therefore, if we increase the number of aircraft purchased through the Air Force program, we need to ensure the MFP-11 costs are aligned as well for any post production modifications we will have to do. That said, the optimal quantity for SOCOM's AC/MC-130 recapitalization rate is eight aircraft per year. Any fewer extends our reliance on the aging legacy fleet at a much higher rate of sustainment, while any more stresses our capacity to deliver timely combat-ready aircraft. This optimal rate also addresses the problems we anticipate with changes to the National Air Space and in the global air traffic management system, since there is a clear path for avionics upgrades on the J model that does not exist for the legacy platforms.

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QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

TRAINING OF AFGHAN SECURITY FORCES

20. Senator WICKER. General Mattis, since fiscal year 2005, annual funding to train the ASF has grown rapidly from \$1.3 billion to \$7.4 billion in fiscal year 2007. In 2008, DOD announced plans to double the size of the ASF over the next 4 years at a cost of about \$20 billion. Building the capacity of the ASF is a key element of the administration's Afghanistan policy. Beyond measuring the number of graduates of ASF training programs, it is difficult to gauge the capacity and effectiveness of these troops. How capable are graduates of our training programs in Afghanistan?

General MATTIS. In Afghanistan, capability is relative to the maturity of our programs. Some graduates, such as those from the National Military Academy of Afghanistan (NMAA), are perhaps the most capable of graduates from any training/education program in Afghanistan, producing graduates who meet required standards. Those graduates with previous military experience tend to be well above the standard. They are all literate, educated, and have been exposed to military, physical, and ethical education programs.

Measuring the capacity and effectiveness of the Afghan National Police (ANP) is difficult. There is only anecdotal data to date. NATO Training Mission-Afghanistan (NTM-A) is developing the training development process within the ANP-Training General Command, a process that includes validation and assessment of training.

Afghan National Army Special Operations Command (ANASOC) Commando and Special Forces soldiers must meet minimum qualifications for entry into the force which far exceed that of the average Afghan National Army (ANA) recruit. Most ANASOC soldiers are minimally literate; with Special Forces soldiers having at a minimum a seventh grade level ability. Additional courses taught by the ANASOC School of Excellence (SOE) further propel their already advanced soldiers to a higher level. Also, SOE Programs of Instruction (POI) have been adjusted to support special operations requirements and incorporate values-based instruction with the ultimate goal of producing an ethically based, professional force.

The optimism regarding the capabilities of ANSF graduates is evident across a broad spectrum of operations and security. This is evident as graduates are providing security in Kabul and better control of border operations resulting in increased revenues. The maturity of the recruiting program and the increased literacy rates are also very encouraging.

21. Senator WICKER. General Mattis, how are we screening applicants for our training programs?

General MATTIS. ANSF applicants are screened using an eight-step vetting process. Recruiters work closely with village elders and mullahs to validate the authenticity of each candidate's application, which includes personal identifying information, photos, Tazkera (Afghan ID card provided by the regional Population Registration Department), and two recommendation letters from village elders or guarantors. Recruits are then interviewed at local recruiting centers and undergo criminal

background investigations. Following these initial steps, the recruits are transported to their respective training center for medical/drug screening and biometric enrollment/collection. The biometric data is used as an extension of a recruit's criminal background investigation, which prevents disqualified candidates from returning or absent without leave personnel from joining another branch of the ANSF. This eight-step vetting process has proven very successful in identifying previous bad actors from joining the ANSF ranks and has aided in criminal prosecution of those linked to previous crimes. For example, in 2010 the Afghan Air Force had approximately 3,600 airman enrolled of which 17 had criminal matches and were referred to the Ministry of Defense for further investigation.

22. Senator WICKER. General Mattis, what tools do you utilize to ensure that prospective applicants are not members of the Taliban?

General MATTIS. In addition to the eight-step vetting process, U.S. Forces are collecting biometrics data on prospective applicants through three principal biometrics collection devices. Biometric data collected is matched against Afghan watchlists and databases and then transmitted to the DOD authoritative database, the Automated Biometric Identification System (ABIS) in West Virginia where all data is retained for future reference. This has proven very successful in linking applicants to prior incidents such as a Herat applicant that was linked to recent improvised explosive device attacks in Kandahar.

23. Senator WICKER. General Mattis, are applicants literate and willing to learn?

General MATTIS. The exact literacy rate in Afghanistan is difficult to pinpoint, although data extracted from other sources United Nations/United Nations Educational, Scientific, and Cultural Organization puts the literacy rate of the ANSF at approximately 14 percent. Currently, the literacy program has more than 118,000 personnel in training. To date, more than 26,000 ANSF personnel have graduated from the program, achieving a level of functional literacy that will enable them to make meaningful contributions. On the average, 9 out of 10 recruits are illiterate and innumerate. All recruits who cannot prove they are literate upon enlistment take a placement test to check competency and placement at the appropriate level of training. Of these recruits, only 5 percent demonstrate functional literacy. Qualitative evidence from the program demonstrates a high level of motivation among recruits. The importance of literacy is reiterated to recruits by their ANA or ANP chain of command. The recruits' achievement rate (almost 100 percent) in the basic literacy program reflects this motivation. The program not only builds military and policing capability, but is the largest adult literacy program in the country and is having a positive impact on the overall rate of literacy in Afghanistan. This will require time and a deliberate effort to make literacy an enduring program.

24. Senator WICKER. General Mattis, are graduates of our training programs able to comprehend American military values of respect for civilian authority, rule of law, et cetera?

General MATTIS. Yes, more and more every day. NTM-A continues to increase its focus on professionalization of the ANSF as it reaches its growth targets. The ANA Company Commander's Legal Course focuses on the ANA's military justice system and the law of armed conflict. ANP training includes Afghan Law, Constitution of Afghanistan, Afghan Statutory Law, Sharia Law, Code of Conduct, and the Inherent Law of Officers and Noncommissioned Officers (NCO). Human rights are woven into all ANP training.

The Afghan Ministries of Defense and Interior continue to improve and increase leadership development by focusing on increasing the quality and the capacity of officer and NCO training. Both ministries have approved a respective Core Values Statement, a one-page document that identifies their core values under "God, Country, and Duty."

Planning and initial steps to incorporate the six values (Integrity, Honor, Service, Respect, Courage, and Loyalty) into all ANA training curricula is ongoing. Moreover, all NMAA graduates are able to comprehend American military values and have been exposed to respect for civil authorities, rule of law, and ethics classes. However, though graduates might be well-versed in such values, their practical and intellectual application is questionable, especially if it conflicts with cultural norms.

The ANASOC has its own comprehensive values campaign aimed precisely at professionalizing its force. Many of the topics covered in the Law of Land Warfare and Humans Rights already exist as core values within its campaign. Values such as Respect, Integrity, and Duty are principal components of it. ANASOC fully embraced the ANA's six core values and also expanded upon them to address the chal-

lenge of developing a professionalized SOF. ANA leadership fully embraces ANASOC's values campaign and may institute it force-wide.

25. Senator WICKER. General Mattis, are these graduates able to effectively lead their own forces and pass on knowledge obtained from their American trainers?

General MATTIS. One of NTM-A's top priorities is the development of effective leaders and trainers. There are very capable senior leaders within the ANA, and together, we are focused on improving the officer and NCO corps for the future. Graduates of the ANA leadership training programs are able to help train future ANA leaders.

The overall effectiveness of training the force and future leaders of the ANP continues to improve. Recruitment campaigns targeting NCOs are already paying significant dividends to close the leadership gap quickly, which is expected to be completely resolved by early 2013. These NCOs are better educated, more capable, and ready to assume leadership roles sooner due to their literacy levels and motivation to serve. Leadership programs have been instituted within the Ministry of the Interior to ensure longevity of the force. The ANP has a robust train-the-trainer program that has resulted in over 95 percent of training in the field being handled by Afghans.

26. Senator WICKER. General Mattis, I am particularly concerned that local political considerations on the ground in Afghanistan may override the practical need for U.S. combat troops to help maintain a stable and secure environment. Would an expedited withdrawal from Afghanistan that is not conditions-based be irresponsible, given our expenditure of American blood and taxpayers' dollars?

General MATTIS. An expedited withdrawal or change of mission from Afghanistan that is not conditions-based invites potential risks to surge recovery, future shaping of U.S. Forces, and setting the enduring coalition force to enable a successful transition to the Government of Afghanistan. The Lisbon Declaration of 2010 sets the goal for an enduring presence and long-term partnership which will complement the International Security Assistance Force (ISAF) security mission and continues well beyond. As the ANSF surge force reaches its goal of 352,000 by October 2012, coalition forces are required to set conditions so ANSF transition can occur responsibly. A withdrawal that is not conditions-based will destabilize progress and incur risks to ISAF, the coalition, and the Afghan Government.

An early withdrawal by the United States, especially given a financially-constrained environment, would also provide reasons for our partners to question U.S. commitment and curtail, or even prematurely end, their support to the coalition.

#### REGIONAL UNREST

27. Senator WICKER. General Mattis, last year's protests throughout the Middle East demanded reform and a shift to free and open democracies in numerous countries that are traditionally ruled under authoritarian regimes. Do you believe American action in Libya had an impact on America's image in Afghanistan?

General MATTIS. It's problematic to compare actions in Libya with the conflict in Afghanistan; they were and are fundamentally different conflicts. Our objectives in Libya were to protect civilians from violence caused by their own government and hold the Qaddafi regime accountable to an U.N.-mandated cease fire. In Afghanistan, our objective is to disrupt, dismantle, and defeat al Qaeda and their extremist allies while simultaneously preventing their capacity to threaten America and our allies in the future. One mission was about supporting a universal right to self-determination, the other is about preventing a loosely-governed country from being exploited by foreign terrorists and used as a safe haven from which to plan and carry out terror attacks today and in the future.

What matters most to the Afghan people is that our actions are commensurate with our words. The Afghan people have endured decades of violence and sacrifice and deserve our commitment. We must: transition security responsibly so that Afghans can determine their own future; continue to be sensitive to civilian casualties and collateral damage; support the Afghan Government and its security forces with advice, training, and equipment; and lead the international community to encourage future economic support.

28. Senator WICKER. General Mattis, if American forces were engaged directly in Syria, would that fuel anti-American sentiment in the region?

General MATTIS. Unilateral American military action in Syria would be a volatile anti-American stimulant, both in the region and internationally. The Syrian prob-

lem is best resolved by maximizing international efforts supporting the involvement of regional partners. I support the nations of the Gulf Cooperation Council and the Arab League in their efforts as they look to bring another resolution to the U.N. Security Council. I think the United States must support regional solutions developed in concert with leaders from nations across the region such as Jordan, UAE, Qatar, and Saudi Arabia.

29. Senator WICKER. General Mattis, has unrest in Bahrain, Qatar, or other partner-nations had an impact on our operations and force projection in the region?

General MATTIS. Regional unrest in Bahrain and other partner nations has not significantly impacted CENTCOM operations or force projection. We continually assess regional stability and, when appropriate, increase force protection measures to cope with unrest and mitigate risk to force and risk to mission.

#### PIRACY

30. Senator WICKER. General Mattis, piracy continues to threaten commercial shipping of U.S. and foreign-flagged ships in virtually the entire CENTCOM AOR. What are CENTCOM and Naval Forces Central Command (NAVCENT) doing to reduce the vulnerability of the U.S. commercial fleet from piracy?

General MATTIS. Piracy is a challenge to the international maritime community, both commercial and military. The sum of efforts by the Combined Maritime Forces, European Union (EU) Naval Forces, and the NATO Counter Piracy Task Force have placed up to 30 military vessels at any given time in key locations to deter piracy attacks. In his capacity as the Commander of Combined Maritime Forces, the NAVCENT Commander hosts a quarterly shared awareness and deconfliction conference in Bahrain to ensure multi-national cooperation of counterpiracy activities in the region. The conference also includes civilian international maritime organizations and delegates from non-affiliated countries such as China, Russia, Japan, and India. CENTCOM continues to communicate to the maritime industry the importance of adherence to established best management practices, such as utilizing well-trained security teams to deter piracy. Military coalition efforts combined with increased adherence to best management practices has lowered the success rate of hijackings in 2011 to 15 percent from 28 percent in 2010.

31. Senator WICKER. General Mattis, are you a strong advocate of the use of private security teams aboard commercial vessels?

General MATTIS. Like terrorism, acts of piracy pose a transnational security threat that emanates from areas plagued by conflict, weak governance, and economic insecurity. While attempted attacks have risen, their success level has declined due to the use of best management practices which includes the use of highly trained security teams and sustained naval presence. Statistically, vessels that have embarked credible private-armed security teams have had a 100 percent success rate of preventing pirate takeover. The private security teams can make a contribution, however their employment can become complex for a variety of legal reasons. Two years ago the U.S. commercial shipping industry was largely opposed to using private-armed security teams. Over the past year, their use was endorsed by the International Maritime Organization (IMO) and some insurance companies. Many shipping companies have begun to employ them and support appears to be growing.

#### BLUE DEVIL PROGRAM

32. Senator WICKER. General Mattis, I understand the Blue Devil 1 integrated ISR program is resulting in spectacular results in Afghanistan, according to recent testimony from Air Force leadership. I also understand that the Blue Devil 2 program is designed to increase this ISR capability dramatically, and that former Secretary of Defense Gates stated that the Blue Devil 2 program is urgently needed to eliminate combat capability deficiencies that have resulted in combat fatalities. Combatant commanders have routinely stated that persistent ISR is a capability that needs additional capacity. Does CENTCOM continue to maintain a requirement for the integrated high-definition optical and signals intelligence sensor-to-sensor cueing capability which is the purpose of the Blue Devil 2?

General MATTIS. [Deleted.]

33. Senator WICKER. General Mattis, do you agree, given DOD's determination, that this initiative was urgently needed in Afghanistan to address combat deficiencies?

General MATTIS. CENTCOM has a standing requirement for persistent surveillance that has not substantially changed since the Blue Devil 2 initiative was first proposed by the U.S. Air Force in the fall of 2010. What has changed is Blue Devil 2's potential to meet that requirement. Schedule delays, system integration challenges, and severe under-performance in weight and endurance objectives drove the Air Force decision to de-scope the program, with CENTCOM concurrence.

34. Senator WICKER. General Mattis, would it be a significant mistake to stop work and not deploy this much-needed aircraft to Afghanistan?

General MATTIS. [Deleted.]

35. Senator WICKER. General Mattis, do you agree that combat troops in Afghanistan would immensely benefit from the Blue Devil 2's capabilities if the Air Force removed mission creep from the program and went back to the original requirements?

General MATTIS. [Deleted.]

#### IRANIAN THREATS

36. Senator WICKER. General Mattis, Iran has threatened to shut the Strait of Hormuz, a transit point for a fifth of oil traded worldwide, if sanctions are imposed on its crude exports. The Chairman of the Joint Chiefs of Staff, General Martin Dempsey, has stated that Iran has the ability to block the Strait of Hormuz for a period of time. What is your definition of "a period of time"?

General MATTIS. [Deleted.]

37. Senator WICKER. General Mattis, Vice Admiral Mark Fox acknowledged that Iran's military is capable of striking a blow against U.S. Forces in the Persian Gulf. What is your assessment on how much damage Iran could inflict on U.S. interests and assets?

General MATTIS. Iran has numerous ways to strike U.S. interests and inflict damage to both U.S. and partner-nation forces in the region. Iran has ballistic missiles which can reach U.S. Forces in the region, our partner nations in the Gulf, Israel, and Turkey in the broader Middle East, and NATO partners in southeastern Europe. Iran has extensive maritime threats such as submarines, small attack and PC armed with anti-ship cruise missiles, suicide boats packed with explosives, shore-based coastal defense cruise missiles, maritime SOF, and thousands of naval mines. Iran's navy can inflict economic damage by threatening vital Gulf shipping lanes and approaches to major Gulf Cooperation Council commercial port facilities. They can use advanced cruise missiles to reach the entire Strait of Hormuz and majority of the Gulf of Oman and Arabian Gulf. Iran can also employ unconventional capabilities (such as special forces, surrogates, and proxies) to strike U.S. and partner interests globally, as illustrated in last year's Quds Force attempt to assassinate Saudi Arabia's ambassador to the United States.

38. Senator WICKER. General Mattis, the United States has four *Avenger*-class mine-sweeping ships in the Gulf—USS *Ardent*, USS *Dextrous*, USS *Gladiator*, and USS *Scout*. The U.K.'s Royal Navy has another four vessels—the HMS *Pembroke*, HMS *Middleton*, HMS *Quorn*, and HMS *Ramsey*. Due to recent rhetoric from Iranian leadership regarding closing the straits and along with thousands of mines the Iranians possess, is there a need to reposition additional mine-hunting/mine-sweeping assets to the Gulf?

General MATTIS. The presence of U.S. naval assets in the Gulf fluctuates based on the needs and requirements of the combatant commander and as approved by the Joint Staff and the Secretary of Defense. As part of a CENTCOM request for forces, four additional MCM ships will deploy from San Diego to Bahrain: USS *Sentry* (MCM 3), USS *Devastator* (MCM 6), USS *Pioneer* (MCM 9), and USS *Warrior* (MCM 10), and are scheduled to arrive in the CENTCOM AOR in June. The addition of these MCM ships will bring the total in theater to eight, thus meeting the established requirement. Four MH-53 helicopters have also deployed to the CENTCOM AOR to increase mission capabilities. The USS *Ponce* is en route to act as an afloat staging base for said operations, and efforts are underway to build a task force comprised of U.S. and partner-nation mine-hunting/mine-sweeping assets.



## QUESTIONS SUBMITTED BY SENATOR ROB PORTMAN

## C-27J PROGRAM

39. Senator PORTMAN. General Mattis, was your estimate for Overseas Contingency Operations (OCO) funding for operations in Afghanistan in fiscal year 2013 informed by the Air Force decision to divest the C-27J program by September 2012?

General MATTIS. Our OCO request was not informed by the Air Force's decision to divest the C-27J program, since our request was only for our headquarters portion of funding, not for operations. Since Services ultimately bear the costs, they work together with OSD to generate OCO estimates for operations in Afghanistan. The Air Force could best explain how their decision to divest the C-27J program impacted their OCO request for operations.

40. Senator PORTMAN. General Mattis, based upon the missions supported to date by the C-27J, what combination of CH-47s, C-130s, or contractor airlift will be required to fill the mission of two or four C-27Js, as originally planned?

General MATTIS. One C-130H or C-130J will meet the current and projected cargo and passenger movements of two C-27Js. Limitations on CH-47 blade hours and airfield security requirements make both the CH-47 and contracted air undesirable.

41. Senator PORTMAN. General Mattis, what is your estimate of the cost for fiscal year 2013 for two or four C-27Js fulfilling resupply missions in Afghanistan, as opposed to those missions supported by a combination of CH-47s, C-130s, or contractor airlift?

General MATTIS. Following the present course of action to mitigate the reduction of two C-27Js for direct-support airlift in Afghanistan, mobility specialists have determined that one additional C-130 can meet the requirement. Air Force Central Command (AFCENT) Operations Directorate, Plans, and Joint Matters (A3-X) determined the following costs based on a range of hourly usage rates: at \$9,000 per hour and projected to fly 1,943.5 hours per year, the C-27J will cost approximately \$17,491,500.00; at \$10,400 per hour, with a projected 1,050.1 hours annual equivalent, the C-130H will cost approximately \$10,921,400.00; and finally, at \$9,100 per hour, with a projected 790.2 hours annual equivalent, the C-130J will cost approximately \$9,556,200.00 per year. CH-47s are not a suitable replacement and contract airlift was not considered in the analysis due to current threat levels severely limiting—even prohibiting—service to C-27J transited locations in Afghanistan.

42. Senator PORTMAN. General Mattis, what is your estimate of fuel required for fiscal year 2013 for two or four C-27Js fulfilling resupply missions in Afghanistan as opposed to those missions supported by a combination of CH-47s, C-130s, or contractor airlift?

General MATTIS. The current course of action to continue the direct support airlift in Afghanistan provided by two C-27Js without interruption is to replace them with one C-130. The cargo capacity of the C-130 is approximately twice that of the C-27. AFCENT Operations Directorate, Plans, and Joint Matters (A3-X) determined the following comparative fuel projections for fiscal year 2013 for each air frame and based on the load capacity for each:

Airframe	Number of Aircraft	Pallet Positions	Estimated Flight Hours per Airframe Type	Gallons of Fuel Usage per Hour	Total Fiscal Year 2013 Fuel Estimate
C-27J .....	2	3	1,943.5	367	713,263
C-130H .....	1	6	1,050.1	735	771,846
C-130J .....	1	8	790.2	735	580,806

Limitations on CH-47 blade hours and airfield security constraints make both the CH-47 and contracted air undesirable.

## QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

## JOINT LAND ATTACK CRUISE MISSILE DEFENSE ELEVATED NETTED SENSOR SYSTEM

43. Senator AYOTTE. General Mattis, you specifically cite the threat that Iranian small boats and cruise missiles represent. A February 25th story in the Wall Street Journal reported that "American forces are modifying weapons systems on warships so they could be used against Iranian fast-attack boats, as well as shore-launched

cruise missiles.” You have been outspoken on the need for equipment upgrades to fill in gaps in U.S. defense capabilities and military preparedness in the region, and the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System (JLENS) program is designed to fill such gaps. Does CENTCOM still have a valid, unmet requirement for JLENS?

General MATTIS. [Deleted.]

44. Senator AYOTTE. General Mattis, last year the committee supported a re-programming request to deploy the JLENS program to address these threats. When will JLENS begin this urgently-needed mission of protecting our forces in the Middle East?

General MATTIS. [Deleted.]

45. Senator AYOTTE. General Mattis, what is the cause of the current delay?

General MATTIS. [Deleted.]

46. Senator AYOTTE. General Mattis, how can this committee help expedite the deployment of JLENS to protect our troops?

General MATTIS. [Deleted.]

#### VIRGINIA-CLASS SUBMARINES

47. Senator AYOTTE. Admiral McRaven, as area-denial and anti-access threats are increasing, the need for *Virginia*-class submarines, which are ideal for these environments, grows. The President has talked about an increased emphasis on the Asia-Pacific—an area of operations that is overwhelmingly maritime in character. We are also told that by 2030, according to the fiscal year 2011 program of record, that we will be confronting a 30 percent reduction in the size of our attack submarine fleet and a 60 percent reduction in the undersea strike volume. Yet, the President’s fiscal year 2013 budget delays the procurement of one *Virginia*-class submarine. Is it accurate to say that the *Virginia*-class submarine provides a critical platform for our special operators, especially in anti-access and area-denial environments?

Admiral McRAVEN. The *Virginia*-class submarine platform does provide a worldwide SOF insertion platform that can be used for short-duration tasking in operational areas that employ anti-access, area-denial systems.

48. Senator AYOTTE. Admiral McRaven, would it be accurate to describe the Persian Gulf and the seas adjacent to Iran as an increasingly anti-access and area-denial environment?

Admiral McRAVEN. Iran possesses approximately 2,440 km of coastline in the Persian Gulf and Gulf of Oman. Iran currently focuses on anti-surface warfare, but has recently strengthened capabilities for anti-surface warfare. A comprehensive layering effect of the following tactics would be most effective in denying areas to the Persian Gulf and seas adjacent to Iran; however, anti-access and area denial in this region has yet to be demonstrated:

- Mine threat: Iran exercised and refined mine-laying capabilities in the Strait of Hormuz in recent training events and may be able to impede maritime traffic;
- Surface threat: Iran’s ability to posture subsurface assets effectively remains to be seen; however, the addition of the Yono submarines coupled with Iran’s Kilos is possibly the most significant change to Iran’s undersea potential; and
- Surface threat: Iranian small boats using swarm tactics, surface vessels, and increased defenses pose a surface maritime access to the Persian Gulf.

49. Senator AYOTTE. Admiral McRaven, looking well into the future, are you concerned about the projected 60 percent reduction in undersea strike volume?

Admiral McRAVEN. Yes, I am concerned with the projected reduction in undersea strike volume, primarily because our Large Volume Host Submarine (LVHS), SSGN, will reach their end of service life during the timeframe of the reduction in strike volume. SOCOM will lose the dual submersible capability and the endurance to support SOF missions that the SSGN provides. However, SOCOM and Naval Special Warfare are working closely with the Navy to integrate SOF requirements into the next generation of undersea platforms to mitigate that impact. Cooperation with Navy to integrate SOF requirements during the design phase of the follow-on

version of *Virginia*-class will help mitigate the physical limitations of the *Virginia*-class as compared to the SSGNs.

50. Senator AYOTTE. Admiral McRaven, how important will the *Virginia* payload module be in addressing at least a portion of this looming gap in undersea strike capabilities?

Admiral MCRAVEN. The *Virginia* payload module will replace some of the important strike capability that will go away when the four SSGNs are retired from the fleet in 2024 through 2026. The *Virginia* payload module will only replace 50 percent of the SOF dual Dry Deck Shelter (DDS) capability that has been within the submarine force since 1985. The *Virginia* class submarine can only accommodate one DDS, as currently configured, and the Navy is not currently considering modifying it to accommodate two DDSs for a dual capability due to the *Virginia*-class being much smaller than the SSGNs. Several conceptual renderings have been presented to the Navy and SOCOM for a next-generation shelter system on a *Virginia*-class; however, we will not know the exact implication of these concepts until after an Analysis of Alternatives is completed.

[Whereupon, at 12:05 p.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**THURSDAY, MARCH 8, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**DEPARTMENT OF THE ARMY**

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Nelson, Webb, Udall, Hagan, Begich, Manchin, Gillibrand, Blumenthal, McCain, Inhofe, Chambliss, Wicker, Brown, Portman, Ayotte, Cornyn, and Vitter.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Jason W. Maroney, counsel; and William K. Sutey, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Jennifer R. Knowles, Mariah K. McNamara, and Brian F. Sebold.

Committee members' assistants present: Vance Serchuk, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Brittany Keates, assistant to Senator Begich; Patrick Hayes, assistant to Senator Manchin; Kevin Fink, assistant to Senator Gillibrand; Ethan Saxon, assistant to Senator Blumenthal; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brent Bombach, assistant to Senator Portman; Brad Bowman, assistant to Senator Ayotte; and Charles Brittingham, assistant to Senator Vitter.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. The committee meets today to welcome the Secretary of the Army, John M. McHugh, and the Chief of Staff of the Army, General Raymond T. Odierno, USA, for our hearing on the Army's 2013 budget request and current posture.

Secretary McHugh, thank you for your continued outstanding service as the Army's civilian leader. Although General Odierno is well known to the committee, this hearing I believe marks your first appearance before us as the Army's 38th Chief of Staff. As always, General, we thank you for your remarkable service and we look forward to hearing your assessment and plan to meet the challenges facing the Army.

Over the last 10 years, the Army has learned from the hard lessons of continuous combat. It has grown and adapted its organization and operations. It has rapidly developed and fielded new weapons and technologies. It has acted with great compassion to meet its responsibilities for easing the often-painful human cost of war for our troops and their families. After 10 years, the Army is combat-tested and proven. For all of this, the Nation is proud and deeply grateful.

Two recent changes make the defense budget situation challenging for the Army. I should have said probably at least two recent changes, but here are the two: One, the Budget Control Act passed by Congress last summer, with the limitations that it places on funding for our national security. The Department of Defense (DOD) fiscal year 2013 budget request meets the requirements of the Budget Control Act.

Second, adapting to its changing role in the new strategic guidance announced by the President last January. This request that they've made in the budget appears to reflect the Department's year-long comprehensive strategic assessment and a corresponding new strategic guidance oriented on reshaping our defense establishment for the challenges of the future.

The essential features of this new strategic guidance maintains focus on success in the current conflict in Afghanistan, but also reorients DOD on other strategic challenges around the world and developing the forces most relevant to those challenges. The new guidance deemphasizes ground forces for stability and counter-insurgency operations and increases emphasis on air and sea forces for global power projection. Under this strategic guidance, Army and Marine Corps ground forces are reduced, with the corresponding risk mitigated by greater reliance on the readiness and availability of the Reserve components and preservation of an ability to regenerate Active Forces.

The Army's fiscal year 2013 budget request reflects these changes, but questions naturally arise about the Army's plans to adapt and manage risks in its size, structure, readiness, and modernization while at the same time preserving the quality of life for our soldiers and their families, which is so important to sustaining an All-Volunteer Force.

For example, the new DOD strategic guidance includes an increased emphasis on our interests in the Asia Pacific, for which DOD is taking steps to reshape U.S. forces relative to the air and

maritime demands of that region. We'd be interested to hear from our witnesses about the broad purpose of land power and the role of ground forces in an Asia Pacific-oriented strategy.

The new DOD strategic guidance expressly states that the Nation will avoid large-scale stability operations requiring significant ground forces. Accordingly, the Army's size and force structure can be reduced, the strategic guidance suggests, and that would save money and still meet acceptable levels of strategic risk. Over the next 5 years, the Active Army will cut its end strength by approximately 72,000 soldiers, ending with a force of 490,000 by the end of fiscal year 2017, and would still be approximately 10,000 soldiers above its pre-Iraq War size.

We'd be interested to hear from our witnesses on the Army's plans to implement these reductions and to manage risk to its mission and to the health of the All-Volunteer Force. We're particularly concerned about the manner in which the Army will draw down and the plan for providing transition assistance and support for soldiers and their families. We simply cannot forget that for every 10,000 soldiers in the Army today there are approximately 16,000 family members as well. The added stress of troop reductions on an Army still at war will be significant and we expect the Army to manage this very carefully.

The new strategic guidance also reduces the Army's force structure by eight combat brigades, with two of these brigades de-activating out of Germany. We'd be interested to hear from our witnesses their plans for reorganization of the Army to meet this requirement and whether other force changes will require further reductions in the total number of combat brigades. Also we're interested to hear from our witnesses their assessment of the Army's global posture and where savings might be realized by moving foreign-based units back to the United States.

The Army continues to meet the demand for trained and ready forces in support of operations in Afghanistan. Hard fighting will continue even as we and our allies continue to build the Afghan security forces (ASF) so that they may take more and more responsibility for their own security. We know that our troops deploying to Afghanistan have the highest priority for resources to ensure that they are trained and ready before they go and to make sure that they have what they need when they get there. However, reductions in the size and structure of the Army, if not well managed, increase the risk of allowing the nondeployed force to become hollow, that is too many units with too few soldiers to accomplish the units' missions.

This increases the risk for the Nation that those nondeployed forces may be hollow and unprepared to deploy or accomplish their missions if needed for an unforeseen contingency. We'd be interested to hear from our witnesses how the Army will manage the complexity of providing trained and ready forces for operations in Afghanistan, reduce and strengthen force structure, and at the same time avoid hollowing the nondeployed force.

Army equipment modernization has struggled over the last 10 years, but recent efforts by senior Army leadership have been aimed at rationalizing and stabilizing an achievable and affordable strategy. In general, the fiscal year 2013 budget request protects

the Army's priorities for development and fielding of a tactical communications and data network, development of a new Ground Combat Vehicle (GCV) and Joint Light Tactical Vehicle (JLTV), as well as upgrading and expanding its helicopter force.

But the Army has restructured, slowed, cut, or cancelled most of its ground vehicle programs, with significant risk implications for the health of the military vehicle industrial base. We'd be interested to hear from our witnesses their assessment of the current and future risks to the Army's combat and tactical vehicle industrial base and how they intend to manage that risk.

The Army continues to work on reducing the cost and size of its operational energy footprint at home and when deployed. We'd be interested to hear an update on Army operational energy innovations that reduce the demand for energy as well as reduce the cost and size of the energy sources. More importantly, how are these innovative technologies being used by our deployed forces around the world?

Finally, the Army has shown a great determination to deal effectively with the human cost to soldiers and their families of the pressures and consequences of continuous combat for 10 years. Over these years, the Army has created many new programs and budgeted billions of dollars to improve the care of our wounded soldiers, to prevent suicides, and to support families before, during, and after the deployment of their loved ones. The American people are grateful for all that care and concern. The committee is interested to hear Secretary McHugh's and General Odierno's updates and assessments of the Army's efforts in these areas and their thoughts on how these programs will evolve in the foreseeable future.

The Nation could not be more proud of our Army, its soldiers, and their families. We will with confidence depend on the leadership of Secretary McHugh and General Odierno through the tough times ahead to ensure that the Nation will always have the Army that it needs.

Senator McCain.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Thank you, Mr. Chairman. I join you in welcoming our witnesses.

Secretary McHugh and General Odierno, I commend you both for your distinguished careers and your leadership of an Army in the midst of organizational change. Of course, on behalf of all of us, we would like to express our deep gratitude for the service and sacrifice of our soldiers who are today risking themselves on our behalf.

I believe that your mission is more challenging today than it has been since the late 1970s. Twenty-three Army brigades are currently conducting combat and training operations in Afghanistan. Thousands more soldiers are deployed around the globe. At home the Army is beginning to execute a plan to decrease end strength, realign force structure to meet new threats, sustain recently developed capabilities, and regenerate skill sets that have been necessarily idle since the invasion of Iraq.



Your job is to do all these things simultaneously and with fewer resources. Against that backdrop, the Army must find ways to operate more efficiently and effectively. To respond to current requirements in Afghanistan, the Army is modifying brigades to create and deploy specialized training teams. To address future challenges, the Army has proposed aligning brigades with the combatant commands. The committee will be interested to know the Army's plans for both.

When we look across the globe today at the various challenges we are confronting, what is most clear is that the world continues to surprise us. Al Qaeda has become increasingly decentralized, but no less deadly, with affiliates seeking safe haven in places like Yemen, the Horn of Africa, and the trans-Sahel. In Afghanistan, despite the progress that our troops are making, we are at an impasse with President Karzai on the negotiation of a strategic partnership agreement.

Our relationship with Pakistan remains fraught by a series of setbacks arising from their continued support of the Haqqani network. In Iraq, Prime Minister Maliki continues to centralize power, while the threat posed by al Qaeda appears to be growing. The Iranian regime continues working to subvert Iraq and other countries in the region. Its threat to regional stability would expand exponentially if the Iranian regime were to acquire nuclear weapons capability.

Finally, in Syria, after a year of bloodshed, the crisis has reached a decisive moment. Bashar Al-Assad appears to be accelerating his fight and doing so with the full support of Russia, China, and Iran.

In view of instability in these strategically important regions and admitting our historically poor track record of forecasting the need for large conventional force, I reiterate my concerns about the scope and speed of our end strength drawdown. Limiting our strategic flexibility is unwise, especially in the current environment.

General Odierno, I look forward to hearing your views on the strategic implications of drawing down to an Active-Duty Force of 490,000 and your vision for an Army that does not become merely a smaller version of its previous self, but reorganizes for future threats.

Secretary McHugh, inside the DC Beltway we sometimes lose sight of the reality that how we fight may be more important than what we fight with. It's vital that the Army maximize its operations and maintenance funding to support training, especially now that more soldiers are returning to the garrison environment. The hollow force that followed past conflicts can only be avoided if training is fully resourced in conjunction with the personnel and equipment accounts.

In the area of acquisition management, we are all aware of the Army's past challenges. As you finalize equipping and modernization strategies, I urge you to look carefully at recent history. Over the last decade, the Army embarked on a series of developmental programs that, because of unrealistic requirements, unanticipated costs, or poor contracting strategy, had to be descoped, rebaselined, or cancelled outright. Our estimates are that around \$300 billion were spent that never became operational equipment.

Mr. Secretary, implementing the recommendations of your recent Army-wide acquisition review is a good start to addressing these issues. We're interested to learn what further actions you'll take to improve the Army's procurement track record and requirement process.

The committee will also be attentive to large programs still in the earliest phases of development to ensure they conform to the Weapons Systems Acquisition Reform Act (WSARA) and avoid mistakes of the past.

Despite the challenges of budget constraints and the ongoing contingency operations that stress the force, our soldiers continue to perform magnificently around the globe. They and their families are a credit to our Nation. I thank the witnesses and look forward to their testimony.

Chairman LEVIN. Thank you very much, Senator McCain.  
Secretary McHugh.

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

Secretary MCHUGH. Thank you very much, Mr. Chairman, distinguished ranking member Senator McCain, and members of this very august body and very important committee.

Let me begin by saying how honored I am to be here again today. I'm particularly honored and, frankly, relieved to be joined by the 38th Chief of Staff of the Army, the gentleman on my left, General Ray Odierno. As you said, Mr. Chairman, many of us have had the opportunity to watch this gentleman in action on the front, making such a difference in places like Iraq. The opportunity to serve next to him for me is very, very exciting. He is clearly the right man for the right times.

Most importantly, I want to thank all of you. You've both been, Mr. Ranking Member and Mr. Chairman, very gracious in your comments about the service and sacrifice of our men and women in uniform, and certainly they deserve all of that. But clearly this committee has been so responsible for much of the good that we have been able to help those 1.1 million soldiers, those 270,000 civilians, and their families achieve, particularly over the last 10 years. They would want me to tell you how much we recognize that and how important it is to us.

As all of you know, today perhaps more than quite some time our demanding fiscal environment requires an even stronger partnership with Congress, with this committee, to make sure that we have the right resources to defeat our enemies, support our allies, and protect our homeland, and do so responsibly, decisively, and, yes, affordably.

We believe this budget that's been placed before you supports these goals by laying the foundation for a gradual reduction of our military and civilian end strength, while at the same time supporting the vital modernization, training, soldier programs, and family support initiatives so necessary for the Army; an Army, though smaller, that will remain the strongest and most capable land force in the world as it is today.

As we implement what I think can be fairly described as a bold new security strategy, I want to be very clear. The Army's combat

expertise, adaptability, and strategic reach will be more vital than ever before. Over the last year, over the last decade, the Army has continued to be the decisive hand of American foreign policy and the helping hand of Americans facing the devastation of natural disasters.

With soldiers deployed in 6 of 7 continents and in more than 150 nations around the world, your Army has become the face of American concern and the fist of military might. In the Pacific, we continued our long-term presence in the region with some 75,000 Army civilian and uniformed personnel participating in over 160 exercises, engagements, and operations in support of our allies in that vital region. In Korea, our soldiers provided a strong deterrent to North Korean aggression. In Japan and in the Philippines, we maintained our decades-old security relationships, training and supporting those allied armies.

At the same time, in Europe our soldiers fulfilled vital training, stability, and peacekeeping roles in Bosnia and Kosovo. Then in Africa, your Army supported counterterrorism operations throughout the Horn and beyond.

But foreign threats and operations were not all that we faced. As so many of you know so painfully firsthand, in 2011 this Nation experienced some of the worst national disasters in our history. From responding to wildfires and floods to hurricanes and tornadoes, our soldiers and civilians from all components were there to help, there to rescue, and there to rebuild.

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

This budget portrays an Army fully embracing change by making the hard decisions now to lay the right foundation for the future. First, we are implementing a sweeping new defense strategy which emphasizes even greater engagement in the Asia-Pacific region and the development of smaller, more agile land forces. Under this new framework, which was developed collaboratively with the top military and civilian officials in our Department, the Army clearly remains the decisive arm of U.S. combat power. Our balanced and transformed force will continue to be the most capable and effective land force in the world. That is our standard. That is what the strategy requires and that is what this budget supports.

Second, we are implementing this new paradigm under the significant cuts, as you noted, Mr. Chairman, directed by the Budget Control Act, and in so doing we made many tough decisions, but we were always guided by certain key principles: First, we will fully support the current fight by providing operational commanders in Afghanistan and other theaters with the best trained and ready land forces in the world. This is today and will remain our top priority.

Second, we will not sacrifice readiness for force structure. We must responsibly reduce our end strength in a manner, as the distinguished ranking member noted, that fully supports the new strategy, but also provides sufficient time and resources to properly

balance our training, equipment, infrastructure, and soldier and family support programs within our mission requirements.

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

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

Lastly, we will not let the Budget Control Act cuts be taken on the backs of our soldiers or their families. Although we have and will continue to examine where appropriate and realign where necessary all of our programs, we will fully fund those support systems that work, with special emphasis on wounded warrior, suicide prevention, behavioral health, and sexual assault programs.

Based on these principles, we believe our budget minimizes end strength reductions in 2013 and 2014 to support the current fight in the most responsible way. We believe as well the budget emphasizes continued investments in vital modernization programs, such as the network, the GCV, and the JLTV, while at the same time delaying or eliminating programs which no longer meet urgent needs in support of our new strategy or transforming force. Yes, we defer certain military construction programs.

The Army at its core is not programs and systems; it is people. Each time I appear before you I'm honored not to come just as the Secretary, but as a representative of our soldiers, civilians, and their families. These brave men and women, as this committee knows so very well, who have endured so much over the past decade, depend upon a variety of programs, policies, and facilities to cope with the stress, injuries, and family separation caused by war.

Tragically, our suicide and substance abuse rates remain unacceptably high and we're aggressively pursuing multiple avenues to provide our personnel with the best medical and behavioral health support available. We must never forget that both our success in Iraq and Afghanistan come at a heavy price to our Army family. Providing the means and resources for whatever challenges they now face is in my opinion the very least we can, we must, do.

As a final note regarding our Army family, I'd be remiss if I didn't mention the devastating impact that sequestration would have, not just on the Army's programs, systems, and readiness, but also on our soldiers, civilians, and their families. Sadly, they too would bear the cost of that inaction.

To use an ax to cut an additional half trillion dollars from defense spending would be perilous enough. But to do so without providing DOD with any means of managing those reductions would be beyond risky.

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

Thank you for your great support and leadership, and I look forward to your questions.

Chairman LEVIN. Thank you very much, Secretary McHugh.  
[The joint prepared statement of Secretary McHugh and General Odierno follows:]

JOINT PREPARED STATEMENT BY HON. JOHN M. MCHUGH AND GEN RAYMOND T. ODIERNO, USA

#### THE STRATEGIC CONTEXT

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

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

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

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

#### *America's Army—The Nation's Force of Decisive Action*

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

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

#### *2011—The Army in Transition*

Over the past year, the Army has concluded its mission in Iraq and commenced the drawdown of surge forces in Afghanistan while transferring responsibility to Afghan forces. We are beginning reductions in end-strength to face budgetary realities. We are also undertaking efforts to rebalance force structure and make investment decisions that will shape the Army of 2020—all during a time of war. These transformational efforts are both significant and unprecedented. As the President's new national defense priorities are implemented, the Army will continue its transition to a smaller yet capable force fully prepared to conduct the full range of operations worldwide.

#### *Operation Enduring Freedom*

A decade into the war in Afghanistan, the Army continues to play a leading role in defending our national security interests in this vital theater. At the start of the war, following the attacks on September 11, elements of Army Special Operations Forces led efforts on the ground to bring al Qaeda members to justice and remove the Taliban from power, thereby denying a safe haven to terrorists. With more than

70,000 soldiers in Afghanistan at peak strength in 2011, the Army's brigade combat teams conducted operations ranging from stability to counterinsurgency.

Today, over 63,000 Army soldiers in both general purpose and special operations units continue to conduct a wide range of missions across Afghanistan country to help Afghan citizens lay the foundation for lasting security. Simultaneously, the Army provided essential logistics capabilities to sustain the land-locked Afghan theater. In fact, only America's Army could provide the necessary theater logistics, transportation, medical and communications infrastructure capable of supporting joint and combined forces for an operation of this size and complexity.

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

#### *Operation New Dawn*

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

Over 1 million soldiers and Department of the Army civilians served courageously in Iraq. They were essential to freeing more than 25 million Iraqi people from the tyranny of a brutal dictator, putting Iraq's future in the hands of its people and removing a national security threat to the United States.

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

#### *Other Global Commitments*

In addition to the Army's unprecedented contributions in Afghanistan and Iraq, we have continued to conduct operations across the globe to prevent conflict, shape the environment and win decisively. Nearly 20,000 soldiers remain stationed on the Korean peninsula, providing a credible deterrent and investing in our partnership with the Republic of Korea Army. Simultaneously, Army Special Operations soldiers in the Pacific region continue to provide advice and support to the Philippine Armed Forces, enhancing our robust alliance. Both are examples of strategic investments in a region that is home to 7 of the world's 10 largest armies. (In fact, in most countries around the world, the army is the dominant defense force.) U.S. soldiers continue to serve in places such as the Sinai, Guantanamo Bay, Bosnia, Kosovo, and the Horn of Africa, developing and maintaining relationships on six of the world's seven continents.

#### *Defense Support of Civil Authorities*

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

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

#### *Army Special Operations Forces*

To conduct unified land operations, the U.S. Army fields a suite of Special Operations capabilities that range from the world's finest precision strike and special

warfare forces to the world's most lethal combined arms maneuver formations. The Army draws from across its broad set of capabilities to provide the Joint commander the blend of Army assets required to ensure mission accomplishment. True in Afghanistan today, Army Special Operations Forces are also providing assistance in the Philippines, Yemen, the Arabian Gulf, Lebanon, Colombia, the African Trans-Sahel, and across the Caribbean and Central America. As Army regular forces become available, they will increasingly integrate with Army Special Operations Forces to promote trust and interoperability with allies and build partner nation capacity where mutual interests are at risk from internal or external enemies.

#### FISCAL ENVIRONMENT

##### *Challenges of Reduced Budget*

Today's global fiscal environment is driving defense budgets down for our partners and allies, as well as our Nation. Historically, defense spending has been cyclic with significant reductions following the end of major conflicts. The Army understands it cannot be immune to these fiscal realities and must be part of the solution. Our focus areas for the fiscal year 2013 budget demonstrate our concerted effort to establish clear priorities that give the Nation a ready and capable Army while being good stewards of all our resources.

##### *Challenges of Continuing Resolutions*

Timely and predictable funding enables the Army to plan, resource and manage the programs that produce a trained and ready force. The Army very much appreciates that Congress approved the fiscal year 2012 budget earlier than had been the case in recent years when we were forced to operate for long stretches under continuing resolutions. Long-term continuing resolutions force the Army to slow its spending, freeze production rates and delay the start of new programs. Such delays pose a risk to the Army's operational readiness and investment strategy. We stand ready to help Congress once again pass defense bills in a timely manner.

##### *Security Environment*

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

#### IMPLICATIONS FOR AMERICA'S ARMY

##### *Role of the Army: Prevent, Shape, Win*

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

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

Second, our Army must help shape the international environment to enable our combatant commanders to assure our friends and contain our enemies. We do that by engaging with our partners, fostering mutual understanding through military-to-military contacts and helping them build the capacity to defend themselves. These actions are an investment in the future that the Nation cannot afford to forego. We must cultivate positive relationships before they are needed and be a reliable, consistent and respectful partner to others.

Finally, the Army must be ready to win decisively and dominantly. Nothing else approaches what is achieved by winning, and the consequences of losing at war are usually catastrophic. With so much at stake, the American people will expect what they have always expected of us—decisive victory. The Army must never enter into

a terrible endeavor such as war unprepared. Although we may still win, it will be more expensive, cost more lives and require more time.

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

#### *Smaller but Reversible*

As our new national defense priorities drives us to a smaller Army, we must avoid the historical pattern of drawing down too fast or risk losing leadership and capabilities, making it much harder to expand again when needed. It is critical that the Army be able to rapidly expand to meet large unexpected contingencies, and four components are key to that ability. First, the Army must maintain a strong cadre of noncommissioned and mid-grade officers to form the core of new formations when needed. Second, we will make significant investments in Army Special Operations Forces to increase their capabilities and provide the President with more options. Third, it will require ready and accessible Army National Guard and Army Reserve Forces. The Army's Reserve component has proven essential in contingency operations around the world. From Kosovo, the Sinai and Horn of Africa to Afghanistan and Iraq, homeland defense along America's southwest border, humanitarian assistance and disaster relief at home and abroad, the Army National Guard and Army Reserve have evolved into indispensable parts of our operational force and we will continue to rely on them to provide depth and versatility to meet the complex demands of the future. The fourth critical component of the Army's ability to expand is the Nation's industrial base. We rely on the industrial base to perform research and development and to design, produce and maintain our weapons systems, components and parts. It must be capable of rapidly expanding to meet a large demand. Reversibility is the sine qua non to ensuring that the Army can rapidly grow when our Nation calls.

#### THE ARMY'S FOCUS AREAS

##### *Support to Operations in Afghanistan*

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

Despite continued challenges and tough conditions, our forces are making measureable progress against an adaptive enemy. Army Security Force Assistance Teams continue to train both Afghan National Army forces (now almost 180,000 strong) and Afghan National Police forces (made up of nearly 144,000 men and women in uniform). The increased capability of Afghan Security Forces is allowing security of the region to be turned back over to the Government of Afghanistan district by district. During the coming year we must continue to provide trained and ready forces equipped to support operations. We remain focused on doing everything we can to ensure that we meet our national objectives and provide what our brave men and women in the field need to succeed.

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

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

The Army places great emphasis on properly maintaining its equipment to restore readiness to the force and ensure it is prepared to meet combatant commander re-



quirements. The Army reset program reverses the effects of combat stress and restores equipment to a high level of combat capability to conduct future operations. Reset is a lengthy process, and even after the drawdown from Afghanistan is complete, the Army will require funding for 2 to 3 years to reset our equipment from the harsh demands of war.

#### *Responsible Stewardship*

##### *Institutional Army Transformation*

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

Further, the Army is working to provide “readiness at best value” to help us live within the constraints imposed by the national and global economic situation. In short, the need to reform the Army’s institutional management processes and develop an integrated management system has never been more urgent. To enhance organizational adaptive capacity while shepherding our resources, the Army initiated a number of efforts, such as the Army Financial Improvement Plan, which will enable the Army to achieve full auditability by fiscal year 2017.

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

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

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

##### *Army Energy Security*

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

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

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

Initiatives such as cool roofs, solar power, stormwater management and water efficiency are positive steps toward addressing the challenges of energy security in the

operational and garrison environments. Innovative and adaptive leaders, seeking ways to increase energy efficiency and implement renewable and alternate sources of energy, are key to saving lives and increasing the Army's flexibility by reducing costs.

#### *A Leaner Army*

The Army is committed to providing combatant commanders with the capabilities, capacity and diversity needed to be successful across a wide range of operations. With a leaner Army, we have to prioritize and also remain capable of meeting a wide range of security requirements. We will reduce in a manner that preserves our readiness and avoids any hollowing of the force. To satisfy this enduring requirement, we have three rheostats that must be continuously assessed and adjusted: end strength/force structure, readiness and modernization. We will balance these three foundational imperatives throughout the next several years to provide combatant commanders trained and ready forces in support of Joint Force 2020.

#### *Force Structure and Force Design*

The Army will maintain a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to continue providing a sustained flow of trained and ready forces for the full range of military operations. This will give combatant commanders a hedge against unexpected contingencies and enable a sustainable tempo for our All-Volunteer Force. Over the next 5 years, the Army will decrease its end strength from a peak authorized strength of about 570,000 to 490,000 Active Army, 358,000 to 353,500 Army National Guard and 206,000 to 205,000 Army Reserve soldiers as directed. Reducing our end strength over a deliberate ramp through the end of fiscal year 2017 allows the Army to take care of soldiers, families, and civilians; to continue meeting our commitments in Afghanistan; and to facilitate reversibility in an uncertain strategic environment.

An unpredictable and dynamic global security environment requires the Army, as a force in transition, to adjust and reduce its size while remaining flexible, capable and ready to meet the Nation's requirements and maintaining an ability to reverse course to readily expand if necessary. In accordance with the new defense priorities, the Army of 2020 must have a versatile mix of capabilities, formations and equipment that is lethal, agile, adaptable and responsive. As the Army transitions from the current force to a leaner force, it will do so while remaining engaged in the current conflicts. The Army will prioritize force structure and committed assets in the Pacific Region and the Middle East, and will shape the future force to support the Army's requirements as part of the Joint Force to fulfill the Nation's strategic and operational commitments. The Army will optimize force structure to maintain reversibility, and achieve maximum operational strategic flexibility. Today we plan on reducing at least 8 Active component Brigade Combat Teams, however, we continue to assess the design and mix of these modular formations based upon the lessons from the last 10 years of combat. This analysis may lead to a decision to reorganize BCTs into more capable and robust formations, requiring further BCT reductions in order to increase overall versatility and agility for tomorrow's security challenges.

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

#### *Readiness*

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

*The Strength of Our Army is Our Soldiers*

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

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

Our challenge in the coming years is not just about attracting and selecting the best available candidates to be Army professionals. We must also engage and develop our quality, combat experienced leaders so that we keep them, and they, in turn, train the next generation of Army professionals. During the last decade of war, we have given our young leaders unprecedented flexibility and authority to operate effectively on the battlefield. We will prepare for tomorrow by building on that investment and ensuring that opportunities for creativity, leadership and advancement exist throughout the Army.

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

*The Strength of Our Soldiers is Our Families*

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

*Honoring Service*

We must fulfill our moral obligation to the health, welfare, and care of our soldiers, civilians, and families. The effects of more than 10 years of war and inadequate dwell time at home has resulted in a cumulative stress on soldiers, families, and communities that has significant implications for the Army and our Nation. We have implemented an unprecedented number of personnel-focused programs, including Comprehensive Soldier Fitness; Wounded Warrior Program; and Health Pro-

motion, Risk Reduction and Suicide Prevention, to ensure the continued care, support and services that sustain the high quality of our force.

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

The Army continues to invest heavily in better understanding traumatic brain injury and post-traumatic stress, the invisible signature wounds of our recent wars. We have developed and implemented new prevention and treatment protocols, and we are in the third year of our 5-year partnership with the National Institute of Mental Health to identify the factors that help protect a soldier's mental health and those that put it at risk.

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

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

The Army is using the Health Promotion and Risk Reduction fiscal year 2011 Campaign Plan to holistically promote health and reduce risk. The Campaign Plan incorporates findings and recommendations from Department of Defense and Army reports regarding health promotion, risk reduction, and suicide prevention. Health promotion and risk reduction activities are essential to sustain the force under the current operational tempo and reset our Army.

#### *Modernization*

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

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

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

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

These emerging systems and processes represent a powerful new approach for implementing the Army's equipping priorities, policies and programs to the meet new security demands of the 21st century. The equipment requested in the President's fiscal year 2013 budget strikes a balance between current and future needs, provides the basis for an affordable equipping strategy over time, and takes into account Army requirements and priorities. In developing this request, the Army made difficult decisions to shift funds previously programmed for future capabilities to current needs. The decisions came at the expense of promising and needed technologies with capabilities that did not fit within resource limitations. The Army's top four modernization priorities are the Network, Ground Combat Vehicle, Joint Light Tactical Vehicle and Soldier Systems.

#### *Network*

Also known as LandWarNet, the Network remains the Army's top investment priority. With expectations of tighter budgets and a still very active threat environment, the Army will have to produce a force that is smaller yet more capable. The Network is the core of that smaller, capable Army.

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

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

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

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

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

#### *Ground Combat Vehicle (GCV)*

The Infantry Fighting Vehicle is reaching the limit of its capacity to receive technology upgrades proven critical for soldiers in combat operations. The GCV is the Army's replacement program for the Infantry Fighting Vehicle and the centerpiece of the Army's overall combat vehicle investment strategy. It will be designed to de-

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

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

#### *Joint Light Tactical Vehicle (JLTV)*

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

#### *Soldier Systems*

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

#### SUMMARY AND CONCLUSION

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

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

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

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

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

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

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

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

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

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

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

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

## 2012 Reserve Component Addendum to the Army Posture Statement

Sections 517 and 519 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 519 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102-484, referred to in this addendum as ANGCRRA). Section 704 of the NDAA amended Section 519 reporting. Included is the U.S. Army Reserve information using Section 519 reporting criteria. The data included in the report is information that was available 30 September 2011.

**Section 517 (b) (2) (A).** The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

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

\*Active component officers serving in reserve component assignments at time of consideration.

\*\*Active component officers not serving in reserve component assignments at the time of consideration.

**Section 517 (b) (2) (B).** The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).



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

\*Below the zone active component officers serving in reserve component assignments at time of consideration.

\*\*Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

#### **Section 519(b)**

- 1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.**

ARNG officers: 21,425 or 49.2 percent of which 1,429 were FY 11 accessions

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

- 2. The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.**

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

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

**3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:**

**a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:**

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

**b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:**

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

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

**4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:**

- a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:**

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

- b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:**

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

- 5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:**

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

- 6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above First Lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).**

There are no longer active and reserve component associations affiliated with ARNG vacancy promotion due to operational mission requirements and deployment tempo. Active component officers no longer concur or non-concur with unit vacancy promotion recommendations for officers in associated units according to section 1113(a). However, unit vacancy promotion boards have active component representation.

In FY 11, the ARNG recommended 4,286 Officers for a position-vacancy promotion and promoted 2,318.

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

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

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

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

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. The National Guard Bureau and the U.S. Army Reserve Command maintain details for each waiver.

**8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (Included is a narrative summary of information pertaining to the Army Reserve.)**

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

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

**9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)**

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

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

**10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.**

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

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

**11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number**

**and percentage who did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).**

**a. The number and percentage who did not meet minimum physical profile standards required for deployment:**

In FY 11, 256, 696 ARNG Soldiers underwent a Periodic Health Assessment (PHA). There were 14, 305 (3.9 percent of the Soldiers who underwent PHA) personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

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

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

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

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

On 23 August 2010, Department of the Army implemented Medical Readiness Categories (MRC) per AR 40-501 which replaced Fully Medically Ready (FMR) as the metric for measuring Individual Medical Readiness (IMR) in the Army. This new way of measuring medical readiness by classifying Soldiers into MRC reduced the number of Soldiers considered medically not ready in the ARNG in FY 11. Soldiers previously listed as not "Fully Medically Ready" because they didn't have current immunizations, medical warning tags, DNA, and a current HIV test on file are now considered "Medically Ready" and identified as MRC 2 (which is correctable within

72 hours). The data is generated from MEDPROS, the medical readiness database of record for the Army.

**12. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.**

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

**13. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.**

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

**14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRRA.**

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

**15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRRA.**

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



**16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and Army Reserve units) in a post-mobilization period for purposes of section 1119 of ANGCRRRA.**

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

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

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

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

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

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

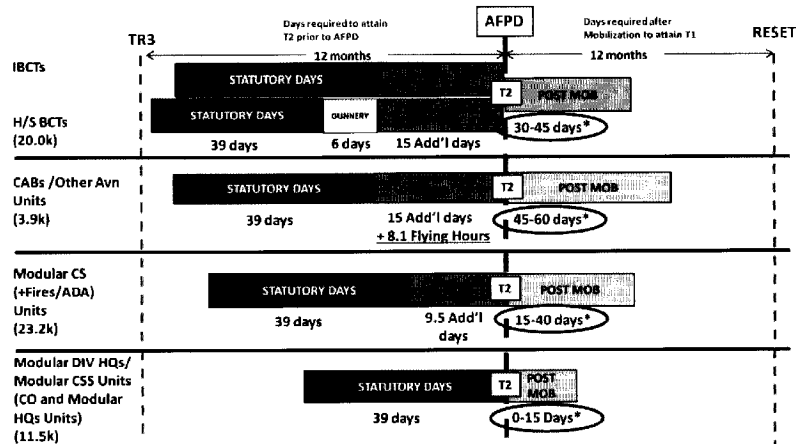
Post-mobilization training conducted by First Army typically consists of:

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

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

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

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



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

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

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

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

Both the current and projected models are listed below, but both exclude all individual skills training, to include PME, MOSQ and functional training. The bulk of Individual skills training will remain a pre-mobilization requirement and would consist of 24 days of Inactive Duty Training, 15-29 days of Annual TrainingT for Collective Training, and, under the current model, 21 additional days of Active Duty Training individual training (Army Warrior Tasks (AWTs), Theater Specific Required Training (TSRT)). Under the

projected model, the 21 additional days would be eliminated. Some formations, under the current model, used up to 74 days pre-mobilization to obtain a T2 rating prior to mobilization and up to 60 days post-mobilization to achieve a T1 rating. Below is an average of current pre and post-mobilization training models which will expire September 30, 2012. To reduce the demand on soldiers in a pre-mobilization status, First Army will assume the training responsibility for many of the AWTs and TSRT on October 1, 2012. AR units will mobilize at no less than a T3 rating. The shift in training strategy is for DEF units only and will increase current post-mobilization days by a projected ten days.

**Current Model**

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

**Projected Model**

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

\*No CAT 4 formations in the AR

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

**17.A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).**

During FY 11, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs with the training requirements of the ARFORGEN training model. By

synchronizing the use of TADSS with ARFORGEN, the ARNG continues to improve unit training proficiency prior to mobilization.

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

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

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

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

To meet basic and advanced rifle marksmanship requirements, the ARNG is continuing to field the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship training device. The ARNG is also continuing the use of its previously

procured Fire Arms Training System (FATS) until EST 2000 fielding is completed. The EST 2000 and FATS also provides static unit collective gunnery and tactical training, and shoot/don't shoot training. The Army is currently rewriting the strategy for the EST 2000 to include the ARNG initiative of the mobile EST to accommodate the geographical troop dispersion of the ARNG. These systems also support units conducting vital homeland defense missions.

The ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assess basic and advanced skills. The ARNG has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition.

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

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

training. The objective is to develop proficient battle command staffs and trained operators during pre- mobilization training.

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

The Army Reserve continues to develop its ability to integrate live, virtual, constructive and gaming training aids, devices, simulations and simulators (TADSS) programs with the Army Reserve Training Strategy in order to meet established aim points in our ARFORGEN training model. TADSS play an essential role in our collective training exercises on our installations which help support our transition from a strategic to an operational Army Reserve and meet our ARGORGEN aim point of providing units at T2 readiness in the Available year. Just as critical, TADSS also support our individual Soldier training at home station, local training areas, and institutions. By synchronizing the use of TADSS with ARFORGEN, the Army Reserve continues to improve unit training proficiency and ensures we meet our requirement to provide the combatant commanders with trained units and proficient battle staffs.

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



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

Low-density simulators continue to be employed to reduce expensive "live" time for unique combat service support equipment. For example, Army Reserve watercraft units train on the Maritime Integrated Training System (MITS), a bridge simulator that not only trains vessel captains but the entire crew of Army watercraft. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for transportation terminal units.

Use of the Laser Marksmanship Training System (LMTS) and Engagement Skills Trainer 2000 (EST 2000) remain essential elements of the Army Reserve marksmanship training strategy. During FY 11, the Army Reserve fielded more than 529 LMTS to 396 Army Reserve facilities to support home station basic marksmanship training for individual and crew served weapons. The system allows the Soldier to use their assigned weapon, as well as crew served weapons, in a simulation/training mode. In FY 11, the Army Reserve also fielded the EST 2000 to 21 Army Reserve facilities. The EST 2000 provides initial and sustainment marksmanship training, static unit collective gunnery and tactical training, and shoot/don't shoot training.

**18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:**

**a. Explanations of the information:**

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

- b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:**

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

- 19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:**

- a. The number of such inspections;**
- b. Identification of the entity conducting each inspection;**
- c. The number of units inspected; and**
- d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.**

During FY 11, Inspectors General and other commissioned officers of the Regular Army conducted 1,219 inspections of the Army National Guard. Regular Army Officers assigned to the respective States and Territories as Inspectors General executed the bulk of these inspections (959). Of the remaining 126 inspections, the U.S. Army Forces Command (FORSCOM), Communications-Electronics Command (CECOM),

and other external inspection agencies conducted 104. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of these inspections may be requested for release through the Inspector General of the Army.

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

**20.A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.**

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

United States (CONUS) by supporting processes associated with the Army Force Generation (ARFORGEN) process.

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

The formal training relationships previously established by the AC/RC Association Program outlined in U.S. Army Forces Command (FORSCOM) Regulation 350-4, *Active Component (AC)/Reserve Component (RC) Partnerships*, were modified as the requirements of ongoing Overseas Contingency Operations kept AC units in frequent deployments and RC units in frequent mobilization. The deployment tempo problem was solved within the Army's Training Support XXI program by using designated, fully functional, AC-led multi-component organizations to provide the necessary contact with mobilizing RC units. Since FORSCOM Regulation 350-4 no longer reflected the way the AC partnered with RC units, FORSCOM discontinued its use on 21 July 2010. The legislated roles and responsibilities formerly given to the commanders of associated AC units listed in Appendices B and C of that regulation are now executed by the commanders of First Army (FORSCOM's executive agent for Active Army support for the training, readiness, and mobilization of conventional RC units in the Continental United States); the 196<sup>th</sup> Infantry Brigade (U.S. Army Pacific's executive agent for the training and readiness of conventional RC units located in the Pacific Command's area of responsibility); and the U.S. Army Europe (USAREUR) for the training and readiness of conventional RC units located in the European Command's area of responsibility.

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

to a validated CCDR operational requirement as a Deployment Expeditionary Force (DEF) or for the execution of a contingency mission, operational plan, or other validated Army requirement as a Contingency Expeditionary Force (CEF).

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

Fiscal Year 2011 also found the Army at an inflection point in which strategic conditions have signaled a future change in demand across the range of military operations (DEF to CEF). The RC will figure prominently in the Army's response to these changes. ARFORGEN is the process that will produce trained and ready RC units that are organized, manned, trained, and equipped, as integral members of the Total Force, compatible with their AC counterparts, to provide predictable, recurring and sustainable capabilities for the Nation's security requirements. The Army does not foresee a return to the legacy construct of associated units.

#### **21.A specification of the active-duty personnel assigned to units of the**

**Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (a) by State for the Army National Guard (and for the US Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.**

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

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

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

Chairman LEVIN. General Odierno.

**STATEMENT OF GEN RAYMOND T. ODIERNO, USA, CHIEF OF  
STAFF OF THE ARMY**

General ODIERNO. Thank you, Chairman Levin, Ranking Member McCain, and other distinguished members of the committee. I want to thank you first for your steadfast commitment to all our soldiers and their families, especially over the last 10 years. The partnership that we formed in supporting them and ensuring they have what they need has been part of our great success and I thank you all for that.

I appreciate the vote of confidence from Secretary McHugh. I believe in the Army today we have a great military-civilian team that will help the Army navigate these very difficult times that we have in the future, and it's an honor to work with Secretary McHugh with his complete sense of support to our soldiers and our families, as well as understanding where our Army needs to go. I promise you that we'll work very closely as we challenge many of these very, very difficult issues.

Together, it's a true honor to be here today representing 1.1 million soldiers, 278,000 Army civilians, and 1.4 million family members. I'm extremely proud of the commitment, professionalism, and resiliency of our soldiers and also their sacrifices and accomplishments. Today they're in over 150 countries around the world. We are truly today, and will continue to be, a globally engaged Army, with over 95,000 soldiers deployed and another 96,000 soldiers forward stationed, conducting a broad range of missions and meeting our national security requirements.

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

Now that operations in Iraq are complete and we continue surge recovery in Afghanistan, we will begin to shape the regional environments in support of the combatant commanders as well as the overall strategic environment. In the Asia Pacific, which is home to 7 out of the 10 largest armies in the world, we will provide an array of tools through rotational forces, multilateral exercises, and other innovative engagements with our allies and new partners. We currently have some 66,000 soldiers and almost 10,000 civilians in this region.

During a time of great uncertainty in the Middle East, we remain committed and prepared to ensuring security and stability across the spectrum of conflict through our rotational presence and working with our close partners. In Europe, as we inactivate two brigade combat teams (BCT), one in 2013 and one in 2014, we will compensate through a series of engagement tools to build and sustain our strong relationships with our European and North Atlantic Treaty Organization (NATO) allies and partners. I believe that this will serve as a model of how I see us doing things in the future, a combination of forward stationed and rotational forces, using a tailorable approach by regionally aligned forces and prepositioned stocks.

As we move forward, we will build on the competency and experience that has been gained over the past 10 years by our National Guard and Army Reserves in Iraq and Afghanistan, through the resourcing of a progressive readiness model.

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

Next, as the Army becomes leaner we must continue to build on the key characteristics of the future force: adaptability, innovation, flexibility, agility, versatility, and lethality. We have to prioritize our efforts as we integrate and synchronize our activities as part of a larger joint interagency, intergovernmental, and multinational force effort.

By the end of fiscal year 2017, we will decrease our end strength in the Active component from 570,000 to 490,000, from 358,000 to 353,500 in the National Guard, and from 206,000 to 205,000 in the Army Reserves. It is imperative for us to sustain a gradual ramp over the next 6 years, to include this year. That will allow us to take care of our soldiers and our families, continue to provide forces for Afghanistan and facilitate reversibility if necessary.

End strength above 490,000 is funded strictly through the Overseas Contingency Operations (OCO) account and must be sustained to help mitigate the risk as we continue current operations in Afghanistan and simultaneously reset for the future. We will reduce our end strength by a minimum of eight BCTs. This drawdown, based on the national strategic objectives, will be done with deliberate consideration to the impacts of combatant commander requirements, as well as considerations on local communities and infrastructure.

We are also looking at reorganizing our BCTs. The Secretary and I have not yet made a decision on that, but we are reviewing that now to see if we can get more capability out of a BCT. That might cause us to reduce some more BCTs, but sustain more combat battalions in the force over time.

Finally, we will be responsible government stewards through energy cost savings and institutional and acquisition reform. We are now taking a fundamentally different approach to how we do business with acquisition reform. I credit Secretary McHugh for his diligent efforts with this. We have really made some tremendous progress here. Through a new affordable and incremental equipping strategy, we are making better business deals and better contracts, emphasizing competition and saving even more money as governmental stewards. Our expansion of multi-year contracts, firm fixed price contracts, and cost-plus incentive-fee contracts have proven substantive cost savings already.

By more closely linking the development of requirements with the acquisition cycle, we are building the flexibility to integrate new technologies incrementally. Additionally, we are looking to develop more efficient testing and evaluating strategies by eliminating redundancies in our testing programs.

We will continue our equipment reset program to restore unit equipment to a level of capability that's commensurate with their future missions. There have been over 1.8 million pieces of equipment reset to date, which equates to approximately 31 brigade equivalents annually.

Much of what the Army needs to do and much of what we hope to do will be relying upon sustained OCO funding through our withdrawal in Afghanistan and for 2 to 3 years afterwards.

As we continue to transform our modernization practices through a holistic, bottom-up approach, we have several priorities. First is the network. It's critical to our ability to manage information and



command our forces at all levels, both home and abroad. We have made significant progress on this critical program due to the series of network integration evaluation exercises that field tested equipment and integrated the system using our soldiers.

Second, the GCV, a replacement for our Infantry Fighting Vehicle that can accommodate an infantry squad, balance mobility and survivability, and provide unmatched lethality on the battlefield against current and future threats. We have paid close attention to risk reduction in this developmental program by maximizing competition to stimulate innovation, support cost containment and schedule requirements, ensuring industry identifies potential price and schedule versus performance tradeoffs, and requiring industry to provide cost targets throughout the GCV's life cycle.

Our third modernization priority is the more mobile, survivable Network-Integrated JLTV, which both myself and General Amos agree is necessary given the last 10 years of fighting and what future operations may entail. We carefully revised our acquisition strategy to reduce the schedule for the next developmental phase from 48 to 33 months, while reducing the projected cost of the program by \$400 million.

Next is lightening the soldier's load. There must be continued efforts to give our squads superiority on the battlefield with advanced soldier systems, weapons, communications, and protection. There has been tremendous progress in the advancements to help lighten the load of our individual soldiers. So now we must turn to look at how the squad can carry the load smarter. We will continue to look at decreasing the weight of our body armor while increasing protection. But we can make more progress by studying how to better distribute the load across the squad.

The budget request for aviation modernization will continue to ensure our lift and close combat attack capabilities remain effective. These aircraft provide critical support to our joint ground forces, our special operations community, and our international partners.

Finally, I'd like to point out that in order to achieve these priorities within our strategy we will need the help of this committee to ensure timely appropriations to reduce production scheduling delays.

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

I'd like to leave you with one last thought. Sequestration is not in the best interests of our national security. The Army's share of the cut could be almost \$134 billion. Actually, it's a minimum of \$134 billion through 2017. The impact to the Army could cause up to 100,000 in cuts to end strength, on top of the 87,000 we've already planned to reduce. This would result in severe reductions in the National Guard, the Army Reserve, and additional reductions in the Active component, and will significantly decrease what the Army can do for our Joint Force. In my estimation, sequestration would require us to fundamentally relook at how we provide national security.

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

All-Volunteer Army to be the most decisive land force in the world, and we could not do it without the support of Congress. It's an honor to serve this great Nation and stand beside the dedicated professionals of our Army. The strength of our Nation is our Army. The strength of our Army is our soldiers, and the strength of our soldiers is our families.

Thank you very much for allowing us to be here and I look forward to your questions.

Chairman LEVIN. General, thank you so much.

Let's have a 7-minute first round.

General, first let me ask you about the 2013 budget. Does that budget reflect the administration's recently revised strategic guidance for the Army?

General ODIERNO. It does, sir.

Chairman LEVIN. Does it provide the Army what it needs to meet its missions and do you support this budget request?

General ODIERNO. It does and I do, sir.

Chairman LEVIN. On troop levels in Afghanistan, General, let me just quickly ask you a question on a subject you and I have talked about many times. Do you continue to support the decision relative to the reduction and withdrawal of the surge force by the end of September?

General ODIERNO. I do.

Chairman LEVIN. Does the recent violence relating to the Koran-burning incident affect what your recommendation is or might be relative to the pace of reductions?

General ODIERNO. I would say that we have to consider the entire environment. However, I would argue that the overall progress in Afghanistan continues along a solid path, and putting the ASF out front.

Chairman LEVIN. Mr. Secretary, there's recently been a very important report about females serving in the Armed Forces and the issue of women in combat and being collocated with certain ground combat units. According to the report, these changes are going to result in over 14,000 positions being opened to women that were previously denied. That's a small step in the right direction, but there's still a long way to go.

Mr. Secretary, I think we all want to ensure that women who serve in the military have the maximum opportunity to succeed. Will you commit to continue to look for more ways to remove the barriers to service by women, including an assessment of how all the restrictions may some day be removed?

Secretary MCHUGH. I certainly do, and in fact that's ongoing as we speak. DOD has provided the Army the opportunity to run a pilot program that would open additional military occupation specialties (MOS) to women in theater, that would produce, if totally implemented, more than 60,000 new opportunities. So that's something we continue to pursue.

I might add, based on my conversations with every theater commander I've talked to personally, it's something they fully support.

Chairman LEVIN. Thank you.

Mr. Secretary, the Seattle Times reported this morning that 285 soldiers who had been diagnosed as having post-traumatic stress disorder (PTSD) by their health care providers had those diagnoses

reversed by officials at the Madigan Medical Center at Fort Lewis, WA, and this has, obviously, some significant consequences for these soldiers and their families because they would be entitled to a medical retirement based on their PTSD.

Would you give us a report on this incident, for the record if you're not able to report on it right now?

Secretary MCHUGH. I'd like to do both. First of all, I think the Surgeon General of the Army, General Patty Horoho, has really taken this challenge on very aggressively. When the first, I believe, 14 soldiers who were found to have those same kinds of change of diagnosis came forward, she ordered a complete reexamination of all the treatment and diagnostic profiles of soldiers treated at Madigan. That's where those additional nearly 300 cases came from.

The article focuses upon those. She went further than that, though, and I think appropriately so. She's asked the Army Inspector General (IG) to reexamine all similar cases across the Army to determine if there is a need to reassess and reopen other cases as well. She's also put out an All Army Activities message to every soldier who feels that they may have had their diagnosis inappropriately changed to come forward, and we'd put them into that process as well.

So this is going to take some time, but it's absolutely essential, and I think, at least for the moment, we're getting on top of what for us is a very challenging and a very troubling situation.

[The information referred to follows:]

My understanding is that certain behavioral health diagnoses and disability ratings of soldiers processed through the disability evaluation system may have been influenced by factors other than the considered opinion of medical professionals applying the appropriate diagnostic criteria. U.S. Army Medical Command announced it would offer face-to-face re-evaluations to individuals it identified as requiring re-evaluation.

Chairman LEVIN. It is important that you be on top of it. This committee's had a very deep interest in this, the issue of PTSD and the diagnoses. So if you would keep us informed on a regular basis as to what that review shows.

Now, the two of you and I spoke in my office about the energy use by the Army. In the budget request for fiscal year 2013, you're demonstrating a trend towards increasing the use of rechargeable batteries for greater resiliency and lesser weight over the non-rechargeable batteries, which not only weigh more upfront in many cases, but also, obviously, you need more of those.

You indicated you already are making some really good progress in this area and that you were going to bring with you some demonstration. I think we all really very much appreciate this. We know what the price of energy is. Every American family knows the price of energy. But what they're not as familiar with is the cost of energy to our military, to our budget, and to the safety of our troops that have to carry a lot of weight on their backs, but also have to carry a lot of energy that needs to be protected. We've had a lot of lost service personnel because they're protecting energy sources.

I see you brought the equipment you thought you might be able to bring in time. Do you want to take a minute or 2 and tell us about what we're looking at?

Secretary McHUGH. Absolutely. Mr. Chairman, I was struck when I found a data point that said for the average platoon to go on a 72-hour patrol in Afghanistan they have to take with them 400 pounds of batteries, which underscores the very points that you made.

This small black box to my immediate right is called the Modular Universal Battery Charger. It weighs six pounds. The four larger units you see at the far end of the table weigh 85 pounds and collectively they do the work of this one 6-pound generator.

The other unique difference is those four combined weight 85-pound rechargers are really limited in their application. Obviously, you wouldn't put those on your back and hump them up a mountainside. But they're also limited in their power sources. You have to plug them into a wall. Otherwise they don't work. This little 6-pound recharger is able to work off just about any available source of energy.

What you see arrayed across the front of the table is a solar blanket. It folds up much like a bath towel would, and weighs about the same. If you unfurl that and plug this charger into it, from the sun it can recharge those batteries. This little 6-pound unit can run off vehicle power. It can use other batteries' residual power to charge itself so it could charge the other batteries. In short, from a battery perspective that one 6-pound unit makes patrol limitations unlimited.

These are the kinds of things that provide operational flexibility. But as you noted, Mr. Chairman, more importantly, it takes enormous weight off the backs of our soldiers, and provides them greater operational flexibility. When we are able to reduce such things as convoys bringing in fuel, where every 44th convoy results in a casualty, these are important things for soldier safety as well.

We're always trying to do better and I have no doubt there are other things we can do, but we appreciate the opportunity to show you one very important development.

Chairman LEVIN. We thank you very much for your initiatives in the Army here. It really resonates with all of us. It's kind of like a four-point success story. You have the safety of our troops, you have the weight off their backs, you have the cost issue, and you have the energy security issue as well. There are so many plusses in what you're doing. I just want to commend the Army for this initiative and for your request in the budget to continue it.

Senator McCain.

Senator MCCAIN. I thank you, Mr. Chairman, and I'm certainly glad to see this success story, Mr. Secretary.

General Odierno, you spent a significant portion of your leadership role in the Army in Iraq and I'd like to get your views, because we are hearing disturbing reports of a resurgence of al Qaeda, increasing violence, and again attempted consolidation or consolidation of power on the part of Prime Minister Maliki.

I'm curious about your assessment of the situation in Iraq. I know you still pay very close attention to it.

General ODIERNO. Senator, obviously I do watch it closely. There is some concern as we watch what's going on in Iraq. The key to Iraq will be, as we have said all along, ensuring that all of the enti-

ties inside of Iraq continue to participate and be part of the decision process within the government.

Senator MCCAIN. Is that happening?

General ODIERNO. There's been some challenges to that in most people's estimations, based on the prime minister's attempt to consolidate a bit more power. I think with the uncertainty in Syria, it's adding a difficult piece because of al Qaeda and other groups who will try to exploit the room that they see in this area. So I think that's some concern in the rise in violence.

Senator MCCAIN. Has there been an increase in al Qaeda activity?

General ODIERNO. There are reports that there has been some increase, especially in Anbar Province, of al Qaeda and also in Baghdad. Though, I'm still very confident that the Iraqi security forces can handle the violence. The issue becomes that we need the people of Iraq to continue to reject al Qaeda and not allow them to get back in and form groups. I think that's the most important piece now.

Senator MCCAIN. Isn't a very important piece also the polarization and possible view on the part of the Sunni that they are excluded from the government? The vice president, who is Sunni, is now residing in Irbil, with a warrant out for his arrest. It's not exactly, I think, the model that we had in mind for the Iraqi democracy.

General ODIERNO. Senator, these are the type of seams that I'm concerned about, because these are the type of seams that other groups will attempt to exploit as we move forward. It's important that we continue to work very closely with the Iraqi Government, and they understand that, so they can close some of these seams that are starting to develop.

Senator MCCAIN. Thank you, General.

The Director of the Defense Intelligence Agency, General Burgess, testified last month that the Assad regime and its military remain "a viable, cohesive, and effective force." In the same hearing, James Clapper, Director of National Intelligence, testified that, absent some kind of external intervention, Assad will "hang in there and continue to do as he's done." Of course, a recent news report says that there's been ethnic cleansing in Homs, a scene of devastation and slaughter.

Do you agree with General Burgess and Director Clapper's assessments?

General ODIERNO. I agree that the Syrian Government and their military have significant capabilities that could be used against the population.

Senator MCCAIN. Could be or is being?

General ODIERNO. We're seeing parts of it used against the population.

Senator MCCAIN. Do you believe that if the current conditions persist, Assad can remain in power nearly indefinitely?

General ODIERNO. It's unclear. You never know how the population will ultimately react once a leader uses force on the population. But he certainly is attempting to stay in power by using force.

Senator McCAIN. But you don't have any estimate as to how long he could remain in power?

General ODIERNO. I think that he could remain in power for some time.

Senator McCAIN. The Washington Post reported recently there's been a "spike in Iran's support for the Assad regime." Do you know much about the nature of this support? I'm sure that some of this is classified.

General ODIERNO. I will say I don't know specifically the type of support. But as we have seen in and around the Middle East, the use of the Quds Force, whether it be in Iraq, whether it be in Lebanon, whether it be in Bahrain, and other places, they are very active when they're supporting their own agenda, and they clearly have an agenda in Syria. So I know that they're active in Syria.

Senator McCAIN. Do you agree with General Mattis and General Dempsey's assessment that if Assad fell it would be the greatest blow to Iran in the last 25 years?

General ODIERNO. I think it would have a great impact on Iran if Assad fell in Syria.

Senator McCAIN. Have you seen any deviation or effect of the sanctions on Iranian actions towards developing nuclear weapons?

General ODIERNO. My personal assessment is that sanctions are having an impact inside of Iran.

Senator McCAIN. But have they changed any of the activities?

General ODIERNO. No indications.

Senator McCAIN. No indication of that.

I want to congratulate you and Secretary McHugh on some of the acquisition changes that you've made. I noted that there was a report that had 70-some recommendations and you have implemented a large number of them, 50-some. I think the committee would like to hear from you those changes in the acquisition process that need to be made by Congress, as a result of the recommendations that you're making. Are there any of those, Secretary McHugh?

Secretary MCHUGH. There certainly are, Senator. When this body passed the acquisition reform amendments, the major weapons procurement reforms, I was proud to have a little piece of that when I was still on this side of the Hill. Frankly, it was, I can tell you now from the other side of the Potomac River, something that caused the Army to take a cold, hard look at itself.

One of the reasons General Casey and I asked for this top to bottom review of our acquisition processes were the challenges resulting from the legislation that you and others had so much impact upon. It provided us a blueprint that, frankly, as you read it, is just common sense. If you had to write a primer on what not to do in major acquisition programs, you'd probably go to some of the Army initiatives in recent years. That's not because people were uncaring or untracked, but rather because we didn't know how to contain our requirements spirals. We didn't understand that you have to have reliance upon mature technologies, that sometimes good enough is good enough.

As we implement those programs, the chief outlined, for example, the GCV, that I think is a case study in trying to do better, in learning that you need a fixed cost price plus incentive program,

instead of just tying people to percentage increases regardless of what they spend, and in fact the more they spend the more they make.

We retracted the first request for proposal that had over 900 must-have requirements appended to the GCV and re-issued it with about 163, with all of those other nice-to-haves tradable against cost.

The other big lesson we've taken from this is that competition is good, and we will have at least two competitive prototypes to compare. We're going to look at existing nondevelopmental platforms as well.

We really learned a top-to-bottom lesson. I'm not suggesting we don't have some ways to go. We hope to implement all of the remaining suggestions of the Decker-Wagner report by the end of this summer. But one of the big challenges and another thing this Congress has directed us to do is to grow the acquisition community within the Army. These are like O5s and O6s. They just don't pop up overnight. We are reversing a trend of some number of years whereby the acquisition workforce was diminished, and now we want to bring those professionals in so we don't go back to our bad habits.

Senator MCCAIN. Thank you.

Very briefly, General Odierno, how important is the strategic partnership agreement between the United States and Afghanistan in the grand scheme of things?

General ODIERNO. I think as we look to the future and what we're trying to accomplish, it's key that we have a strategic partnership agreement, I think similar to the one we developed in Iraq. I think it's important for us to understand our bilateral agreement and how we will continue to work with each other as we move forward, in order to build on the success that I expect to happen here and continue over the next 2 years in Afghanistan.

Senator MCCAIN. Thank you.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to both of you for your service and your leadership.

General Odierno, let me just ask you a few questions about Iraq following on Senator McCain's questions. Just for the record, at this point how many U.S. Army personnel are there in Iraq?

General ODIERNO. We're changing it every day because we're increasing, it's about 180 to 250 that are working in the embassy in support of our actions.

Senator LIEBERMAN. Right. Really, it's down that low now. Am I right that a certain number of the troops that were in Iraq have been repositioned to neighboring countries, particularly Kuwait, and the numbers there?

General ODIERNO. We have a BCT that came out of Iraq and is now inside of Kuwait. We have some aviation elements that are also inside of Kuwait. We have people in Kuwait that also support Afghanistan.

Senator LIEBERMAN. Right.

General ODIERNO. The current number is somewhere between 12,000 and 15,000. It will come down over time, probably to something less than 10,000 in Kuwait.

Senator LIEBERMAN. Was one of the understandings or foundations of that decision to leave some number of our troops nearby Iraq in case of a crisis to go back in?

General ODIERNO. I think I would say it's first to sustain some capability close by in the region. I would suggest General Mattis could probably answer that question better than I, but I think it's for us to sustain capacity in the region that allows us to react with ground forces if necessary and if it was in our best national interests.

Senator LIEBERMAN. Right. Let me ask you to step back, because of all you contributed to our effort in Iraq, and ask you the question people ask me. Looking back, was it worth it?

General ODIERNO. First off, I always start out that there's no longer a brutal dictator overseeing the Government of Iraq. I think we forget about that sometimes, as we continue to uncover the atrocities that were conducted under that regime. I don't think we should ever, ever forget that.

We have bought them the time and space to work through a democracy, to improve an economy that I believe in the long term could add stability to the region. I still believe that. We're going through a rough time now, as Senator McCain pointed out, inside the Iraqi Government. But I still have confidence that we can work our way through this.

What gives me confidence is we still have the parliament working together, represented by Kurds, Sunni, Shia, trying to solve problems inside Iraq. I think that's a positive development and will continue to be. I think there's a lot of opportunity for them to continue to develop economically as they continue to increase their oil exports. So I think they can have an impact on the region. I think they can be a stabilizing factor in the long term. But we have to continue to work very closely with them, treat them as a partner, continue to help them, and help them understand the importance their role can play in the region.

Senator LIEBERMAN. Thank you. I agree with that.

That's a transition, if I can, to the budget. I do want to say first that when you think about what's happening in the Middle East just in the last couple of weeks and the possibilities we're looking forward to, I question the notion of the rebalancing of our forces from the Middle East to Asia Pacific. I understand why we'd want to focus on the Asia Pacific because it's critically important, but I think we're going to be engaged really in ways that we can't exactly foresee in the Middle East.

Of course, we still have a presence there. Maybe I'll first ask you to comment on that, and then I'll transition to my concerns about the reductions in end strength as it affects our ability to be involved in both theaters.

General ODIERNO. I don't see us necessarily rebalancing from the Middle East to Asia Pacific. Based on the priorities we have established, Asia Pacific is first, closely followed behind by the Middle East. But I don't think that is causing us to have less attention and capability available to use in the Middle East.



I do think in some other parts of the world we are diminishing our potential to influence, but it is not in the Middle East. I have confidence that we will be able to do what we need to do if necessary in the Middle East even though we have now provided some focus into the Pacific region.

Senator LIEBERMAN. Are those other parts of the world where you think we may be diminishing our influence too much?

General ODIERNO. No, I think it's right on target, in Europe and other places.

Senator LIEBERMAN. Yes, I agree.

On the budget, I'm concerned, as I said when Secretary Panetta and General Dempsey were here, that this budget takes on an unacceptable degree of risk for our national security. I say quickly that I understand that this is the budget that we forced you, the Pentagon, to give to us through the Budget Control Act.

But I hope that in this authorization process that our committee is going through now and in the appropriations process that we will take a second look at the implications of the cuts that we are forcing on you, including the cut over the next 5 years of 80,000 personnel in the Army.

Let me ask you first, because I don't believe we've heard any details about the speed and depth of the reductions in the ground force end strength that you're going to be compelled to carry out, can you provide any further details on the expected drawdown ramp?

General ODIERNO. Yes, I can. First, we're actually starting in 2012. We started to reduce in 2012, so it's actually over a 6-year period. We have developed this ramp, which we believe can be accomplished mostly through attrition. With the rate that we're reducing the ramp, we believe that we can continue to meet our commitments in Afghanistan and our other deployable commitments with rotational forces.

So we feel confident that if it remains over a 5- or 6-year period it will mitigate the risk associated with the downsizing of our force. If we are forced to do it much quicker than that, then the risk goes up exponentially in my mind, because first of all it could have an impact on the soldiers and families of our Army and also an impact on our ability to respond with rotational forces if needed over the next several years, specifically since we still have a large commitment in Afghanistan.

If I could just talk, Senator, a little bit about the risk. The risk that we're accepting is that we will not get into long-term simultaneous operations again.

Senator LIEBERMAN. As in Iraq and Afghanistan.

General ODIERNO. As in Iraq and Afghanistan; over a 10-year period.

Senator LIEBERMAN. Right.

General ODIERNO. Or a 7-year period, or a 6-year period, with forces of 100,000 in one theater, and 150,000 in another. That's where we are taking risk.

But we believe we mitigated that risk with our ability over the next few years because of the ramp to reverse Active component reductions if necessary, but also by utilizing our Reserve component, which has gained, as everyone knows here, great experience and

capability. So we'd have to rely on them in order to buy us time then to reverse the Active component. We think that's how we mitigate that risk.

I would also say that we do have the capability to conduct 2 operations simultaneously at 490,000. Again, where the risk comes in is if they get extended over a very long period of time.

Senator LIEBERMAN. Okay, my time is up. I would like to talk to you at some point about the reversibility, because obviously we just went through a period of time where we had to reverse previous end strength reductions that left us, I think, unprepared for what we had to face. But really, we got prepared by putting tremendous stress on our forces, with a very high boots-on-the-ground to dwell-time ratio. That's something I know you want to avoid ever again having to put our people through.

Thank you.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First of all, I have the highest respect for both of you. I consider you to be personal friends, as well as certainly great career guys in carrying out your mission. But I think it's important to approach this budget thing a little bit differently. We all know that you guys receive a budget and the budget comes from the Commander in Chief, and you're going to have to carry it out; you're both very, very competent to do that.

However, the variable, as Senator Lieberman says, in this is risk. I look at what's happening now. In this administration's four budgets, we have a \$5.3 trillion deficit, more than all the deficits of every President in history. In the fiscal year we're talking about now, it's \$1.3 trillion. The only real hits are defense. You could zero out the defense budget and the OCO and that adds up to about \$614 billion, and still have a half trillion dollar deficit.

I look at that and I think, where is the money going? Because it's not going to defense. Let me just put this into a perspective that I think is significant. At our peak—that would have been 2008 and 2009—we had approximately 188,000 troops deployed in Iraq and Afghanistan. There also were over 100,000 servicemembers deployed within the U.S. Central Command (CENTCOM) area of responsibility (AOR) in a supporting role.

During those years, the Secretary and the Chief of the Army repeatedly briefed Army, us, right here in this room, about an Army out of balance, that the demand for ground forces exceeded the supply, that we needed to continue with the 15-month rotations, and that constant conflict since September 11 had stretched and stressed all of our volunteer force.

The 2010 Quadrennial Defense Review, which was the timeframe that we're talking about said, "In the mid- to long-range term, U.S. military forces must plan to prepare and prevail in a broad range of operations that may occur in multiple theaters, in overlapping timeframes. This includes maintaining the ability to prevail against two capable nation-state aggressors."

The new strategic policy, which I can actually read out of here, talks about the objectives in one region by conducting a combined arms campaign.

The first thing before I ask you were they wrong is to go back and remember when you and I, Mr. Secretary, sat next to each other in the House Armed Services Committee, and I remember so well the last year before I came to the Senate we had someone testifying that in 10 years we'd no longer need ground forces. You remember that, too. We talked about it at the time.

What I'm saying is we don't know how what we do today is going to reflect where we're going to be in the future. So the two statements that I read, do you think that Casey and Geren were wrong at that time? Has something changed to change the level of hostility out there?

Secretary MCHUGH. I don't think they were wrong. But things have changed. First of all, when they appeared before both Houses of Congress they were in two simultaneous wars. I don't think they, on the ground, had the opportunity to totally get the upper hand, and the pace of deployments was such growing to try to sustain those two theaters.

Today, Senator, we're out of Iraq. We've already begun to draw down forces in Afghanistan. As I understand the agreement amongst the allied nations' coalition in Afghanistan, the plan is to transition all control of combat operations to the Afghanis by the end of 2014, which presumably will allow us to draw down even more.

We've restored our boots-on-the-ground dwell times to 1 to 2 years.

I can tell you, if the Military Services had to write their own budgets, I'm not sure any of us would have picked these particular figures. But as you noted, that's not how it works. We had the Budget Control Act, passed by both houses and signed by the President, within which we had to do the best we could.

Senator INHOFE. Exactly, and I understand that. I know that the situation has changed since that time. I still look at this and look at the stress. We're the ones up here, and you used to be in this position, where you'd be talking to your Reserve components back home and you saw as their operational tempo (OPTEMPO) went up. I would probably have a hard time, even though we are drawing down right now, not knowing what's in the future, that we can't consider the OPTEMPO for our Guard and our Reserve to maintain the same thing.

My time's getting low here, so I want to cover two other things quickly. First of all, on the adjustments in TRICARE, the Obama budget calls for military families and retirees to pay sharply more in their health care. Over 5 years, compared to current fees, the fiscal year budget proposed would increase the enrollment fees by 94 percent and up to 345 percent for some retirees.

There's an article that you probably read by Bill Gertz that was in just last week. He said, "The administration officials told Congress that one goal of the increased fees is to force military retirees to reduce their involvement in TRICARE and eventually opt out of the program in favor of alternatives established by the 2010 Patient Protection," or in other words, Obamacare.

Got any thoughts about that? Do you think it's an issue of fairness in terms of the increase in the copays that are in this budget?

Secretary MCHUGH. We think it's an action of necessity. The facts are irrefutable. Over the last 10 years the cost of the defense health programs has doubled and, like in the civilian sector, painfully but undeniably, if we don't do something to get that cost growth under control we're going to be in jeopardy of losing the entire program.

We worked on this very meticulously. It was not something we enjoyed doing, not something we wanted to do. But if you look at the increases as proposed, I think at the end of the 5-year period you'll still have an enormously generous benefit that these men and women who served in uniform not only deserve, but in our minds earned.

Senator INHOFE. I think I'm just out of time almost here, Mr. Secretary. I agree with what you're saying, I agree.

General Odierno, I was one of them back when we were seated next to each other in the House Armed Services Committee when then-President Bush cancelled the Crusader program. We were very distressed. In fact, one member actually retired—Secretary McHugh, you remember our good friend from Oklahoma—because of the way that happened. So I'm critical there of a certain Republican administration.

Then we went through the non-line-of-sight (NLOS) cannon. We went through the cancellation of the Future Combat Systems (FCS). Now we're kind of left with the latest version of the old Paladin technology. My concern is the Paladin Integrated Management (PIM) program, I'm very much for it, and we have to have that capability. I know that both of you understand and appreciate that.

Is there any way to accelerate that? Right now you're looking at 4 years out and it would seem to me we ought to be able to get that capability prior to it, maybe in a 2-year period of time. Have you thought about that?

Secretary MCHUGH. We have looked at all different courses of action, Senator. We're trying to balance across the entire modernization program how we do this. We believe in the PIM program. It actually takes some of the technologies out of NLOS and integrates it into the Paladin. So we're very excited about that. We think it's something that we have to continue to build.

But as we look at the adjustments we've made, it's difficult for us to speed up programs right now as we try to sustain a balanced modernization program across all of our systems.

Senator INHOFE. With the limited resources. I agree with that, and you have the GCV to consider and all of that. Well, you're doing the very best you can with what you have, with the hand that you're dealt, and we need to deal you a better hand.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator REED.

Senator REED. Thank you very much, Mr. Chairman.

Thank you, gentlemen, for your service to the Army and to the Nation.

General Odierno and Secretary McHugh, you have a major challenge in reshaping the force structure of the Army. You've talked about eliminating brigades, reorienting the Army for what might

be termed more conventional type or a broader spectrum of missions than you've seen. But you also have going forward the responsibility to generate a cadre of advisers who will be embedded, presumably, with Afghani forces going forward, and even in a broader sense a cadre of mid-rank professionals who can deploy to other forces around the world and provide training, assistance, etcetera, which seems to be something you have to do to complement the downsizing of our, for want of a better term, conventional force.

Can you talk a moment about that challenge and how you propose to meet it, General Odierno?

General ODIERNO. Senator, we just finished a training exercise out at the Joint Readiness Training Center on a brigade that's getting ready to send advisers over to Afghanistan as we continue to shift our strategy in Afghanistan. We've made the decision to center it around a BCT because they're the ones who have the expertise that we need in order to continue to exponentially improve the capability of the Afghan forces.

So we'll take a brigade, we'll take the leaders out of it, the non-commissioned officers, and then we will redistribute the people of the brigades to other units so we can meet that requirement. Then when they come back we will then regenerate the BCT.

The reason we've done this is because it's about the expertise. It's about having the right officers doing adviser programs. I think we made some mistakes early on in Iraq in our adviser programs because we had people that, frankly, weren't qualified to be advisers, and we don't want to do that again. We think the flexibility of our formations allows us to do this, so we're very focused on doing this. I'm pleased so far with the results. We'll see what happens when they deploy here very shortly.

Senator REED. I want to be sure I understand this. You take out from that brigade the advisory element you need and send it into Afghanistan. The remaining brigade, presumably the soldiers and the personnel, the non-advisory personnel, are then—

General ODIERNO. What happens is you have security elements that go with them as well, which takes some soldiers, and other things that will go in with them. It's a package that is built out of the brigade. Then of course, on installations we have more than one brigade. What we've done is we take those soldiers, so they can continue to move forward and train on other missions, into another brigade, and that's how we've decided to do this.

That allows us to not only have the best expertise moving forward, but what we were doing before is robbing other institutions. That causes us to have weaknesses in other institutions. We are now able to do this because of our reduced commitments, for example not having brigades in Iraq now.

Senator REED. One of the points you mentioned was the security of these advisers. Given what's happened over the last several weeks, how are you planning for, training for, or what's your general reaction, to the ability to operate as we thought we could do without some of the frictions we've seen lately?

General ODIERNO. It's interesting, as we were out at the training center we got some feedback from the brigade commander getting ready to go. His assessment is the thing that we have to do is, it's

about being even closer, having the ability to really be as close as you can to our allies, build a relationship, so you completely understand the environment you're operating in and you're able to identify the risks associated with it.

That's one of the things we're concentrating on, that you have to be aware, you have to identify the risks associated with being advisers and understand, more importantly, the personalities that you're working with. So we're focused on that.

We're also focused on developing techniques to recognize potential problems. I feel comfortable that we are addressing this. It is still a very difficult threat to combat against. But I would just say, Senator, to expand a little bit, we cannot allow a few to derail what we're doing in Afghanistan; 99.9 percent of the ASF are working very hard, sacrificing every day to move their country forward, and we have to continue to support them. Even though we have a few who are trying to take this mission down, we can't allow that to happen. It's important we remain steadfast in this mission, sir.

Senator REED. Let me ask a final question on this line, as we come out of Afghanistan, as you reconstitute the force for a broader spectrum of missions, you'll still have this legacy task. There has to be, and we've seen in the past, where the proper recognition for service there in an advisory capacity is not appreciated, that the incentive structure now is, that's in the rear-view mirror, now you have to command a brigade, not an advisory brigade but Active brigade under division format in the United States, et cetera.

How are you going to ensure that these individuals are given the kind of recognition they need in terms of promotions, in terms of consideration, et cetera?

General ODIERNO. The Secretary and I get to write advice to the board. We certainly will make sure we continue to give that direction to the board.

I would argue it's another reason why we're centering it around the BCT, because in reality they will still be brigade commanders who are doing all of these missions. I think it's not only about the quality, but it's also about the recognition of what they're doing.

Senator REED. Secretary McHugh, when last you were here we talked about the study of the profession of arms, which you initiated, which is a way to develop discussion on the spectrum of the Army, including Army families—we talked about that—and about the future of the Army. Can you just comment on the perspectives that you've learned and how it's influenced you in terms of these, not just budget deliberations, but all the questions that we've spoken of today?

Secretary MCHUGH. Thank you very much. We're still engaged in that discussion and, frankly, if one thinks about it, you probably should be each and every day maintaining an Army. What we have done upon that realization now is tried to embed into U.S. Army Training and Doctrine Command (TRADOC), into our schools and classrooms, that kind of discussion, so we have a continuous flow of information and try to keep those lessons learned.

The thing that concerns me is the issue that we're hearing more and more about the lack of discipline within the force. This is particularly true amongst younger officers. They feel as though the professional arms to them means more than just going to combat;

it means that you have to have discipline in garrison, you have to have standards, both height and weight, physical standards.

Amongst the cadres that I would have felt were the less interested in those age-old kinds of things that made the Army different, we find the most adherence. What we have to do, it seems to me, is take those messages and broaden our definition of what the profession of arms means. I don't think that's going to happen overnight, and I think particularly as we transition out of combat and come back, once more we're going to have to take another look at that.

It's been an exciting intellectual experience, but I can't tell you we're ready to write the book as yet. I know the Chief has been very involved in this as well.

Senator REED. There are standards, height, weight, and physical fitness. Fortunately, there are waivers for height standards. For both of us, I think.

General ODIERNO. For both of us, that's right, Senator. [Laughter.]

Exactly what the Secretary said. As we grew in the 2000s, there's a thought in the force that we've lowered our standards as we were growing. It's very interesting. They want competition, they want high standards. The profession also in my mind moves towards sexual harassment and drug abuse. It's all of these things; in our profession they are unacceptable. Our moral and ethical values and our standards do not accept things like this.

Bob Cone in TRADOC is institutionalizing a professional program that will start when you're a Reserve Officer Training Corps (ROTC) cadet or a West Point cadet and will take us all the way through our institutional training. We're also now developing training in the operational force to get at this. It's absolutely essential to us as we move forward as an Army and as we reduce the size of our Army, because the development of our leaders will be what causes us to be successful, and that our soldiers understand what they're doing and the profession that they are in is special and requires special traits and characteristics that we expect.

Senator REED. Thank you very much, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.

Senator WICKER.

Senator WICKER. Thank you very much, and I want to thank both of you for your service. I have a great deal of confidence in both of you. I think our committee is well served, our country is well served, and our national security interests are well served by both of you. So thank you very, very much.

I want to talk about helicopters and cargo and then if we have a moment maybe get back to the general budget questions. General Odierno, there is an analysis being performed out there on the options for the Armed Scout Helicopter, options ranging from a new high-speed helicopter to a conventional helicopter to modernization of the existing airframes. We submitted some advance policy questions to you before your confirmation last year and you stated that you agree the Army has an enduring requirement for an armed aerial scout (AAS), that this was reaffirmed after the termination of the Armed Reconnaissance Helicopter (ARH) program; and that

requirement will be validated by an ongoing AAS analysis of alternatives (AOA), whose findings at that time were scheduled for release in the third quarter of fiscal year 2011.

Has that slipped? I understand this analysis may have been delivered to the Army leadership, but that no decision has been reached. I also understand that the acting Under Secretary of Defense for Acquisition has not yet been briefed on this recommendation.

So tell us about this. When will this analysis be briefed to the DOD Under Secretary and will this analysis be briefed to us prior to a decision being made on which course of action is taken?

General ODIERNO. Senator, first, we have not yet seen the analysis. It's now due in second quarter of fiscal year 2012.

Senator WICKER. Why has it slipped?

General ODIERNO. I don't know. I'll get back to you on that. I can't answer that question. I think probably some of the companies involved asked us to slip that so they could get a better analysis back to us. But I'll get you a more thorough answer on that.

[The information referred to follows:]

The Armed Aerial Scout (AAS) Analysis of Alternatives (AoA) is expected to be completed in the near future. The Army and the Office of the Secretary of Defense are collaborating on the validation of the sufficiency of the AAS AoA to determine whether additional market research from a Request for Information (RFI) and results from voluntary flight demonstrations will be required to complete the AoA. The purpose of the RFI and voluntary flight demonstrations will be to assess the current state of technology within industry. The Army will not compare individual results, but rather assess their capability against the gaps identified in the initial capabilities document.

The end state is to identify an affordable, achievable, moderate risk materiel solution option based on the current state of technology in the market. It is anticipated that the AAS decision and briefing to Congress will occur during the second quarter of fiscal year 2013.

General ODIERNO. But we expect to have an answer back on this AOA. We will take that analysis, we'll take a look at it, and then we'll decide, is that better than modernizing Kiowa Warriors or going with a new system? When we get that information the Secretary and I will be more than happy to provide that to the committee.

Senator WICKER. Do you have any estimate of when we might see that?

General ODIERNO. Our determination will probably be made either by the end of fiscal year 2012 or the beginning of fiscal year 2013, when we finally make a decision on that. As we move towards that decision we would bring it to you. It would probably be somewhere in the beginning of fiscal year 2013 or the end of fiscal year 2012.

Senator WICKER. So it could be as early as October or November of this year. Okay, thank you very much.

Let's move to cargo then, General. The Air Force has decided to pursue the divestment of all C-27 aircraft in our inventory. C-27s, a twin-engine turboprop, can carry up to 44 passengers, more than 23,000 pounds of cargo and fuel, and can land on unimproved fields as short as 3,000 feet in areas such as Afghanistan.

Were you consulted prior to this Air Force decision to divest us of all C-27s?



General ODIERNO. I would say we had a discussion about it as a joint group together once the decision was made, as we looked at the budget and what the results of the cuts would be, the Air Force recommended the reduction of the C-27.

Senator WICKER. So the decision had already been made before you were brought in?

General ODIERNO. The Air Force made the decision.

Senator WICKER. Just tell us. You're part of the team, but, all things being equal, are you disappointed that you're not going to be able to have the benefit of these C-27s?

General ODIERNO. We need a capability that enables us to provide intratheater lift, to provide support to our ground forces, as we've seen in Afghanistan. The Air Force has assured us that they will be able to do that with the current C-130 fleet, and we've developed a memorandum of understanding that would tell us that they will provide that support to our units. It's their responsibility to provide that intratheater airlift to us. We need it because I think, Senator, the CH-47 fleet has been used quite heavily there and they cannot bear the whole load. We need help with fixed wing resupply.

Secretary MCHUGH. Senator, may I just?

Senator WICKER. Yes, sir.

Secretary MCHUGH. The Chief is absolutely right. Each of the Services, as we went through our budgets, made their own decisions. However, on this issue the Chief and I along with the Air Force were provided an opportunity to discuss it, and one of the outcomes of that was the agreement that the Chief just mentioned.

I didn't want to make it sound as though we weren't given some opportunity to discuss it with them, because that wouldn't be totally accurate.

Senator WICKER. Let me just observe that this aircraft has, it seems to me, the capability that we need in Afghanistan; with the mountainous terrain we have there, the limited road network, which is further constrained by the threat of roadside bombs. It just seems to me the C-27 is equipped to help us, and it makes no sense to me that we have this new aircraft and we're going to get rid of a brand-new aircraft that provides the capability.

Quickly, Mr. Secretary, you mentioned the Budget Control Act is the law. You might not have put it in place, but you're constrained by it. It's also a fact that sequestration right now is the law and may in fact kick in. There's a discussion around here of trying to handle this during the lame duck. But let me just ask you, Mr. Secretary, what contingency plans do you have for dealing with sequestration? I hope it can be avoided. I desperately hope it can be avoided and believe we should have made the tough decisions with regard to the explosion of entitlement spending. We've collectively been unable to do that and now we're faced with the prospect of this being taken out of the hides of the people that provide national defense to us.

What do you think of the prospect of waiting until the lame duck to answer the sequestration, and what would be the consequences if we don't address it sooner?

Secretary MCHUGH. For the Army and all the Military Services, in fact DOD writ large, the irony is we don't really have to plan

a lot because under the law we're not allowed to make certain cuts in some areas and ameliorate cuts in others. Rather, every appropriation line must be cut by an equal amount.

Now, that makes our mathematical challenge pretty easy, but it really highlights the incredibly difficult nature should sequestration go forward. You can't buy 92 percent of a GCV or an aircraft carrier. We would have to, I would imagine, declare Nunn-McCurdy breaches on hundreds, if not thousands, of contracts, for example.

But the real challenge, I think, is that the aura of uncertainty probably focuses upon those with whom we do business—our manufacturers, our suppliers—that have stockholders, that have to answer to other authorities.

Senator WICKER. That have employees.

Secretary MCHUGH. Employees, exactly.

They have to begin to plan, it seems to me, and that's the discussions we've heard from them, about acting sooner rather than later. We worry about the industrial base. We worry about those kinds of effects that sometimes we don't think a lot about in government, but would be very real in terms of running DOD.

Senator WICKER. My time is up, but my hat is off to you for having to deal with a real tough budget in addition to defending our country. I want to work on both sides of the aisle to make your situation a little more doable.

Thank you very much to both of you.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Let me add my appreciation for your service as well, and to the men and women who serve under you in our military.

The new U.S. national strategy, as has been indicated, calls for the increase in our presence and involvement, more involvement in the Asia-Pacific region. Of course, the threat there, among others, is an unpredictable nuclear North Korea and China using its military capability to reduce the freedom of action of its neighbors. Now, a larger presence is necessary to deter or repel aggression from these threats.

The three large developed democracies in the region—Japan, South Korea, and Australia—collectively have an economy that is 25 percent larger than China's and, of course, incalculably larger than North Korea's. But as a percentage of the gross domestic product, they spend less than half what the United States does on defense.

I think all of us are getting concerned about relationships, partnerships and associations with allies and friends, but that our partnership is disproportionately more expensive than theirs. We ought not to be looking at senior partners-junior partners when it comes to the expenditures or the requirements.

We've always had a large presence in South Korea since the Korean conflict. What can we do to make certain that South Korea, Japan, and others pay a larger proportion of the shared expense because we share the threat? Mr. Secretary?

Secretary MCHUGH. It's something we're always discussing with our allies, and there's no question some are more forthcoming than others. As for the Australians, I have to tell you—and the Chief

could speak more directly to this than I could—operationally it's hard to find a better ally.

Senator NELSON. I understand.

Secretary MCHUGH. They are on the front lines with us, and on a population per capita basis have taken tremendous losses. The Marine Corps is entering into a cooperative agreement where we will have marines stationed around Darwin, Australia. So they continue to participate.

The Koreans and the Japanese, particularly the Japanese, are somewhat limited in what they can do militarily because of their constitution arising out of World War II, but in terms of financial support are very, very supportive. There are ongoing discussions on Japan with respect to relocation on Okinawa and such-and-such, but if all of our allies were as financially supportive as those two nations I think we'd be in a much, much different situation.

That does not mean we don't always ask them for more. We do. We're engaged in discussions right now. J.D. Thurman, the combatant commander in Korea, is talking about Yongson relocation and tour normalization and all those things, and we're trying to see what kind of support will be afforded there. But it's always something we ask for.

Senator NELSON. Well, I hope we ask very aggressively and assertively, because of the importance of appropriate partnerships in terms of who contributes to the partnership.

The discussion earlier was interesting about trying to compare deficits. The best way to avoid having a large deficit is to have supplementals. We went through a significant period of time where the wars were supported by supplementals as opposed to by the budgeting process. I think it's always interesting. Sometimes it's not comparing apples and apples, but apples and watermelons, the difference in how the budgets have occurred over the last 10 to 11 years for comparison purposes.

We've been at war for over a decade. We've learned a lot about the missions for our military and we've learned a lot more about the relationship between the Active Duty, Guard, and Reserve units for the future. Part of DOD's budget plan is to leverage the operational experience of the National Guard and Reserves and looking at a more agile and smaller force.

General Odierno, can you give us some idea of how you're looking at the Operational Reserve in connection with the future plans as it relates to the budget?

General ODIERNO. Thank you, Senator. I sure can. It is a key part of our strategy as we move forward. A couple things I just remind everybody of is, with the National Guard and Reserve component the limiting factor is not necessarily money; it's time. It's the time that they have available to train and how we trade that time off with them with their employers and other things as we go back to a more steady state. So we're working very closely with the Reserve component to find that sweet spot of the time available.

There are two things that we're doing. We've moved \$400 million from the equipping accounts to the training program. The reason we've done that is because the National Guard equipment and Reserve component equipment is 87 percent, the Active is at 86 percent right now. At the end of this year they'll both be around 92

percent, and as equipment continues to come out of Iraq and Afghanistan in reset we believe we will solve almost all of our equipping problems in both the Guard and the Active component.

What we're trying to do is increase the amount of money spent in training in order to sustain a higher level of readiness. We are going to develop a progressive readiness model for both the Active and Reserve component that we can use. It's a model we have used for Iraq and Afghanistan, but as we come out of Iraq and Afghanistan we will adjust that model in order to sustain a level of readiness in the Guard and Reserve as they rotate through this progressive readiness model. We'll do the same thing for the Active component.

We're working very closely with the other components to develop this, so we can take advantage and not lose the experiences that have been gained over the last several years.

Senator NELSON. I think that's obviously what you need to do, and I appreciate the fact that you're focused on it.

Mr. Secretary, anything you would like to add?

Secretary MCHUGH. I think actually the Chief said that very well. The challenge at the moment is we've used for the last 10 years the phrase "Operationalized Reserve" and when you're in full combat in two theaters, it's pretty easy to know how that works and what it means. The challenge for us now is to retain the incredible skill that both the Guard and the Reserve have accrued over the last 10 years and not squander it, and do it in a way that makes them feel a part of the process as well.

We're all working, and I tip my hat to the Chief because he's been very engaged with the Guard and Reserve leadership to make sure we agree on the way forward.

Senator NELSON. Thank you.

The Government Accountability Office noted that there has been a lack of collaboration and commonality among the Services that has led to some duplicate costs for designing and manufacturing intelligence, surveillance, and reconnaissance (ISR) systems. Obviously, some level of competition is important, but when it comes to this I think collaboration probably is even more important than competition.

Can you give us some idea of how you might be moving toward more cooperation on the development of ISR capabilities and needs?

General ODIERNO. We work very closely within DOD and through the Joint Requirements Oversight Council process, also through the requirements development process, and also with the Under Secretary of Defense for Intelligence, who plays a large role in ISR. All the Services are working very closely in these processes. First, the most important thing is to ensure we can all download unmanned aerial vehicle (UAV) capabilities to a ground station that everyone can see, so we get maximum use out of it. We've done that over the years, and we've gotten better.

We're now working through the capabilities that we need in the future for intel, what do we need for our ground maneuver components, and we're working our way through that.

One of the things that we are doing is we have put our UAVs in the Army now in our aviation brigades. We just ran our first

training rotation at one of our training centers where we actually teamed unmanned and manned aircraft together, and it was incredibly successful. This is the future for the Army, so we're making sure that people understand why we need this capability and get it integrated into the DOD ISR process.

We're very aware of this and we're working very hard to ensure we make the best use of the money available in this area.

Senator NELSON. With tight budget times, it's obviously more important. It's always important to do it, but it's even more important right now.

Thank you both. I appreciate it very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

Thank you both. It's good to see you again.

General, I appreciated your comments on the Guard and Reserve and the role that they play. I have recognized it as someone who's serving. I see it. I know the commitment for and from the Guard and Reserve units. So I know the Army guy gets it, but I'm a little concerned that the Air Force isn't getting it because of the devastating cuts to the Air Guard. Whereas we get a good value for the dollar with our Guard and Reserve members, I'm hopeful that we can convince the Air Force to reevaluate the draconian cuts they have made to the Air Guard in particular.

That being said, Mr. Secretary, I want to thank you for your comments on the role of women in combat. It's something I have been very keen on for quite some time. Having served for 32 years, I have served with many women; the military fellow that we had was a Kiowa pilot and commander. Both of you know who she is, and she was in Afghanistan and Iraq, leading men in battle.

That line, as far as I'm concerned, is really nonexistent, and just escorting a lot of the convoys, delivering fuel and supplies, that is the front line. If that isn't, I don't know what is.

I wrote a letter to the chairman. I asked for a hearing on that very issue. But I'm glad that you're moving along.

You mentioned the pilot program that would open up another 60,000 positions. Would that be in addition to the positions that Secretary Panetta asked all the Services to look at?

Secretary MCHUGH. If I believe we're talking about the same thing, we have taken two steps. The first is what you've said. The Secretary has guided all the Services, in the Army's case, to open up 6 more MOSs, which produced 13,000 openings. That's done.

The pilot program which we intend to run approximately from April to August will look at those other MOSs, which produce closer to 66,000 new positions should they all be opened and approved. We have to get that approval.

Senator BROWN. Right, and subject to the qualifications of the individual female soldier.

I spoke with Admiral McRaven about this and it's very interesting as to the role they play in special operations and what they're trying to do, and very, very instructive, and I appreciated that frank conversation.

I also have the same concerns as Senator Inhofe regarding TRICARE. As a Senator, my staff and others we're not affected. But here we are, the military men and women that have served and are getting that benefit are going to be cut or asked to pay more of a burden. I feel it's a breach of the contract between the soldiers and us, and it's something I know that you're aware of and are going to try to work through. I'd be happy to share my thoughts with you at another time on this.

On end strength, I guess I'll be blunt. Can the Army come down by 80,000 soldiers in 5 or 6 years without telling some of the folks, the 15-year sergeant, E7s, that have done three or four tours and were begged to come back, and all of a sudden say, "we're done, we have to do a drawdown, and you're out"?

How do we handle that? Is that something you think we can actually do?

Secretary MCHUGH. We're working as hard as we can to try to manage both our discharges and our accessions in a way so that we don't have to have forced outs. As you noted, they're not something anyone likes to go through. But the reality is at the end of the day we're probably going to have to ask some soldiers who have served honorably and who meet at least minimum criteria to perhaps think about a next challenge in their lives.

We in the Army are faced with an inescapable reality that 48 cents currently of every dollar we spend has to go to personnel. So when we have a budget that is reduced as dictated under the Budget Control Act, one of the first places we have to look is our end strength. We had to balance end strength against all of those other needs; the modernization, the equipping, the family programs, the things that if you don't support them you're on a quick path to a hollow Army.

We were confined in some ways, but we're trying to manage this as reasonably and as humanely as we can so we avoid the circumstances you spoke of.

Senator BROWN. Sure. I know that you're both on it. I know General Odierno is on it as well, and I appreciate that. I would suggest before we look at personnel we look at all the fraud, waste, and abuse in contracting, procurement, and obviously programs, and try to fix that first, instead of looking at the soldiers and their livelihoods first.

General, the new post-September 11 Army total force policy reinforces the need for the Operational Reserve that is fully integrated in the Active component. I know we've talked about this. Can you comment on the planning your staff is doing to make this policy a reality when it comes to putting OCO funding back in the base budget for Guard and Reserve operations?

General ODIERNO. What we are trying to do, first it's putting funding in the base budget to conduct operations as a whole, and then we choose whether it's Active, Reserve, or National Guard who would accomplish that mission. It's important about identifying steady-state missions that we might have to accomplish, whether it be Bosnia or Kosovo, or whether it be the Sinai. There are certain missions that we do think fit the Reserve component better, such as the three I just mentioned. If we believe they will be steady-state operations, we will attempt to get those into the

base budget and out of OCO over time, and we'll work with the Office of the Secretary of Defense to do that.

Senator BROWN. I know the State partnership, I'm presuming you're supportive of it?

General ODIERNO. Very supportive of it.

Senator BROWN. It's another way to get boots-on-the-ground at a very, very low cost, and obviously provide valuable training.

General ODIERNO. We'd like to expand that to the Pacific and we're working very closely with the National Guard to do that.

Senator BROWN. I spoke to the head of that entity to make sure that happens. I'm certainly supportive of it. The value for the dollar is really amazing, especially trying to counter a lot of what's happening with the Chinese and other entities coming into those countries. It's a good buffer for short money.

General, as part of the President's strategic guidance the Army plans to enhance its activities in Asia, specifically the Asia-Pacific region. What does that mean? Given that 7 of the world's 10 largest armies are located in that region, what level of ground forces do you anticipate will be necessary throughout the U.S. Pacific Command (PACOM) AOR to implement this new strategic guidance? Have you and your Marine counterparts worked through this?

General ODIERNO. We are currently working very closely with U.S. Army Pacific and PACOM to identify their long-term requirements in the Pacific. We've had several meetings. In fact, in about a week or so the U.S. Army PACOM will be coming back here to talk to us about their future requirements.

So the way we see this happening is we have 66,000 soldiers currently assigned in the Pacific region, and we'll then go through this progressive readiness model of both Active and Reserve components. When they become available, we'll then assign them specific missions. Some will be rotational training missions, some will be exercises, and some will be other things where we continue to shape and influence these key countries.

One of the things I talk about all the time is 22 out of the 27 countries in the Pacific have chiefs of defense that are army, and the army tends to dominate the political influence in many of these nations. So the more that we can engage and gain access, the more we'll be successful. We're working with PACOM in order to provide us the opportunities where we will rotate forces, both Active and Reserve components, to gain access and build relationships that we will need later on if necessary.

Senator BROWN. I think we saw that relationship in Egypt, when we were able to pick up the phone and say, "stand down and let things develop a little bit." Otherwise it could have been a lot different.

Thank you, sirs.

Chairman LEVIN. Thank you, Senator Brown.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman. I want to thank you for having this hearing.

I want to welcome Secretary McHugh and General Odierno. Thank you both for your outstanding leadership you provide for our Army. I also want to thank the men and women of the Army, Ac-

tive, Guard, Reserve, and civilians, as well as their families, for their service and sacrifice.

General, I understand you had the opportunity to visit some of our troops in Hawaii in January. I know these agendas are packed, but I hope you found some time to enjoy our beautiful State. I'm certain you also got a chance to experience firsthand the wonderful bond between the local community and the Army that we have there.

Mr. Secretary, the issue of sexual harassment and assaults in the military is a very important topic and we must do all we can to prevent it. Can you discuss what the Army is doing at the entry level—that's Officer Candidate School, basic training, and West Point—to educate soldiers on this very important topic at the beginning of their service, to lay the foundation that the Army has zero tolerance for this?

Secretary MCHUGH. Thank you very much, Senator. It is a highly critical problem and one that, as I've said in the past, could not be more contrary to what the Army values are and what I think every man and woman in this country who puts on any of the Service uniforms comes to serve for.

As you noted, we are trying to take a very holistic approach to this, as is required in virtually any program. We've tried to put sufficient funding against it. We've increased in the last 5 years the budget allocated for the entire sexual harassment and assault response program by 500 percent.

One of the key ways in which, as is true in any values program in the military, we have to tackle this is ensure that our emerging leaders understand both what the rules are and what is expected of them to serve as leaders and imbuing those kinds of values and those kinds of understandings into those who serve under them. So whether it's West Point, where I had a chance to talk to the Superintendent just a few weeks ago about some of the things they're doing to change and to update some of their programs, or into our basic officer leader courses, or into our drill sergeant courses, into virtually every level and unit of training, we're adding a component that teaches exactly the expectations for sexual assault and how we will hold soldiers accountable.

In our view this is not something you can just teach in a day or 2. It is a day-by-day component of all of our instructional activities, and we expect soldiers when they get out of those classrooms to go back and to live the values that we hope we're conveying upon them. Education is important, but we're doing a lot of other things in terms of prosecution, analysis, et cetera.

Senator AKAKA. Thank you very much, Mr. Secretary.

General ODIERNO. Senator, would you mind if I added just a little bit to that? I talk a lot about that. First of all, sexual harassment is inconsistent with our values. This is about our profession. It's important we foster a climate of trust and respect among all soldiers, because when we go into combat, we must have complete trust in each other, no matter race, color, creed, or sex. It doesn't make a difference.

Sexual harassment in my mind challenges this, and that's why we cannot put up with it within our Army. We are doing everything we can to change the culture. We have leaders involved in



the institution, as the Secretary just walked you through, at every level of training, and we are now increasing our training in our operational force, that this simply cannot be tolerated and that to be part of the Army you have to be part of the Army culture, and being part of the Army culture you must have the right values, and one of the most important values is trust and respect for your fellow soldiers.

One of the things we're focusing on are the bystanders. It's intolerable to me that there's people that see sexual harassment and don't assist a soldier, don't report it, or don't try to help a soldier as they are seeing sexual harassment occur.

We're focused on this. We are spending a lot of time to ensure everybody understands the importance of this, to include our ability to investigate and prosecute as well.

Thank you, Senator.

Senator AKAKA. Thank you so much for that response.

I want to applaud you for your efforts to give our soldiers, and their families for that matter, a new deployment model where they have more stability and predictability. Your new model should increase dwell time in the Army deployment structure.

General, can you discuss how this new model will impact our troops, including the Guard and Reserve?

General ODIERNO. First of all, we've moved to 9-month rotations, and we will continue that as we develop this new model. You'll be through a reset phase, you'll go through a training phase, you'll go through an available phase, and then you'll be able to go back again and start and reset.

It's very predictable. People will understand when they're gone and when they're not. In the Reserve component it'll be done over a longer period of time. We're still negotiating over that. I think it'll probably be a 60-month period, which is more consistent with our deployment rates we expect out of the Reserve component. But they would still have a reset phase, a training phase, and an available phase. It would become very predictable for our Reserve component soldiers and, just as important, their employers as they continue to become our great citizen soldiers.

We are designing that now. We're really studying this. I've given our Forces Command the lead in developing this capability, and we expect to have some solution here in the next several months that we'll be able to bring forward in detail.

Senator AKAKA. Thank you. Thank you very much for your responses.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman.

I think we're very fortunate to have you two leaders at a challenging time for our Army. General Odierno, through your distinction in combat you have a special connection with our troops at a time we need that. To my former colleague and top Republican on the House Armed Services Committee, whose got a lot of respect on Capitol Hill, we're going to need that as we work through some of these challenges, the biggest one being sequestration.

It's been talked about a little bit this morning. I think sometimes we don't focus enough on the big changes you're going to have to make even prior to year end, when the sequestration actually hits. Could you give me a better sense of the date upon which the U.S. Army would have to make some of these painful adjustments between now and the end of the year?

Secretary MCHUGH. We would have to take guidance from the Office of Management and Budget (OMB). As a former budget chair, you know about those kinds of things. But clearly by the end of the summer, according to what I've heard from the Secretary of Defense and others, we're going to have to start putting pencil to paper. There are some things that just normally in a time of difficult challenges we would probably look toward. But in reality I can't imagine what we would do in any way that could adequately prepare us to deal with this.

If it were to come to pass, it would require an entire reworking of our national defense strategy. For us to go in prior to having the time to do that and to make substantial changes I think would jeopardize any of the decision choices we might be able to forge from that.

I think the core of your question, Senator, is a critical one. This would touch virtually every aspect of our Army. We would probably have to reduce the Army by another 100,000 personnel, probably 50–50 between the Active and the Reserve component. We would probably have to come down an additional four to six brigades. Whether you're talking about contracting, whether you're talking about pays, or whether you're talking about incentives, under the Budget Control Act we're not given authority to control those. We have to take across-the-board cuts, which makes it a relatively easy mathematical change, but it makes it an administrative nightmare.

I would imagine as well we'd have several hundred, if not several thousand, Nunn-McCurdy breaches simply because of our inability to meet contract requirements. It would be devastating.

Senator PORTMAN. You just laid out some of the enormous changes that would have to be made. They would be painful to our personnel and to procurement and would be across the board, they would affect all aspects of your budget. When do you actually have to start making changes? In other words, when do you have to start notifying some of our personnel, given that under law this is scheduled to occur on January 1, 2013? Do you have to start making those changes in the summer, when you said you were going to put pencil to paper? Do you have to start making them in September? How much time do we have here in Congress to adjust this and to come up with a common sense approach?

Secretary MCHUGH. I would have to defer to the guidance from the Office of Personnel and Management and also OMB, but clearly we are bound by law for certain notifications. We can't just slam people out on day 1. It would take some time to bring us to those particular levels.

As I mentioned, the current plan as I understand it from OMB is to, if required, start to make those decisions probably by the end of the summer, some time mid to late August.

Senator PORTMAN. I think it would be helpful for the committee to know even with more specificity. I've heard September as a

deadline. I think there needs to be a wakeup call here that we need to act and act soon in order to avoid that.

Both Senators Wicker and Brown talked about the next issue I wanted to touch on and, General Odierno, I'd like to get your thoughts on it. Senator Wicker talked about the C-27 and Senator Brown talked about the Air Guard. I know the Air Force has made a decision here to cancel the C-27 and divest of this aircraft, including ones that are already deployed in Afghanistan.

I had the opportunity yesterday to meet with the commander, who was just back from Afghanistan, of the C-27 crews. My understanding is you met with him in Afghanistan and thank you for doing that. Our Ohio National Guard is there. We're really proud of them.

Your soldiers are the ones that get impacted by this Air Force decision. My understanding is the relationship between your soldiers on the ground in Afghanistan and the Air National Guard is terrific and that they are providing a necessary service for you. Can you talk a little about that? What are your thoughts about the performance of the C-27 and about this very special relationship, not unique but special relationship, between the Air National Guard and your soldiers on the ground in Afghanistan?

General ODIERNO. Senator, as you said I went to see them in December. I had a chance to spend some time with the crews and the supporting elements. Also, I was with the 82nd Airborne Division, who were providing the majority of the support to the Regional Command-South and the 82nd Airborne Division. The relationship that was built and the delivery of capability has made a difference. The OR rates were extremely high. The relationships built were very, very good, and it impacted very positively on their ability to accomplish their mission.

So that's very clear. That's why I would say it's important for us to sustain the capability to be able to have air assets dedicated to ground forces. That's the most important point I make.

The Air Force has made the decision that they think they can do that with C-130s. If we get that same support, that's what we need, that support. Though, I would say that it has been provided very successfully by the C-27 over this last deployment. I think they have just gone through a change and now there's a new group on the ground as well now providing that same support with C-27s.

Senator PORTMAN. Yes, 179th Airlift Wing is very proud to provide that support. As you say, the ratings have been very impressive and the relationship seems to be working, that you're getting what you need and you're getting it in a timely fashion.

I would just ask, since your Service originated the requirement that led to the procurement of the C-27, which is a new plane, do you feel that that requirement is still valid? Do you think the requirement still exists?

General ODIERNO. I do, Senator. We need it because we cannot conduct all of those type of missions with rotary wing aircraft. We do have that mission and the Air Force has decided they can deliver that mission with the C-130.

Senator PORTMAN. The C-27 does it for \$2,100 an hour. The CH-47 you talked about earlier does it at \$11,000 an hour; the C-130

between does it, for \$100 and \$7,100 an hour. So from a taxpayer perspective, the C-27 is not only able to land on small airstrips and provide unique performance, but it's saving the taxpayer money.

I would hope that you would continue to make your points internally, General and Mr. Secretary, to be sure that we're not pulling a capacity out of theater that meets an urgent requirement. I've never seen the military do this before, and I look forward to working with you with regard to the need that currently exists and to be sure that, if the memorandum of agreement is something that we're going to have to live with, that it does include the ability to provide that important capability.

Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Portman.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

General, Mr. Secretary, welcome. Obviously, we have a lot of work to do on this committee with you and the other Services in terms of having to shape the authorization bill this year.

I'd like to spend a little bit of time today talking about TRICARE. I chair the subcommittee where we're going to have pretty extensive hearings on the proposal to increase the payments. I just want to make sure that we're all proceeding from the right premises here. The proposal is a difficult tradeoff. I've heard questions asked of other witnesses as to whether TRICARE fees are in fact eating away from hard programs that are needed in the operational environment.

I say this as someone who grew up in a military family and spent 5 years in the Pentagon, in addition to the time I was privileged to serve as a marine; all of us have a lifetime of stewardship. We owe people who have served in the military a lifetime of stewardship in exchange for their decades of service. General, I assume you would not disagree with that?

General ODIERNO. I do not disagree with that, Senator.

Senator WEBB. I think when you were talking in your opening statement how the Army boils down to the soldier, the soldier boils down to the family, and all of this boils down to what a soldier, marine, sailor, or airman can see happened to the people who went before them, how they were treated after they left the uniform.

I grew up in the Marine Corps tradition and no marine is ever left behind. A great model of that was at Chosin Reservoir, when the 1st Marine Division brought out not only its wounded, but it strapped its dead onto the trucks. We will not leave a marine behind.

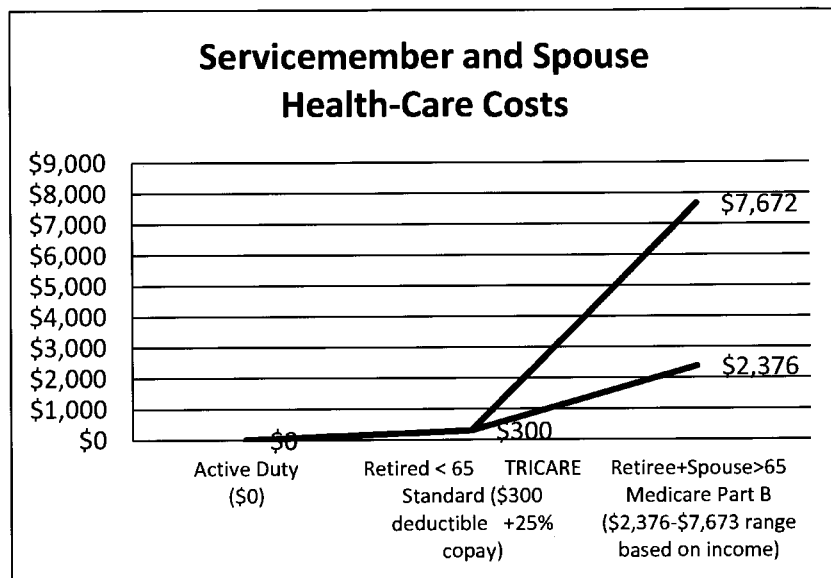
I feel just as strongly about the commitment that we have made to lifetime medical care to the people who have served. They have relied on this. I know there's no written contract, but they have relied on it as a moral contract. I have lived that, I have observed it.

We know we have a problem with medical care. It's a national problem. It's a huge challenge. We've been trying different ways to get our arms around it. It's not simply a DOD problem. I'm going to be very specific about this, I do not believe that we should allow

ourselves to characterize the commitment that we have made as something that's a throw-away matter as we try to balance out these other issues. How we take care of these people is one of the great litmus tests that people who are serving right now are going to be looking at.

We're going to have more time to discuss this in the subcommittee hearings. But as a starting point, I think people need to understand, I think my colleagues need to understand, I think the American people need to understand, what this looks like from the experiences of someone who has spent a career in the military. I have a chart that I asked my staff to put together. This is notional, but I think it's important.

[The chart referred to follows:]



Senator WEBB. We're talking about these proposed fees on TRICARE as just a little bump from people who don't have to pay that much. Obviously people know there are different kinds of TRICARE: TRICARE Prime; TRICARE Standard; TRICARE Extra; and TRICARE For Life once you hit age 65. But let's just say you are a servicemember and a spouse. This is the line that you are seeing right now before we make any changes.

When you're on Active Duty, your medical care is completely taken care of. When you retire and up to the age of 65—and we just picked TRICARE Standard here; there are other options—it's about \$300 a year. When you hit 65, you go on Medicare B. You have no choice. If you want TRICARE for Life, you go on Medicare B and we're going to put a fee on top of that. Medicare B is something everybody in this country gets. If they're going to pay into it, it's something you have to get if you want to keep your TRICARE. It's not simply something that was given to you because of your service.

What is Medicare B? It's broken down in fees based on your income, but let's say if you're a retired E7 with a spouse, you're going to go to almost \$2,400 a year before we even start talking about these other TRICARE fees. If you are someone who is in the income level of people who are up here or considerably less, you're going to go to \$7,600 a year in your Medicare B fees before we even start talking about TRICARE fees.

Let's understand what's really happening. I think there's a great misperception up here about what happens to people at the time when their income is probably at the lowest in their career, in the retirement years, and when their physical medical vulnerabilities are probably at the highest.

We'll have more discussions on that as we move forward, but let's all make sure we're talking off the same data.

General, I have one other question that I would like to raise with you, and it goes to a number of incidents—and Secretary McHugh is aware of these incidents—the Wynott incident, another incident with a family, the Sharrot family, they are constituents of ours, but also to the aftermath of the Pat Tillman situation, where the command accountability in the Army came under question.

I'm not going to go through and nitpick these three incidents. But in all three cases there were people, sometimes family members, in one case, a loyal career Army O6 whose son had been killed—who became so frustrated with an inability to get answers that they had to come over to us. Obviously I'm going to help anybody who comes over here, but I don't think we should be doing that. I think the Army should be doing that.

The question in all three of these, in many cases, boiled around whether proper accountability was being put into place for people who had taken certain actions during the incidents. Do you think those incidents are unusual? Do you think there's something you need to be doing? What's going on here?

General ODIERNO. First of all, Senator, I'm in agreement with you that accountability is critical. One of the things that I profess is empowering our subordinates, and as you empower your subordinates to conduct actions, part of that is also being accountable for the actions that we provide you in terms of the command authority or other authorities we give you. It's absolutely critical to have accountability for actions.

What makes it difficult, and I know you're aware of this as a marine or ex-marine, or marine rather; always a marine—is that the motto.

Senator WEBB. Lee Harvey Oswald is the only ex-marine.

General ODIERNO. What makes it difficult for us is in a very complex tactical environment sometimes it takes time to figure out exactly what did happen. Not all the time, but sometimes. What we want to make sure is we do it right and we find out what happened, and then once we do that it's imperative that we hold those accountable.

One of the things I talk about all the time is ensuring that we do this. We are having leadership discussions on the importance of this as we continue to change our leader development programs. I agonize with the families, I agonize with anyone who's involved with this.

But as I've experienced personally the chaos that sometimes characterizes the very tactical level when you're in the middle of a significant fire fight or combat, it's very hard to figure out exactly what happened. We just need the time to do that. I know it's very, very frustrating for families who've lost a loved one. We owe it to ourselves to do a detailed investigation and provide them the right answers. If there is misconduct or negligence, then we hold those people accountable who've done that, and that's key for us as we move forward, sir.

Senator WEBB. I appreciate you saying that. Clearly, my starting point on these types of situations is the experience that I had as a rifle platoon company commander, and the first question that I always raise is follow the war. I am very reluctant to second-guess a lot of these findings, but when they conflict or when you have revelations later, for instance with the Pat Tillman situation, that people knew that this was an accidental, friendly fire incident, and the family wasn't notified, and there was considerable embarrassment. In the Wynott situation, you had what we believe was a thorough investigation by CENTCOM, signed off on by General Petraeus, that when it came back into the Army was countermanded.

Those send very confusing signals out to people who have suffered a lot with individual losses. At the same time, I want to be very clear that when somebody steps forward to serve and they are put in this type of situation, that any judgments that are placed on them should be very carefully done.

It's something that's out there, and if nothing else I'm glad to hear that you're putting this into your training packages, the lessons learned and the discussions.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank Secretary McHugh and General Odierno for being before the committee and for your distinguished service.

General Odierno, you made a statement about Afghanistan and how we can't allow the actions of a few to derail what we are doing in Afghanistan, and that we still had to make sure that we were committed there. Can you just help everyone understand why that's so important and what our interests are there, and why it's so important that we follow through and have success and stability there?

General ODIERNO. Senator, for a long time Afghanistan has been a place of uncertainty. It has lacked leadership, where many elements have tried to take over and use that as a launching pad to conduct terrorist operations around the world. We want to make sure Afghanistan never goes back that way again.

The way to do that is to ensure that we have a viable government and military that's able to protect the people of Afghanistan. What I've seen in my most recent visits and as I talk to others as they come back, there is true progress being made in Afghanistan. There are noticeable differences on the street, and noticeable differences in the capabilities of the security forces. What's important to us is to have a government in place and a governmental capa-

bility that will allow the Afghan people to live, without allowing others to come in and use Afghanistan as a point to conduct terrorist operations around the world.

I think we're all committed to that, and it's important that we continue on this path.

Senator AYOTTE. Is it as important as you described in terms of our own national security interests?

General ODIERNO. I absolutely believe it is.

Senator AYOTTE. Let me ask you, with the strategic partnership agreement in Afghanistan, one of the issues that President Karzai has raised, which in my view is an issue that's not a reasonable request of us, given what we need to accomplish in Afghanistan, is to stop night raids. I know that's one of the issues that need to be resolved with us and the Afghan Government.

Can you tell us why it's important that we certainly not concede this issue of night raids and why night raids are so important to our operations there?

General ODIERNO. First off, it's about being able to go after those who are attempting to derail the progress that's been made in Afghanistan. It's almost like having a different type of safe haven if you're not able to do night operations. You want to be able to ensure that people understand that, no matter what time of day it is or what day it is—

Senator AYOTTE. Right, so we'd be basically saying that at night you're completely free, no matter what type of nefarious activities you engage in and how harmful your actions are. So if people think about it that way, it's like half the day is off limits, and at a time when we can conduct much more stealth operations.

General ODIERNO. That's correct.

Senator AYOTTE. I appreciate that. I think that's an incredibly important issue to us. I hope that President Karzai understands that's not an issue that we will waver on, nor can we afford to waver on, if we're going to succeed there. Would you agree with that?

General ODIERNO. I think it's an important issue for us to work with him. There are many ways to do night raids, Afghans conducting them and us assisting them, and I think there are many ways for us. I think that's the way we're moving forward. So I think there's lots of room to talk about this with them, to ensure we can continue to do these types of operations.

Senator AYOTTE. Thank you.

I want to ascribe myself to the comments of Senator Webb. I am concerned about what we're saying to our Active Duty servicemembers and veterans in the proposed increases in health care, particularly when you look at the President's budget and there's no concurrent increases in those who are Federal civilian employees, including Members of Congress. It's a difficult message to send, and I think it's something we have to have some very hard hearings on, given that we owe it to our Active Duty servicemembers and to our veterans in my view. I look forward to those hearings.

I also wanted to ask about end strength reductions. I share Senator Lieberman's concerns about where we are, and I wanted to ask General Odierno about a comment that you had made, just so people understand how important it is in terms of our strength. You



were asked a question last month about Iran and you said: What I'm worried about is if we get too small; it's a very uncertain area and that concerns me.

Given your years of extraordinary service in Iraq, few if any military leaders know more about the Middle East than you do. Can you please tell me, how does the strength of our force relate to how we are perceived, and how does it affect our ability to carry out operations?

General ODIERNO. I was talking about preventing conflict, and the way we prevent conflict is through a series of three things. One is capacity, one is capabilities and readiness, and the other is our modernization, so we sustain our overmatch.

It's important for us to make sure that we understand where that fine line is between having the capacity, the modernization, and readiness, so people do not miscalculate. What I worry about is miscalculations by others that we do not have the capability to respond.

I will say that I believe at the 490,000 level, I still think we have the right capacity in order to respond to those who might miscalculate.

Senator AYOTTE. But let's not mistake this, it's still going to be very difficult with the reductions you're undertaking, is it not?

General ODIERNO. It is. Thank you for saying that. This is not easy. These are very difficult choices that we have to make.

Senator AYOTTE. These are choices that we are certainly, we know from even Secretary Panetta's testimony, taking on some risk with. Thank you.

Let's talk briefly about sequestration. Senator Portman asked you about sequestration. Secretary Panetta and Chairman Dempsey have said that sequestration will hollow out our force. General Odierno, what does it mean? Help people understand what it means when we have a hollowed-out force, and what are the risks? What risks are we asking our men and women to take if we send them with a hollow force to battle?

General ODIERNO. We just talked about one of them, and it has to do with our ability to prevent and deter. If we have to go through sequestration, the reduction that we'd have to further take in the Army specifically I think could give the impression to some that maybe we no longer have the capacity to respond if necessary.

It's also the fact that there's a potential that our readiness levels will not be funded appropriately, so the forces we have will not be able to be trained properly, and that we would take more risk in their capabilities. We would not be able to continue to provide enough money to modernize, and in such a way it would have to either be extended or eliminated in some cases, so we now lose our ability to sustain overmatch in some of our key capabilities.

It's a combination of all three of those that cause great concern.

Senator AYOTTE. My time is up, but I do want to make one point. One thing you didn't touch upon, but when we think about a hollowed-out force don't we also put our soldiers at more risk when we send them into conflict?

General ODIERNO. Thank you, Senator. Ultimately, when we have to deploy them—and we've seen this in the Korean War and with other examples—what it costs is American lives.

Senator AYOTTE. Lives, people's lives.

I would add this. Secretary McHugh, you were asked difficult questions in terms of planning for sequestration. I would hope that on a bipartisan basis we would take actions right away in this Congress so that you don't have to have this hanging over your head all year. I don't think we can afford to wait until December to put DOD and our men and women who have served in uniform and continue to serve in uniform in this position, because think about it. I can't imagine anyone on this committee would ever stand for hollowing out our force. So why put you in that position, because planning for this will cause you to have to tell people, and I can't imagine what that also does for morale in our military.

I hope that we act immediately on this on a bipartisan basis. I'm sure you share those concerns.

Secretary MCHUGH. Absolutely, Senator. Thank you.

Senator AYOTTE. Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Thanks, both of you for your service.

I know there have been a lot of questions asked today. I wanted to direct my questions towards contracting. Over the next 5 years, I think they're talking about cutting 80,000 soldiers out of our Army. With that being said, I know right now we have about 130,000 contractors in Afghanistan and Iraq, compared to about 90,000 men and women in uniform.

I have a hard time, especially in West Virginia we have a hard time, understanding why we would be cutting back the military men and women in uniform and not cutting back the contractors, and why we would be in a position to where we're attracting some of our best out of the military because of the higher pay, let's say three times the military pay, and attract them over and hire them right back to do the same job.

Then they still use the same services. They get the eating and the medical. Everything's the same. I can't figure that out. Senator Ayotte just talked about none of us want to hollow out. But I believe that we could cut back drastically, even if sequestration kicked in, from the contracting services and still strengthen our military and give it the support it needs.

I'd like to hear your rationale on that.

Secretary MCHUGH. Contracting in theater is by and large under CENTCOM, so it's not something the Army directly controls. But I can tell you the intent in contracting in combat theaters is to free up soldiers so that they can be in the fight. For all of us that have been to either Iraq or Afghanistan, you can see contracting in security, but by and large you have contracting in support of logistics, contracting in support of dining halls, et cetera, et cetera.

Senator MANCHIN. If I may interrupt you. I see them in the airports, the contractors, and they're going to fight on the front line. I ask each one of them when I see them: Have you been in the military? Yes, we're military. If it had not been for the large pay that attracted you to leave the military, would you still be in the military? Unequivocally, yes.

So something's not jibing here with me.

Secretary MCHUGH. Again, I have no authority as to who is sent to the front line in combatant command areas. But let me speak to contracting with respect to the Army and the Army budget. I fully agree with you. In fact, I think Secretary Panetta were he here would fully agree as well. One of the major initiatives we have is to diminish significantly the number of contractors that we employ and bring, where it's absolutely essential, those kinds of positions into Army payrolls and into the Army personnel lines.

I don't think we'll ever be able to totally rid ourselves of contractors. They provide a useful service and, where required, it probably wouldn't make a lot of financial sense for us to do that. But in terms of our taking essential military activities and contracting out for them, I don't support that. We're trying to work on that, and this budget is a big step in ensuring our in-sourcing of those continue.

Senator MANCHIN. I just know that you have a pretty strong voice and you could be a stronger voice as far as the direction we may be going. I'm just concerned about people talking about weakening the defense of this Nation when we could be strengthening the men and women in uniform and taking a different mission that I think is much more costly. I just have a very, very tough position on that, and I'm having a hard time getting a grasp of it.

No one can really tell me how many contractors we have. I've not gotten an answer yet. I've been here a year and a half.

Secretary MCHUGH. I'll do my best to get you an answer, although it's not an Army—

Senator MANCHIN. I've asked everybody, so I'm down to you now, sir.

Secretary MCHUGH. You've come a long way down. I'll do my best.

[The information referred to follows:]

In fiscal year 2011, there were 247,000 contractor full-time positions, of which 135,000 were in the generating force and the other 112,000 in the U.S. Central Command Theater of operations.

Senator MANCHIN. General, we have 80,000 personnel that will be leaving and we have many of our veterans that are unemployed right now. Senator Kirk and I put a bipartisan caucus together, which is Hire a Vet. We wanted to practice that and we want to practice what we preach in our own offices, and I'm pleased to have veterans in my office.

But with that being said, is there any way we can tie up with you through this caucus that will help, in a simplistic way, knowing when people are getting out or are going to be leaving, that we can start matching them up with the private sector and have a web site or portal that we could use to start networking?

General ODIERNO. There are several things we're trying to do, and certainly we're more than willing to work with you on this, Senator. It's a very important topic to us, as I know it is to you.

We are in fact trying to establish a single portal that links up jobs. I meet with Chief Executive Officers (CEO) and others who are trying to develop thousands and thousands of jobs for our veterans, that will link up those jobs with our soldiers who are getting ready to leave the Army or have already left the Army. So we're working that right now, to set up this portal.

We are also increasing our emphasis on how we prepare soldiers to leave the Army. One of the major things is how do you translate what you do into a resume that civilians can understand? Do you understand the benefits that are available to you? Do you understand all of the outlets you can go to to find jobs?

We're working this very hard at every one of our installations. I'd be happy to work with you very closely on this, because it's a very important issue to us.

Senator MANCHIN. We really want to, because what we're doing is we're getting all of these different private citizens and private companies from around the country, and they're always saying, we're having a hard time finding qualified people and the best people. You have the best people, I believe. They're trained properly, they're disciplined, they have good skill sets. Some of them want to go to the Midwest, some of them want to come back to West Virginia hopefully or wherever. We want to make sure they can go one-stop shopping. You want to go back into the work force in the private sector? We have a place for you. That's what we're trying to do.

If we can work with you to develop it, we'll tie in the private sector, I think.

General ODIERNO. Will do.

Senator MANCHIN. Okay.

Mr. Secretary, I hear from my constituents about the slow disability rating system. That's in both DOD and the Department of Veterans' Affairs (VA). I'm sure you've heard this. The system puts the future plans on hold, creates unnecessary stress, and most likely contributes to the high unemployment rates that we're talking about.

We've been told that there are almost 20,000 soldiers in the system and it takes an average of 400 days to get 1 through the system to be evaluated.

Secretary MCHUGH. That's correct.

Senator MANCHIN. What can we do?

Secretary MCHUGH. It's one of the most frustrating things I have experienced since I walked into the Pentagon about 2½ years ago. I can only imagine what the soldiers and their families experience as well.

I want to give credit to both Secretary Shinseki at VA and Secretary Panetta, who have really moved this to the top of both Departments' priorities. We have a pilot program called the Integrated Disability Evaluation System, which is an effort to try to get the two disability systems more in sync, to make sure that we're using where at all possible common systems of evaluation, so a soldier doesn't have to go through 27 different physical exams.

Trying to do that sounds relatively easy. It certainly does to me. But actually getting those two disparate systems to come together in a rational way has been more difficult than I think any of us would have imagined. The fact that, as you noted, Senator, it's still 400-plus average days to get through pretty well underscores the fact that we have a long ways to go.

Where we do have the pilots, we do see in most cases the numbers starting to come down. But it's been a very slow process.

Senator MANCHIN. Is this a concerted effort throughout all of the military?

Secretary MCHUGH. Absolutely.

Senator MANCHIN. Because it's going to get worse, I believe. General, I don't know. Now as we're winding down in certain theaters, it has to get a lot worse than what we have.

General ODIERNO. It is. All the Services have the problem. Of course, we have the biggest problem.

Senator MANCHIN. Right.

General ODIERNO. Because we have more people involved in this, and we're going to continue to get people throughout this system for years to come. With both traumatic brain injury and other things, they're going to continue to be identified as we go forward. So there's going to be more people coming into the system.

We are working very hard. The problem we have is the balance of making sure that they are getting the right evaluations at the right times so they get the right benefits, with rushing them through a system, although you would argue 400 days isn't rushing anybody through anything. That's why it causes us to take that much time. We're trying to balance to make sure they get taken care of versus trying to speed it up as quickly as possible.

That's what we're trying to work our way through, and we're working very closely with VA on this and trying to really match up.

Senator MANCHIN. Just keep us informed on that.

Thank you so much, Mr. Chairman.

Chairman LEVIN. Thank you.

My understanding is, Mr. Secretary, that that is no longer just a pilot program; it's now a permanent program and is DOD-wide.

Secretary MCHUGH. If I used the word pilot, you're absolutely right. It is not.

Chairman LEVIN. Senator Manchin should hear that as well, that it's no longer a pilot program.

Secretary MCHUGH. It's moved to the full DOD, you're absolutely right.

Chairman LEVIN. It's full DOD. One other point on this, we made a change in the Wounded Warrior legislation, which also integrated these two systems, so that during that 400-day period, VA criteria of disability are the ones that are being followed because they are the more generous historically to the veteran or to the soldier.

Secretary MCHUGH. That's correct. We rate disability based on military occurrences only. VA takes lifetime occurrences.

Chairman LEVIN. So that more generous approach is what is in place now during that period. We've made some real progress during that Wounded Warrior legislation. Senator Manchin is right, though, in terms of the oversight which we need to do. We very much would welcome your keeping us informed, as Senator Manchin has suggested.

Thank you.

Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

Secretary McHugh, General Odierno, thank you for your service. It's good to see you. I just have a couple of areas I want to ask you about.

The OH-58D Kiowa Warrior helicopter is combat-proven and has flown the highest OPTEMPO of any rotary-wing platform in the Army. Previously the Army, back in 2004 and then in 2008, looked at replacing the Kiowa helicopter. Both of those, I might add not on your watch, failed dramatically. The Comanche program was terminated in 2004 at a cost of nearly \$7 billion spent on the program, and then the ARH-70 Arapaho program was terminated in 2008.

Referring to the anticipated AAS contract to look at purchasing a new helicopter and the costs associated with that and the uncertainties associated with that, why wouldn't the Army want to utilize a successful modernization model to update and modernize the Kiowa Warrior, as opposed to replacing it with a new one, in light of this, I think we would all have to agree, disturbing and unsatisfactory history with the Comanche and the Arapaho?

General ODIERNO. Senator, we have not made any decision. In fact, one of the alternatives on the table is to do exactly what you said, to modernize Kiowa Warrior. What we're doing is we're going through an AOA that will be delivered somewhere on a new AAS, which will be delivered in fiscal year 2012. We'll then do an assessment and then decide whether we can get there and how long will it take, and how expensive it would be compared to the capability we can add to the Kiowa Warrior. Then that will be a decision that we make.

As you've pointed out, the Kiowa Warrior has been an incredible, valuable capability. But there are ways for us to improve it. They can gain more standoff, a bit more power, and improve the cockpit. So there are things we can do.

That's a decision that the Secretary and I will make probably some time in the next year, year and a half or so.

Secretary MCHUGH. I should note as well, Senator, the upgrade program that you mention, the Cockpit and Sensor Upgrade program, is funded in the President's budget for fiscal year 2013. Should we make a decision to go to a different platform, we'd ask that that money be switched over.

But the modernization program as we have been pursuing it for the Kiowa, if brought to completion, would keep that platform in the Army until 2025 under current estimates.

Senator CORNYN. I'm sure, and I'll just ask you for confirmation, that as you reach a decision point you would share with us not only your conclusion, but also the reasons for your conclusion. It strikes me, at a time during budget constraints, that the modernization program needs to be vetted thoroughly, and I'm sure you'll do that.

Yesterday we had the Chief of Staff and Secretary Panetta here and we talked about Syria. I don't know if you are aware of the discussion we had, but let me be specific about it. This has to do with Russia's role through its basically official arms-dealing entity known as Rosoboronexport, that is selling nearly \$1 billion worth of arms to Syria, which Assad is using to kill innocent Syrians during the uprising going on now, reportedly as many as 750 people.

So it strikes me that it's pretty clear that Russia has Syrian blood on its hands and is complicit in that effort. With that predicate, you could understand why I was troubled to read and learn that Rosoboronexport's customer list also included the U.S. Army.

It's my understanding the Army's Non-standard Rotary Wing Aircraft Office out of Huntsville, Alabama, is currently buying at least 21 dual-use Mi-17 helicopters for the Afghan military from this same company.

I note that media reports from last year indicate the contract for \$375 million comes with an option which could actually raise the size of that total value of the contract to nearly \$1 billion.

With so many alternatives here in the United States that could satisfy this requirement for the Afghan army, that would actually create jobs here and not in Russia, and which also would not reward or certainly facilitate Russia's actions in Syria, can you first of all tell me, are you aware of that contract, Mr. Secretary, General Odierno? If you're not, I'm not here to blind-side you. I would like to get any observations you'd care to make and hear your commitment to get to the bottom of this.

Secretary MCHUGH. I am aware of it. The newer development, of course, is the alleged activity of Russian arms manufacturers in Syria, and the clarity on that is not what I think most of us would like at this point.

You mention options. I should note, the Army is blessed. It has the opportunity time and time again to act as executive agent on any number of programs. This is one of those. The money is passed through. These are dollars that are given to Army accounts so we can execute contracts, and in this case follow the wishes and the requirements placed out of theater in CENTCOM. The options are, frankly, in CENTCOM's estimation, nonexistent. These are the platforms, apparently, that the Afghans are familiar with. They're Russian platforms. Many of the pilots that will be flying them were flying Russian aircraft in their previous professional iterations, and we're told they're absolutely essential to maintain the viability of a still-emergent Afghan force.

I mentioned to another panel about 2 years ago that in my mind I'm a buy-American kind of guy. As you noted, we certainly could use all the business we can get. But the first need is the operational requirement and we're told it's the Mi-17, and as the executive agent we duly execute it.

Rosoboron under Federal law in Russia is the only one who controls the export of those platforms. So we didn't have options there, either, as I understand it.

General ODIERNO. I agree with what the Secretary said. We did the same thing in Iraq, frankly. This is part of our Foreign Military Sales program, and when they wanted to buy rotary wing aircraft we offered at the time UH-60s and other U.S.-made rotary wing aircraft. But because it was cheaper, since it's easier to train their pilots, they chose to go with an Mi-17 product.

We have been given the executive task to do the non-standard helicopter capability. Of course, this is about trying to get capability to the Iraqis at the time and now the Afghans as quickly as possible. If they had bought an American aircraft, it would have been much more expensive and it would have taken much longer because of the training time for the pilots necessary.

I'm not saying it's an excuse. I'm saying that's the rationale for the decisions that were made at the time.

Senator CORNYN. My time is limited, but I would just note and ask you to look at this, Mr. Secretary and General Odierno. Apparently, in 2009 the Navy was able to use an alternative acquisition route through a private broker, and so at least back in 2009 there appeared to be an alternative source for the Mi-17 variant helicopters and related toolkits for the Afghan army.

I would conclude on this note. Previously, Rosoboronexport has been sanctioned by the U.S. Government, and I would just ask you, in the event that there was a sanction is there a plan B for supplying the need for the Afghan army?

Secretary MCHUGH. Again, we don't decide suppliers. We execute contracts. I would have to defer that question to CENTCOM and to the State Department.

Senator CORNYN. I respect your answer and I just wanted to highlight my concern, and I know I'm not the only one concerned about this. Using U.S. taxpayers' dollars to supply the Afghan military with these Russian helicopters through an arms dealer which is an agent of the Russian Government, which is also selling weapons to President Assad to kill innocent Syrians, is a serious concern I know you share with me.

I hope that, working together, we can get to the bottom of this and see if there are any other alternatives. It strikes me that the 2009 alternative where the same helicopters were purchased through a private broker by the Navy may provide an option. But certainly I know you share my concerns, and I look forward to working with you to get to the bottom of it and to find out what alternatives might exist.

Thank you again.

Chairman LEVIN. Thank you, Senator Cornyn.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you both for your service and for your extraordinary contribution to the defense of this country in the two wars that we have fought.

I want to add my concerns that Senator Cornyn just expressed, which both of us raised yesterday in the hearing with Secretary Panetta and the Chairman of the Joint Chiefs of Staff, General Dempsey, as to the use of the Mi-17 and the resort to Russian arms instead of our own. I respect that you are a buy-American guy, as we all are, I think, in general, and I would hope that we could pursue the possibility of using American helicopters, rather than the Mi-17. For all the reasons that we articulated yesterday and Senator Cornyn did today, I have very strong concerns, and that is an understatement, about the use of these Russian arms, sold by the same company that's selling arms to Syria. So I would like to explore that.

Speaking of helicopters, I would like to ask whether you have a need for a greater quantity than is currently in the budget for 2013?

Secretary MCHUGH. As we went across our entire fleet of both fixed and rotary aircraft, we've tried to disperse our buys, and for the Blackhawk the modernization is the Mike model, in a way that sustains each to their needs as effectively as we can. We are going



to continuously reevaluate the decisions we've made in this budget, particularly in procurement, as we go forward.

Chairman Dempsey has repeatedly explained that the President's budget for fiscal year 2013 is not the only step, but the first step. I don't want to tell you that no adjustments will ever come, but in terms of the budget as it sits before you we think we made the best decisions we could.

Senator BLUMENTHAL. I respect that decision. I'm concerned, and my guess is you share that concern, about the reduction from 72 to 59 in fiscal year 2012 going to 2013. I'm glad that you are continuing to evaluate, if I can paraphrase what you just said, that decision.

Secretary MCHUGH. We have shifted some of the procurement lines to the right, but we think it's prudent, and we've used the word risk rather frequently here today. It is an acceptable risk.

Senator BLUMENTHAL. I want to focus, if I may, on an area that has greatly concerned me, the Improvised Explosive Devices (IED) and the flow of material from Pakistan to Afghanistan in ingredients that go into these bombs. The Pakistanis have been asked to do more and we've had various witnesses testify to us that they see no significant action on the part of the Pakistan Government to stop the flow of bombmaking materials from their country to sites where they are principally manufactured, to Afghanistan, where they obviously do grave harm to our troops.

Do you differ with the assessment that the Pakistanis are making no significant effort?

General ODIERNO. We have seen no significant change in the ability to move this material across the border.

Senator BLUMENTHAL. Thank you, General.

In the Joint Improvised Explosive Device Defeat Organization (JIEDDO) budget, I am delighted to see that the JIEDDO fund was placed in the base budget, which I think is a very good step forward. The IED usage by the enemy has increased by 15 percent, I'm told. Do you have information contrary to that number?

General ODIERNO. I don't, and I would just add that I believe that in the future we will continue to face IED threats as we conduct operations. So it's critical that we recognize that and keep it as part of our sustainment programs over time.

Senator BLUMENTHAL. From what I was told on my most recent trip to Afghanistan by General Allen, it seems to be increasingly the weapon of first resort by an enemy that is degraded and finds that the principal way to do damage to us, rather than any direct frontal assault; is that correct?

General ODIERNO. We've seen that both as we've had success in Iraq and now that we have success in Afghanistan, they resort to IEDs and then suicide bombs and things like that as their capability gets diminished.

Senator BLUMENTHAL. Overall, I see the funding request for fiscal year 2013 for JIEDDO has been decreased by \$540 million. Would you agree with that cut based on the increase in attacks?

General ODIERNO. We've transferred some of the JIEDDO programs to the Services. So I think we'd have to do a complete assessment of what was transferred to the Services and what remains in JIEDDO. I know that we had several hundred million dol-

lars worth of programs that were transitioned from JIEDDO to the Army, that we've put in the base budget. I would have to do a full analysis of that to understand if we've really had a degradation of capability or if we've just adjusted the responsibility in some areas, sir.

Secretary MCHUGH. The other thing I think is afoot, Senator, is the judgment that you're out of Iraq, which the gentlemen on my left knows more about than most people who walk this planet, so that active IED threat is gone, but also we are on a path to come down in Afghanistan, and so you can logically assume the level of threat there.

The judgment is the sustained funds would be sufficient to keep them a viable organization.

Senator BLUMENTHAL. Overall, you're satisfied that there are sufficient resources, even though they're not going directly through JIEDDO, to confront this threat?

General ODIERNO. I think that the investment we continue to make is quite significant and I think we continue to develop what's necessary to ensure the safety of our soldiers, sailors, airmen, and marines forward.

Senator BLUMENTHAL. Thank you.

Finally, I know questions have been asked about the C-27J. I am concerned about the increased cost resulting from the potential sacrifice or planned sacrifice of this valuable asset. I think it's been called a valuable asset in Afghanistan. Is there any possibility that this funding could be restored?

General ODIERNO. Based on the discussions we've had, I believe that the decision has been made that the funding will not be restored.

Senator BLUMENTHAL. Were you involved in that decision?

General ODIERNO. We were involved in the decision. We were involved in the discussion. We were able to make the points we thought were appropriate, and the decision was made to reduce the program.

Senator BLUMENTHAL. Without putting you on the spot, could you express to us your view?

General ODIERNO. There's a requirement that we have a ground force. The requirement of the ground force is that we need intratheater lift in order to help support our soldiers. That requirement has not changed. We need that. Whether you choose to do it by an agreement to ensure we have C-130s or we do it by the C-27, I will leave that decision up to the Air Force.

Senator BLUMENTHAL. Thank you. Thank you very much for your testimony here today. My time has expired. Thank you very much for being so helpful and informative.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Gillibrand.

Senator GILLIBRAND. Thank you so much, Mr. Chairman.

Thank you to both of you for your testimony and your service. It's an honor to be here today.

New York represents many important Army installations. We have Fort Drum, we have West Point. I am also pleased to let you know that I have an Army fellow serving in my office this year,

Captain Aaron Schwengler has been doing extraordinary work. I want to thank you for supporting that program.

First I want to talk about Fort Drum, then West Point, and then some women in combat issues and some hazing issues. So I have a big agenda, and short time.

Secretary McHugh, you and I have talked about how to strengthen Fort Drum. Obviously, as we have Base Realignment and Closure (BRAC) coming up and we have various decisions that have to be made in the budget, I want to make sure that the missions that we do do there continue and that if we can add to those missions that would be very important. I think Fort Drum is known to do extraordinary training in terms of terrain and climate. We also have significant restricted air space, which helps us often in training.

One mission that I thought might be worth considering is allowing Fort Drum to be an unmanned aerial systems (UAS) test range, and we could increase the unmanned aerial vehicle (UAV) training mission there. I just wanted to get your thoughts if that might be something that's interesting, or just increasing the amount of troops we train there?

Secretary MCHUGH. Anywhere we train troops we like to be able to train more platforms rather than fewer. The National Guard units down in Syracuse as a result of a previous BRAC were scheduled at one point to receive some UAV platforms, and the thoughts were to utilize training ranges at Fort Drum. So I would say to any maneuver base when asked, if you can expand your opportunities for training across the broad spectrum of our operational activities, that's a plus.

As to the actual capability of Fort Drum, that's way above my rung on the ladder.

Senator GILLIBRAND. Thank you for considering it.

In terms of West Point, I just had a wonderful visit to West Point with Holly Petraeus. Holly is working for the Consumer Protection Agency to make sure our troops aren't targeted by fraud and other criminals trying to harm them. I was very impressed by the cadets. They were extraordinarily articulate and had perfectly on-point questions for our forum.

One of the things that I am most excited about is the possibility of increased training in cyber for the cadets at West Point. I know that they've begun some. I wanted to know your impressions if that is on track, and if that's something we can continue to amplify. I think that would be a fantastic opportunity for the military.

Secretary MCHUGH. I'm going to pass to the old West Point grad because he's been there.

Senator GILLIBRAND. He knows.

General ODIERNO. Senator, we want to continue to use West Point as our leader development launching point. Part of that is to continue to develop the capabilities to train on what we believe to be important issues of our future. That includes cyber, it includes the Counterterrorism Center we have there, and other things. We will continue to do that. It's key for us to have that as a center to help our leaders of the future learn about what challenges they'll face.

We are very supportive of keeping them on the leading edge of moving forward with whatever it is we're trying to do and what is important to our DOD and specifically the Army.

Senator GILLIBRAND. Thank you very much.

I know that we've done some very important work with regard to women in combat and women serving in the military. I know that DOD reported just recently that it is committed to removing all barriers that prevent servicemembers from rising to the highest levels of responsibility that their talents and capabilities warrant.

I also know that a similar report from the Military Leadership Diversity Commission did conclude that combat exclusion policies either prohibit or discourage women from serving in the career fields that provide the great opportunities to reach leadership ranks in the officer corps. You testified earlier today that there's now 6,000 new openings, which I think is fantastic; that's a great step in the right direction. But I'd like to get your thoughts on what is the step to reduce all impediments and actually, similar to what we do with the U.S. Coast Guard where all positions are available to women there, are there steps that we can take to ultimately remove all those barriers?

General ODIERNO. Senator, this is a very important issue to me personally, but also to the Army. I always qualify it by saying it's about managing our best talent and making sure we take advantage of the best talent available, which includes obviously females, which provide an incredible capability.

We are doing this pilot, and we suspect by the end of the year we will remove any impediments of putting females into combat battalion headquarters, which they have not been able to go to before, in current MOSs that they operate in. I think that's a first step towards then conducting studies and continuing to move forward, how we potentially look to integrate them into every MOS.

I think our first thought is let's get them down to battalion level in combat infantry and armor units, which they're not allowed to go to today. We want to do that very quickly, and then we will begin to study how we open up all MOSs. I think that will help us to gain data for us to move forward with that as we go on.

Senator GILLIBRAND. Thank you.

Obviously, a lot of these women have been attached to battalions but not assigned to them. In your consideration would there be any way to give some kind of retroactive recognition that they performed these missions and were subjected to those risks?

General ODIERNO. We'll take a look at it.

Senator GILLIBRAND. Thank you very much.

Okay, last question. Do I have time, Mr. Chairman?

Chairman LEVIN. You do.

Senator GILLIBRAND. Okay.

Chairman LEVIN. Just take your time. If you go over, that's fine.

Senator GILLIBRAND. This is an issue that has really affected New York. We had some horrible examples of hazing where New Yorkers who were serving committed suicide. It's something that obviously we all worry about. We also worry about violence against women in the military. We want to protect all our troops.

In both examples, a lot of the personal stories I have heard are how there's no way to report something being done to you if your

command structure is either part of it or ignoring it. So whether it's violence against a woman or whether it's a hazing operation, I'd like your guidance on how can we make it easier in these instances for reporting to take place when your command structure does not allow it, for either the reason of they're part of it or they have allowed it or ignored it?

General ODIERNO. You're right, there's a fundamental problem when they believe that the leadership that's above them is part of the problem. There's two things that we have. First is the Inspector General (IG). Anybody can call the IG at any time, especially when there's a problem with their chain of command, and then go to the highest level possible to do that.

Second, they can go to a higher level of chain of command. Part of the problem here is us making sure that soldiers understand that they can do this, that it's okay, and they know how to do this if they're facing some difficult problem, such as sexual harassment or hazing of some sort, that they're able to report this. It's incumbent on us, to our newer soldiers especially, that they understand that there are ways for them to raise complaints outside of their own chain of command. We'll continue to work very hard to emphasize that.

Senator GILLIBRAND. Because especially in the circumstances I read, where they're serving in remote areas, they have no one to turn to.

I know that hazing's more difficult because it's not its own offense enumerated under the Uniform Code of Military Justice (UCMJ). Whether you can change the regulations to make it easier for people to understand that it's not acceptable might be one route. I don't know if there are similar measures that can be made with regard to violence against women. I don't know if training is the problem. But I would just urge you to look at all courses of action.

General ODIERNO. I will just tell you, we get people from a lot of different backgrounds. It's first about them understanding that it's not part of our culture and we will not accept it as part of the Army culture; as part of our ethical, moral behavior. It's important for us to emphasize that as soon as they come in to the Army, and throughout their time in the Army. We will continue to do as much as we can to ensure that they are constantly hearing this from their leadership.

Secretary MCHUGH. Senator, based on the case of Private Danny Chen, a tragic instance, there are things we can do under the UCMJ, and we intend to follow those. I think that will serve as a very powerful reminder to others that this is unacceptable.

The Sergeant Major of the Army, the Chief, and I not shortly after that terrible case wrote to all command levels and told them: This is your responsibility. Much like sexual abuse, it is so contrary to who we'd like to think we are, and we're not going to tolerate those who don't share that value in our ranks.

Senator GILLIBRAND. Thank you for your leadership. Thank you both for your service.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Gillibrand, and we thank you both. It's been a very, very helpful hearing and we appreciate what you do for our country, for our troops, and their families.

We will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### COMBAT VEHICLE PRODUCTION

1. Senator LEVIN. Secretary McHugh, the Army understands that the minimum sustaining M1 Abrams upgrade production rate at the Joint Systems Manufacturing Center (JSMC), also known as the Lima (Ohio) Army tank plant, is 70 tanks per year. What other tank or armored vehicle workload, such as Foreign Military Sales (FMS), is the Army trying to direct to the plant and how much has been achieved or is achievable to keep the production line open and available for the next series of Abrams upgrades planned for fiscal year 2017?

Secretary MCHUGH. The Army is not "shutting down" the JSMC. Rather, the Army is slowing the current production rate in the facility by ending the Abrams M1A2SEP v2 production line. In 2011, there appeared to be very little opportunity for additional manufacturing work for the Anniston Army Depot (ANAD) and the JSMC. However, this has changed with recent significant Foreign FMS interest in the Abrams tank. As a result, the tank industrial base will benefit by new manufacturing work as a result of several pending FMS cases that are nearing approval and are likely to impact production beginning in the 2013 timeframe. This additional production will help mitigate most of the vendor risks, and the Army is analyzing other mitigating activities for vendor capabilities not addressed by the increased FMS sales.

The Army is confident current and pending Abrams Tank FMS opportunities will help sustain the Abrams tank industrial base and bring manufacturing work to ANAD, Anniston, AL, and the JSMC in Lima, OH.

2. Senator LEVIN. Secretary McHugh, what is the Army's position on the planned production breaks for the M1 Abrams tank and M2 Bradley upgrade programs?

Secretary MCHUGH. The Army's production of the Abrams M1A2 System Enhancement Package (SEP) v2 tank will continue until June 2014 and by that time, the Army will have produced the entire Abrams tank Modular Force requirement. The Active component will be fully equipped with 17 Heavy Brigades of M1A2 SEPV2 tanks, the most capable and latest digital version of the tank. The Army National Guard (ARNG) will be fully equipped with one Heavy Brigade of M1A2 SEPV2 tanks and six Heavy Brigades and three Combined Arms Battalions of M1A1 Situational Awareness tanks, the latest analog version of the tank. The average Abrams fleet age for both the Active and Reserve Force will only be 2 to 3 years old. Consequently, the next major recapitalization of the Abrams tank fleet is not necessary until the 2017 timeframe.

The Army is currently evaluating a few technologies that could be at risk when the M1A2SEP v2 production is complete in June 2014. For example, the Army identified Frontal Armor production as a critical item and has subsequently funded its continued manufacturing at the minimum sustaining rate until the next version of the Abrams tank enters production in fiscal year 2016 or fiscal year 2017. Pending FMS cases may further mitigate this risk.

The Army completed M2A3 Bradley Fighting Vehicle (BFV) production in September 2011. It will complete production of the M2A2 Operation Desert Storm-Situational Awareness (ODS-SA) BFV in the fourth quarter of fiscal year 2013. This will equip the Active component with 17 Heavy Brigades of M2A3 BFVs. The ARNG will be equipped with one Heavy Brigade of M2A3s, and six Heavy Brigades and three Combined Arms Battalions of M2A2 ODS-SAs. Both A3s and ODS-SAs have a digital framework, and provide superior combat capability. There are no plans to produce more BRVs after the Active and Reserve component requirements outlined above are fulfilled.

3. Senator LEVIN. Secretary McHugh, what is your assessment of the cost of breaking and then restarting the M1 Abrams and M2 Bradley production lines versus continuing production at minimum levels and delivering upgraded vehicles to the force?

Secretary MCHUGH. The Abrams prime contractor, General Dynamics Land Systems (GDLS) estimated cost of shutdown and restart to be \$1.64 billion and stated

that it would be less expensive to continue producing tanks. The Army analysis in early 2011 determined that it would cost more to continue building tanks at minimum sustaining rates than it would to shut down and restart tank production during the gap period. The Army's initial cost estimate to shut down and restart was approximately \$822 million. The cost to continue production at minimum sustaining rates during that same timeframe was \$2.8 billion.

The RAND Arroyo Center recently completed an independent analysis concerning the costs and benefits of the planned Abrams tank production slow down at the JSMC, Lima, OH, specifically addressing whether it would be more beneficial from a cost perspective to stop or continue U.S. Army tank production. RAND Arroyo's independent analysis found the shut down/restart to be significantly less than the Army's estimate: \$342 million. They also estimate the cost of continued production to be \$1.5 billion to \$1.6 billion (fiscal year 2013–2016).

In regards to the Bradley, British Aerospace Engineering (BAE) produces BFVs at York, PA. Army analysis has determined that sustaining minimum production at York over the upcoming production break window fiscal year 2014–fiscal year 2016 will cost approximately \$1.6 billion. Stopping and restarting the Bradley line is anticipated to cost approximately \$500 million. With these two figures in mind, the Army will realize approximately \$1.1 billion in cost avoidance.

#### ARMY ROLE IN THE NEW STRATEGIC GUIDANCE'S SHIFT OF EMPHASIS TO ASIA PACIFIC

4. Senator LEVIN. General Odierno, the new Department of Defense (DOD) strategic guidance includes a new emphasis on U.S. security interests and challenges in the Asia Pacific. While not neglecting the enduring challenges in the Middle-East and South Asia, DOD is taking steps to shape U.S. forces relative to the air and maritime demands of the Far East. What is your understanding and assessment of the new strategic guidance, the shift of emphasis to the Asia Pacific, and the increase in dependence on air and sea power to meet the challenges there?

General ODIERNO. The new strategic guidance essentially shifts emphasis to a region where the Army has retained a robust posture since World War II. This includes the U.S. Army's longstanding and important commitment to the U.S.-Republic of Korea alliance. To the extent that the guidance increases attention to the challenges faced by air and sea power—not least being the sheer distances involved when operating in the region's vast geography—the Army can benefit from other Services' increased capabilities to project and support land forces throughout the region as a vital part of the Joint Force. Besides land forces' ability to dominate and decisively win in combat, the Army plays a unique role in gaining and maintaining access during times of conflict as well as during peacetime in a region where armies enjoy the greatest influence among services in the civil-military relations of most countries. Seven out of the 10 largest land armies in the world are in the Asia-Pacific region and 22 of 28 Chiefs of Defense in the region are Army officers. Currently, there are 66,000 U.S. Army soldiers assigned to the U.S. Pacific Command (PACOM) area of responsibility (AOR). Due to our longstanding, joint, multinational training events with regional allies and partners, the Army's access has been exceptional and we will continue to build upon this success. The Army will engage, build partner capacity and establish military to military relationships to work our issues in Asia and the Pacific region. Our Asia-Pacific alliances and partnerships, forged during peace and war to form the bedrock of regional security cooperation, provide a means to leverage the wellspring of trust, confidence, access, and influence accumulated through decades of Army engagement.

5. Senator LEVIN. General Odierno, what in your view are the greatest risks, if any, relative to the potential need for ground forces to meet needs in the Asia Pacific?

General ODIERNO. A key risk to meeting land force requirements in the Asia Pacific is the Army's lack of permanent support infrastructure in South and Southeast Asia. That increases the challenge of sustaining land forces across the region's 8,000 mile expanse, as well as the challenge of gaining timely access for a temporary footprint in a crisis. We mitigate that risk and address both challenges with our Security Cooperation programs. In order to be successful, those programs must continue to credibly demonstrate the Army's commitment to the region. Asia Pacific partners and allies must see an increase in those programs commensurate with the increased emphasis of the new strategic guidance.

6. Senator LEVIN. General Odierno, what, in your view, is the Army's role in an Asia-Pacific-oriented strategy?

General ODIERNO. The Army's fundamental role in the Asia Pacific is providing trained and ready forces to the Commander of PACOM in order to "Shape" the strategic environment, "Prevent" crises, and "Win" if conflict arises. Most visibly the Army will provide a stabilizing presence in peacetime both through forces permanently stationed in the region and rotational forces from the global force pool. This will help guarantee immediate access during crisis and positional advantage during contingencies. These trained and ready forces provide the bedrock of decisive action for any contingency and are a stabilizing presence for our allies. The Army will provide agile Mission Command, responsive and effective to the needs of the PACOM Commander across the spectrum of crisis. We will focus on persistent engagement and relationship building with the armies of our allies and partners, usually the most dominant service within most partner nations, while achieving the mutual goals of securing regional peace and prosperity. In setting and maintaining the theater, the Army will sustain Joint and Multinational partners through our logistics hubs, sustainment capabilities, prepositioned stocks, and a variety of functional capabilities (engineers, medical, Civil Military, Chemical, Biological Radiological, Nuclear and Explosive (CBRNE), as examples) uniquely positioned in the Asia Pacific.

This will require the Army to sustain a progressive force generation model to ensure we meet Joint Force Commanders' contingency requirements in the Asia Pacific and elsewhere. Doing so requires operational agility in Army formations and leaders to transition from one mission or geographic focus to another as necessary. Finally, given the potential scale of contingencies in the Asia Pacific, the Total Army must provide depth to the Joint Force, and must maintain the infrastructure in the Continental United States (CONUS) and the Asia Pacific to mobilize, deploy, and sustain forces in theater.

7. Senator LEVIN. General Odierno, what changes, if any, in the Army's manning, training, force structure, and equipment are necessary to meet the requirements for general purpose ground forces in an Asia-Pacific-oriented security strategy? For example, will the Army now emphasize Asian culture and language training relative to potential increases in demand for training and exercise partnering throughout the region?

General ODIERNO. The Army is considering adding several capabilities to the U.S. Army, Pacific, to better support PACOM, including a regionally assigned Joint Task Force/Joint Force Land Component Command headquarters, the ability to execute joint/multinational Humanitarian Assistance/Disaster Relief throughout the theater, and an exportable, Combat Training Center-like joint/multinational training and exercise capability along with pre-positioned equipment sets in theater. More broadly, the Army continues to develop the ability to respond to Geographic Combatant Commanders' requirements, including PACOM, by providing Regionally Aligned Forces through a rotational, progressive force generation model. Regional training and Army exercises continue to evolve in support of PACOM's Theater Strategy and Theater Campaign Plan, and seek to more deeply engage key partner Armies to pursue mutual interests in preserving regional stability. As we develop the force structure for the Army of 2020, the training requirements (to include language and culture) for General Purpose Forces will be further developed to support the combat commander's emerging requirements. Over the course of 10 years, the Army has developed a core of real experts in the Middle East and South Asia region. The Army will develop a similar core of professionals for whom Asia-Pacific expertise is a life-long work.

#### REVERSIBILITY

8. Senator LEVIN. Secretary McHugh, the new strategic guidance accepts increased risk with the reduction of several military capabilities including Army end strength and force structure. This increased risk is acceptable when mitigated by building into drawdown plans the ability to replace, stop, and, if necessary, reverse the loss of these capabilities. This is widely known as reversibility. Your joint statement says that the key features of reversibility are retention of a strong cadre of mid-career field grade officers and noncommissioned officers (NCO), Special Operations Forces (SOF), access to a Ready Reserve component, and a rapidly expandable industrial base. Reversibility in the industrial base may be the concept's biggest challenge. In order to reduce this risk, the Army must accurately, reliably, and comprehensively identify those sectors of its industrial base that cannot be reconstituted; reconstituted at great cost in money or time; or may not need reconstitution at all. This is compounded by the Army's budget reductions in fiscal year 2013 and beyond that cuts workload and increases risk in the health of the ground combat



and tactical vehicle industrial base. How does the Army's fiscal year 2013 budget request ensure reversibility in the ground combat and tactical vehicle industrial base?

Secretary McHUGH. The Army's fiscal year 2013 budget request ensures reversibility in the ground combat and tactical vehicle industrial base as a result of the Army's careful planning in these industrial base sectors. To build its fiscal year 2013 budget request, the Army anticipated structuring and pacing reductions in its ground forces to preserve its ability to make a course change to surge, regenerate and mobilize the capabilities needed for any contingency. Although the demand for ground combat and tactical vehicles will decline, commercial market heavy-duty truck sales are expected to continue their recovery from the past recession. The supply chains for on-road commercial trucks and off-road equipment are important because they provide vehicles and components to the Army as well. The Army's fiscal year 2013 budget request anticipates that such supply chains in the commercial sector will continue to provide vehicles and components to the Army to strengthen the Army's reversibility.

The Army's fiscal year 2013 budget request supports reversibility within its ground combat and tactical vehicles. The Army continues to invest in Abrams and Bradley vehicles through Engineering Change Proposal programs, and is also investing in the replacement of its Bradley vehicles with the Ground Combat Vehicle and the replacement of M113 Family of Vehicles with a more protected and capable Armored Multi-Purpose Vehicle. The Army also sustains modernization efforts to support the Tactical Wheeled Vehicle (TWV) strategic priorities by providing protected mobility for our soldiers and maintain an appropriately-sized, high-quality TWV fleet. The fiscal year 2013 budget submission supports Army objectives to fund Joint Light Tactical Vehicle RDT&E requirements, completes production of the Family of Medium TWV fleet by end of fiscal year 2014, continues to modernize the Heavy TWV fleet through the recapitalization program and modernizes the Service Life Extension Program (SLEP) for the Logistics Support Vessels. The Mine Resistant Armor Protected vehicle will rely on Overseas Contingency Operations (OCO) funds to upgrade until the program transitions to sustainment.

9. Senator LEVIN. Secretary McHugh, how will the Army ensure that industrial base reversibility cost and risk are carefully managed in fiscal year 2014 and beyond?

Secretary McHUGH. The Army will ensure that industrial base reversibility cost and risk are carefully managed in fiscal year 2014 and beyond by: (1) continuing on-going efforts to determine the health of Industrial Base sectors critical to support Army and Joint Services programs; (2) identifying and assessing current status of organic and commercial critical manufacturing and maintenance capabilities required to meet future Army contingency Reversibility & Expansibility requirements; (3) identifying supply chain issues in design, manufacturing and sustainment that can present significant risk to critical Army capabilities; and (4) partnering with the Office of the Secretary of Defense (OSD) to implement appropriate mitigation efforts to address critical risks.

10. Senator LEVIN. Secretary McHugh, what criteria or indications in the industrial base will you monitor to alert you to potential loss of capability or capacity to meet the needs for reversibility into the future?

Secretary McHUGH. The Army is continuously working with suppliers in the commercial industrial base to assess and sustain essential capabilities and to reduce the chances of single points of failure. Related efforts to monitor potential loss of capability or capacity include a DOD Sector-by-Sector, Tier-by-Tier (S2T2) effort. The S2T2 effort seeks: (1) to establish early warning indicators of risk, particularly at lower-tiers; (2) to strengthen the supply chain and mitigate potential points of failure; and (3) to perform joint agency assessments providing the Army the ability to capture impacts on market sectors, manufacturers, and the warfighter requirements across the U.S. Services. Another effort is the Industrial Base Baseline Assessment that seeks: (1) to conduct a sector/sub-sector assessment of programs identified as critical by Program Executive Offices and Life Cycle Management Commands; (2) to determine the impact of reductions in funding to program requirements; and (3) to develop recommendations which enable the industrial base to sustain current and future warfighter requirements.

11. Senator LEVIN. Secretary McHugh, how will you respond to evidence of an unacceptable increase in this risk or the imminent loss of industrial capability or capacity?

Secretary McHUGH. The Army is participating in the DOD's S2T2 effort, which seeks to identify critical areas that could constitute single points of failure and develop strategies to mitigate the risks identified. In addition, the Army is conducting an Industrial Base Baseline Assessment that will: (1) conduct a sector/sub-sector assessment of programs identified as critical by Program Executive Offices and Life Cycle Management Commands; (2) determine the impact of reductions in funding to program requirements; and (3) develop recommendations which enable the industrial base to sustain current and future warfighter requirements.

12. Senator LEVIN. General Odierno, how practically would a strong cadre of officers and NCOs work?

General ODIERNO. By "cadre," we mean those combat veteran officers and NCOs who will now be leveraging their significant combat and operational experience in the generating force. They will occupy positions that already exist in our schoolhouses and support units that the Army has been unable to fill for the past decade due to exceptionally high OPTEMPO and mission demands. These officers and NCOs will be experienced trainers, doctrine writers, platform instructors, personnel developers, combat systems subject matter experts, all lending their knowledge of emerging threats and operational techniques to the institutional systems that will mold and temper our future Army units. These officers and NCOs will also circulate into and out of operational units as part of normal career assignment patterns. All will be able to transition back to operational support of mission units with a minimum of preparation.

13. Senator LEVIN. General Odierno, how would these leaders be assigned and what duties would they perform if they are excess to existing Army field unit (Table of Organization and Equipment) and institutional (Table of Distribution and Allowances) requirements?

General ODIERNO. These military personnel are not excess; they will be assigned to the Army's Generating Force (GF), performing necessary institutional functions to fill capability gaps, support new and emerging capabilities, and to reinvest in necessary unique military skills and functions that have been under-manned due to operational requirements. Additionally, the Army will reinvest an additional 1,000 personnel in the GF to rebalance the Active Component Generating Force at 92,100 across the program. The Army will then identify up to 5,000 mid-grade officer and NCO military skill sets that can concomitantly support reversibility.

14. Senator LEVIN. General Odierno, how will cadre officers and NCOs remain competitive with their peers in units for critical professional assignments and promotions?

General ODIERNO. These officers will pursue their career professional development like every other officer or NCO, and will compete for assignments on the strength of their demonstrated potential and past experiences. The Army will not align our combat experienced personnel against hypothetical future requirements. Instead we will employ their experience to enhance the Army's processes and systems wherever we assign them. The scope of possible assignments for these officers and NCOs will support the Army's leader development strategy that calls for development of leaders through a variety of broadening experiences.

15. Senator LEVIN. Secretary McHugh and General Odierno, what is your assessment of the Reserve component as an operational Reserve today and the future?

Secretary McHUGH and General ODIERNO. As proven by the past decade, the Reserve components function well as part of the Army's operational force. Measured access to the Reserve components for future employment will allow the Army to hedge against unforeseen changes to the global security environment. In the future, our National Guard and Army Reserves will be resourced and trained at appropriate levels to build on the competencies and experiences that have been gained over the past several years. We are committed to maintaining an appropriate balance between the Active and Reserve components to meet our future security requirements.

16. Senator LEVIN. Secretary McHugh and General Odierno, what gaps in Reserve component capability, if any, are important to address to further reduce strategic risk?

Secretary McHUGH and General ODIERNO. Within its currently planned reduced end strength, the Army continues to assess the best mix, quantity, and organizational designs of Brigade Combat Teams (BCT) (Armor, Infantry, Stryker, and Airborne) required to provide the necessary mix of combat power and capabilities for projected future obligations. We are also examining the best balance between Active

component and Reserve component forces, between combat and support forces, and between military, civilian, and contractors. The Army's deliberate and responsible draw-down plans will take into consideration operational demands and unit readiness, and will proceed at a pace necessary to ensure mission success—all while retaining the flexibility to respond to unforeseen demands at a tempo that is predictable and sustainable for our All-Volunteer Force.

#### COMMISSION ON MILITARY RETIREMENT

17. Senator LEVIN. Secretary McHugh and General Odierno, DOD will propose that Congress establish a commission with “Base Realignment and Closure Commission (BRAC)-like authority to conduct a comprehensive review of the military retirement benefit in the context of total military compensation.” Meanwhile, both Secretary Gates and Secretary Panetta have said that everything must be on the table, and Gates noted in his final days as Secretary that the current military compensation system, which he described as “one size fits all . . . left over from last century,” may no longer be appropriate today. Finally, we have long viewed the military compensation system, to include retirement benefits and health care benefits, to be part of a total military compensation package that should be assessed as a whole rather than a collection of individual parts.

Shouldn't the commission be empowered to review all elements of military compensation to include the system of basic pay, the various allowances and special pays, survivor benefits, and the tax status of all of these?

Secretary MCHUGH and General ODIERNO. If Congress approves a commission, it should holistically look at the entire compensation system and understand the implications of any changes to pay and benefits. The total military compensation package should be based on all aspects of military service, including rigorous training, dangerous duty, long work hours, and frequent moves and separations from families and loved ones. It is important to have a comprehensive package that is commensurate with the sacrifices of our soldiers and families.

#### PROPOSED TRICARE FEE INCREASES

18. Senator LEVIN. General Odierno, the administration is proposing to substantially increase enrollment fees for military retirees who enroll in the TRICARE Prime health care program, and to institute for the first time enrollment fees for participation in the TRICARE Standard and TRICARE Extra health care programs and for enrollment in TRICARE for Life. Do you personally support these proposed increased fees?

General ODIERNO. I support DOD efforts to mitigate escalating healthcare costs in order to sustain the medical benefit. The Army, in partnership with DOD, is committed to preserving and enhancing the quality and range of care by rebalancing the share of costs incurred by the Department and the beneficiary.

19. Senator LEVIN. General Odierno, will you express your support for these changes to your soldiers, both those now on Active Duty and to retirees?

General ODIERNO. Yes, I support DOD's efforts to identify solutions to mitigate escalating healthcare costs through fiscally responsible management for long-term sustainment of the highest quality care and service to our current and future retirees.

#### END STRENGTH REDUCTIONS

20. Senator LEVIN. General Odierno, the new DOD strategic guidance expressly states that the Nation will avoid large-scale stability operations requiring large ground forces. Accordingly, DOD has determined the Army size and force structure can be reduced and still meet acceptable levels of strategic risk and also save money. The Active Army will make the largest end strength reductions over the next 5 years of 72,000 from their fiscal year 2012 authorization level of 562,000; the first 10,000 reduction is included in the 2013 budget request. The end state for the Active Army is 490,000 by the end of fiscal year 2017. Will the Army have to involuntarily separate soldiers who have been deployed multiple times and who believed they would have the opportunity to compete for career service?

General ODIERNO. The Army has been looking carefully at our inventories and the rates at which we can affect their strength through traditional vetting processes such as promotion and assignment, or natural losses due to administrative shortcomings, medical disqualifications, et cetera. As we reduce end strength, we intend

to retain personnel best suited for continued service and retain the talent and capability required to meet emerging missions and challenges. Although the majority of reductions will occur through natural attrition, some that want to stay will be involuntarily separated.

The Army is striving to minimize the hardship on the service members who want to stay but cannot. To do that, we are evaluating our over-strength year groups carefully and may offer Separation Pay incentive to members who have been non-selected for promotion, or separation under the Temporary Early Retirement Authority to those who have between 15 and 20 years of active service and eligible to retire under that authority.

21. Senator LEVIN. General Odierno, how will the Army minimize involuntary separations?

General ODIERNO. The Army will conduct end strength reductions using a gradual ramp over a 6-year period in order to allow natural attrition to absorb a portion of the reductions, while still maintaining our commitment to Afghanistan. The gradual reductions will also allow the Secretary and I the flexibility to evaluate each year whether we are moving at the right pace. This time-phased approach to allow us to validate our assumptions regarding the effect of natural losses on cohorts and adjust our separations as needed. We will employ time tested and respected selection board processes to evaluate potential for future service, and retain those best qualified to fill the Army's requirements. Soldiers will have the opportunity to demonstrate their strengths and potential in competition with their peers, but the Army will decide who will stay and who we will help transition to other work. The Army is evaluating its over-strength year groups carefully and may offer Separation Pay incentive to members who have been non-selected for promotion, or separation under the Temporary Early Retirement Authority to those who have between 15 and 20 years of active service and eligible to retire under that authority.

22. Senator LEVIN. Secretary McHugh, do you need any additional force shaping tools to enable the Army to achieve these reductions in a manner that recognizes the service and commitment we made to these soldiers?

Secretary MCHUGH. The Army is studying the need for enhanced separation authorities to be needed to allow us to bring down our end strength in a fair and balanced manner. There are authorities in law now for incentives to separate service members, but the Army budget reductions leave no room to exercise those authorities without seriously jeopardizing other critical capabilities through reprogramming. The Army has requested additional funding to avail itself of some of the voluntary measures that could soften the disappointment of those who will not be selected to continue in service.

23. Senator LEVIN. Secretary McHugh, what programs are available or needed to help soldiers and their families ease the challenges of transition from Active Duty to new jobs and civilian life?

Secretary MCHUGH. The Army Career and Alumni Program (ACAP) is the Transition Program that assists soldiers, family members, and DA civilian's transition from their status within the Army back to the civilian community. Involuntarily separated soldiers are congressionally mandated to receive the same pre-separation counseling as voluntarily separating soldiers. Additionally, soldiers, family members, and DA civilians (involuntarily or voluntarily separated) are entitled to participate in any of the transition assistance classes offered by ACAP. All soldiers must begin ACAP not less than 12 months prior to separation. However, soldiers may use an ACAP Center, the ACAP Call Center, and virtual ACAP at anytime throughout their military lifecycle to gather information and take classes. We are adjusting the ACAP program to meet the goals of the recently passed VOW to Hire Heroes Act and the recommendations of the Presidential Task Force. Attendance may take place in person at an ACAP center, live or cataloged classes online, or individually through the 24/7 ACAP Call Center.

All classes are taught by Master's Degree Counselors or professional-level instructors. These classes include, but are not limited to:

- Employment assistance
- Job search skills
- MOS Crosswalk (Military skills to civilian skills comparison)
- Skills assessment
- Professional interest evaluation
- Resume and cover letter development and refinement
- Interview skills
- Dress for success

- Salary negotiation
- Relocation assistance
- Legal referrals (Wills, Power of Attorney, Estate planning, et cetera before separation)
- Contact information for housing counseling assistance
- Education/Training
- Health/Life insurance
- Financial planning/Budget development
- Veteran benefits briefing
- Veterans Administration Disabled Transition Assistance Program (VA DTAP)
- Department of Labor Employment Workshop
- Physical and mental health well being

The Army is also utilizing the Hero 2 Hired (H2H) as its interim employment application/tool [www.H2H.jobs](http://www.H2H.jobs) to provide one primary location where soldiers of all components, veterans, and family members can connect with private industry employment opportunities. This application is web-based and able to translate military occupational skills (MOS), provide career path exploration, upload resumes, allow customized job searches, enable employers to also search for Veterans, and provide performance metrics. H2H will eventually be included on eBenefits, the single portal for transition benefits selected by the DOD-VA Veterans Employment Initiative Task Force ([www.eBenefits.va.gov](http://www.eBenefits.va.gov))

#### OVERSEAS BASING

24. Senator LEVIN. General Odierno, Secretary Panetta announced in January that DOD will withdraw two of the four Army BCTs currently stationed in Europe. This will reduce the size of the U.S. Army force posture in Europe by around 7,000 personnel, down from the current level of about 38,000 Army personnel. Given the budget pressures under which the Army will be operating for the foreseeable future, what are your thoughts on restationing your forces back to the United States?

General ODIERNO. The Army, in concert with DOD, conducted a reassessment of the U.S. global strategy and posture in the European Command (EUCOM) AOR in light of the emerging defense strategy. The Army recommended inactivating two of its four BCTs. The reduction of 7,000 personnel associated with the drawdown of 2 BCTs over the next 2 years, and a reduction of approximately 2,500 personnel associated with enabler units over the next 5 years, will still allow EUCOM to maintain a flexible and easily deployable ground force to meet Article 5 and other North Atlantic Treaty Organization (NATO) commitments, to engage effectively with allies and partners, and to satisfy other security objectives. We believe the proposed posture in the EUCOM AOR is adequate. At currently programmed force levels, we do not foresee restationing any additional forces from the EUCOM AOR to the United States.

25. Senator LEVIN. General Odierno, what is your assessment of the reduction of Army force structure in Europe?

General ODIERNO. The Army, in concert with DOD, is conducting a reassessment of the U.S. global strategy and posture in the European Area of Operations in line with the current defense strategy. The Army recommended inactivating two of its four BCTs. The drawdown to two BCTs still allows EUCOM to maintain a flexible and easily deployable ground force to meet Article 5 and other NATO commitments, to engage effectively with allies and partners and to satisfy other security objectives. The Army expects to allocate a BCT to support interoperability with NATO and plans to rotate battalions to EUCOM to train with our allies. The Army will continue to make adjustments in coordination with DOD to ensure our posture remains in line with current strategy and supportive of theater commitments.

26. Senator LEVIN. General Odierno, is a reduction of 7,000 personnel associated with the 2 BCTs correct or is it likely to be more?

General ODIERNO. The reduction of 7,000 personnel is associated with the reduction of 2 BCTs over the next 2 years. An additional reduction of approximately 2,500 personnel associated with enabler units is anticipated over the next 5 years.

27. Senator LEVIN. General Odierno, how much of the theater supporting forces will also come out of Europe with the reduction of two BCTs?

General ODIERNO. The Army will reduce approximately 7,000 soldiers associated with the reduction of 2 BCTs over the next 2 years. An additional reduction of ap-

proximately 2,500 soldiers associated with enabler units is anticipated over the next 5 years.

28. Senator LEVIN. General Odierno, how many facilities does the Army occupy in Europe now and how many facilities will close due to the two brigade reduction of units and personnel?

General ODIERNO. The Army currently occupies 137 sites with a total of 12,471 buildings in Europe.

Due to the reduction of two BCTs (the 170th and 172nd BCTs) in Europe, the Army will close 33 sites, return 21,607 acres of land, and 2,550 buildings.

29. Senator LEVIN. General Odierno, what are the estimated savings related to the two brigade reduction of personnel and facilities?

General ODIERNO. The Army will save approximately \$150 million per year per brigade by inactivating the brigades in Europe. The Army has reallocated these resources to other priorities in the fiscal year 2013 President's budget and Program Objective Memorandum 13–17.

30. Senator LEVIN. General Odierno, is it feasible and do we save more if the reduction occurs faster than currently planned? If not, why not? If so, how much more can be saved?

General ODIERNO. The 172nd Brigade deployed in support of Operation Enduring Freedom (OEF) and was not available to inactivate in fiscal year 2013. When the unit returns from combat, it will conduct 6 months of soldier and family re-integration and begin incremental battalion level draw-downs and ultimately leave the force in early fiscal year 2014. Therefore, the savings from the deactivation of the 172nd Brigade cannot be significantly accelerated and no additional savings can be realized. The 170th Brigade is drawing down and deactivates in early fiscal year 2013.

#### FORCE STRUCTURE REDUCTIONS

31. Senator LEVIN. General Odierno, the new strategic guidance expressly reduces by eight the number of Army combat brigades. DOD has already announced that two of the eight will be deactivated from Germany. Additionally, the Army is on the threshold of announcing other changes in the structure of armored brigades (formerly called heavy combat brigades) and infantry brigades that would add a third maneuver battalion to each. These type brigades currently have only two maneuver battalions. What is the status of the Army's analysis and decisionmaking regarding the identification of the type and location of the remaining six of the announced eight brigade reduction?

General ODIERNO. The Army announced during the President's 2013 budget release that a minimum of 8 BCTs and other force structure totaling 57,400 would have to be reduced over the course of the 2013–2017 Future Years Defense Program (FYDP) to achieve the Active component (AC) end state of 490,000 by the end of fiscal year 2017. Additionally, the Army continues to assess the design and mix of BCTs based upon the lessons from the last 10 years of war. This analysis could lead to a decision to reorganize BCTs (within the 490,000 AC end strength) into more capable and robust formations, requiring further BCT reductions in order to increase overall versatility and agility for tomorrow's security challenges. An announcement on specific force structure actions is expected sometime before, or in conjunction with, submission of the President's 2014 fiscal year budget in early February 2013.

32. Senator LEVIN. General Odierno, what criteria will the Army use in determining whether and from where to deactivate brigades stationed in the United States or overseas?

General ODIERNO. The Army considers a broad array of criteria when assessing which forces and which installations will be impacted by in-activations. Criteria will be based on strategic considerations, operational effectiveness, geographic distribution, cost and the ability to meet statutory requirements.

- Strategic Considerations: Aligns Army Force Structure to the new Defense Strategy and forthcoming Defense Planning Guidance with a priority on the Pacific region.
- Operational Considerations: Seeks to maximize training facilities, deployment infrastructure and facilities to support the well-being of soldiers and

their families. Aligns appropriate oversight/leadership by senior Army headquarters for better command and control.

- Geographic Distribution: Seeks to distribute units in the United States to preserve a broad base of support and linkage to the American people.
- Cost: Considers the impacts of military personnel, equipment, military construction, and transportation costs.
- Statutory Requirements: Complies with the provisions of the National Environmental Policy Act (NEPA) as appropriate, including an environmental and socio-economic analysis.

33. Senator LEVIN. General Odierno, will you give priority to deactivating brigades currently stationed overseas?

General ODIERNO. The Army announced during the President's 2013 budget release that a minimum of 8 BCTs and other force structure totaling 57,400 would have to be reduced over the course of the 2013–2017 FYDP to achieve the Active component end state of 490,000 by the end of fiscal year 2017. The first two brigades to be reduced are two of the four currently stationed in the EUCOM AOR. The decision to reduce these two brigades first was based on a joint Army and DOD reassessment of the U.S. global strategy and posture in the EUCOM AOR in light of the emerging defense strategy. An announcement on specific force structure actions is expected sometime before, or in conjunction with, submission of the President's fiscal year 2014 budget in early February 2013.

#### REGIONAL ALIGNMENT AND ROTATIONAL DEPLOYMENTS OF ARMY BRIGADES

34. Senator LEVIN. General Odierno, the Army plans to align general purpose combat brigades stationed in the United States with regional combatant commands, such as U.S. Africa Command (AFRICOM), to support theater engagement and security force assistance missions and to make those forces, and other supporting units, available on a rotational basis for deployment to those regions for training and exercises. What is your understanding and assessment of the Army's capability and capacity to align brigades or other units with regional combatant commands?

General ODIERNO. Because of the reduced commitments in other theaters, the Army will have the capacity to align forces with geographic combatant commands. This allows units to tailor their training to specific areas of responsibility and provides combatant commanders with ready forces to support their theater security co-operation objectives. In fiscal year 2013, the Army will align a brigade to AFRICOM. As our commitments continue to decrease, we will align additional forces with geographic combatant commands for fiscal years 2014 and 2015.

35. Senator LEVIN. General Odierno, how practically will this work—for example, how would a unit's regional alignment determine the assignment of personnel, selection of unit commanders, priority for cultural and language training compared to core combat training, and identification, acquisition, and issue of special equipment?

General ODIERNO. Headquarters, Brigades, and enabler forces are sourced through the Army Force Generation (ARFORGEN) process to meet a geographic combatant commander's requirements. Army support to the combatant commanders is a Total Army effort, which means it's possible for any unit from the Active Army, Army Reserve, or ARNG to potentially be selected to support a geographic combatant commander. The Army prepares forces for success in their assigned missions through unified land operations training. In order to support the regionally aligned forces concept, units will receive additional language, regional expertise and cultural (LREC) training. LREC training will compliment their unified land operations capabilities. Depending on the size, length, and location of deployments, units will be provided theater-specific equipment and training.

36. Senator LEVIN. General Odierno, have you done any analysis with respect to the incremental increase or decrease in cost associated with regional alignment? If so, with what result?

General ODIERNO. The initial unit that will be aligned with U.S. Africa Command (AFRICOM) is the primary focus of current cost analysis efforts. As with all units that complete the ARFORGEN cycle, this unit will attain decisive action skills. Costs for this training will not differ from that of other Army units. Costs specifically associated with regional alignment will include basic language, regional orientation, and cultural training; train, advise, and assist training; and theater specific training.

These requirements will be determined in conjunction with Army Service Component Commands, and the Geographic Combatant Commands on a case-by-case basis and integrated into the ARFORGEN training process as we have done with units deploying to Afghanistan.

No final costs have yet been associated with this additional training. The Army is working with its Service Component Commands and the Geographic Combatant Commands to develop specific language requirements and desired proficiency levels.

37. Senator LEVIN. General Odierno, what benefit, cost, and risk analysis have you done, if any, that compares regionally based with rotational forces in terms of their efficiency and effectiveness in meeting combatant command engagement and security force assistance requirements?

General ODIERNO. Our significantly sized, regionally-based Army forces exist primarily in the European and the Pacific Theaters. The Army recently began the process of flowing Europe-based soldiers back to U.S. installations. Additional data will need to be captured regarding the incremental increased costs of basing in Europe versus the similar category of costs for U.S. basing. Interaction with our foreign partners at U.S. administered facilities like Joint Multinational Training Command in Germany become more expensive if we use U.S.-based rotational forces, but we achieve savings by not having permanently stationed forces that require costly Permanent Change of Station moves, housing and schools for dependents and other additional quality of life facilities. We now have an opportunity to collect comparative costs against associated risks from the standpoint of United States versus European basing, and by this time next year we should have more well-developed information.

38. Senator LEVIN. General Odierno, in your view, is it feasible and suitable to satisfy theater engagement and assistance strategies completely with U.S.-based rotational forces? If not, why not?

General ODIERNO. Theater engagement becomes more expensive under a system using only U.S.-based rotational forces because of the incremental travel costs associated with sending U.S. forces overseas to fulfill substantial commitments. Consider the size of our engagement and assistance to our partners in South Korea; trying to fulfill such commitments using purely rotational U.S. forces would be more expensive, and may carry negative consequences for a very important economic and military partner of our country. For engagements and assistance of shorter duration and smaller scope, rotational forces may be an efficient answer; but I think we should avoid a one-size-fits-all approach to such a complicated issue.

39. Senator LEVIN. General Odierno, what is your understanding and assessment of the performance criteria and metrics that are used to evaluate the effectiveness and efficiency of combatant command theater engagement strategies and how will you integrate the use of regionally aligned Army brigades into the evaluation system?

General ODIERNO. Each combatant command evaluates their theater engagement strategies according to criteria specific to their command and areas of responsibility. In broad terms, the combatant commands design measures of performance and measures of effectiveness that they use to evaluate security cooperation activities aimed at meeting their theater engagement strategies. They then evaluate the activities over time and assess whether they are meeting their strategies across the region, or with a specific partner nation. Each command uses some form of the Theater Security Cooperation Management System for capturing of this engagement data. The Army will continue to seek improvement at meeting its Title 10 responsibilities to provide the most appropriately trained and equipped Forces to meet the combatant commands needs according to the specified requirements and requests of the commands we support. The regionally aligned forces we provide to the combatant commands have provided appropriate levels of military task, language and culture training that will enhance their efficiency and effectiveness at pursuing theater engagement strategies.

40. Senator LEVIN. General Odierno, how will the Army use these evaluations over time to determine the alignment of brigades to combatant commands?

General ODIERNO. Theater Engagement Strategy evaluations are a critical demand signal for combatant commands that will guide the planning of Army regional force alignment indirectly. The evaluations will be used by the combatant command as it decides what forces it requires to meet its objectives or conduct activities, and is not a criteria used by the Army to determine alignment. The Army will provide trained and equipped Forces that have been aligned based on requirements provided to the Army in a Concept of Operations document staffed through Forces Command



and sourced through the global force management process. This process prioritizes requests and directs the sourcing of the aligned forces based on guidance from The Secretary of Defense and the Chairman of the Joint Chiefs of Staff, and is the primary factor in determining the alignment of brigades to combatant commands.

#### EQUIPMENT RESET

41. Senator LEVIN. Secretary McHugh, Congress has aggressively supported DOD's equipment reset funding requests throughout our operations in Iraq and Afghanistan. DOD has recently announced plans to reduce the Army and Marine Corps' force structure by 100,000 troops. While the proposed budget does not specifically call for any offsetting reduction in equipment reset funding, it would seem logical that with a smaller force we might not have as large a requirement to reset equipment. To what extent is it important to maintain current funding level for the reset of equipment, despite the planned reduction of Army end strength?

Secretary McHUGH. The current level of funding must be maintained to ensure the reset of equipment for 2–3 years after completing operations in Afghanistan. With the closed ground LOC (Lines of Communication) in Pakistan, the retrograde of equipment from Afghanistan will be done in phases, taking years not months to accomplish. Therefore, reset requirements will be impacted by equipment returning from theater later than forecasted. As a result, Afghanistan drawdown will require continued Congressional resourcing to retrograde and reset equipment returning from Afghanistan.

We continue to provide the best and most capable equipment to our deployed forces. Consequently, most of the deployed equipment will require reset to support future contingencies. Equipment no longer required, as a result of force structure reductions, will be disposed of as needed. If there are opportunities to reduce reset requirements as a result of these force reductions, we will leverage those opportunities as appropriate.

Loss of a reset buffer for 2 to 3 years beyond the end of hostilities would result in difficult choices. The Army would be forced to reduce funding of essential equipment repair, training, soldier services, and other Army readiness programs.

42. Senator LEVIN. Secretary McHugh, if continued levels of funding are necessary, what is the detailed justification?

Secretary McHUGH. In addition to the details in the Presidential budget, the Army fiscal year 2013 reset OCO request is \$5.4 billion, which represents an increase of \$1.1 billion over our fiscal year 2012 OCO funded levels. The increase is a result of a greater procurement requirement to replace combat losses and recapitalize uparmored HMMWVs and mine resistant ambush-protected (MRAP) vehicles. Our fiscal year 2013 OMA funded reset requirement to repair equipment returning from theater has declined by \$655 million commensurate with the withdrawal from Iraq and the transition from Heavy Brigade Combat Teams (HBCTs) that we employed in Iraq to predominately Infantry Brigade Combat Teams (IBCTs) required in Afghanistan. In other words, we will be shifting our efforts from heavy combat equipment, such as the Abrams Main Battle Tank that is expensive to reset, to repair of equipment supporting of lighter forces, such as TWVs, Strykers, and Individual Soldier Equipment.

43. Senator LEVIN. Secretary McHugh, the Government Accountability Office has previously reported that the Military Services tend to build their reset budget requirements simply on the basis of the equipment it anticipates will actually return to the United States in the next year, rather than prioritizing or targeting its reset requirements to address equipment shortages or other needs. To what extent do you believe opportunities exist to better focus the requirements for equipment reset, so that reset dollars go farther to meet equipment shortages, and better address our home stationed unit readiness rates?

Secretary McHUGH. The Army established a very deliberate Retrograde, Reset, and Redistribution (R3) process for equipment that is focused on transitioning from the needs of the current conflict to full spectrum operations and training to better manage the entire reset process, reduce costs and improve readiness. The R3 process synchronizes retrograde, reset, and redistribution efforts across the Army to restore readiness. The process identifies retrograde priorities to assist Army Central (ARCENT) in retrograde planning, synchronizes retrograde of equipment out of theater with its repair, and subsequent redistribution to support training and equipment readiness (ARFORGEN) requirements.

So I would say that our efforts are accomplishing exactly what we need them to do—sustain our equipment operational readiness through reset and improve our equipment on hand readiness.

44. Senator LEVIN. General Odierno, the administration has called for renewed attention on the Pacific region and the emerging threats that may arise. To what extent do the reset requirements in this budget recognize and take into account this shift and perhaps the different numbers and types of equipment and prepositioned stock we should be resetting to improve our readiness to address conflicts in that region?

General ODIERNO. Army Prepositioned Stock (APS)-3 afloat (located in Diego Garcia and Pusan) and APS-4 (located in Korea and Japan) support the PACOM AOR and are at full operational capability. APS sets located in PACOM consist of a HBCT, IBCT, two Sustainment Brigades, Theater Opening/Port Opening Package, multiple Operational Projects, Theater Sustainment Stocks (Major End Items), War Reserve Secondary Items (Consumable and reparable items), and Munition Sustainment. Based on current DOD/Department of the Army leadership focus, the Army will assess APS Strategy in the context of Joint and Interagency cooperation based on COCOM operation plan needs and key mission areas. A revised APS Strategy 2020 will enable support to Theater Campaign Plans through the re-validation of our forward positioned unit equipment sets, as well as utilization of rotational training and small unit mobility sets positioned in PACOM to support training, exercises, Humanitarian Assistance, Noncombatant Evacuation Operations, Security Cooperation, and Small Scale Stability Operations. Reset requirements in fiscal year 2013/fiscal year 2014 will be adjusted as we respond to the revised APS 2020 Strategy requirements.

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QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

ARMY GROUND FORCE END STRENGTH

45. Senator LIEBERMAN. General Odierno, while the Defense Strategic Guidance states that ground forces “will no longer be sized to conduct large-scale, prolonged stability operations,” it also describes stability and counterinsurgency operations as one of the primary missions of the U.S. military. Why won’t the ground force be sized to conduct one of its primary missions?

General ODIERNO. The Army has conducted extensive analysis and concluded that the Army will maintain sufficient end strength at 490,000 to meet the potential future missions envisioned in the new Defense Strategic Guidance, including the ability to conduct stability operations on a modest scale for a short duration. If the scale of the operation should increase, the Army will be prepared to expand and regenerate end strength over the course of a number of years in response to the crisis.

46. Senator LIEBERMAN. General Odierno, how can the force be prepared to conduct this particular primary mission without the necessary manpower?

General ODIERNO. The new strategic guidance directs the Army to maintain its ability to conduct stability and counter-insurgency operations, but does not envision large-scale, prolonged operations. The 2012 National Defense Authorization Act (NDAA) provides access to Reserve component (RC) forces to augment the Army’s ability to conduct stability operations. The Army’s investment and regeneration concepts ensure additional strategic depth within the Active component. The Army is focused on providing trained forces in support of the Combatant Commanders’ Theater Security Cooperation strategies as a hedge against the need for protracted stability or counter-insurgency operations. These elements of the Army’s current strategy mitigate the risk and ensure strategic flexibility against the unforeseen.

47. Senator LIEBERMAN. General Odierno, I am concerned about the speed and depth of the reductions in ground force end strength envisioned in the fiscal year 2013 budget request. What are the Army’s annual end strength targets over fiscal year 2013 to fiscal year 2017?

General ODIERNO. The overall strength reduction from fiscal year 2013 to fiscal year 2017 is 9.7 percent.

The end strength targets at the end of each fiscal year are projected to be:

Fiscal Year 2013: 542,700  
 Fiscal Year 2014: 527,100  
 Fiscal Year 2015: 512,800  
 Fiscal Year 2016: 502,100

Fiscal Year 2017: 490,000

48. Senator LIEBERMAN. General Odierno, approximately what proportion of the end strength reduction will come from reduced accessions into the Army and natural attrition versus involuntary downsizing of currently-serving soldiers?

General ODIERNO. If we are provided the flexibility to conduct a gradual ramp in end strength reductions, we project, at a minimum, that over 6 years a little over 60 percent, or 48,000, of the end-strength reductions (from TESI end strength of 569.4K) can be achieved through reduced accessions and natural attrition. This leaves about 30 percent, or about 24,000, of the reductions that must come from involuntary quality driven force shaping tools. Our intent is to complete our draw-down to 490,000 with the highest quality force possible.

49. Senator LIEBERMAN. General Odierno, what types of BCTs or other force structure elements will be targeted for reductions?

General ODIERNO. As part of the new DOD Strategic Guidance, the Army will downsize approximately 79,000 soldiers to 490,000 in the Active component, and will reduce its Reserve components by 9,000 from 358,200 to 350,200 in the ARNG, and from 206,000 to 205,000 in the U.S. Army Reserve by the end of the FYDP. The Army's deliberate and responsible draw-down plans will take into consideration operational demands, unit readiness, and will proceed at a pace necessary to ensure mission success and retain flexibility to respond to unforeseen demands at a tempo that is predictable and sustainable for our All-Volunteer Force. The Army announced the reduction of two BCTs in Europe as part of the President's 2013 budget release. Currently, the Army is conducting analysis on several options for reorganizing BCTs and enablers to ensure the force contains the required capability, capacity, and mix of skills to meet current and future operational requirements within authorized end strength. This will require a range of BCT reductions over the course of the FYDP. Currently, there are no structure reductions being considered for the National Guard.

50. Senator LIEBERMAN. General Odierno, what bases or overseas locations will be targeted for reductions?

General ODIERNO. Posturing overseas allows the United States to maintain its strong leadership role throughout the world, secures our vital national interests overseas, and is also the clearest and most visible signal of our commitment to global security and peace to both our allies and potential adversaries. We have targeted 2 heavy brigades and approximately 2,500 additional personnel associated with enabler forces in the EUCOM AOR for reduction. We continue to study if any additional forces will be restationed to the United States. It will be very minimal if it does occur.

#### REVERSIBILITY

51. Senator LIEBERMAN. General Odierno, the Army is emphasizing that it is undertaking precautions to ensure that the reductions in end strength are reversible. If the Army is to pursue the concept of reversibility, it should establish some clear goals for what it must be able to do. What are the Army's specific objectives with regard to reversibility?

General ODIERNO. The Army is structuring and pacing reductions in a way that preserves the ability to make a course change to surge, regenerate, and mobilize the capabilities needed for any future contingency. During and at the end of downsizing, the Army is postured to: (1) Rapidly reorganize and mobilize; (2) Regenerate additional required end strength and formations (as may be authorized and funded by OCO funding); (3) Develop new capabilities required by unforeseen threats and not present in the current force; (4) Maintain Combat experienced officers and NCOs in the Generating Force; and (5) Review the Army Prepositioned Equipment Sets.

52. Senator LIEBERMAN. General Odierno, how much of the force would the Army be able to reconstitute, and in what amount of time?

General ODIERNO. The Army is assessing the ability to regenerate three Active component BCTs at the rate of one per year and additional AC enablers to support reversibility. This is consistent with the pace used during the Grow the Army effort in the 2007–2010 timeframe. To further support this effort, the Army will identify mid-grade officer and noncommissioned officer (NCO) military skill sets that can concomitantly support reversibility by providing experienced cadre to man the new units.

53. Senator LIEBERMAN. General Odierno, I understand that the Army hopes to facilitate reversibility by retaining more field-grade officers and mid-grade NCOs than it would otherwise need. How will these crucial leaders be occupied when they are not needed in command positions?

General ODIERNO. The additional numbers of experienced officers and NCOs we will retain in our personnel inventories will be assigned to existing positions in the generating force. These additional personnel will be combat veteran officers and NCOs who will leverage their significant combat and operational experience in generating force organizations. They will occupy positions that already exist in our schoolhouses and support units that the Army has been unable to fill for the past decade due to exceptionally high OPTEMPO and mission demand. These officers and NCOs will be experienced trainers, doctrine writers, platform instructors, personnel developers, combat systems subject matter experts, all lending their hard earned knowledge of emerging threats and operational techniques to the institutional systems that will mold and temper our future Army units. These officers and NCOs will also circulate into and out of operational units as part of normal career assignment patterns.

54. Senator LIEBERMAN. General Odierno, where might they be assigned and what would they be doing?

General ODIERNO. The additional numbers of experienced officers and NCOs we will retain in our personnel inventories will be assigned to existing positions in the generating force. These additional personnel will be combat veteran officers and NCOs who will leverage their significant combat and operational experience in generating force organizations. They will occupy positions that already exist in our schoolhouses and support units that the Army has been unable to fill for the past decade due to exceptionally high OPTEMPO and mission demand. These officers and NCOs will be experienced trainers, doctrine writers, platform instructors, personnel developers, combat systems subject matter experts, all lending their hard earned knowledge of emerging threats and operational techniques to the institutional systems that will mold and temper our future Army units. These officers and NCOs will also circulate into and out of operational units as part of normal career assignment patterns.

#### DWELL TIME RATIOS

55. Senator LIEBERMAN. General Odierno, General George Casey, the former Chief of Staff of the Army, regularly testified to the importance of attaining a predictable ratio of dwell time to deployment time of 2-to-1 for the Active component and 5-to-1 for the Reserve component. Do you believe attaining this ratio of dwell time to deployment time is still important?

General ODIERNO. Yes, attaining consistent and sufficient dwell time is critical to ensure the progressive readiness of a unit before it is prepared to deploy again. To sustain the Army for a long period of 10–12 months requires us to achieve BOG of 1:2 for active units and 1:4 for Reserve units by 2015. This is predicated upon a balanced requirement to reduce the force while simultaneously withdrawing from Afghanistan. Dwell time may increase, but readiness must remain a constant. Army reductions beyond 490,000 would challenge the Army's ability to meet timelines for current identified requirements and to maintain necessary dwell for units and soldiers, thereby imposing a significant readiness risk to the force and a strategic risk to the Nation. The Army has recently achieved 1:2 across the Active Force, but still lags in certain specialties such as aviation and Special Operations Forces.

56. Senator LIEBERMAN. General Odierno, has the Army achieved this ratio for both units and individual soldiers? If not, what types of units or individual occupational specialties are still not getting adequate dwell time?

General ODIERNO. The Army has achieved the 1:2 Boots-on-the-Ground (BOG):Dwell ratio for active individual soldiers and we expect to reach that same goal for units in fiscal year 2015. Low density, high demand units and occupational specialties such as aviation, civil affairs, intelligence, military police, psychological operations, engineers and Special Forces remain just above the mandated 1:1 BOG:Dwell ratio. In an attempt to relieve pressure on the inventory of low density, high demand capabilities, the Army grew additional capabilities in the last decade and mitigated shortages with in lieu of sourcing and remissioning of units. However, the demand for these capabilities remains too high to realize a 1:2 BOG:Dwell rotation prior to changes in the operational climate.

57. Senator LIEBERMAN. General Odierno, will the planned end strength reductions cause any difficulty in sustaining necessary dwell time ratios?

General ODIERNO. Reduced commitments will allow the Army to achieve a 1:2 BOG:Dwell ratio for Active units, and 1:4 BOG:Dwell ratio for Reserve units. If force size and structure reduces in proportion with reduction in demand for Army capabilities, increased dwell time should be the result. However, as we transition to an Active Army of 490,000, continued investment in readiness activities is required for this leaner stance, given the strategic environment of uncertainty and threat. Dwell time may increase, but readiness must remain a constant. Reductions beyond 490,000 would challenge the Army's ability to meet timelines for all currently identified requirements and its ability to maintain necessary dwell for units and soldiers, thereby imposing a significant readiness risk to the force and strategic risk to the Nation.

#### ARMY IMPROVED TURBINE ENGINE PROGRAM

58. Senator LIEBERMAN. General Odierno, the Army Improved Turbine Engine Program (ITEP) envisions a significantly more fuel efficient and powerful engine for the UH-60 Black Hawk and AH-64 Apache helicopter fleet. It is important that the Army manages the ITEP program carefully to ensure technical maturity and operational capability are proven before making a final decision that will have a dramatic impact on the current and future helicopter fleet. Please describe the Army's acquisition strategy for ITEP. In particular, will there be sustained competition for this program through the science and technology (S&T) phase and into the engineering, manufacturing, and development (EMD) phase?

General ODIERNO. The Army agrees that facilitating competition into EMD will incentivize industry and provide the lowest cost and best product to the warfighter in the timeliest manner. Therefore, the Army ITEP acquisition strategy includes promoting competition throughout the EMD. The acquisition strategy also includes a full and open competition approach with the intent of selecting two vendors for initial engine design and development, to include ground runs in engine test stands and flight tests in Black Hawk and Apache aircraft. A final down select is planned for Milestone C, Low Rate Initial Production. Provisions will exist in the contract for a potential earlier down selection to one vendor.

#### QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

##### NEW DEFENSE STRATEGY

59. Senator MCCASKILL. Secretary McHugh and General Odierno, according to testimony, as our new national defense priorities drive us to a smaller Army, we must avoid the historical pattern of drawing down too fast or risk losing leadership and capabilities, making it much harder to expand again when needed. It is critical that the Army be able to rapidly expand to meet large unexpected contingencies. One of the key components to retaining that ability is maintaining a strong cadre of NCOs and mid-grade officers to form the core of new formations when needed. How will sufficient NCOs and mid-grade officers be retained in the rank structure as the Army draws down?

Secretary MCHUGH and General ODIERNO. For the past decade, the Army has intentionally manned its warfighting units and support structures at the expense of its generating forces to ensure success in our operational missions. This was necessary to sustain the level of commitment in two theaters of war as we grew into a more capable, modular, flexible combat structure. As operational demand lessens, more of our experienced and capable combat forces can be redirected to fill the important positions as trainers, doctrine writers, platform instructors, personnel developers, combat systems subject matter experts across our generating force units and installations.

60. Senator MCCASKILL. Secretary McHugh and General Odierno, what are the risks associated with this strategy in terms of managing personnel, providing forces for ongoing missions such as Afghanistan, and responding to possible future threats quickly and decisively?

Secretary MCHUGH and General ODIERNO. To manage risk, the Army must constantly balance three rheostats: End Strength, Readiness and Modernization. If readiness and modernization are sacrificed to maintain end strength levels, then the Army risks becoming a hollow force with soldiers not properly trained and equipped for emergent missions.

To manage the risk of drawing down end strength too quickly, the Army designed a ramp to gradually reduce end strength over a 6 year period. This will allow for the Army to take care of its soldiers, maintain its commitment to Afghanistan and facilitate reversibility over the next several years, if required. The ramp will also allow for normal attrition to absorb a significant portion of the reductions.

To mitigate risk, the Army is relying on OCO funding. All end strength over 490,000 is funded strictly through OCO. Additionally, the Army will continue to rely on OCO funding years after units depart Afghanistan to simultaneously reset forces and equipment for the future.

The Army will continue to be agile and stands ready to respond to a range of threats. We will respond, as part of the joint force, to any contingency that threatens our Nation and our way of life. Under the new defense strategy, the Army will be able to quickly and decisively respond to any future threats. Where there is risk in the new strategy is with our ability to sustain multiple long-term simultaneous conflicts like those of the past decade.

61. Senator McCASKILL. Secretary McHugh, another critical component of the Army's ability to expand is the Nation's industrial base. We rely on the industrial base to perform research and development and to design, produce, and maintain our weapons systems, components, and parts. It must be capable of rapidly expanding to meet a large demand. Has the Army considered how reversibility will affect the defense industrial base?

Secretary McHUGH. The Army is considering how reversibility will affect the defense industrial base and is taking many steps to carefully address this issue. Reversibility requires the Army to make and sustain selected investments and put policies in place to mitigate risk and posture the force to respond quickly to unforeseen requirements or changes in the National Defense Strategy. The Army is aware that reversibility will require careful attention and focus on sustainment of critical skills and manufacturing capabilities in the industrial base. The Army is actively engaged in ongoing efforts to determine the health of Industrial Base sectors critical to support Army and Joint Services programs. The Army is currently identifying and assessing status of organic and commercial critical manufacturing and maintenance capabilities required to meet future contingency reversibility requirements. In addition, the Army is also identifying supply chain issues in design, manufacturing and sustainment that can present risk to critical Army capabilities.

62. Senator McCASKILL. Secretary McHugh, how will production lines for defense items be kept warm as DOD scales back on purchasing over the next few years?

Secretary McHUGH. Army procurement decisions will be based on warfighter requirements, best value acquisition strategies, and affordability within the Army's budget. The health of the defense industrial base—organic and commercial—remains a significant consideration as these strategies are developed and executed.

In connection with this effort, the Army will continue to work across DOD on the S2T2 effort. This effort aims to identify single points of failure, over-reliance on foreign sourcing, and areas of limited competition. In doing so, the Army will continue to survey the commercial industrial base to obtain data for analysis. This information will help the Army determine what essential skill sets and production capabilities are needed to serve the needs of the warfighter, including what production lines must be kept warm. The Army will continue to work its internal efforts as well for the same purpose, such as its Industrial Base Baseline Assessments, which conduct a sector/sub-sector assessment of programs identified as critical by Program Executive Offices and Life Cycle Management Commands; determine the impact of reductions in funding to program requirements; and develop recommendations which enable the industrial base to sustain current and future warfighter needs.

63. Senator McCASKILL. Secretary McHugh, does the Army have a strategy for addressing the unique concerns of small businesses that make up the defense industrial base supply chain?

Secretary McHUGH. The Army works closely with the commercial industrial base, including the small businesses within it, to assess capabilities and capacities necessary to meet the needs of the warfighter. The Army uses different tools to assess these capabilities and capacities, including the DOD-led S2T2 effort. This effort aims to identify single points of failure, over-reliance on foreign sourcing, and areas of limited competition. In doing so, the Army will continue to survey the commercial industrial base to obtain data for analysis. This information will help the Army determine what essential skill sets and production capabilities are needed to serve the needs of the warfighter, including those within the commercial industrial base small businesses. The Army will also continue to work its internal efforts as well for the

same purpose, to include the Industrial Base Baseline Assessments, which conduct a sector/sub-sector assessment of programs identified as critical by Program Executive Offices and Life Cycle Management Commands. This information will help the Army determine the impact of reductions in funding to program requirements; and develop recommendations which enable the industrial base to sustain current and future warfighter needs.

#### PERSONNEL END STRENGTH DECREASE

64. Senator MCCASKILL. Secretary McHugh, the Army is planning for an aggressive draw down as it decreases end strength from a peak of about 570,000 to 490,000 Active Army, 358,000 to 353,500 ARNG, and 206,000 to 205,000 Army Reserve soldiers over the next 5 years. I agree that we must draw down wisely to avoid stifling the health of the force or breaking faith with our soldiers, civilians, and families. Excessive cuts would create high risk in our ability to sustain readiness. We must avoid our historical pattern of drawing down too much or too fast and risk losing the leadership, technical skills, and combat experience that cannot be easily reclaimed. We must identify and safeguard key programs in education, leader development, health care, quality of life, and retirement—programs critical to retaining our soldiers. When will the Army complete an analysis of how many soldiers will be involuntarily separated from the Army?

Secretary MCHUGH. The Army analysis of specific inventory cohorts is ongoing. We are finalizing near-term structure and will have the policy decisions that will determine the target cohorts by this summer. We will begin by late summer to frame our expectations for how many soldiers by skill, grade and year group will be excess to the Army's end strength requirements through fiscal year 2017. Our analysis will drive planning for use of various force shaping authorities and that plan will be complete in early fiscal year 2013.

65. Senator MCCASKILL. Secretary McHugh, when will these reports be available to Congress?

Secretary MCHUGH. The Army's plan for drawdown execution will be available to Congress members early in fiscal year 2013.

66. Senator MCCASKILL. Secretary McHugh, what are the specifics on how the Army will take care of soldiers, families, and civilians involuntarily separated during this aggressive draw down?

Secretary MCHUGH. The Army Career and Alumni Program (ACAP) is the Transition Program that assists soldiers, family members, and DA civilian's transition from their status within the Army back to the civilian community. Involuntarily separated soldiers are congressionally mandated to receive the same pre-separation counseling as voluntarily separating soldiers. Additionally, soldiers, family members, and DA civilians (involuntarily or voluntarily) are entitled to participate in any of the transition assistance classes offered by ACAP. We are adjusting the ACAP program to meet the goals of the recently passed VOW to Hire Heroes Act and the recommendations of the Presidential Task Force. Attendance may take place in person at an ACAP center, live or cataloged classes online, or individually through the 24/7 ACAP Call Center. ACAP Counselors also refer soldiers and their family members to other agencies and organizations that assist with Transition: The Department of Labor, The Veterans Affairs, Military OneSource, The Small Business Administration, The Helmets to Hardhats, and The Student Veterans of America to name a few.

These classes include, but are not limited to:

- Employment assistance
- Job search skills
- MOS Crosswalk (Military skills to civilian skills comparison)
- Skills assessment
- Professional interest evaluation
- Resume and cover letter development and refinement
- Interview skills
- Dress for success
- Salary negotiation
- Relocation assistance
- Legal referrals (Wills, Power of Attorney, Estate planning, et cetera before separation)
- Contact information for housing counseling assistance
- Education/Training

Health/Life insurance  
 Financial planning/Budget development  
 Veteran benefits briefing  
 Veterans Administration Disabled Transition Assistance Program (VA DTAP)  
 Department of Labor Employment Workshop  
 Physical and mental health well being

The Army is also, utilizing the H2H as its interim employment application/tool www.H2H.jobs to provide one primary location where soldiers of all components, veterans, and family members can connect with private industry employment opportunities. This application is web-based and able to translate military occupational skills (MOS), provide career path exploration, upload resumes, allow customized job searches, enable employers to also search for veterans, and provide performance metrics. H2H will eventually be included on eBenefits, the single portal for transition benefits selected by the DOD-VA Veterans Employment Initiative Task Force ([www.eBenefits.va.gov](http://www.eBenefits.va.gov))

67. Senator MCCASKILL. Secretary McHugh, what effect will a smaller Army have on training installations, like Fort Leonard Wood?

Secretary MCHUGH. Generally speaking, we will see a return to pre-war training levels at our training installations (which have already seen some consolidation as a result of BRAC 2005); a greater opportunity for soldiers to attend institutionally-based professional military education and training as a result of reduced deployments and greater dwell time; and a move away from the temporary facilities we've used in recent years to accommodate the training requirements for an expanding Army.

Training soldiers and civilians, developing leaders, and delivering the training products and enablers required to support the Army is a labor intensive business. Over the past several years, the Army's Training and Doctrine Command has maintained a delicate workforce balance between military, civilians, and contractors to meet mission requirements in an environment where military personnel have been transferred out of TRADOC to the operating forces. As the Army begins to withdraw from operations in Afghanistan and looks to shape the size and structure of the Army of 2020, we see an opportunity to 're-invest' military personnel in our training command, with the potential to retain high quality civilians and divest some of the currently required contractor support to training. The Army is currently conducting a study to determine the right mix of military, civilian, and contractor manning to train the Army of 2020.

68. Senator MCCASKILL. Secretary McHugh, as the Army seeks to reduce forces, will reductions be taken evenly across specialties or will certain specialties be prioritized and protected?

Secretary MCHUGH. The Army's plan will ensure that the force contains the required capability, capacity, and mix of skills to meet current and future operational requirements within authorized end strength. In general, we will see an increase in Army Aviation, Special Forces, Military Information Support Operations, Civil Affairs, Infantry and Armor skills. We will see a decrease in Field Artillery, Chemical and Signal skills. An announcement on specific force structure actions is expected sometime before, or in conjunction with, submission of the President's 2014 budget in early February 2013.

69. Senator MCCASKILL. Secretary McHugh, how will a reduction in end strength affect civilian personnel currently working on Army installations?

Secretary MCHUGH. Garrison Commanders, Senior Commanders and partner commands are responsible for shaping their workforce within their allocated budgets. Commands will use a variety of available options to achieve their reduction objectives in order to mitigate negative impacts on their workforce while continuing to focus on our mission.

To minimize the possible negative effects on our civilian personnel currently working on our Army installations, we have relied as much as possible on voluntary departures of employees to achieve our manpower reductions.

Voluntary Early Retirement Authority and Voluntary Separation Incentive Payment are two options commanders have to reduce the number of personnel they have in order to meet mission objectives. Some commands have established internal placement programs to move volunteers between activities across geographic regions to successfully rebalance their internal workforce and minimize personnel impact.

If we do not achieve our directed Civilian personnel Full Time Equivalent levels through use of these measures, then commanders may recommend a Reduction in



Force (RIF). However, I retain the authority to approve a RIF within the Army. A RIF will be the last resort to meet budgeted levels.

70. Senator MCCASKILL. Secretary McHugh, has the Army performed the necessary analysis to ensure that bases will not be understaffed as a result of personnel reductions?

Secretary MCHUGH. The Army's analysis of workload requirements begins with the commanders at the installations to determine they have the resources to perform their mission and necessary functions. This ongoing review progresses through separate commands (Installation Management Command, Medical Command, Army Materiel Command, et cetera) for adjustments up to Headquarters, Department of the Army (HQDA).

After DOD resource decisions (as reflected in the fiscal year 2012 President's budget) were sent down, Army Commanders conducted an analysis, assessed their projected future requirements and developed plans on how to meet their mission requirements while shaping their workforce within their allocated budget.

In some cases, tough decisions are being made to determine the most critical and essential services; find and eliminate redundancies; and then rebalance and retrain the workforce in order to accomplish the mission.

At HQDA, we will use the midyear review to refine our plans and provide guidance to the commands concerning prioritization of resources and efforts to ensure that we do not break the trust and confidence of soldiers, families, and civilians that make up our Army.

#### MINE RESISTANT AMBUSH-PROTECTED VEHICLES

71. Senator MCCASKILL. Secretary McHugh, the Army maintains a large number of MRAP vehicles. These vehicles were purchased specifically to protect soldiers in Iraq and Afghanistan. As U.S. forces have left Iraq and as we continue to draw down in Afghanistan, it is unclear what role these vehicles will play in future conflicts. Has the Army completed an analysis of how and where these vehicles will be stored?

Secretary MCHUGH. The initial task was to build and field MRAPs as fast as possible to address the Improvised Explosive Devices (IED) threat. Logistics sustainment, while important, was a secondary consideration. DOD continues to upgrade MRAP capability by bringing the earlier variants to the latest configurations. This strategy will reduce the number of variants from 26 to 8, and manufacturers from 6 to 4. The Army also plans to divest 1,200 MRAP vehicles that cannot be economically repaired. As MRAPs are no longer required in theater, they will be reset at Red River Army Depot to a 10/20 (fully mission capable) Standard +4D (delayed desert damage and degradation). Approximately 60 percent will be placed in Army Preposition Stocks (APS) sets for use in future contingency operations, significantly reducing the sustainment cost associated with parts and fuel. The remaining 40 percent of the MRAPs will be included in Pre-deployment Training Equipment sets at various Institutional Schools to train unique skills and to permanent Army unit's Tables of Equipment.

72. Senator MCCASKILL. Secretary McHugh, how much will it cost to store and maintain these vehicles?

Secretary MCHUGH. The Army continues to refine its long-term utilization and sustainment strategy for enduring force MRAPs. Army approved MRAP requirements are being reviewed in ongoing studies including the Sustainment Readiness Review, Army TWV Strategy 2020, relook of MRAP Study II, and Army 2020 Investment and Regeneration. Once these reviews are complete, enduring force sustainment costs can be accurately forecasted for activities including reset, storage facilities, cyclic maintenance, and second-destination transportation.

73. Senator MCCASKILL. Secretary McHugh, are there any alternate uses for these vehicles?

Secretary MCHUGH. The primary purpose of the MRAP is to transport soldiers safely in a high threat IED environment. While there are alternate uses for these vehicles, their principal use now and for the future is to increase soldier survivability. The MRAPs have various mission roles such as troop transport, route clearance, explosive ordnance disposal, ambulance, and vehicle recovery. Once MRAPs are reset they will be reallocated based on the Army's MRAP Distribution Plan and used according to those mission roles. Approximately 60 percent will be placed in APS sets for use in future contingency operations. The remaining 40 percent of the

MRAPs will be allocated to permanent Army unit's Tables of Equipment, and to various installations for Predeployment Training Equipment sets.

#### SEXUAL ASSAULT

74. Senator McCASKILL. General Odierno, I know the Army continues to work on getting its arms around sexual assault throughout the Army, but so much more needs to be done. Sex crimes in the Active Army have trended upward with a 28 percent increase in the offense rate and an increase of 20 percent in the offender rate from fiscal year 2006 to fiscal year 2011. During this period there were a total of 11,774 sex offenses committed by 8,215 offenders, which was generally comprised of an increasing number of offenses in each year, ending in fiscal year 2011 with 2,290 sex offenses committed by 1,531 soldiers. Why do you believe sexual assault rates in the Army have risen so dramatically over the past 5 years?

General ODIERNO. The increased number of sexual assaults in the Army over the last 6 years is simply unacceptable. Although the certain cause is unknown, increased reporting due to awareness may have contributed to the risk in the past 5 years.

Our research and efforts to combat sexual assault, as we have communicated in the Army Gold Book and in previous briefings to Congress, has identified several key victimization risk factors. For example, we know that: (1) the majority of sexual assaults occur on weekends in high-density housing and involve alcohol use; (2) most victims of sexual assaults are generally younger female soldiers in their first 18 months of service; and (3) 97 percent of the victims at least casually knew their attackers.

Many of these risk factors can be mitigated through increased command emphasis and a commitment to ensuring disciplinary accountability in the barracks environment. For instance, we feel that ensuring that young female soldiers are integrated into a formal chain of command immediately upon arrival at a new unit will ensure that leaders are affirmatively accountable for those soldiers. We also feel that strengthening and enforcing barracks alcohol and visitation policies will create an environment where these types of crime are less likely to occur.

The Army continues to implement improved training to address sexual assault prevention and response in the Army through its Sexual Harassment/Assault Response and Prevention (SHARP) Program. SHARP Life-Cycle (institutional, operational, and self-study) training occurs at every level of Professional Military Education (PME), facilitated annually in every Army unit, during pre- and post-deployment training, and via self-study distance learning. One of the primary goals of SHARP training is to facilitate sexual assault prevention through awareness and education about situations that may set the conditions for incidents of sexual assault—including gender relations and alcohol use/abuse.

In 2011, the Army fully implemented Initial Military Training (IMT) revisions which introduced new sexual harassment and sexual assault messaging targeted for new recruits in Basic Combat Training and Basic Officer Leadership Course (BOLC) using a revised curriculum that includes a two-person, audience interactive program that includes skits dealing with dating, consent, rape and other associated topics such as body language, gender relations, alcohol use and intervention.

The Army fielded new mandatory operational training in April 2011. This facilitated training includes leader and soldier videos. The training addresses alcohol risk management, high risk behaviors, and models skill-sets to effectively intervene to stop potential sexual assaults.

The interactive, critical decisionmaking, self-study distance learning training ("Team Bound") provides scenario based training in which soldiers become the lead character, making choices in situations (including high risk and alcohol scenarios) dealing with sexual harassment and sexual assault.

Additionally, the Army takes seriously its responsibility to appropriately respond to sexual assaults when they do occur. The Army continues to execute an 80-hour SHARP training curriculum conducted by SHARP Mobile Training Teams (MTT). These MTTs train command-selected personnel to execute the SHARP Program at every echelon of the Army around the world. To date, MTTs have trained over 11,500 SHARP personnel.

Within the investigative line of effort, all Military Police soldiers attending IMT, Professional Military Education and select functional courses receive training on sexual assault. Additionally, the U.S. Army Criminal Investigation Command (USACIDC) and the U.S. Army Military Police School (USAMPS) have developed an 80-hour Special Victim Unit (SVU) Course, which DOD recognized as the gold standard/best practice for sexual assault investigator training. Used to train special

agents from all Services on the unique considerations and techniques of sexual assault investigations, the SVU Course incorporates a new technique (Forensic Experiential Trauma Interview, or FETI) to more effectively interview sexual assault victims. The FETI has proven to be a compelling paradigm shift in obtaining substantially more information and forensic physiological evidence from sexual assault victims. Further, USACIDC employs highly qualified experts and civilian sexual assault investigators to train and mentor CID Special Agents on the conduct of sexual assault investigations.

On the prosecution side, OTJAG has hired seven civilian highly qualified experts to assist in the training of counsel and to support individual prosecutions and expanded the Special Victim Prosecutor program to appoint 23 hand-selected, specially trained counsel to oversee the investigation, and if necessary, the prosecution of every sexual assault allegation.

These are only some of the efforts that the Army is taking to prevent and respond to sexual assaults. The Army is truly committed to a coordinated, aggressive effort to prevent and respond to sexual assaults, and will continue to make eliminating sexual assault a high priority for the Army.

75. Senator MCCASKILL. General Odierno, legislation currently before Congress would remove the reporting and investigation of allegations of sexual trauma from the chain of command and place them within an independent body. Do you believe such an independent body would be a more appropriate entity for conducting investigations that, at times, include individuals within a servicemember's chain of command? If not, why?

General ODIERNO. The Army's efforts to prevent, investigate and prosecute allegations of sexual assault are unprecedented. Four-plus years of consistent focus and resourcing have made an enormous positive impact in culture change, in the quality of investigations, and in the way in which we hold offenders accountable. By any measure, our system of military justice is responsive, responsible and effective in dealing with this serious crime. An independent body would not be a more appropriate entity for conducting investigations and disposing of allegations. Jurisdiction for sexual assault offenses has been withheld to Special Court Martial Convening Authority levels. This change requires more senior Commanders to review each case. These commanders, with the advice of Judge Advocates, are given the authority to dispose of allegations against members of their command. Commanders are appropriately trained, resourced and committed to reviewing all allegations of misconduct and holding offenders appropriately accountable. There is no evidence that removing the chain of command from the disposition of sexual assault allegations will improve decisionmaking or remove discretion from the process.

A commander is responsible and accountable for all that goes on in a formation—health, welfare, safety, morale, discipline, and readiness to execute the mission. The adjudication of alleged offenses inside the unit must be efficient, visible, and just. Adjudication of sexual assault offenses by local commanders promotes these ends. Commanders are best-positioned to understand the impact of an offense on readiness and morale on his or her unit and the aggravating and mitigating factors of each unique offense. Transfer of the Commander's authority to an outside, centralized source does not ensure efficiency, reduces transparency, and undermines the credibility of dispositions of sexual assault cases. The military justice system, which utilizes the chain of command to adjudicate offenses, promotes loyalty to both superiors and subordinates, and is perceived by commanders, soldiers, and the public as a just system.

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#### QUESTIONS SUBMITTED BY SENATOR KAY R. HAGAN

##### BERRY AMENDMENT

76. Senator HAGAN. Secretary McHugh, Senator Graham and I recently wrote to you regarding the Army's program to supply uniforms and other equipment to Afghan National Security Forces (ANSF).

This project provides the Afghan National Army and the Afghan National Police with uniforms and other individual equipment at U.S. taxpayers' expense, and is unique in that it allows for the final assembly of the garments to be completed in Afghanistan. However, throughout the 3-year history of this program, solicitations have stipulated that non-Afghanistan components, such as yarns and fabrics, must be made in the United States and comply with standard Berry Amendment requirements. The Army has reversed its position, in its latest solicitation, by removing the stipulation that non-Afghan component materials be made in the United States.

These components can now be exempt from the Berry Amendment requirements. This reversal means that yarns and fabrics that are readily available from U.S. manufacturers—including North Carolina—can now come from countries like China under this program.

In a response to our letter, dated January 30, 2012, Deputy Assistant Secretary Kim Denver explained that there were special provisions that allowed for the final sewing and assembly of these garments to take place in Afghanistan. However, she failed to address our main question, which is why the various component parts, such as yarns and fabrics, that are not available in Afghanistan, could be sourced from non-U.S. producers. Waiving the Berry requirements under this program will severely impact a number of domestic textile producers and would likely result in the loss of critical U.S. manufacturing jobs. At a time when the U.S. economy is struggling to create and maintain jobs, it would be unwise to undermine U.S. manufacturers and workers that are directly involved in this program. Do you not agree that if a component textile material under this program is not available from an Afghan supplier, that component should then fall under the normal Berry Amendment requirements?

Secretary MCHUGH. The Berry Amendment states that DOD funds may not be used for the procurement of certain items, including certain clothing and textile materials, if the item is not grown, reprocessed, reused, or produced in the United States. However, one of the exceptions to the Berry Amendment allows for procurements outside of the United States in support of combat operations.

Because the procurement of ANSF clothing and equipment was in support of combat actions, this procurement was not held to the requirements of the Berry Amendment. The decision to limit competition to Afghan vendors was consistent with the U.S. strategic objectives in Afghanistan: to help Afghans rebuild their country by providing legitimate, sustainable business opportunities to Afghan companies and jobs for Afghan citizens.

The Army has not reversed its policy of following the Berry Amendment, which emphasizes procurement of DOD items in the United States. In deciding from what sources to procure its items, the Army closely follows the Berry Amendment for applicable items; however, the Army is aware that the Berry Amendment allows for a number of exceptions, such as the exception noted above for procurements outside of the United States in support of combat operations. The Army will continue to comply with the requirements of the Berry Amendment in the procurement process and will continue to emphasize the procurement of items in the United States.

77. Senator HAGAN. Secretary McHugh, please explain the Army's seeming reversal of Berry Amendment policy with respect to this program.

Secretary MCHUGH. The Army has not reversed its policy of following the Berry Amendment, which emphasizes procurement of DOD items in the United States. The Berry Amendment states that DOD funds may not be used for the procurement of certain items, including certain clothing and textile materials, if the item is not grown, reprocessed, reused, or produced in the United States. However, one of the exceptions to the Berry Amendment allows for procurements outside of the United States in support of combat operations.

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In deciding from what sources to procure its items, the Army closely follows the Berry Amendment for applicable items; however, the Army is aware that the Berry Amendment allows for a number of exceptions, such as the exception noted above for procurements outside of the United States in support of combat operations. The Army will continue to follow the requirements of the Berry Amendment in the procurement.

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#### QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN

##### SHORT-RANGE AIRLIFT CAPABILITY

78. Senator MANCHIN. General Odierno, the Army has proposed divestiture of the C-23 Sherpa, an aircraft that is used for critical missions in combat and for Homeland security missions, especially by the National Guard. I have talked with my Adjutant General and his colleagues and they believe that the Guard can maintain this

mission with existing force structure. Does the Army need this short-range airlift capability?

General ODIERNO. The Army has a capability requirement for intra-theater lift to be provided to ground forces, as the Army currently has in Afghanistan. CH-47s are used heavily and cannot bear the whole load. To assist us with our requirement, the Air Force has agreed to provide fixed wing aircraft for resupply. A Memorandum of Agreement signed by the Air Force and Army on January 27, 2012, states: "The Combatant Commander/Joint Force Commander should TACON (Tactical Control) an Expeditionary Airlift Squadron or Detachment to the Commander, Army Forces who will exercise Tactical Control through the Senior Army Aviation Authority. The dedicated Expeditionary Airlift Squadron may, at the discretion of the Combatant Commander/Joint Force Commander, collocate with an Army Combat Aviation Brigade or Task Force to provide tactical airlift for transport of Army Forces time sensitive/mission critical equipment, supplies and personnel." The Air Force assures the Army it will be able to fulfill this requirement with their current C-130 fleet. The Air Force commitment to meet the Army's intra-theater lift requirement using C-130 aircraft to support Army ground forces fulfills this requirement. The Army does not currently have or foresee any gaps or shortfalls for intra-theater lift requirements or theater logistical supply chain requirements based upon this agreement.

79. Senator MANCHIN. General Odierno, would you be willing to work with the Guard on a cost-effective solution to maintain this capability?

General ODIERNO. The current Memorandum of Understanding (MOU) signed by the Secretary of the Army and the Chief of Staff of the U.S. Air Force (USAF) has shifted the time/sensitive, mission/critical cargo mission to the USAF. The divestiture of the C-23 has begun and we expect to be complete by December 2014. The states where the C-23s are currently stationed will be offered first rights of refusal for the transfer of the aircraft to their respective fleets.

#### RETIREMENT

80. Senator MANCHIN. Secretary McHugh, you recently stated that the rise in TRICARE fees, which could climb from \$460 a year to \$2,048 for some working-age retirees, is still very generous compared with programs offered by private employers. I know that some veterans are starting to see a cost increase in prescription medication—some by as much as 33 percent. What is your opinion on this topic?

Secretary MCHUGH. I laud the Army's efforts to promote filling prescriptions at the military treatment facilities (MTFs). Understanding the concern for the rising cost of medications to beneficiaries and realizing that a continual rise in medication costs to DOD jeopardizes the benefit for all, Army Medicine is developing a plan to promote beneficiaries' return to the MTF for prescription fills for no or low medication costs. Increasing formularies, improving access to pharmacies, and providing pharmacists for medication counseling are a few steps towards accomplishing this goal. For beneficiaries living near MTFs, this is a no-cost option for prescriptions. For beneficiaries living far from an MTF, Home Delivery is a great alternative as it costs less than 1/3 of retail network pharmacies while also being 25–30 percent less costly than retail to the government.

81. Senator MANCHIN. Secretary McHugh, do you think our veterans who have already sacrificed for the safety of this country should be asked to sacrifice more?

Secretary MCHUGH. The TRICARE fee increases proposed by DOD sustain the medical benefit honorably earned by our veterans and their families now and into the future. I support DOD's efforts to rebalance the share of costs incurred by the Department and the beneficiary, while preserving and enhancing the quality and range of care.

82. Senator MANCHIN. Secretary McHugh, what can be done differently to prevent this increase in costs or changes to benefits?

Secretary MCHUGH. Healthcare System costs have more than doubled from fiscal year 2001 to present. However, costs incurred by beneficiaries via enrollment fees, deductibles and cost shares have not kept pace with these increased costs since the inception of TRICARE in 1996. The Secretary of Defense has stated that if the proposed TRICARE fee increases, which seek to re-balance the share of costs incurred by the Department and the beneficiary while preserving and enhancing the quality and range of care, are not adopted, the funds to sustain the healthcare benefit may be paid out of other areas such as readiness or reductions in troop strength.

83. Senator MANCHIN. Secretary McHugh, do you anticipate any issues with recruiting and retention because of the potential changes to the retirement system or cost shares?

Secretary MCHUGH. Retirement benefits are an important component in motivating applicants to join the Army and to remain for a career. However, the Army has no current research on the impact to recruiting and retention that would result from a change to the current retirement system or cost increases for benefits.

#### AFGHANISTAN CASUALTY EVACUATION PROCEDURES

84. Senator MANCHIN. General Odierno, a constituent has contacted me about an issue that I'd like some more information on. He states that medical evacuation (MEDEVAC) procedures are causing unnecessary casualties in Afghanistan. What are the survivability rates of casualties in Afghanistan?

General ODIERNO. The survivability rate for our wounded service men and women in Afghanistan is 92 percent; the highest in history because of the integration of our MEDEVAC capability with the health service support network.

85. Senator MANCHIN. General Odierno, as I understand it, Army MEDEVAC helicopters are not armed, but if a landing zone is designated hot, it must wait to fly with an armed escort, and that process causes delays. Please describe this process.

General ODIERNO. All Army aircraft, regardless of type, require escort, i.e., a wingman, chase or armed escort to improve mission success and mitigate tactical risk. Aircraft do not fly single ship in any circumstance. When the enemy situation dictates, as in the case of a hot landing zone, the tactical commander can require the use of an armed escort. This is true for troop transport as well as for MEDEVAC. Ninety-three percent of the time, MEDEVAC delivers the patient to a medical treatment facility within the 1 hour standard. When MEDEVAC missions take longer than the 1 hour standard, we track the following reasons: mission complexity (22 percent), distance (19 percent), environment (17 percent), enemy action (16 percent), command and control (10 percent), escort (9 percent), and other considerations (6 percent). MEDEVAC delays attributed to "waiting for escort" equate to 0.6 percent of all urgent point of injury missions, or six times out of 1,000 is a MEDEVAC mission delayed outside of the standard due to escort related issues. Ninety-three percent of the time, the mission is accomplished in less than an hour in the following manner. The decision to launch MEDEVAC aircraft rests solely with the tactical Commander. Missions accomplished within the 1 hour standard follow the following general process: (1) receipt of air MEDEVAC mission request; (2) commander makes an assessment, and balances the clinical risk to patients against the tactical risk to aircrews; (3) commander decides to launch MEDEVAC aircraft with a wingman, with a chase aircraft, or with an armed escort. Commanders employ the escort aircraft to improve mission success and mitigate tactical risk. If necessary, the Commander may re-task airborne aircraft or launch additional aircraft to perform escort for MEDEVAC aircraft. Armed escort and/or chase aircraft provide a multitude of security related tasks to include identification of optimal ingress and egress routes, coordination of ground and air support, and engagement of the enemy from greater distances with stronger firepower. The Army has employed tactics successfully in support of air missions in both Iraq and Afghanistan. In February 2012, the Chairman of the Joint Chiefs of Staff directed that Central Command (CENTCOM) conduct a review of its air MEDEVAC escort procedures. We expect this report to be available in July 2012.

86. Senator MANCHIN. General Odierno, what are the differences between Army MEDEVAC procedures and the procedures of the other Services?

General ODIERNO. The Army is the only Service that provides dedicated MEDEVAC support to the Joint Force for DOD. These units are trained, manned, and equipped to exclusively perform that medical mission. This enables a higher level of evacuation and enroute care capability for the Joint Force commanders. The U.S. Air Force (USAF) and the U.S. Navy (USN) have employed aircraft and crews, originally organized, manned, trained, and equipped for other combat support roles, such as personnel recovery, to augment the MEDEVAC mission.

87. Senator MANCHIN. General Odierno, are there any other alternate configurations among the Services for MEDEVAC procedures?

General ODIERNO. The Army is the only Service that provides dedicated MEDEVAC that are trained, manned, and equipped to exclusively perform that medical mission. The U.S. Air Force (USAF) and the U.S. Navy (USN) have em-

ployed aircraft and crews, originally organized, manned, trained, and equipped for other combat support roles, such as personnel recovery, to augment the MEDEVAC mission.

88. Senator MANCHIN. General Odierno, why are Army MEDEVAC helicopters unarmed?

General ODIERNO. The Army does not arm MEDEVAC aircraft with crew-served weapons because doing so would negatively impact their mission focus. Army air ambulances must be unequivocally dedicated to the mission of MEDEVAC in order to ensure the wounded are evacuated to the nearest medical treatment facility within the "golden hour". To best fulfill its Title X requirement to train and equip forces, the Army has organized, manned, equipped and trained MEDEVAC units to perform only this mission. This approach has resulted in a 92 percent survival rate for those wounded in Afghanistan, which is the highest in history. Army air ambulances also operate in compliance with the Law of War. Because of the mission they perform, Army air ambulances are marked with the internationally recognized Red Cross symbol. This identifies MEDEVAC aircraft as a non-combatant asset performing a humanitarian mission; therefore they are not armed with crew-served weapons. Arming MEDEVAC aircraft and removing the Red Cross markings would significantly impact their operational capability and jeopardize their mission of evacuating the wounded from the battlefield.

89. Senator MANCHIN. General Odierno, what are the effects of arming a MEDEVAC helicopter?

General ODIERNO. Arming MEDEVAC aircraft would impact the capability of the aircraft. Crew-served weapons, related mounting equipment, structural modifications, ammunition and gunners all add weight to the aircraft. The added weight would hinder the aircraft's ability to work at higher altitudes because of reduced lift capacity, speed and range—all of which are critically important in OEF. More importantly, arming MEDEVAC aircraft would not eliminate the need for armed escort on missions to high risk landing zones. An armed attack aircraft enables the MEDEVAC crew to focus on rapidly evacuating a patient. The escort aircraft provides a multitude of security related tasks to include identification of optimal ingress and egress routes, coordination of ground and air support, and engagement of the enemy from greater distances and with stronger firepower.

90. Senator MANCHIN. General Odierno, please describe why there is a Red Cross on Army MEDEVAC helicopters.

General ODIERNO. The Army policy is to mark MEDEVAC aircraft with red crosses, just as all the Services do with ground ambulances. This policy affords protections and obligations under the Geneva Conventions. It also sends a strategic message that these U.S. Military assets are engaged in a humanitarian operation in accordance with international law principles. The marking of Army MEDEVAC designates these aircraft as non-combatants dedicated to the sole mission of MEDEVAC. Marking the aircraft also contributes to the Army's ability to provide this capability and assists the Joint Force commanders to manage them as a dedicated medical capability, preserving them from being expended for other non-medical missions.

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#### QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

##### REVERSIBILITY

91. Senator CHAMBLISS. Secretary McHugh and General Odierno, in the midst of the Army's downsizing, you make the point that the Army will be smaller but reversible. I think this is a good objective and believe that, at some level, the Army will be able to expand to meet future challenges, in the event they arise. However, downsizing carries a risk and I think it is a mistake to expect that the Army—or any branch of Service—will be able to expand in time and in the way necessary to effectively address the full scope of future challenges. The fact is, we will expand as best as we can and as fast as we can, but I don't think there is any guarantee that will be fast enough. Do you agree that downsizing carries risks, and do you agree that, although reversibility is an important objective, it may still require a good deal of time and resources and that, for that reason, we need to be very careful about how we downsize the Army?

Secretary MCHUGH and General ODIERNO. The Army cannot foresee every future challenge, so we must carefully balance capability and risk as we size the force to

ensure that we are able to take whatever initial steps are required to ensure national security when challenges arise. The Army's most valued and valuable asset is its people. If we make the right choices on those we retain in service, based on experience, talent and potential, and rely on our exceptional training systems and technological base, we will be positioned to meet any emerging threat.

#### ARMY CYBER COMMAND

92. Senator CHAMBLISS. Secretary McHugh and General Odierno, Army Cyber Command's mission today is more critical than ever. As China and Russia continue to conduct cyber espionage against the United States, Army Cyber Command's role is important in providing robust cyber defense and offense capabilities for the United States. Can you comment on what you believe needs to be done by the Army in fiscal year 2013 and across the FYDP to mitigate the risks and vulnerabilities to our systems both inside and outside the CONUS?

Secretary MCHUGH and General ODIERNO. Operationalizing the Cyberspace domain remains a priority effort for the Army in fiscal year 2013 and over the next FYDP. While our cyber warriors have done a valiant job defending our Army and DOD networks, the speed at which the threat evolves requires us to continually adapt our defenses through workforce development and technological advances. Our first line of defense begins with a trained workforce of cyber professionals. Our workforce must understand how our adversary operates, the technical methods by which they compromise our systems and networks, as well as how to counter those threats. As you can see, this requires our cyber warriors to have a keen understanding of threat tactics and methods to inform our cyber defense strategy. We also continue to develop efficient partnerships with the Intelligence, Law Enforcement, Counterintelligence and Signal Communities as cyberspace defense spans multiple jurisdictions. As we work to transform the cyber workforce, to defend our systems across the globe against a highly fluid threat we must also have the ability and flexibility to rapidly develop and field advanced cyberspace capabilities. The Army, led by the Assistant Secretary of the Army (Acquisitions, Logistics, and Technology) (ASA(ALT)), is working in parallel with the DOD CIO, as directed in the NDAA for Fiscal Year 2011, section 933, to define a process facilitating the rapid acquisition of capabilities that will allow us to better defend our networks and conduct full spectrum operations when directed. We are confident that in fiscal year 2013 and the FYDP, given the priority you have placed on cyberspace defense, we will be much better prepared to meet the challenges of training and equipping our cyber workforce to protect our networks and systems inside and outside of CONUS.

93. Senator CHAMBLISS. Secretary McHugh and General Odierno, what, if any, additional programs need to be set up within the Army or jointly across DOD to increase U.S. cyber security and prevent nations such as Russia and China from cyber espionage?

Secretary MCHUGH and General ODIERNO. The Department of the Army recognizes the immediate and far-reaching impact of cyber espionage as it represents the most significant threat to our longstanding technological advantage. Our approach is coordinated among all relevant entities to include the Cyber, Law Enforcement, Counterintelligence, and Intelligence Communities. Investigations and responses to espionage, including cyber espionage, fall under the purview of the Deputy Chief of Staff for Intelligence and its Counterintelligence program; however, comprehensive response and prevention of cyber espionage requires close coordination across many functional areas. We have truly begun to shift focus from traditional cyber defense methodologies to an approach commensurate with expanding threats. Through continuous collaboration with U.S. Cyber Command (CYBERCOM) and the intelligence community, the Army is proactively pursuing advanced defense concepts and capability focused specifically on finding and mitigating cyber espionage activities. Continued investment into ground-breaking concepts and technologies will ensure we retain the technological edge critical to our national security. Additionally, the Army remains committed to realizing the goals set forth in the NDAA for Fiscal Year 2011, section 933. Through partnerships across government, we are developing efficient processes to facilitate the rapid acquisition of capabilities needed to counter evolving threats. We are confident that our coordinated approaches across the Army, DOD, and government will continue to improve in an effort to mitigate the impacts of cyber espionage.



94. Senator CHAMBLISS. Secretary McHugh and General Odierno, what are your thoughts on the ultimate, permanent location for the Army Cyber Command headquarters?

Secretary McHUGH and General ODIERNO. The Army reviewed a wide range of options for the final location of Army Cyber. Our analysis included costing, synergies with NSA and DOD's CYBERCOM, environmental requirements, military construction, facilities and stationing criteria that would best support the Army Cyber organization. At the top of our list are two installations—Fort Gordon and Fort Meade. We are preparing an Environmental Assessment to evaluate potential environmental, cultural, transportation, and socioeconomic impacts should the Command reside at Fort Gordon, GA or Fort Meade, MD. The Army is working with OSD in finalizing the exact organizational missions, subordinate commands, size and requirements through a detailed and documented analysis (concept plan). The final stationing decision and announcement remain pending until after approval of this concept plan.

#### LOSS OF TWO BRIGADES IN EUROPE

95. Senator CHAMBLISS. Secretary McHugh and General Odierno, DOD has announced that the Army will remove two brigades from Europe. Please comment on how this will affect our training, exercises, and potential operations with the NATO and European countries in general.

Secretary McHUGH and General ODIERNO. Forward-stationed forces in Europe are a visible symbol of the U.S. commitment to European security and the NATO Alliance, and enable the United States to maintain a strong leadership role in NATO and provide assurances to our allies and partners. The mix of capabilities offered by the two distinct types of BCTs remaining in Europe (Stryker, and Airborne) enables EUCOM to meet a wide array of engagement, building partner capacity, and interoperability objectives while supporting the full range of military operations needed for plausible European contingencies. The Army expects to allocate a BCT to the NATO Response Force (NRF) to support interoperability with NATO and plans to support two battalion task force-sized rotations annually to EUCOM to train with our allies for up to 2 months per rotation.

96. Senator CHAMBLISS. Secretary McHugh and General Odierno, in your view, will the Army's commitment to rotating a brigade from CONUS to Europe ameliorate the negative effects of losing these two brigades?

Secretary McHUGH and General ODIERNO. Yes, it will provide a broader opportunity for a number of units to work with NATO in a more targeted and beneficial way. The United States is rebalancing priorities and is seeking ways to improve U.S. presence in key regions to both ensure access and assure our allies. The draw-down to two BCTs will still allow EUCOM to maintain a flexible and easily deployable ground force to meet Article 5 and other NATO commitments, to engage effectively with allies and partners and to satisfy other security objectives. To demonstrate our commitment, the Army expects to allocate a BCT to the NATO Response Force (NRF) to support interoperability with NATO and plans to support two battalion task force-sized rotations annually to EUCOM to train with our allies for up to 2 months per rotation.

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#### QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

##### TROOP WITHDRAWAL FROM AFGHANISTAN

97. Senator WICKER. Secretary McHugh and General Odierno, I do not see any tactical or diplomatic sense in your recent announcement about telling the enemy the date we are going to pull out troops. This gives the enemy an advantage on the ground and also eliminates any incentive for the Taliban to engage in substantive political negotiations with the Afghan Government. Our strategy in Afghanistan must be based solely on the conditions on the ground and not on the politics of the 2012 election. How does DOD plan to execute this announced withdrawal while not further endangering the lives of our troops and while still meeting operational demands?

Secretary McHUGH and General ODIERNO. The Administration has announced that the U.S. forces surge recovery will be completed by October 2012. We are currently working with commanders in the field to determine additional force reductions thereafter. Plans for further reductions are being developed. However, future

reductions will be tied to conditions on the ground and the ability of the ANSF to provide security as they assume the lead for security.

After 2014, when the Afghans have assumed security lead across the country, the United States will continue to support the ANSF.

98. Senator WICKER. Secretary McHugh and General Odierno, understanding that our force reduction in Afghanistan is conditions-based, do you believe our reduction of 27,000 troops can be implemented smoothly?

Secretary MCHUGH and General ODIERNO. Yes, it can be done. However, transitioning equipment will be difficult due to the recent closure of the Pakistan Ground Lines of Communication (PAKGLOC). The closure of the PAKGLOC caused challenges in moving equipment and incurred significant additional costs. Although the PAKGLOC recently reopened, it will be several months before those lines return to pre-closed levels.

99. Senator WICKER. Secretary McHugh and General Odierno, understanding that transitioning from war and resetting the force takes time and money, what is your estimate of the length and cost for the Army to reset equipment and personnel?

Secretary MCHUGH and General ODIERNO. Funding would be spread proportionally over a period of 2–3 years after all equipment is returned from Afghanistan as dictated by the volume of equipment currently undergoing reset, the pace of retrograde from theater, available capacity within the industrial base and the repair cycle times of major systems.

There are many factors and assumptions affecting the total reset liability; at the end of fiscal year 2013 our remaining reset liability is approximately \$10–\$15 billion. There are three areas funded by this reset liability: \$6–\$8 billion for Depot Level repairs within the industrial base, \$2–4 billion for field level repairs at units' home stations, and \$2–\$3 billion for procurement of battle losses and modification of select equipment in the course of reset.

The Army conducts annual assessments of reset liability in coordination with the Office of the Secretary of Defense for Cost Assessment and Program Evaluation (OSD CAPE). The uncertainty in the reset liability calculation results from the equipment in theater today, retrograde to the CONUS and condition it will be in at the time of retrograde. An example from Operation New Dawn in Iraq is the Army transfer of a large quantity of M1114 HMMWVs to the Government of Iraq (GOI) that were surplus to Army requirements. These HMMWVs were refurbished in theater (not reset at CONUS facilities) and transferred to the GOI. However in Afghanistan, the local government cannot absorb comparable quantities of equipment, and it is more difficult and expensive to retrograde equipment. Also, the wear-and-tear on equipment in Afghanistan is greater than during the later years of operations in Iraq, which causes a higher percentage of equipment requiring depot-level reset and a higher wash-out rate.

#### FORCE STRUCTURE

100. Senator WICKER. Secretary McHugh and General Odierno, I continue to be concerned about the vitality of our NCO corps across all of our Services. The total of Active component soldiers expected to move up in the NCO ranks this year is 6 percent below last year. A projected total of 44,141 Active component soldiers are to advance to the ranks of sergeant through sergeant major in 2012. That is 6 percent below last year's total of 47,129 soldiers. Among the Army's efficiency plans is a force reduction of 27,000 troops beginning in 2015. Considering the current state of the economy, other Services, such as the Navy, have experienced record retention numbers. As a result, the Navy has had to implement programs for involuntary separation. While the Army currently has several incentive programs for voluntary early separation, is the Army also pursuing involuntary separations of soldiers to shape the force?

Secretary MCHUGH and General ODIERNO. The Army will conduct end strength reductions using a gradual ramp over a 6-year period in order to allow natural attrition to absorb a majority of the reductions, while still maintaining our commitment to Afghanistan. The gradual reductions will also allow the Secretary and me the flexibility to evaluate each year whether we are moving at the right pace. Even with this gradual ramp, a key planning precept is that the Army will make the choices, to the greatest extent possible, on who will remain and who will separate. We will not sacrifice our investment in leader development and we will continue to shape policies to support the Army's leader development strategy. We will promote the best-qualified soldiers to meet requirements. Preliminary assessments indicate NCO

requirements will decrease by ~7.5 percent during the drawdown period (fiscal year 2014–fiscal year 2017 timeframe). Accordingly, because NCO promotions are a direct result of filling valid requirements, selection rates are expected to simultaneously decrease; but history tells us they will return to historical norms soon thereafter. Our preliminary strategy is to meet the fiscal year 2017 enlisted end-strength with precision (by grade and skill) while maintaining a high level of readiness and capability with an All-Volunteer Force.

101. Senator WICKER. Secretary McHugh and General Odierno, if such involuntary separations are or become necessary, what is the Army doing to ease the transition for those soldiers and their families?

Secretary MCHUGH and General ODIERNO. The Army Career and Alumni Program (ACAP) is the Transition Program that assists soldiers, family members, and DA civilian's transition from their status within the Army back to the civilian community. Involuntarily separated soldiers are congressionally mandated to receive the same preparation counseling as voluntarily separating soldiers. Additionally, soldiers, family members, and DA civilians (involuntarily or voluntarily) are entitled to participate in any of the transition assistance classes offered by ACAP. We are adjusting the ACAP program to meet the goals of the recently passed VOW to Hire Heroes Act and the recommendations of the Presidential Task Force. Attendance may take place in person at an ACAP center, live or cataloged classes online, or individually through the 24/7 ACAP Call Center. ACAP Counselors also refer soldiers and their family members to other agencies and organizations that assist with Transition: The Department of Labor, Veterans Affairs, Military OneSource, The Small Business Administration, Helmets to Hardhats, and Student Veterans of America to name a few.

These classes include, but are not limited to:

- Employment assistance/Job search skills
- MOS Crosswalk (Military skills to civilian skills comparison)
- Skills assessment
- Professional interest evaluation
- Resume and cover letter development and refinement
- Interview skills / Dress for success / Salary negotiation
- Relocation assistance
- Legal referrals (Wills, Power of Attorney, Estate planning, et cetera before separation)
- Contact information for housing counseling assistance
- Education/Training
- Health/Life insurance
- Financial planning/Budget development
- Veteran benefits briefing
- Veterans Administration Disabled Transition Assistance Program (VA DTAP)
- Department of Labor Employment Workshop
- Physical and mental health well being

The Army is also, utilizing the H2H as its interim employment application/tool [www.H2H.jobs](http://www.H2H.jobs) to provide one primary location where soldiers of all components, veterans, and family members can connect with private industry employment opportunities. This application is web-based and able to translate military occupational skills (MOS), provide career path exploration, upload resumes, allow customized job searches, enable employers to also search for Veterans, and provide performance metrics. H2H will eventually be included on eBenefits, the single portal for transition benefits selected by the DOD–VA Veterans Employment Initiative Task Force ([www.eBenefits.va.gov](http://www.eBenefits.va.gov))

#### MILITARY EDUCATION

102. Senator WICKER. General Odierno, there is a growing trend within DOD to conduct joint military education. However each military department has its own military academy and own war college. I continue to be concerned about the redundancy and lack of efficiency for our troops' professional military education. What are the operating costs for the Army War College and U.S. Military Academy (USMA)?

General ODIERNO. The operating costs for the Army War College were \$13.7 million for fiscal year 2011. These costs represent faculty and staff salaries, student and faculty travel, contractual and supply costs for teaching departments, registrar and library, supporting 1,073 students of the college's resident and distance edu-

cation programs. The operating cost for the USMA was \$121 million for fiscal year 2011.

103. Senator WICKER. General Odierno, what measures are being implemented to ensure efficiency and reduce redundancies among the Services?

General ODIERNO. The overarching responsibility for ensuring efficiency and reducing redundancy among the services rests with OSD and the Joint Staff. The Army fully participates in a number of different bodies that meet to ensure DOD is buying capabilities the Joint Force needs to meet current and anticipated threats. Groups such as the Deputy's Management Advisory Groups, chaired by the Deputy Secretary of Defense, and the Joint Requirements Oversight Council (JROC), chaired by the Chairman or the Vice Chairman of the Joint Chiefs of Staff, review programs across the Department to ensure that we have neither redundancies nor capability gaps. The Army leadership is fully vested in these bodies. Within the Army, ongoing comprehensive capability portfolio reviews have identified gaps and redundancies and the Army has taken action to close the gaps and eliminate the redundancies. Additionally, there are a number of groups that meet at lower levels to identify and track efficiencies and cost savings throughout the Department. For example, the OSD Chief Management Officer (CMO) leads semi-annual reviews in January and July, during which all Service Deputy CMOs and Assistant Secretaries for Financial Management provide updates on the status of their Track 1 efficiencies, taken during development of the fiscal year 2012 budget request.

#### POST-MILITARY COMMISSION

104. Senator WICKER. Secretary McHugh, often the time between receiving a commission to when the soldier reports for duty can be a lengthy period of time, especially in the aviation community. My staff has been working with the OSD staff on determining cost and schedule delays for newly commissioned military officers. How much money is being spent by the Army on personnel between their post-commission and pre-specialty training?

Secretary McHUGH. Little to no money is spent by the Army on personnel between post-commission and pre-specialty training (BOLC-B). Most officers receive their commissions in the late spring/early summer as a result of USMA and/or college graduation. The Army's school houses cannot accommodate the entire population at that time, but USMA and Officer Candidate School (OCS) officers, who come on active duty orders immediately upon commissioning, are given priority for the earliest available branch training course. If there are delays, they are often a result of school house capacity, and instructor and equipment availability; some officers may elect to delay training due to various reasons, such as extended leave (up to 90 days).

Reserve Officer Training Corps (ROTC) graduates typically have the longest wait time between commissioning and branch training, but these officers are not receiving pay and allowances while they wait, with a few exceptions. A select number of ROTC graduates volunteer to come on active duty prior to their branch training to serve as Gold Bar Recruiters or to support cadet training programs such as the Leader Training Course and the Leader Development Assessment Course; these officers are filling an Army need. A handful of ROTC graduates qualify for immediate accession through the Green-to-Gold Program but, like USMA and Officer Candidate School, they are given priority for the first available BOLC-B class.

The aviation community especially is affected by wait times due to the complexity and length of the training required for aviation officers. Even so, the Army has succeeded in getting the average wait time for aviation officers below the Army average. The Army's average is 112 days and the Aviation average is 103 days.

Assessment of a cost of handling the annual accession surge is difficult to calculate because of the number of training pipelines, the varied number of valid and meaningful assignments during the wait time, and the number of personnel within those pipelines who may be delayed for personal or Army needs (leave, recruiting and training support, et cetera) rather than pipeline inefficiencies. The true "cost" of lengthy periods of time between commissioning and the start of BOLC-B is not money, but unit readiness in that the officer's report date to an operational unit where he/she will lead soldiers is delayed by the amount of time he/she has to wait for a BOLC-B class to start.

105. Senator WICKER. Secretary McHugh, what measures has the Army implemented to reduce the amount of time and costs associated with this down time?

Secretary McHUGH. Headquarters, Department of the Army (HQDA), and Headquarters, Training and Doctrine Command (TRADOC), organize class schedules to maximize the amount of training during the summer surge period and reduce the wait time of newly commissioned officers who are commissioned in that time period. All TRADOC schools make every effort to schedule as many classes as possible to have these commissioned officers report between the third weekend in May and the last day of September. As directed by TRADOC, at least one BOLC-B class is scheduled to report during the early to mid-July time period to support USMA graduates. To accommodate December college graduates, a class in January of each year is scheduled.

The HQDA staff, from the Personnel (G-1) and Training Directorates (G-37), directs the allocation of seats during the yearly BOLC-B scheduling conference and monthly BOLC-B seat usage teleconferences. In fiscal year 2011, HQDA and TRADOC scheduled 48.1 percent (4,930 of 10,243 officers) of the yearly training load between the mid-May and late-September summer surge. For fiscal year 2012, 48.9 percent (4,673 of 9,558 officers) of the yearly training load was scheduled in the May to September window. In fiscal year 2012, the HQDA staff noted that funding and/or end strength constraints may cause some BOLC-B seats to go unfilled in the fiscal year 2012 summer period.

Three important notes to consider: one, TRADOC monitors attendance at their BOLC-B branch schools and is working aggressively to fill any of the unused Reserve component seats with Active Army lieutenants; two, HQDA resources the training program to train the BOLC-B requirement over 12 months; and three, TRADOC is limited by resources in the amount of seats that can be scheduled in the summer surge window of May through September.

#### PARACHUTE

106. Senator WICKER. General Odierno, what is the Army's capacity requirement for personnel parachute systems?

General ODIERNO. Based on the current 2012 Army force structure, the total Army requirement for personnel parachutes consists of approximately 40,000 model T-11 static line parachute systems and approximately 20,000 model MC-6 maneuverable canopy parachute systems. This requirement will provide sufficient personnel parachute systems to support airborne training, contingency, and combat operations for up to six airborne brigades and appropriate Special Operations Force assets, including U.S. Army Rangers and Special Operations Teams. There are currently three manufacturers on contract to produce these T-11 parachutes and four manufacturers of the MC-6 parachutes. These manufacturers will fulfill the Army requirements and have the capacity to produce additional parachutes if needed.

107. Senator WICKER. General Odierno, does the FYDP contain any specific plan by the Army to pursue competitive or sole-source procurement of parachute systems or parachute items?

General ODIERNO. Yes, the Army plans to procure parachute systems and items on competitive contracts to companies that have been certified to manufacture parachutes for the U.S. Government within the FYDP.

The Army will pursue competitive procurement of Joint Precision Airdrop Systems 2,000 pound capability; 10,000 pound capability; and personnel parachutes in fiscal year 2013 using Other Procurement, Army funds. In the next 12 months, we will award several competitive contracts for these Aerial Delivery items.

The Army has no specific plans for sole source contracts for parachute systems.

#### EXTERNAL FUEL SYSTEM

108. Senator WICKER. Secretary McHugh, ground platforms, specifically the Army's BFV as part of the Bradley Urban Survivability Kit III effort, have implemented enhancements to reduce injuries and deaths due to fires. What measures or programs have been implemented to improve survivability for other vehicles like MRAP vehicles and Strykers?

Secretary McHUGH.

#### *Mine Resistant Ambush Protected Vehicles:*

The MRAP Joint Program Office has continually improved the survivability of the MRAP vehicle fleet (to include the MRAP-All Terrain Vehicle (M-ATV)) to meet evolving threats. Examples of capabilities integrated into MRAPs/M-ATVs to reduce injuries and deaths due to fires include:

- (1) Crew Automatic Fire Extinguisher System (AFES)
- (2) Engine AFES
- (3) Tire AFES
- (4) Fuel Tank
  - a. Fuel Tank AFES - Most variants
  - b. Fuel Tank Fire Suppression Blanket - Some variants
  - c. Self-Sealing Fuel Tank - Some variants
  - d. Manual Fuel Cut-off Switch - Some variants
- (5) Manual Backup Activation to the AFES
- (6) Multiple Planes of Egress (Side, Rear, Top, Vehicle Emergency Egress Windows)
- (7) First Responder Universal Combat Lock Tool
- (8) Egress Illumination Tape

Additionally, the following capabilities improve both force protection and survivability by mitigating the effects of the threats they are designed to address:

- (1) MRAP V-Hull design and crew compartment standoff
- (2) Rocket Propelled Grenades (RPG) Defeat Systems (Bar Armor or RPG Net "bird cage" surrounding vehicle)
- (3) Explosively Formed Penetrator (EFP) Armor Kits
- (4) Multi-Threat EFP Armor Kits
- (5) Thrown Object Protection System Kits
- (6) M-ATV Underbody Improvement Kit-2
- (7) Self-Protection Adaptive Roller Kit System (SPARKS) Bracket that allows for integration of:
  - a. SPARKS/SPARKSII Mine Roller
  - b. Passive Infra-Red Defeat
- (8) Various Electronic Warfare Components
- (9) Boomerang Counter Sniper Detection System
- (10) Various Route Clearance Capabilities (Interrogator Arm, Air Digger, et cetera)

#### *Stryker:*

The most significant force protection upgrade for Stryker has been the incorporation of the Stryker Double-V Hull. This improvement has greatly reduced the vulnerability to soldier injury due to under-body blast events. Stryker Reactive Armor II (SRAT II) is another improvement intended to reduce vulnerabilities to RPG type threats. Testing is projected to be completed, including final modeling and simulation pending successful testing, SRAT II will then be available.

From a fire protection perspective, the initial Stryker design was inherently survivable by integrating external fuel tanks, and ensuring other flammable fluids were physically separated from the crew compartment. Additionally, the following measures were implemented to reduce fire hazards in other parts of the vehicle:

- (1) Tire Fire Suppression Kit
- (2) Manual Activation to the AFES
- (3) Manual Fuel Cut-off Switch
- (4) Internal Fuel Tank Shut-off

Additionally, the following enhancements improve both force protection and survivability by mitigating the effects of the threats they are designed to address:

- (1) SLAT (steel "bird cage" surrounding vehicle)
- (2) Stryker Reactive Armor Tiles
- (3) Common Ballistic Shield
- (4) Drivers Enhancement Kit
- (5) Hull Protection Kit
- (6) Mine Roller Adapter Kit
- (7) Blast Mitigation Kit

109. Senator WICKER. Secretary McHugh, how long before additional measures can be implemented to improve the survivability of the soldiers?

Secretary McHUGH. The Army continually improves the survivability of its vehicle fleet to meet evolving threats. For MRAPs, the Caiman Multi-Terrain Vehicle will be fielded with external fuel protection in the third quarter of fiscal year 2013. For Stryker's, one measure to improve survivability currently in testing is the Stryker Reactive Armor II (SRAT II). This improvement is intended to reduce vulnerabilities to RPG type threats. The testing, to include live fire and modeling and simulation is scheduled to be completed in May 2013. Materiel release to support fielding is

planned for November 2013, but if there is an urgent requirement, SRAT II kits can be fielded as early as May 2013 (after completion of testing).

#### SABOTED LIGHT ARMOR PENETRATOR

110. Senator WICKER. Secretary McHugh, the fiscal year 2013 budget request calls for the Army to stop production of 50 caliber Saboted Light Armor Penetrator (SLAP) ammunition. Previously, in the late 1990s, the Army stopped production of SLAP ammunition. In fact, production stopped in 1998 and did not begin again until 2002 at low-rate production and at full-rate production in 2003. With the Army heading toward a similar stop and restart situation, please provide the details on the costs incurred by the Army during the 1998 shutdown and 2002 restart.

Secretary McHUGH. The SLAP cartridge is assembled in a linked configuration; four M903 SLAP cartridges to one M962 SLAP tracer cartridge, for use in the M2 Heavy Barrel machine gun. The Army completed adoption of this configuration on November 12, 1996, with the Marine Corps' collaboration. The SLAP was procured through a fixed price contract with the Olin-Winchester Corporation. When production was shutdown in fiscal year 1998, there were no additional costs incurred by the Army.

When production of the SLAP was restarted, the unit cost was commensurate with the previous contract, when accounting for inflation. The Army incurred \$75,000 in costs to recertify the production line (first article test) in 2002.

111. Senator WICKER. Secretary McHugh, what did these costs include—for example, did this include rebuilding the production line, recertification, and retraining?

Secretary McHUGH. The Army's direct cost for restarting the SLAP production in 2002 was \$75,000. These funds supported a standard first article test, which is used to determine whether the contractor is ready to resume production. As part of this procedure the contractor has to demonstrate through measurement and testing that their production line and operators are ready to resume production.

112. Senator WICKER. Secretary McHugh, from your experience with the 1998 shutdown, how did this affect the second- and third-tier subcontractors?

Secretary McHUGH. Olin-Winchester had one key second-tier subcontractor in 1998 which produced the SLAP. During that time period the vendor was able to switch to other products to maintain their viability. There were no third-tier impacts that could be identified.

#### ARMED AERIAL SCOUT

113. Senator WICKER. Secretary McHugh, the expected requirement for the Armed Aerial Scout (AAS) is that the aircraft be capable of operating at 6,000 feet and 95 degrees. This performance requirement was validated by the August 17, 2011, Army study titled, "An Examination of Temperature and Altitude Design Point Criteria for Army Helicopters." Do those requirements remain valid? If not, why?

Secretary McHUGH. Yes, the 6,000 feet/95 degrees Fahrenheit (6K/95) performance requirement remains valid as a desired capability for the AAS. On 28 April 2012 the Army Aviation Program Executive Office released an AAS Request for Information (RFI) that will assess technology readiness and capabilities available in industry to inform an achievable and affordable material solution. The RFI specifically highlighted that the Army is seeking an aircraft that can operate at 6K/95 with a full combat load.

114. Senator WICKER. Secretary McHugh, can the OH-58D Kiowa Warrior meet those requirements today?

Secretary McHUGH. No, the current OH-58D cannot meet the 6,000 feet/95 degrees Fahrenheit (6K/95) requirement today. A Kiowa with a basic combat load is only able to effectively operate with a 4,000 feet/95 degrees Fahrenheit (4K/95) capability. The ongoing Cockpit and Sensor Upgrade Program (CASUP) addresses technological gaps of the Kiowa but it does not improve the performance of the Kiowa. To increase performance, the Kiowa Warrior will require an extensive upgrade to the engine, transmission and rotor systems.

115. Senator WICKER. Secretary McHugh, will the Kiowa Warrior meet those requirements under the upgrade programs currently provided for in the President's budget request?

Secretary McHUGH. No, the current programs for the Kiowa Warrior in the President's budget will not improve the aircrafts performance to achieve 6K/95. The Kiowa Warrior has two initiatives within the current budget. The first is an approved program of record known as the CASUP. CASUP addresses the technological gaps of the Kiowa Warrior; however it does not include upgrades to the engine, transmission or rotor system which are required to increase performance. The second initiative is funding submitted in the fiscal year 2013–2017 Program Objective Memorandum (POM) for a SLEP. The SLEP is designed to replace the 40 (plus) year old metal structure of the aircraft and replace it with new metal to allow the Kiowa to remain in service for another 20–30 years. The SLEP will not increase the performance of Kiowa as it also does not upgrade the engine, transmission or rotor system.

116. Senator WICKER. Secretary McHugh, unfortunately, the failures of Comanche and ARH–70 Arapaho have forced the OH–58D to remain operational far beyond the intended useful life. Concerned about the limited capability of the OH–58D, Congress provided the Army with funds to conduct an analysis of alternatives (AOA) needed to establish an armed scout replacement program. At the Army's request, funds were also provided to conduct an additional RFI and voluntary flight demonstration (VFD) this year. Industry is making costly preparations to participate in these activities with little guidance for how the demonstration will be conducted or how aircraft will be objectively judged, creating reservations about the fairness and value of this evaluation. What are the timeline and schedule of the RFI and VFD?

Secretary McHUGH. The Army released the AAS RFI on April 25, 2012. Industry must respond to the RFI by July 2, 2012. The first VFD occurs the week of June 25, 2012. The remaining flight demonstrations will begin in August 2012 with a completion date of October 19, 2012. The purpose of the RFI and VFDs is to assess the current state of technology within industry. The Army will not compare individual results but rather assess their capability against the capability gaps identified in the initial capabilities document.

117. Senator WICKER. Secretary McHugh, what are the operational requirements the test aircraft have to meet?

Secretary McHUGH. There are no operational requirements for the VFD. The RFI and VFD will assess technology readiness and capabilities available in industry to inform an achievable and affordable materiel solution decision.

118. Senator WICKER. Secretary McHugh, what are the key performance parameters of the demonstration, including high/hot hover out-of-ground effect, endurance, and payload requirements?

Secretary McHUGH. There are no Key Performance Parameters (KPPs) for the demonstration. The VFD and assessment of technology in industry will help inform the requirements process. If the Army establishes an AAS program of record, the RFI and VFD will inform future KPPs in the Capabilities Development Document.

119. Senator WICKER. Secretary McHugh, how will the test aircraft be instrumented in order to measure and capture performance data to allow for rigorous comparative analysis?

Secretary McHUGH. The Army will not compare individual results but rather assess their capability against the capability gaps identified in the initial capabilities document. The purpose of the RFI and VFD is to assess the current state of technology within industry. Results will be captured according to each individual respondent's level of participation and level of instrumentation. The Army will use Experimental Test Pilots that are graduates of the Naval Test Pilot School. The pilots will execute maneuvers that are voluntarily agreeable to the industry participant as outlined in the RFI. These maneuvers will be conducted in accordance with standard test techniques and normalized to standard atmospheric conditions.

120. Senator WICKER. Secretary McHugh, how will the results of the VFD be captured and normalized so that all entrants are measured by the same rules?

Secretary McHUGH. The Army will not compare individual industry responses against each other. Individual responses to the RFI and the demonstrated capabilities will be analyzed to assess the performance, cost and schedule attributes needed to procure an improved capability. The methodology used to determine the capability tradeoffs is consistent with the approved methodology used during the AAS Analysis of Alternatives. The requested maneuvers will be executed in accordance with standard test techniques and normalized to standard atmospheric conditions.



The Army will de-brief industry members at the conclusion of their VFD and industry participants will have the opportunity to update their RFI response.

121. Senator WICKER. Secretary McHugh, how will the information derived from the RFI and VFD be used to make an acquisition decision?

Secretary MCHUGH. The Army is conducting market research by releasing a RFI, conducting discussions with industry, and giving industry an opportunity to demonstrate potential solutions to help determine what technologies are available from industry that may contribute to a material solution option. The Army does not intend to compare individual results from the VFD against each other, but, rather assess their capability against the capability gaps identified in the initial capabilities document. The end state is to identify an affordable, achievable, moderate risk materiel solution option based on the current state of technology in the market.

#### KIOWA WARRIOR

122. Senator WICKER. General Odierno, the Army states that the Kiowa Warrior SLEP is the basis for comparison. However, I am not aware that a SLEP has been established or approved and there is no SLEP in the fiscal year 2013 budget request. Is a Kiowa Warrior SLEP the baseline for comparison? If not, what will be the baseline for comparison?

General ODIERNO. The Army will not compare individual results but rather assess industry capabilities against the capability gaps identified in the initial capabilities document. In the conduct of the AAS Analysis of Alternatives, the program of record OH-58F CASUP aircraft was utilized as the base case.

The Kiowa Warrior (KW) SLEP is referenced as Recapitalization (RECAP) in the budget exhibits. The KW fiscal year 2013 budget request contains funding to execute a SLEP/RECAP alternative if the Army decides against a new material solution for AAS. The Army has not yet approved a KW SLEP/RECAP or a specific detailed plan related to that alternative.

123. Senator WICKER. General Odierno, what is the baseline configuration, cost (acquisition and life-cycle), and schedule for a Kiowa Warrior SLEP alternative for comparison?

General ODIERNO. The Army will not utilize the RFI and VFD to conduct a comparison. The release of the RFI is intended to allow the Army to conduct market research and assess the state of technology. The configuration for a Kiowa Warrior SLEP/RECAP has not been defined, but the concept includes recapitalization of the airframe and major components. There is currently no formal or approved Army Life Cycle Cost Estimate for an OH-58F SLEP/RECAP program. In the conduct of the Analysis of Alternatives, the program of record OH-58F CASUP aircraft was utilized as the base case. The CASUP program of record completes fielding in fiscal year 2022 with an estimated program acquisition cost (Research, Development, Test & Evaluation/Army Procurement Agency) of \$1,915.5 million (Base Year 2010 Dollars) and life-cycle cost of \$8,776.8 million (Base Year 2010 Dollars). An OH-58F SLEP/RECAP alternative would be additive to these costs.

#### OH-58D

124. Senator WICKER. Secretary McHugh, Congress continues to support the development of necessary upgrades to the OH-58D. These upgrades have become more complex and costly with each new budget request. It is increasingly important that restraint is exercised to prevent unnecessary investments in the legacy platform until the Army determines the actual requirements for AAS and identifies the best platform available to achieve those requirements. Can Congress expect a final acquisition decision on the AAS program prior to any further consideration of improvements to the program of record?

Secretary MCHUGH. A decision on a course of action for the AAS requirement should be made by March 2013. Currently, the Army has a defined requirement for the OH-58F CASUP and there are no intentions to increase the scope of that program prior to an AAS decision. The OH-58D fleet will continue to require sustainment efforts related to obsolescence and weight reduction in order to maintain readiness safety margins, and operational needs. Even with a decision to pursue an AAS solution, the KW is anticipated to remain in the Army fleet for approximately 20 more years.

125. Senator WICKER. Secretary McHugh, will you prioritize the AAS evaluation and provide the oversight required to make an acquisition decision for AAS that is incorporated in the fiscal year 2014 budget plan?

Secretary MCHUGH. The AAS RFI and VFDs are an Army priority. To ensure proper oversight, the RFI and VFDs will be conducted consistent with the DOD Acquisition Process. The data attained from the RFI and demonstration will inform future budget decisions to include the fiscal year 2014 budget plan.

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QUESTIONS SUBMITTED BY SENATOR SCOTT P. BROWN

NETWORK

126. Senator BROWN. Secretary McHugh, in terms of modernization, is the network still the Army's top acquisition priority?

Secretary MCHUGH. The Network remains the Army's top acquisition priority. With expectations of tighter budgets and a still very active threat environment, the Army will have to produce a force that is smaller yet more capable. The Network is the core of that smaller, more capable Army.

127. Senator BROWN. Secretary McHugh, how have the Network Integration Evaluations (NIE) informed Army decisionmaking about various systems like the Warfighter Information Network-Tactical (WIN-T) and the Joint Tactical Radio System (JTRS)?

Secretary MCHUGH. The NIEs allow the Army to reduce risk associated with network programs by presenting a challenging environment that provides a means to gain critical operational and technical insights regarding the integration of new capabilities into the network. In the case of WIN-T and JTRS programs, the NIE allowed the program managers, test community, and the operational units to become very familiar with operating the equipment or understanding the systems complexity by identifying areas requiring emphasis, such as challenging operator-level individual or collective training tasks. The NIE also provided the ability to develop or modify Tactics, Techniques, and Procedures (TTP), which enhance the execution of the actual Initial Operational Test and Evaluation (IOT&E) event. As a result of NIE 12.1, the unit's ability to understand the overall network complexity, with the additions of WIN-T and JTRS capabilities, was improved. This also enhanced the unit's ability to rapidly install and maintain the equipment, thus contributing to a successful IOTE as part of NIE 12.2.

STRATEGIC GUIDANCE

128. Senator BROWN. General Odierno, as part of the President's strategic guidance, the Army plans to enhance its activities in the Asia-Pacific region. What does that mean?

General ODIERNO. The United States serves as a critical guarantor of stability in the Asia-Pacific region, and a robust joint military presence is an important part of the broader regional strategy. The Army has a critical role to play in the region not only as an essential component of deterrence against aggression, but also in ensuring access to, building capacity in, and enhancing our partners' resilience. Army engagement enhances partner readiness for the disasters that impact the Asia Pacific and plays a critical role in preparing our partners for security challenges. Asia's militaries remain dominated by armies, making the U.S. Army's relationships with its regional partners a vital resource for a range of situations. Army engagement is also the foundation of our commitments to our treaty allies in the region, Australia, South Korea, Japan, Thailand and the Philippines. As we enhance activities in the Asia-Pacific region, the army will build on the strong foundation established with these allied partners, but also seek opportunities to engage and cooperate our other partners like Indonesia, India, and China.

The most visible change will come as an increase in the quantity and quality of bilateral and multilateral Army-to-Army engagements in the region. The Army will not only make the most of traditional exercises and training to strengthen our partnerships by bringing new capabilities and approaches to training, but also focus on enhancing the resilience of our allies and partners for them to better respond to the regrettably frequent natural disasters.

We plan to increase exchanges with other forces, better align our foreign assistance programs with additional engagement opportunities, and explore a range of other changes, from new command-and-control structures that would enhance responsiveness to modifications in how Army forces in the region are provisioned to

increase their readiness. The need for U.S. Armed Forces, and the Army in particular, to provide, planning, logistical, command-and-control, and equipment support to civil authorities in the event of natural disasters continues to be demonstrated regularly and is unlikely to diminish. For example, the Army Corps of Engineers represents indispensable expertise and an invaluable resource relating to disaster response that the region desperately needs. Of course, even as the army increases its activities in the Asia-Pacific region, it will retain substantial responsibilities elsewhere in the world. The posture of the U.S. military in the Middle East is critical to maintaining regional stability there. To maintain U.S. influence, particularly if additional U.S. naval assets will be devoted to the Pacific, the army will continue to need some combination of prepositioned equipment and a permanent and rotational presence there throughout the next decade.

129. Senator BROWN. General Odierno, given that 7 of the world's 10 largest armies are located in the region, what level of ground forces do you anticipate will be necessary throughout PACOM AOR to implement the President's new strategic guidance?

General ODIERNO. The Army currently has a robust force posture in the PACOM AOR and a Total Army with the adaptability and depth to "Prevent, Shape, and Win" in the Asia Pacific. Our expeditionary Army must remain capable of supporting the requirements of Joint Force commanders around the globe, and our force generation model ensures that capability, and at the same time ensures the Army's ability to implement the new strategic guidance. The Army has committed to making Mission Command and other capabilities available to PACOM that have for nearly the past decade been focused on the Nation's priorities elsewhere. These include a regionally assigned and available Operational Joint Force Land Component Command headquarters capable of meeting major operational plan requirements; assigned and available two and three star Joint Task Force capable headquarters providing the ability to execute missions from joint/multinational Humanitarian Assistance/Disaster Relief through operational requirements; and an exportable, Combat Training Center-like joint/multinational training and exercise capability along with prepositioned equipment sets in theater. The Army is investigating the establishment of an expeditionary collective training capability that will enable sustainment of a high state of readiness of regionally assigned and forward stationed combat formations without enduring the cost of sending them to CONUS Combat Training Centers. Such a capability will keep Army units training in the Pacific and should significantly advance the level of coalition training with key regional partners. The Army is also reviewing how best to support PACOM's Integrated Air and Missile Defense (IAMD) in protecting U.S. interests and partners. More broadly, the Army continues to develop the ability to respond to Geographic Combatant Commanders' requirements, including PACOM, by providing Regionally Aligned Forces through a rotational, progressive force generation model. Regional training and Army exercises continue to evolve in support of PACOM's Theater Strategy and Theater Campaign Plan, and seek to more deeply engage key partner armies to pursue mutual interests in preserving regional stability.

130. Senator BROWN. General Odierno, have you and your Marine Corps counterparts worked through this?

General ODIERNO. We are in the early planning stages of determining how to support the new strategy to enhance activities in the Asia-Pacific region, home to 7 of the world's 10 largest armies. We are working with the U.S. Marine Corps (USMC) and the other Services to enhance ground force activities, not only in the Asia-Pacific region, but globally. We have several forums to synchronize Army service-specific and USMC-specific contributions to the Joint Fight. Service Vices participate as members of the Joint Requirements Oversight Committee. Service Chiefs as members of the Joint Chiefs of Staff confer on how to manage defense activities and advise the President. In addition, the Army and the USMC meet regularly in two other forums—an Army-USMC Warfighter Talks program and an Army/USMC Board process—that enable us to synchronize employment of Service/Corps specific contributions to the Joint Fight.

#### RIFLEMAN RADIO

131. Senator BROWN. General Odierno, can you explain the importance of the Rifleman Radio and what drives its key requirements?

General ODIERNO. The Rifleman Radio enhances the ability of dismounted leaders (Platoon and below) to synchronize small unit maneuver and exercise command and

control. This combat-proven radio extends our mission command networks to the squad and team leader level, allows leaders, for the first time, to view the locations of their individual soldiers as part of the Common Operating Picture, and provides a National Security Agency approved voice communication capability. The Rifleman Radio leverages the JTRS developed Soldier Radio Waveform, while providing a lightweight capability that addresses the need for greater survivability/accountability and a reduction in fratricide. Ultimately, the true value of the Rifleman Radio is its ability to leverage a small size, lightweight and low power consumption network capability to enable effective decision making at the tactical edge.

132. Senator BROWN. General Odierno, is the current program of record achieving those requirements?

General ODIERNO. The Rifleman Radio (RR) is achieving the key requirements of Intra-Squad Communication, Soldier Location, and Net Readiness. The RR was employed in a desert environment, urban environment and an environment with heavy vegetation during its Initial Operational Test and Evaluation at NIE 12.1. The RR enhances small unit operations by allowing leaders to issue voice commands, send text messages, place way points on the position location map application and share individual Position Location Information of team members using the networking Soldier Radio Waveform, all of which increases survivability, lethality and accountability while reducing fratricide. Warfighters who used the RR in both Test and Operational environments praised its ability because it allows them to communicate effectively using a small, lightweight, and low power-consuming radio.

133. Senator BROWN. General Odierno, when will the Army actually field these radios to soldiers in the field?

General ODIERNO. To date, approximately 700 RR systems have been fielded in small increments via Operational Needs Statements to the 75th Ranger Regiment/U.S. Army Special Operations Command (USASOC) to support combat operations, the 173rd Airborne BCT and the 1st BCT, 2nd Armored Division supporting the NIE. In fiscal year 2013, the Army expects to continue the fielding of this critical capability to BCTs, as well as providing additional assets to USASOC.

#### EVIDENCE-BASED, ALTERNATIVE THERAPY INITIATIVES

134. Senator BROWN. General Odierno, can you talk about the Army's evidence-based, alternative therapy initiatives and how they are integrated into the Army's resiliency training programs?

General ODIERNO. The Comprehensive Pain Management Campaign Plan (CPMCP) includes non-traditional approaches. Interdisciplinary pain teams are being developed at military medical treatment facilities to provide holistic pain care that integrates the conventional medical modalities with these complementary and alternative medicines the therapies. As part of the Army's resiliency training program, the CPMCP includes acupuncture, bio-feedback, massage therapy, yoga, chiropractic care, and counseling.

The Comprehensive Soldier Fitness (CSF) Program focuses on helping soldiers stay healthy while they face the challenges that are common to Army life. A preliminary evaluation completed by Army and civilian scientists showed that soldiers who received CSF training reported higher levels of resilience and psychological health over time than did soldiers who did not receive the training. This training was more effective for 18–24 year olds than for older soldiers.

#### QUESTIONS SUBMITTED BY SENATOR ROB PORTMAN

##### TANK INDUSTRIAL BASE

135. Senator PORTMAN. General Odierno, please provide insight to the current Abrams tank industrial base. Specifically, there has been mention of an opportunity to bring more foreign work back to the United States. If so, how much of the industrial base would this work sustain?

General ODIERNO. The Army is confident current and pending Abrams Tank FMS opportunities will help sustain the Abrams tank industrial base and bring manufacturing work to ANAD, Anniston, AL, and the JSMC, Lima, OH. They include:

Country of Egypt: Increment 10 tank hardware (125 tank kits) is under contract; two tank kits a month will be shipped to Egypt through June 2013. Increment 11 tank hardware (125 tank kits) is under contract; four

tank kits a month will be shipped to Egypt from September 2012 through April 2015.

Kingdom of Saudi Arabia (KSA) ARNG: KSA ARNG Light Armored Vehicle (LAV) turret structures are under contract; 245 LAV turrets are to be delivered through 2013.

Kingdom of Saudi Arabia (KSA): The initial FMS case (Phase I) will re-capitalize approximately 143 Abrams M1A2 KSA tanks to the M1A2S configuration. Manufacturing work will be conducted at the ANAD and the JSMC. The production schedule is anticipated to be June 2013 to March 2015. A follow-on effort (Phase II) will provide an additional 130 KSA tank conversions and is anticipated to be approved in early 2013. The production schedule is anticipated to be March 2015 to September 2016.

Country of Greece: The potential FMS case is currently working. The Army anticipates an approved FMS case in late 2013. This case would involve a co-production effort. We anticipate the program to provide refurbished Abrams Tank kits to the JSMC at seven a month beginning in early 2015 for shipment to an assembly facility in Greece with schedule running through 2021.

Country of Morocco: On 19 June 2012 Defense Security Cooperation Agency notified Congress of the potential FMS. If the FMS case is implemented by August 2013, the effort would provide 200 Abrams M1A1 tanks to the FMS customer with manufacturing work conducted at the ANAD and the JSMC with a production schedule beginning in August 2014 through September 2017.

Country of Israel: An additional Foreign Military Funding (FMF) case on contract between GDLS and Israel will help sustain the JSMC, Lima, OH. Israel Namer Armored Personnel Carrier is under contract; 275 vehicles will be delivered through fiscal year 2017.

136. Senator PORTMAN. General Odierno, are there Abrams tank suppliers that provide U.S. specific content that we would be in danger of losing if we did not produce any domestic tanks? If yes, what types of technologies do they provide?

General ODIERNO. The Army is proactively working with the OSD S2T2 study effort to evaluate specific suppliers that could be at risk when the M1A2SEP v2 production is complete in June 2014, irrespective of potential benefits from pending FMS cases. The Army previously identified special armor as a critical item and has subsequently funded its continued production at the minimum sustaining rate through fiscal year 2018. We are currently assessing supply chain impacts that will lead to establishment of cost effective 2nd-4th tier mitigation strategies that will target specific impacted suppliers. We anticipate that our initial results will be available in September 2012.

137. Senator PORTMAN. General Odierno, are you satisfied that you and your leadership completely understand the risk associated with shutting down the U.S. tank industrial base in 2014?

General ODIERNO. The Army is not "shutting down" the JSMC. Rather, the Army is slowing the current production rate in the facility by ending the Abrams M1A2SEP v2 production line in anticipation of planned upgrades coming in fiscal year 2017. Work at JSMC will continue, irrespective of the quantity of M1A2SEP v2 tanks produced between fiscal year 2014 and fiscal year 2017. In 2011, there appeared to be limited opportunities for additional manufacturing work for the ANAD and the JSMC. However, this has changed with recent significant FMS interest in the Abrams tank. As a result, the tank industrial base will benefit by new manufacturing work as a result of several pending FMS cases that are nearing approval and are likely to impact production beginning in the 2013 timeframe. This additional production will help mitigate most of the vendor risks, and the Army is analyzing other mitigating activities for vendor capabilities not addressed by the increased FMS sales.

138. Senator PORTMAN. General Odierno, there is general agreement that there is a cost associated with shutting down the U.S. tank industrial base as well as a cost to restart the base later in the decade. Are these costs funded in the Army budget request?

General ODIERNO. No, the shut down and startup costs are not in the Army budget request. The Army is not "shutting down" the JSMC, Lima, OH. Rather, the Army is slowing the current production rate in the facility by ending the Abrams M1A2SEP v2 production line. With the fiscal year 2012 congressional add of \$255 million (42 Abrams M1A2 SEPv2s) in fiscal year 2012 and the recent significant

FMS interest in the Abrams tank, the Army is confident that opportunities exist to help sustain the Abrams tank industrial base and bring manufacturing work to ANAD, Anniston, AL, and the JSMC, Lima, OH. Any cost associated with the slow-down of Army tank production will be addressed in future budget requests.

#### STRYKER

139. Senator PORTMAN. General Odierno, the Stryker vehicle has been one of the Army's most successful acquisition programs and the vehicle remains deployed today in Afghanistan, in a double-V hull configuration proving extremely effective against the IED threat. Yet the fiscal year 2013 budget request has little funding for Stryker modernization and essentially 1 more year of procurement. What is the Army's long-term modernization strategy for Stryker?

General ODIERNO. Stryker Modernization will continue with a limited-scope Engineering Change Proposal (ECP) effort. The Army will conduct a Cost-Benefit Analysis to determine technology and variant combinations to be included in the scope of the ECP. We are analyzing the benefits of buying-back Space, Weight, Power, and Cooling (SWaP-C) deficiencies, improving mobility and protection, and providing the ability to accept future network and protection upgrades.

140. Senator PORTMAN. General Odierno, given the success of the double-V hull Stryker, why do you want to end procurement at 742 vehicles?

General ODIERNO. The Army is not ending procurement of the double-V hull (DVH) Stryker at 742 vehicles-these 742 vehicles currently equip the two operationally committed SBCTs supporting OEF in Afghanistan. We are, in fact, procuring another 49 vehicles through a program that exchanges flat-bottom Strykers to DVH. Of these, 47 will reconstitute the DVH Stryker Ready to Fight fleet and two will replace battle losses. This will give the Army a total of 789 DVH Strykers. Procuring beyond 789 vehicles will depend on operational requirements, pending force structure decisions and the prioritization of future resources.

141. Senator PORTMAN. General Odierno, given the success of the DVH Stryker program in saving countless lives, could we convert existing flat bottom Stryker vehicles to double-V hulls? If so, what is the plan to upgrade the flat-bottomed hull Strykers with double-V hulls?

General ODIERNO. The Army is conducting a pilot program to produce DVH Strykers via an exchange program in which components and mission equipment package will be removed from flat bottom hull (FBH) Strykers currently in the inventory, inspected and refurbished as needed, and then reassembled in a new DVH structure with the associated DVH unique components. We are conducting this pilot program as a means to replace two of our 742 authorized DVH Strykers that were complete battle losses and are nonrepairable. The Army has validated a requirement for 47 additional DVH Strykers to reconstitute the DVH Ready to Fight (RTF) in Afghanistan which was consumed when a second Stryker BCT was committed to OEF. Procurement of the 47 additional DVH is pending approval of the Defense Acquisition Executive. If approved, the 47 additional DVH will also be procured via exchange. Based on the outcome of this pilot program the Army will be positioned to make a more informed decision on exchanging FBH Strykers for DVH Strykers in the future within the affordability constraints of our Combat Vehicle Modernization Portfolio and Strategy.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

##### CRISIS IN SYRIA AND THE ARMY'S BUSINESS DEALINGS WITH ROSOBORONEXPORT

142. Senator CORNYN. Secretary McHugh and General Odierno, Russia's primary exporter of military weapons is a State-controlled firm called Rosoboronexport, who the U.S. Government has sanctioned in the past and who today continues to supply the Syrian military with the means to commit these heinous acts against its own people. Rosoboronexport's customer list also includes the U.S. Army. It is my understanding that the Army's Non-Standard Rotary Wing Aircraft office, out of Huntsville, AL, is currently buying at least 21 dual-use Mi-17 helicopters for the Afghan military from this same company. The Army's June 1, 2011, contract award to Rosoboronexport is listed at over \$375 million for the purchase of these helicopters and spare parts to be completed by 2016. Media reports from last year indicate that the contract comes with an option for \$550 million in additional purchases, which would raise the total value of the contract to nearly \$1 billion. One can reasonably

conclude that the sizeable proceeds of this Army contract are helping to finance a company that is essentially complicit in mass atrocities in Syria, especially in light of Syria's history of actually paying for these Russian weapons. As I understand it, the Army has the ability to withdraw from the contract, and instead procure the same dual-use civilian-military helicopters legally through other means, such as private companies that can buy them directly from the manufacturer. As the crisis in Syria intensifies, so grows the potential the U.S. military might have to get involved. If that occurs, it is likely that Russian-made weapons sold to Syria by Rosoboronexport could be turned against the U.S. military. Do you see any cause for concern here?

Secretary MCHUGH and General ODIERNO. The Army's contract with Rosoboronexport has a \$550 million ceiling price for the entire contract, including the 21 aircraft baseline and the 12-aircraft option. The option line provides for up to 12 aircraft at a range of pre-negotiated prices that depend on the desired delivery date. Two aircraft with initial spares, tools, and technical publication support were ordered in February to replace two aircraft destroyed in accidents at \$33.4 million. The NATO Training Mission-Afghanistan (NTM-A) has also identified the need for ten aircraft to replace Mi-17s that are nearing their life limited flight hours. The DOD Afghanistan Resources Oversight Council, established in compliance with Congressional direction, has reviewed and approved NTM-A's request and funding source. Exercise of the 10 aircraft option, including initial spares, tools, and technical publications is planned for fourth quarter fiscal year 2012 at a projected price of \$184.3 million.

The Army always retains the right to terminate any of its contracts. The relationship with Rosoboronexport can be severed; however, the United States currently benefits from this relationship in two ways. First, we are assured of proper Mi-17 delivery and support to the Afghan Air Force that enables Partner Nation Capability and timely U.S. withdrawal, and second, we obtain accurate engineering information to ensure air-safe operations of these aircraft not only for the Afghans, but also for U.S. pilots, aircrews, and passengers when they are onboard these aircraft.

These same considerations influenced the Army's decision to enter into a contract with Rosoboronexport subsequent to the lifting of the sanctions against Rosoboronexport by the U.S. Government in May 2010. Since the requirement is for aircraft that are military end-use only, procuring civilian helicopters through a private company would necessitate costly modifications. We also have confirmed, with assistance from the diplomatic community that Russian law gives Rosoboronexport exclusive control over exports of Mi-17 aircraft intended for military purposes. While others may be able to purchase Mi-17s, delivery from within the Russian Federation could be blocked by Rosoboronexport. More importantly, the United States needs access to the prime aircraft manufacturer, Kazan, for accurate engineering support and data to ensure safe operations and maintenance and airworthiness on behalf of Afghan and U.S. personnel that operate, maintain, or are transported on these aircraft.

143. Senator CORNYN. Secretary McHugh and General Odierno, do you agree that the Army's business relationship with Rosoboronexport undermines our goals for national security?

Secretary MCHUGH and General ODIERNO. No. As the lead service for all Non-Standard Rotary Wing Aviation procurements, which includes the Mi-17, the Army is executing Afghan policy as established by the Secretary of Defense. The United States currently benefits from this relationship in two ways. First, we are assured of proper Mi-17 delivery and support to the Afghan Air Force that enables Partner Nation Capability and timely U.S. withdrawal, and second, we obtain accurate engineering information to ensure air-safe operations of these aircraft not only for the Afghans, but also for U.S. pilots, aircrews, and passengers when they are onboard these aircraft. These same considerations influenced the Army's decision to enter into a contract with Rosoboronexport subsequent to the lifting of the sanctions against Rosoboronexport by the USG in May 2010. Since the requirement is for aircraft that are military end-use only, procuring civilian helicopters through a private company would necessitate costly modifications. We also have confirmed, with assistance from the diplomatic community that Russian law gives Rosoboronexport exclusive control over exports of Mi-17 aircraft intended for military purposes. While others may be able to purchase Mi-17s, delivery from within the Russian Federation could be blocked by Rosoboronexport. More importantly, the U.S. needs access to the prime aircraft manufacturer, Kazan, for accurate engineering support and data to ensure safe operations and maintenance and airworthiness on behalf of Afghan and U.S. personnel that operate, maintain, or are transported on these aircraft.

144. Senator CORNYN. Secretary McHugh and General Odierno, please outline all of the Army's business dealings with Rosoboronexport since September 11, 2001.

Secretary MCHUGH and General ODIERNO. The 26 May 2011 procurement contract for 21 Mi-17 aircraft in support of the Afghan Air Force, is the only business dealing that the Army has had with Rosoboronexport.

#### FRATRICIDE

145. Senator CORNYN. Secretary McHugh and General Odierno, our military suffered a tragic 24 percent fratricide casualty rate in the 1991 Gulf war. In the 20 years since, Congress has provided substantial research and development funding to DOD in an effort to reduce fratricide casualties in present and future conflicts. Yet to date, no dedicated combat identification (CID) technology has been fielded. Please provide an update on the Army's CID Program.

Secretary MCHUGH and General ODIERNO. Previous fratricide incidents in U.S. Central Command's AOR highlight the continued need to sustain the fielding of situational awareness and target identification solutions that enable the CID process and prevent fratricide. The Army is committed to providing our brave men and women in uniform with materiel and non-materiel solutions to mitigate these tragic incidents.

On June 13, 2011, the Army Acquisition Executive convened an Overarching Integrated Product Team (OIPT) of general officer and senior executive service principals from OSD, Joint Forces Command and the Services. The OIPT participants reviewed Analysis of Alternatives results, recommendations, and Service positions on whether a new Joint Cooperative Target Identification-Ground (JCTI-G), interrogation-response capability, would offer significant advantages over the combination of already fielded and programmed alternatives in preventing fires-on-dismounts and air-to-ground fratricide. The Army, Marine Corps, Navy and the Air Force unanimously agreed to not proceed with an additional JCTI-G program at this time, but to mature those potential solutions, while pursuing fielded and programmed capability improvements and non-materiel alternatives.

The Deputy Under Secretary of Defense (Acquisition, Technology & Logistics) subsequently concurred with the Services' positions. He directed them to coordinate with the DOD CID-Friendly Force Tracking Executive Steering Committee on non-materiel CID capabilities, while the Army provides an assessment of fires-on-dismount technologies demonstrated at Bold Quest 2011, a CID exercise placing technologies in the hands of warfighters. The Deputy Assistant Secretary of the Army (Research and Technology) has the lead on staffing this written assessment. The Joint CID Marking System is the Army's current program of record to prevent fires-on-vehicle fratricide. Additionally, Force XXI Battle Command Brigade and Below and its successor, Joint Battle Command-Platform, will continue to provide advanced situational awareness. Improved electro-optics, forward looking infrared and the long range laser designator rangefinder are examples of the many target identification systems that have been fielded. All of these initiatives enhance combat effectiveness and help prevent fratricide.

146. Senator CORNYN. Secretary McHugh and General Odierno, please elaborate on other steps the Army is taking to reduce the fratricide casualty rate in Afghanistan.

Secretary MCHUGH and General ODIERNO. The Army in Afghanistan has provided its soldiers, leaders, other joint warfighters and coalition partners significant capabilities that enhance ground-to-ground and air-to-ground CID and, thereby, prevent fratricide. The Army also continues to support joint and coalition initiatives to improve current capabilities and develop new ones.

Army situational awareness systems in Afghanistan include: Force XXI Battle Command, Brigade and Below (FBCB2), a system that generates and shares situational awareness (SA) information for both ground and rotary wing joint platforms (including 10,000 for the MRAP vehicles); Friendly Force Tracking System for SA with coalition partners; Movement Tracking System for logistics operations; Special Operations Forces' Mini-transmitter; and, SA generated by other systems and shared world-wide by the CONUS National Operations Center.

Target identification/acquisition systems in Afghanistan include improved electro-optics (thermal, image enhancement and hybrid sights and viewers), and enhanced night vision devices for both ground-to-ground and air-to-ground employment. The Joint CID Marking System, which identifies friendly ground platforms, was fielded to forces in Operation Iraqi Freedom and OEF.



Visual identification training. The Army's CID visual training capability, "Recognition of Combatants" (ROC), uses as-seen-through Forward-Looking Infrared Radar imagery as the basis for interactive software and simulations. ROC is broadly fielded to Army schools and units, and embedded in fielded SA systems, such as FBCB2, in order to train, rehearse and prepare units for combat. ROC is contained in an Army Chief of Staff initiative that will provide the Army squad an overmatch capability moving forward. Army live-fire ranges now use high resolution and interactive targets to impart CID knowledge and skills.

Army contributions to new joint and coalition capabilities. The CID Server air-to-ground SA system in Afghanistan helps coalition fixed wing aircraft clear air-to-ground fires before engaging targets. Army FBCB2 provides critical ground position location data into a ground server, where it is continually updated and provided to aircraft on demand.

#### REVERSIBILITY OF CUTS

147. Senator CORNYN. Secretary McHugh and General Odierno, in DOD's strategic guidance announcement in January, both Secretary Panetta and General Dempsey highlighted the need to build in reversibility as these significant cuts to our Nation's defense budget are made. The strategic guidance document also states, "the concept of 'reversibility'—including the vectors on which we place our industrial base, our people, our Active-Reserve component balance, our posture, and our partnership emphasis—is a key part of our decision calculus." Reversibility sounds like a euphemism for "we're not totally sure that these cuts represent sound policy." In your opinion, is it realistic to think that, within a reasonable timeframe, we could reverse decisions as monumental as downsizing our Army by nearly 80,000 troops (close to pre-September 11 levels) and delaying or cancelling major acquisition programs?

Secretary MCHUGH and General ODIERNO. The Army will conduct end strength reductions using a gradual ramp over a 6-year period. The gradual reductions will also allow the Secretary and I the flexibility to evaluate each year whether we are moving at the right pace. If reversals are necessary, we are confident that the flexibility built within the gradual ramp will allow us to regrow the Army in a reasonable timeframe to address any unforeseen contingencies.

The New Defense Strategy released in January 2012 notes that since we cannot predict how the strategic environment will evolve with absolute certainty, we need to manage the force in ways that protect its ability to regenerate capabilities should they be needed to meet future, unforeseen demands. The Army will reverse and expand through the adaptation of current manning, equipping, training, and acquisition policies to support regeneration of additional BCTs and enablers in response to any unforeseen requirements or changes in the defense strategy. We are examining existing policies and procedures and will make adjustments that would posture the Army to slow down and reverse a planned drawdown.

#### DOWNSIZING OF U.S. LAND FORCES

148. Senator CORNYN. Secretary McHugh and General Odierno, according to the DOD strategic guidance document released in January, the new strategy must "protect key investments in the technologically-advanced capabilities most needed for the future ... [and] no longer size Active Forces to conduct large and protracted stability operations while retaining the expertise of a decade of war." As a result, DOD has proposed eliminating about 80,000 soldiers from the Army. Although weapons development can usually be accelerated, there is no real way to accelerate the development of quality military leaders during times of crisis. Our force has such leaders in it today, including many thousands of NCOs who learned the hard lessons of Iraq and Afghanistan. But once they leave the force, in most cases they cannot be replaced. Following every war since World War II, the United States has significantly reduced Army and Marine Corps levels while focusing on developing air and sea forces. In recent decades, when confronted with the next crisis—including Korea, Vietnam, and the Persian Gulf—we have been forced to try to regenerate sizeable land forces. In your opinion, can the Army ensure that it retains the expertise and experience garnered by our NCOs and other leaders over the past decade, preserving it for the next conflict, while making such drastic reductions to our Army end strength? If yes, how do you propose to do this?

Secretary MCHUGH and General ODIERNO. Yes, the Army intends to minimize induced (forced) losses across the enlisted force by lowering accessions without jeopardizing future Army requirements. This, combined with natural attrition will miti-

gate forced losses and preserve the maximum amount of experience across our NCO Corps. Because personnel life-cycle policies and processes are designed to satisfy structure requirements, this strategy also supports our ability to expand to meet unexpected operational demands. A key planning precept is that the Army will make the choices, to the greatest extent possible, on who will remain and who will separate. We will not sacrifice our investment in leader development and we will continue to shape policies to support the Army's leader development strategy. The resulting enlisted force, with execution of the Army's personnel life-cycle policies/processes, will satisfy future requirements while retaining experiences acquired following a decade of war.

The Army plans to retain a higher level of combat veteran officers and NCOs with significant combat and operational experience in the Generating Force. They will occupy positions that already exist in our schoolhouses and support units that the Army has been unable to fill for the past decade due to exceptionally high OPTEMPO and mission demands. These officers and NCOs will be experienced trainers, doctrine writers, platform instructors, personnel developers, combat systems subject matter experts, all lending their knowledge of emerging threats and operational techniques to the institutional systems that will mold and temper our future Army units. These officers and NCOs will also circulate into and out of operational units as part of normal career assignment patterns. All will be able to transition back to operational support of mission units with a minimum of preparation.

149. Senator CORNYN. Secretary McHugh and General Odierno, given that we are still fighting a land war in Afghanistan, coupled with our historical inability to predict the next conflict, what is your assessment of the DOD strategic guidance conclusion that we will rely more heavily on air and sea capabilities in the future?

Secretary MCHUGH and General ODIERNO. The DOD Strategic Guidance released in January 2012 does not make such a conclusion. While stating the Primary Missions of the U.S. Armed Forces, it does state that we will have a global presence emphasizing the Asia Pacific and the Middle East while still ensuring our ability to maintain our defense commitments to Europe, and strengthening alliances and partnerships across all regions. This global presence requires a Joint Force that is prepared to confront and defeat aggression anywhere in the world. Relying primarily on a narrow concept of air and sea capabilities is to provide a focused vision on one part of the world, not a global strategy.

The evolving challenges and opportunities in the Asia-Pacific region are forcing us to rebalance toward that area of the world, but we must also maintain our defense efforts in the Middle East and Europe to defeat violent extremists and destabilizing threats as well as upholding our commitment to allies and partner states. To meet these and any other challenges, the Joint Force requires a ready and agile Land Force Component. Land Forces provide the Nation with the capability to react to those conflicts we have historically been unable to predict. Land Forces build relationships with allies and partners that develop and maintain interoperable military capabilities and access to land areas.

Whenever military forces are committed to a conflict, the type of force brought to bear is a function of the force requirements determined and requested by the theater combatant commander based on the context in which it takes place. In all cases, the response requires a Joint Force that includes all Services, though each conflict will require differing proportions of each. As our recent experience and history teaches us, we are poor at predicting where, when, and how we are required to use our military. One consistent theme, however, is that ground forces are required to achieve decisive and lasting results, particularly when our interests include ensuring stability in a strategically important region.

#### PERMANENT CHANGE OF STATION POLICIES

150. Senator CORNYN. Secretary McHugh and General Odierno, current Army policy requires relatively frequent permanent change of station (PCS) moves for most soldiers and their families. At a time when each of the Military Services is being pressured to find ways to stretch each and every dollar and improve its fiscal stewardship, a thoughtful and sensible revision of the Army's PCS policies could potentially save millions of dollars annually, which the Army could use to meet other requirements. Requiring PCS moves every 5 or 6 years—instead of every 2 or 3 years—would also improve the quality of life of our soldiers and reduce the strain on military families, certainly a worthy goal. In so doing, you would enable many military spouses to pursue their own careers without facing frequent relocations, and you would ease the stress that frequent moves and school relocations put on

military children. Perhaps most importantly, you would ensure that units remain intact after deployment, which would provide a better support system for soldiers who are dealing with post-deployment issues such as post traumatic stress disorder (PTSD) or potential suicide. Do you see any potential for the Army to rethink its current PCS policies to cut unnecessary expenses and improve the quality of life for soldiers and their families? If so, how would these policies have to be reformed to accomplish this?

Secretary McHUGH and General ODIERNO. The Army has already maximized the benefit to soldiers, their families, and the operational Army by extending dwell time by 1 year in the ARFORGEN cycle. The existing DOD's PCS program which the Army implements is essential to providing the resources to sustain the Army's force, meet congressionally mandated end strengths and directed missions through the use of accession, training, operational, rotational, unit and separation moves. Of these categories only Operational and Rotational moves are considered discretionary.

Currently, DOD prescribes a minimum of 36 months Time on Station constraint before we assign soldiers within or from the continental United States. The Army has extended that constraint to 48 months. While waivers are permitted, they are restricted to the Headquarters that directs assignments for the Service. We have an active program to encourage soldiers to extend their overseas tour to include permitting a generous Assignment Incentive Pay program to encourage overseas tour extensions. We have extended the prescribed tour lengths in Korea, in some instances, to 36 months to permit more soldiers to serve in an accompanied status.

Adopting an ARFORGEN focused manning system provides a platform to increase stability and predictability for soldiers and Families and facilitate improved unit rotational readiness. We are looking at reducing our training costs through distance learning and education permitting the soldier to remain assigned to their home stations. In summary, under the All-Volunteer Force program, soldiers enter the Army for a fixed period of time. Except for extraordinary circumstances, soldiers are free to leave the Army at the end of their obligation. These losses generate near-equal numbers of replacements and associated training requirements. These three major elements of the PCS program account for approximately two-thirds of the annual PCS move count. The remaining moves are used to meet the day-to-day mission needs, defined in PCS terms as rotational, operational and unit moves. Consequently a big reduction of the remaining 25 percent would prevent the Army from fulfilling their mandates to equip, train, and maintain the readiness of the force.

#### C-27 DIVESTMENT

151. Senator CORNYN. Secretary McHugh and General Odierno, as you know, the fiscal year 2013 budget request details the Air Force's plans to eliminate the C-27 from their inventory. The Air Force took over the C-27 program from the Army in 2009, although the C-27 was developed and procured to provide a niche capability to directly support Army urgent needs in difficult environments such as Afghanistan, where the C-130 might not be able to operate effectively. Do you support the Air Force's decision to divest an entire fleet of brand new C-27s?

Secretary McHUGH and General ODIERNO. The Army has a capability requirement for intra-theater lift to be provided to ground forces, as the Army currently has in Afghanistan. CH-47s are used heavily and cannot bear the whole load. To assist us with our requirement, the Air Force has agreed to provide fixed wing aircraft for resupply. A Memorandum of Agreement signed by the Air Force and Army on January 27, 2012, states "The Combatant Commander/Joint Force Commander should TACON (Tactical Control) an Expeditionary Airlift Squadron or Detachment to the Commander, Army Forces who will exercise Tactical Control through the Senior Army Aviation Authority. The dedicated Expeditionary Airlift Squadron may, at the discretion of the Combatant Commander/Joint Force Commander, collocate with an Army Combat Aviation Brigade or Task Force to provide tactical airlift for transport of Army Forces time sensitive/mission critical equipment, supplies and personnel." The Air Force assures the Army it will be able to fulfill this requirement with their current C-130 fleet. The Air Force commitment to meet the Army's intra-theater lift requirement using C-130 aircraft to support Army ground forces fulfills this requirement. The Army does not currently have or foresee any gaps or shortfalls for intra-theater lift requirements or theater logistical supply chain requirements based upon this agreement.

152. Senator CORNYN. Secretary McHugh and General Odierno, do you agree with their assessment that mission requirements can be fully met with C-130s and C-17s?

Secretary McHUGH and General ODIERNO. The Army has a capability requirement for intra-theater lift to be provided to ground forces, as the Army currently has in Afghanistan. CH-47s are used heavily and cannot bear the whole load. To assist us with our requirement, the Air Force has agreed to provide fixed-wing aircraft for resupply. A Memorandum of Agreement signed by the Air Force and Army on January 27, 2012, states "The Combatant Commander/Joint Force Commander should TACON (Tactical Control) an Expeditionary Airlift Squadron or Detachment to the Commander, Army Forces who will exercise Tactical Control through the Senior Army Aviation Authority. The dedicated Expeditionary Airlift Squadron may, at the discretion of the Combatant Commander/Joint Force Commander, collocate with an Army Combat Aviation Brigade or Task Force to provide tactical airlift for transport of Army Forces time sensitive/mission critical equipment, supplies and personnel." The Air Force assures the Army it will be able to fulfill this requirement with their current C-130 fleet. The Air Force commitment to meet the Army's intra-theater lift requirement using C-130 aircraft to support Army ground forces fulfills this requirement. The Army does not currently have or foresee any gaps or shortfalls for intra-theater lift requirements or theater logistical supply chain requirements based upon this agreement.

153. Senator CORNYN. Secretary McHugh and General Odierno, could you support a move by Congress to keep these new aircraft in the Air Force inventory, instead of allowing them to be divested, as the Air Force is requesting?

Secretary McHUGH and General ODIERNO. The Army has a capability requirement for intra-theater lift to be provided to ground forces, as the Army currently has in Afghanistan. CH-47s are used heavily and cannot bear the whole load. To assist us with our requirement, the Air Force has agreed to provide fixed wing aircraft for resupply. A Memorandum of Agreement signed by the Air Force and Army on January 27, 2012, states "The Combatant Commander/Joint Force Commander should TACON (Tactical Control) an Expeditionary Airlift Squadron or Detachment to the Commander, Army Forces who will exercise Tactical Control through the Senior Army Aviation Authority. The dedicated Expeditionary Airlift Squadron may, at the discretion of the Combatant Commander/Joint Force Commander, collocate with an Army Combat Aviation Brigade or Task Force to provide tactical airlift for transport of Army Forces time sensitive/mission critical equipment, supplies and personnel." The Air Force assures the Army it will be able to fulfill this requirement with their current C-130 fleet. The Air Force commitment to meet the Army's intra-theater lift requirement using C-130 aircraft to support Army ground forces fulfills this requirement. The Army does not currently have or foresee any gaps or shortfalls for intra-theater lift requirements or theater logistical supply chain requirements based upon this agreement.

#### MILITARY VOTING

154. Senator CORNYN. Secretary McHugh, the Military and Overseas Voter Empowerment (MOVE) Act enacted by Congress as part of the NDAA for Fiscal Year 2010, requires DOD to create a motor voter-style voting assistance office on every military installation, thereby providing military servicemembers and their families with critical voting assistance, regardless of how far they might be from their hometowns. As the 2012 elections fast approach, I am concerned that the Army and the other Military Services have dragged their feet on fully implementing this requirement. This provision was passed in order to provide servicemembers the same level of assistance that civilians receive under the Federal motor voter law—the National Voter Registration Act (NVRA)—I know you agree that their service and sacrifice demand no less. Please outline the Army's efforts, to date, to comply with this requirement.

Secretary McHUGH. The Army is committed to providing our servicemembers, their family members, and our civilian employees numerous opportunities to receive voting assistance—we take that responsibility very seriously. We also take our role in ensuring that each person has the opportunity to cast their ballots in general, primary and special elections equally seriously.

Since enactment of the MOVE Act and the November 2010 release of the DOD Directive-Type Memorandum that provided implementing instructions, the Army has taken significant steps to ensure the Voting Assistance Offices are established, manned, and resourced to accomplish their role in compliance with the MOVE Act and fulfilling our obligation to facilitate our personnel's right to vote wherever their duties may take them.

Key steps the Army has taken include:

- On December 9, 2010, the Army issued Military Personnel Message 10–323—Guidance in Implementing Installation Voting Assistance Offices Service-wide.
- On June 3, 2011, The Adjutant General sent a Memorandum to the Army's Installation Management Command detailing the requirements for implementation of the Federal Voting Assistance Program's (FVAP) revised Measures of Success Reporting and Installation Voting Assistance Offices.
- On September 3, 2011, the Army published the 2011 Army Voting Action Plan which formalized the already-established Installation Voting Assistance Office Requirement.
- The Army's Voting Action Officer has established and maintains a robust communications strategy with Installation and Unit Voting Assistance Offices alike, using general and specifically targeted communications to ensure voting information is rapidly and effectively distributed.
- The Army Budget request for fiscal years 2013–2017 includes a provision for \$20 million specifically to fund the sustainment and staffing of these offices.
- In their 2010 DOD Inspector General Evaluation of the DOD Federal Voting Assistance Program, dated March 22, 2011, the Inspector General found the Army to have an effective and compliant Voting Assistance Program.
- Additionally, the U.S. Army Recruiting Command reports the number of Voter Registration Forms handed out on a quarterly basis, expanding our supported population well beyond the Army's ranks.

As of June 1, 2011, the FVAP confirmed the Army is fully compliant with the requirement of establishing Voting Assistance Offices to supplement and seamlessly integrate with the already well-established and extensive network of Unit Voting Assistance Officers.

155. Senator CORNYN. Secretary McHugh, are you willing to get personally involved to ensure the Army complies with the MOVE Act and the motor voter law on every military installation, as required?

Secretary McHUGH. I continue to be personally involved in the Army's successful implementation of the MOVE ACT and the motor voter law on all Army installations. I have taken a personal interest in the program, ensuring that the offices have not only been established, but that they are manned, resourced, and integrated into the total Army Voting Assistance Program. I have also emphasized the importance of sustaining our successes in compliance with the MOVE Act in the long term and the full spectrum of the Army Voting Program from my office down to individual unit voting officers.

The Army has established a close partnership with the FVAP and is integrating an unprecedented level of absentee voter-related communications to empower the individual voter and to further assist the Voting Assistance Officers and the Absentee Voting Program in general.

- The Adjutant General of the Army and Sergeant Major of the Army Chandler have each filmed two voting Public Service Announcements that are being broadcast on the Armed Forces Network worldwide as well as over Internet outlets.
- We transmitted over 1.6 million emails to soldiers, retirees, and family members and already have plans to send another email broadcast as we approach the 2012 General Elections.
- Each soldier's Leave and Earnings Statement for December 2011 included a message emphasizing the voting program. A similar message will re-emphasize the program as we draw closer to the general elections.
- The Army Voting Program has made extensive use of social media outlets such as Facebook to assist soldiers and their family members with their voting needs.
- The Army continues to use collaborative tools and information sharing sites to push current and relevant voting information to our Voting Assistance Officers and personnel.

156. Senator CORNYN. Secretary McHugh, is it your assessment that the Army is in full compliance with its full range of obligations under the NVRA, as required by the MOVE Act?

Secretary McHUGH. The Army is in full compliance with its obligations under NVRA. I continue to be personally involved in the Army's successful implementation of the MOVE ACT and the motor voter law on all Army installations. I have taken

a personal interest in the program, ensuring that the offices have not only been established, but that they are manned, resourced, and integrated into the total Army Voting Assistance Program. I have also emphasized the importance of sustaining our successes in compliance with the MOVE Act in the long term and the full spectrum of the Army Voting Program from my office down to individual unit voting officers.

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#### QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

##### DEFENSE CUTS

157. Senator VITTER. Secretary McHugh, you have stated that our Nation and Army are at a strategic crossroads marked by significant challenges. In your opinion, does the current budget do sufficient work at targeting inefficiencies, redundancies, and to address unnecessary waste, or does it put the primary weight of the cuts on the men and women serving in uniform?

Secretary MCHUGH. We are always looking for opportunities to maximize the value of every dollar that the taxpayer provides and Congress appropriates. We built a fiscal year 2013 budget request that funded the Army's requirements. The President's budget reflects \$3.6 billion in Track 1 efficiencies that were taken during the development of the fiscal year 2012–2016 program. Resultant savings enabled the Army to fund our highest Readiness, Quality of Life, and the future capabilities priorities and reaffirmed the compact we have with our men and women in uniform and their families.

158. Senator VITTER. Secretary McHugh, what are areas where, in your opinion, the numbers could be maintained and the cuts redirected to root out wasteful spending?

Secretary MCHUGH. I believe that the reductions and savings that were taken when we prepared the fiscal year 2013 budget request results in manageable risk to the Army. The Army has never supported wasteful spending. We are fully engaged in implementing the Presidential directive to cut spending from areas like travel, conferences, printing, the proliferation of IT and communications devices, and the size of our vehicle fleets. We will continue to identify ways to maximize the value of the resources that you provide to the Army.

159. Senator VITTER. Secretary McHugh, do you see energy as the largest venue for the military to save?

Secretary MCHUGH. No. The Army is the largest facilities energy consumer in the Federal Government, spending \$1.3 billion on facility energy in fiscal year 2011. We are making tremendous progress in saving energy in our facilities. Reducing energy use across the Army is mission critical, operationally necessary and financially prudent. Energy is fundamental to Army capability and performance and the Army's energy requirements are driven by the military mission. Since fiscal year 2003, the Army's facilities energy consumption has dropped 13 percent although costs have increased by more than 50 percent due to increases in cost from utility providers. Investments in energy efficiency and renewable energy on our installations are vital

to maintaining mission capability and performance while serving to provide some control over escalation in energy costs. Saving energy does not directly result in reduced costs.

160. Senator VITTER. General Odierno, you have previously highlighted the essential component that the Joint Force plays in maintaining the Army's ability to combat across a full range of operations as part of a Joint Force. On August 4, 2011, at the 'Casing the Colors of U.S. Joint Forces Command' you stated that, "today's complex operating environment requires a Joint Force that is flexible and adaptive to the challenges of this new environment. We have employed our land, air, and maritime forces in ways we didn't envision a decade ago, but in ways which are now standard practice—in ways which are essential to meet our current national strategy and warfighting demands." I strongly support your statement, and our men and women in uniform who are working to support core missions such as joint training and joint integration. I also believe that in line with this we must make cuts that do not negatively affect the joint effort of our overall training system that has led the United States to become the highly effective elite fighting force it is today.

I understand that the Air Force has recently announced in its fiscal year 2013 budget to largely reduce the total number of A-10 fleet. While I understand the need for certain reductions, the Air Force announcement to cut all 24 A-10s from Barksdale Air Force Base (AFB)—21 eliminated, 3 transferred—according to Air Force documents, appears to be in contradiction of joint operational preparation needed. I believe the Air Force announcement to cut all 24 A-10s from Barksdale AFB hugely effects fundamental joint operations. These aircraft were strategically placed in Barksdale AFB to support joint training at the Joint Readiness Training Center (JRTC) at Fort Polk.

My concern is that the A-10s slated to be cut entirely from Barksdale AFB are used to support the joint training mission of the Army in Fort Polk. In addition to the necessity for training, I do not believe that it is possible to strip away the A-10s from Barksdale while also maintaining the force necessary at Fort Polk without increasing cost of operations.

Have the joint operational training aspects been considered in this decision, and was the Army consulted on this decision?

General ODIERNO. The U.S. Air Force (USAF) did not consult with the Army regarding moving the A-10 mission out of Barksdale. The Army will continue to request joint assets through the Global Force Management Allocation Process and does not foresee any gap in joint capability. From the Army perspective, the stationing of the aircraft is not a concern. The Army has expressed the importance of having platforms available for Army training at the JRTC, the National Training Center (NTC), and the Joint Multinational Training Center.

161. Senator VITTER. General Odierno, are you aware of any consultation between the Army and the Air Force regarding the removal of this mission from Fort Polk? If so, please provide the cost savings to DOD of bringing A-10s into Louisiana for training when the nearest planes needed for Army training would now be located in Georgia, Florida, Idaho, or Arizona.

General ODIERNO. The U.S. Air Force (USAF) did not consult with the Army regarding moving the A-10 mission out of Barksdale. The USAF is best suited to provide any DOD cost savings based on aircraft locations in relation to Army training support and Air Force missions.

162. Senator VITTER. General Odierno, please provide a cost assessment of the JRTC usage of A-10 fighters based out of Barksdale AFB, and what the Air Force reduction of the A-10 unit in Barksdale will do to the JRTC training in Fort Polk.

General ODIERNO. There is no additional cost to the JRTC due to the decision of A-10 basing by the USAF. JRTC and the USAF Green Flag East (GFE) exercises run concurrently. The Close Air Support (CAS) for GFE also supports JRTC training audiences. There is no distinction between the two with regard to fixed-wing CAS sorties. The Army does not anticipate any impacts to the JRTC joint opportunities. The Army will fill training support through the Global Force Management Allocation process. This process will match requirements with available assets.

163. Senator VITTER. General Odierno, the current Director of National Intelligence recently testified before the Senate that "The next 2 to 3 years will be a critical transition phase for the terrorist threat facing the United States." Do you believe that in keeping with the current National Defense Strategy laid out earlier this year, the Army is building our future force to meet the Nation's requirements as you see what lies ahead of us?

General ODIERNO. While the future is uncertain and complex we can be certain our Nation will continue to call on America's Army. The characteristics of the future force are very similar to those of the current force; a force with seasoned, innovative and adaptive leaders. The Army will capitalize on the investments in our leaders, Intelligence, Surveillance, and Reconnaissance capabilities, Special Operations (SOF) and Aviation as we move forward meeting the Nation's requirements. Additionally, we will continue the strides we've made in our SOF and conventional force integration over the past decade of war by ensuring training opportunities at our Combat Training Centers.

Cyber will also shape the future environment, and in accordance with the defense strategy, we will continue to participate in the DOD effort to work with domestic and international allies and partners and invest in advanced capabilities to defend our networks, operational capability, and resiliency in cyberspace and space.

The Army will respond, as part of the joint force, to any contingency that threatens our Nation and our way of life. Under the new defense strategy, force reductions in the present budget-constrained environment will challenge the Army's ability to project land power. However, it's essential that we, the Army, do our part in helping to get the budget right, to get our economy moving, and to ensure that we reduce spending. As we reduce the force, we will need to manage risk by balancing end strength, readiness, and modernization. We must ramp down gradually, retain mid-grade officers and NCOs, and will continue to rely on OCO funding.

[Whereupon, at 12:41 p.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, MARCH 13, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**U.S. SOUTHERN COMMAND AND U.S. NORTHERN  
COMMAND**

The committee met, pursuant to notice, at 9:32 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Webb, Udall, Hagan, Begich, Blumenthal, McCain, Chambliss, Brown, and Ayotte.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Richard W. Fieldhouse, professional staff member; Jessica L. Kingston, research assistant; and Michael J. Kuiken, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Adam J. Barker, professional staff member; Christian D. Brose, professional staff member; and Daniel A. Lerner, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff; Bradley S. Watson; and Maggie K. McNamara.

Committee members' assistants present: Bryon Manna, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Gordon Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Lindsay Kavanaugh, assistant to Senator Begich; Clyde Taylor IV, assistant to Senator Chambliss; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; Sergio Sarkany, assistant to Senator Graham; and Joshua Hodges, assistant to Senator Vitter.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. The committee meets this morning to hear from two distinguished military leaders to discuss security in our hemisphere: General Douglas M. Fraser, USAF, Commander, U.S. Southern Command (SOUTHCOM); and General Charles H. Jacoby, Jr., USA, Commander, U.S. Northern

Command (NORTHCOM), and Commander, North American Aerospace Defense Command (NORAD).

This is General Jacoby's first appearance before the committee as commander and we look forward to working with you, General, in your new position.

General Fraser, this is likely to be your last posture hearing before the committee and we've greatly appreciated your testimony and advice over the past 3 years. Our Nation appreciates your 37-plus years of service in the U.S. Air Force. I understand that you and your wife, Rena, are planning to enjoy some much-deserved down time after your change of command and we truly wish you all the best.

In addition to thanking each of you for your long and distinguished service to our Nation, we would also ask that you express our heartfelt gratitude to the men and women who serve with you for their exceptional service and for their many contributions to our security. We offer our thanks to your families and the families of all your personnel, since they share in the sacrifices of their service and because their support is so important to the success of your missions and thus to our Nation's security.

NORTHCOM, which was established after the terrorist attacks of September 11, is responsible for the defense of the Homeland and for providing defense support to civil authorities in response to natural or manmade disasters here at home. Its area of responsibility (AOR) also includes all of North America, including Canada and Mexico. General Jacoby also serves as Commander of NORAD, the binational command with Canada that has the mission to provide aerospace warning, aerospace control, and maritime warning for North America. We'd be most interested to learn, General, about how NORTHCOM and NORAD might contribute to the emerging domain of cyber security in the Homeland.

As part of the mission of providing defense support to civil authorities NORTHCOM must work closely and cooperatively with other Federal agencies, particularly the Department of Homeland Security (DHS), and with all the States on plans and coordination for the emergency response to domestic disasters. This requires close coordination with the State Governors and the National Guard Forces to improve their combined Federal and State response capabilities to a wide variety of emergencies.

We made significant progress on this front last year with several initiatives, including the new dual-status command capability, which is intended to allow State and Federal military forces to work together to support a Governor's needs for disaster assistance. As part of this effort, Congress authorized legislation to permit the callup of Federal military Reserve Forces to support Governors responding to a natural disaster. We would be interested to hear General Jacoby's views on how these new initiatives are working and how they will work.

As part of its Homeland defense mission, NORTHCOM is also the combatant command responsible for the operation of the Ground-based Midcourse Defense (GMD) system, to defend the United States against the threat of a potential future ballistic missile attack from nations such as Iran and North Korea. The last two flight tests of the GMD system using the latest model of the

Exoatmospheric Kill Vehicle (EKV) resulted in failures. The Missile Defense Agency (MDA) is taking steps to ensure that the new EKV's work reliably and effectively before we produce more, including adequate testing and system enhancements, as this committee recommended in last year's bill.

The Department of Defense (DOD) is also pursuing improvements to the reliability of the GMD system that will allow the use of fewer interceptors to defeat future intercontinental ballistic missiles, thus effectively increasing our inventory of interceptors over time. In addition, as part of phase 4 of the Phased Adaptive Approach to missile defense, DOD is developing the Standard Missile 3 Block IIB (SM-3 IIB), to defend against potential long-range Iranian missiles that could reach our Homeland. This would augment our GMD system and we look forward to hearing General Jacoby's views on these and related programs.

Turning to the southern part of our hemisphere, in July 2011, the President released his Strategy to Combat Transnational Organized Crime (TOC). This strategy is the first of its kind, but the threat posed by transnational criminal organizations (TCO) is not new to either of our witnesses. Today, we hope our witnesses will provide their assessment of the threat posed by these TCOs and help the committee understand their respective commands' role in addressing this threat.

NORTHCOM and SOUTHCOM are the primary entities through which DOD engages in the Western Hemisphere. The ability of TCOs to outgun civilian law enforcement and to buy influence has meant that militaries have been asked to take on internal security responsibilities throughout the region. This expanded role for our neighbors' militaries provides opportunities for our military to improve its advise and assist activities and to enhance our military-to-military relations.

The committee looks forward to learning of your continued engagement in the hemisphere and the opportunities it presents for our commands, including on matters such as respect for civilian control of the military and respect for human rights. Given the horrific level of violence in Mexico, especially related to drug trafficking and the flow of money and guns from our country into Mexico, we want to hear General Jacoby's assessment of the current security situation along and below our border and the cooperation between our two militaries to help defeat TCOs.

The SOUTHCOM AOR includes the Caribbean and Central and South America. General Fraser, as we discussed last week, while there is no traditional military threat emanating from the region, SOUTHCOM is contending with an increasingly powerful and capable threat in the form of TOC. These criminal organizations have grown to the point where they are a real threat to national and international security. The committee is deeply concerned about this matter and is prepared to consider ways to enable DOD to provide its unique capabilities to American law enforcement, as well as foreign law enforcement and militaries where appropriate, to ensure that these organizations are brought to justice.

Efforts to combat TCOs and other armed groups in the region have seen some success. Over the past two decades, the United States has invested heavily in building the capacity of the Colom-

bian military and police and the results of this investment are becoming increasingly clear. The Colombian Government is now in control of the vast majority of the country and the Revolutionary Armed Forces of Colombia are largely on the run and operationally limited to fleeting attacks against government installations in remote parts of the country.

In Central America, the impact of TCOs is most acute. The efforts of SOUTHCOM to detect and monitor aerial and maritime trafficking in the eastern Pacific and the Caribbean have driven these criminal organizations to more complex methods of trafficking their drugs, money, and weapons, including semi- and fully-submersible vessels.

TCOs have also begun to take advantage of nations that either lack the capacity and/or the will to confront their trafficking. These complex criminal networks require SOUTHCOM to continue to adapt and expand its activities with willing partners to confront the threat.

Further south, General Fraser, a different picture emerges. Brazil, Argentina, and Chile are developed nations with capable militaries that help improve international security by contributing to various multilateral operations around the globe. These contributions are important and they should not go unnoticed.

In Venezuela, the United States is confronted by a government and a military that is a purveyor of instability. President Chavez and his followers sow instability through their support to TCOs which traffic drugs, money, and weapons through the region. We look forward to your testimony on that matter as well, General Fraser.

So, General Fraser, General Jacoby, I have just touched the surface of the issues that face you in your commands. We look forward to hearing your testimony and to continuing to do everything we can to help SOUTHCOM and NORTHCOM accomplish their security objectives. We thank you both again for appearing before the committee and for your service to our Nation.

Senator McCain.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Thank you, Mr. Chairman. I join you in welcoming our witnesses today and thanking them for their many years of distinguished service to our Nation. I also want to extend my appreciation to the dedicated men and women serving under their commands.

I especially want to recognize General Fraser as this will be his final time testifying before this committee in uniform. I imagine he'll be celebrating this occasion later today.

What is clear from the testimony this committee has received over the last several weeks from our various regional combatant commanders is that the threats confronting our Nation, our interests, and our ideals are not diminishing. Rather, they are increasing in scope and complexity. As a result, the work of our Armed Forces remains vitally important to our national security.

As the prepared testimony from our witnesses today illustrates, this is particularly true of the situation in our own hemisphere. The horrific violence attributed to TCOs and cartels continues to

threaten the United States and erode governance and security across the region. These organizations exploit weak security forces, bribe corrupted government officials, and transit easily across undergoverned territory and porous borders. Their distribution networks have grown in scale and sophistication and we have seen a diversification in what is being trafficked, which now includes not just drugs, but also human beings, bulk cash, and military-grade weapons.

These groups maintain enormous cash reserves and in many cases are better equipped and more capable of the government forces who are trying to stop them. Of particular concern is the deteriorating situation in Central America. As General Fraser notes in his testimony, "Central America has become the key transshipment zone for illicit trafficking in the hemisphere." Approximately 90 percent of cocaine destined for the United States transits the sub-region. As a result, violence has risen to alarming levels. Last year, the city of San Pedro Sula in Honduras overtook Ciudad Juarez in Mexico as the most dangerous city in the world.

The reach of these criminal organizations extends from South and Central America directly into North America, including the U.S. Homeland. In Mexico, we have witnessed an escalation of the violence that continues to terrorize its citizens. President Calderon and his administration have demonstrated courageous leadership in their country's fight against drug cartels and criminal gangs. But this fight has come at great cost. Since 2006, nearly 50,000 Mexicans have been killed as a result of drug-related violence, including 13,000 last year alone. Such tragic figures serve as a stark reminder of the threat that these groups pose and underscore the need for continued U.S. support to our partners in Mexico.

The threat from these groups does not end at the border, however. According to the 2011 National Drug Threat Assessment released by the Department of Justice (DOJ), the cartels now maintain a presence in over 1,000 U.S. cities.

General Jacoby, I look forward to your assessment on the reach of these networks, what NORTHCOM is doing to assist its U.S. law enforcement counterparts in combatting them, and what can be done to improve and expand this partnership.

General Jacoby, as Commander of NORTHCOM, you're tasked with one of our government's most fundamental responsibilities, the defense of the Homeland. What this committee has learned over the last several weeks of testimony is that the world is complex and dangerous. This places significant responsibility on you and NORTHCOM to properly posture itself to defend against and respond to the myriad threats that confront us. I'm interested in your assessment of what the greatest threats to the Homeland are and what is being done by your command in coordination with the interagency to address them.

Again, I thank you both for appearing before this committee today and I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.  
General Fraser.

**STATEMENT OF GEN. DOUGLAS M. FRASER, USAF,  
COMMANDER, U.S. SOUTHERN COMMAND**

General FRASER. Mr. Chairman, Senator McCain, distinguished members of the committee: Thank you for the opportunity to appear before you this morning and thank you for the kind words, not only for me but, more importantly, for the men and women who serve in SOUTHCOM. It really is my distinguished honor to represent them here today.

I'm extremely pleased also this morning to join my good friend and close partner, Chuck Jacoby, as we have a very clear and close partnership between NORTHCOM and SOUTHCOM as we work the topics and the criminal organizations transitting through our two regions. Our routine cooperation and collaboration means that the relationships between our staffs grow closer every day.

With the continued support of Congress and the members of this committee, SOUTHCOM will continue defending the southern approaches to the United States, enhancing regional security, and building enduring partnerships.

Mr. Chairman, I have prepared a full statement and respectfully request that it be entered into the record.

Chairman LEVIN. It will be made part of the record.

General FRASER. Mr. Chairman, I want to briefly discuss two topics with you this morning, and both you and Senator McCain briefly talked about them. That's countering TOC. My other topic is building enduring partnerships.

As I have discussed with you in previous testimony, as you mentioned this morning, SOUTHCOM has increasingly focused on a concern that permeates the region—TOC. As Vice President Biden discussed during his visit to Mexico and Honduras last week, TOC is seriously impacting citizen safety in Central America, especially Guatemala, El Salvador, and Honduras. TCOs threaten to overwhelm law enforcement capacities and, in an effort to reduce violence and halt the spread of these criminal groups, these countries have deployed their militaries in support of law enforcement organizations.

To address this growing threat, last year the President implemented a strategy to combat TOC. In support of this strategy, SOUTHCOM developed and implemented Operation Martillo, a focused plan to eliminate illicit maritime traffic in the departure zones of South America and the arrival zones in Central America. In Central America, we help train our partner militaries to effectively support their law enforcement organizations. SOUTHCOM supports U.S. interagency and international efforts by providing network analysis of TCOs and their operations.

In the Caribbean, under the Caribbean Basin Security Initiative, we are developing a regional maritime interdiction plan to enhance the capabilities of our Caribbean partners. In South America, we will sustain our support to Colombia and to Peru as they fight narcoterrorist groups in these countries.

Success in combatting TOC will be enhanced by fostering enduring partnerships with international and interagency organizations. That's my second topic this morning. SOUTHCOM is working to build such partnerships by enhancing cooperation and promoting information-sharing with regional and interagency organizations.

In addition, we are strengthening our partnerships through traditional military engagement programs and activities with our counterparts across Latin America. We work with them to strengthen humanitarian assistance and disaster relief capacities and we remain ready to respond should our assistance be requested.

Last year, we conducted hundreds of training and educational events, 11 major multinational exercises with partner nations in the hemisphere, and 57 medical readiness training exercises in 14 different countries. This sustained engagement is yielding important benefits. Last year, for the first time Colombia assumed the land component commander role during Panamax, our annual multinational exercise focused on supporting the defense of the Panama Canal. This year Brazil will also join Colombia and they will assume the role as the maritime component commander, an important step in strengthening and expanding our partnerships throughout the hemisphere.

In closing, Mr. Chairman, I'd like to thank Congress for your years of support to Colombia. As you mentioned, I ask for your continued support to help them achieve a lasting peace.

Finally, I want to thank you for your unwavering support to the men and women of SOUTHCOM, who work diligently every day to ensure our security. I look forward to our discussion, Mr. Chairman.

[The prepared statement of General Fraser follows:]

PREPARED STATEMENT BY GEN. DOUGLAS M. FRASER, USAF

INTRODUCTION

Chairman Levin, Senator McCain, distinguished members of the committee: thank you for the opportunity to appear before you today to report on the posture, security concerns, and future direction of U.S. Southern Command (SOUTHCOM). Within the context of modest funding, we continue to accomplish our primary objective of defending the United States while also promoting regional security and enduring partnerships. The key to our defense-in-depth approach to Central America, South America, and the Caribbean has been persistent, sustained engagement, which supports the achievement of U.S. national security objectives by strengthening the security capacities of our partner nations. Militaries in our area of responsibility (AOR) are increasingly capable, professionalized, and rank among the most trusted institutions in many countries in the region.<sup>1</sup>

Interagency coordination is the foundation of SOUTHCOM's approach. Our relatively lean budget necessitates that we embrace innovative techniques to accomplish our mission; we do so by leveraging the capabilities and resources of our partners within the region, the U.S. Government, and our command. Thirty-three interagency representatives and foreign liaison officers from five countries are integrated into our command, allowing us to capitalize on in-house expertise and align our engagement activities within U.S. Government frameworks. We are continuing to refine our organizational model, but the guiding principle remains unchanged: we support a comprehensive interagency approach that employs whole-of-government solutions to address the complex challenges in the region.

Joint Interagency Task Force South (JIATF-South), our key component in detection and monitoring of illicit traffic, exemplifies this unity of effort. Considered the linchpin in U.S. counterdrug efforts, JIATF-South capitalizes on the unique capabilities, authorities, and strengths of interagency partners such as the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Department of Homeland Security. In 2011, JIATF-South operations resulted in the disruption of 117 metric tons of cocaine, denying illicit traffickers approximately \$3 billion in revenue. Our return on investment is substantial; in 2010, JIATF-South supported the

<sup>1</sup>Aravena, F. *Confianza: base para la gobernabilidad y la convivencia democrática en América Latina y el Caribe*, 2010. (Trust: Foundation of Governability and Democratic Coexistence in Latin America and the Caribbean). Facultad Latinoamericana de Ciencias Sociales.

interdiction of eight times the amount of cocaine than was interdicted on the Southwest border, at a third of the cost and in an operating area that covers 42 million square miles.<sup>2</sup>

None of our efforts would have been possible without the continued support of Congress. Almost three decades ago, Congress recognized the important role the Department of Defense (DOD) could play to counter the threat of drug trafficking, particularly in support of civilian law enforcement efforts. More recently, through the provision of authorities commonly referred to as Sections 1206, 1207, and 1208, we trained and equipped partner-nation forces to help the United States combat terrorism and conduct stability operations. Congressional approval to delink the International Military Education and Training (IMET) program from the American Servicemembers' Protection Act sanctions has allowed us to educate and train hundreds of military personnel in the region, a critical element in strengthening military-to-military relations. We also appreciate the ongoing support Congress provides to the Department of State's regional security initiatives such as the Central American Regional Security Initiative (CARSI), the Caribbean Basin Security Initiative (CBSI), and the Colombia Strategic Development Initiative, all of which provide direction and support to our engagements in the region.

As we look to the future, we will continue to seek innovative ways to support interagency coordination; streamline programs and initiatives; and replicate the success of our highly effective, small-footprint approach that bolsters the security capacity of regional militaries and ensures the multi-layered defense of the United States. We believe our approach will be increasingly important given constrained resources and the complex challenges we face in our AOR. While we do not see a traditional military threat emanating from the region, nations throughout our hemisphere are contending with an asymmetric threat to national and international security: Transnational Organized Crime (TOC). In addition to this primary concern, SOUTHCOM also remains watchful for the potential impact of natural disasters; the activities of violent extremist organizations; and the implications of the activities of nations such as Iran in our AOR.

#### STRATEGIC ENVIRONMENT

##### *Security Concerns*

During the past decade, the international system underwent a profound transformation as globalization irrevocably altered commerce, culture, trade, and technology. With these developments, however, came the parallel globalization of organized crime, violence, murder, and kidnappings related to illicit trafficking. In many parts of our hemisphere—but most acutely in Central America—TOC has evolved into a volatile and potentially destabilizing threat to both citizen and regional security. Fluid, agile, and complex, these sophisticated networks conduct illicit operations that traverse the boundaries of the Geographic Combatant Commands (GCCs). Illicit trafficking by transnational criminal organizations is expanding between our AOR and the AORs of U.S. Northern Command (NORTHCOM), U.S. Africa Command, and U.S. European Command, underscoring the truly global nature of this networked threat.

Central America has become the key transshipment zone for illicit trafficking in the hemisphere; approximately 90 percent of cocaine destined for the United States now transits the sub-region. Guatemala, Honduras, and El Salvador are experiencing alarming increases in murders and brutality. The rising wave of violence and illicit trafficking, coupled with the expansive resources of TOC, is challenging the law enforcement capacities of some Central American governments. Accordingly, these countries view their militaries as the only entities capable of responding to these threats. In 2011, El Salvador extended the 2010 deployment of its military to support domestic law enforcement, while Guatemala and Honduras repeatedly relied on their armed forces to counter the spread of TOC. Guatemalan law enforcement institutions struggled to bring violence under control in 2011; after the massacre of 27 farm workers in Petén by operatives of the Mexican-based Los Zetas organization, Guatemala declared a 60-day military state-of-siege, the second in less than a year.

To Central America's north, the Government of Mexico has fully committed to reducing the power and impunity of TOC and drug cartels. Events in Mexico and in

<sup>2</sup>In fiscal year 2010, the U.S. Government expended a combined \$1.8 billion across 11 agencies on interdiction efforts on the 1,969-mile long Southwest border (SWB); fiscal year 2010 total operating cost for JIATF-South was \$565.5 million. In fiscal year 2010, law enforcement agencies seized 19 metric tons of cocaine at the SWB; in comparison, JIATF-South operations resulted in the disruption 154 metric tons.



SOUTHCOM's AOR are inherently connected, requiring an integrated effort across law enforcement, military, and civilian agencies. Many countries in Central America face challenges in addressing impunity, porous borders, and large areas of under-governed territory, all of which underscore the imperative of a whole-of-government approach. The emergence of a collective of compromised states in Central America that is unable to counter transnational threats would have enormous implications for the United States and the hemisphere. The inability of one country to effectively respond to the intertwined threats of TOC and illicit trafficking is troubling; the inability of an entire sub-region has serious implications for regional stability and the security of the United States.

*Profile of transnational criminal organizations*

CY2011 Documented Cocaine Movement	CY2012 JIATF South Projected Cocaine Movement <sup>3</sup>	Details
Toward U.S. 1086 MTs	Toward U.S. 775-930 MTs	~90% moves through Central America via illicit air, maritime, or land routes
Non-US (Africa/Europe/Asia) 60 MTs	Non-U.S. (Africa/Europe/Asia) 475-570 MTs	Primarily from Venezuela to Africa via commercial containers or illicit maritime conveyances

In recent years, TCOs have diversified their portfolios beyond cocaine, trafficking in precursor chemicals from India, China, and Bangladesh; commercial weapons from the United States; people, including the forced trafficking of humans and the smuggling of migrants and special interest aliens; and drug proceeds in the form of bulk cash from the United States. This cash is increasingly entered into the global financial system through countries such as Panama, Guatemala, Argentina, and Venezuela,<sup>4</sup> often under the guise of legitimate trade. The narcotics business model has also evolved. Many criminal organizations operate with impressive acumen, employing an interconnected network of operational enablers: brokers who negotiate with coca growers in South America; transportistas who act as sub-contractors to coordinate cocaine shipments through the transit zone; specialists who construct sophisticated submersible vessels capable of transporting 8–10 metric tons of cocaine in one trip; hitmen or sicarios whose violent services ensure compliance and territorial protection through coercion and intimidation; wholesalers and retailers in the United States who distribute illicit products; and attorneys, bankers, and accountants who help launder illicit proceeds that can be used for corruption of police and border officials to ensure freedom of movement.

While Mexican criminal organizations have expanded and consolidated control over key illicit trafficking routes in Central America, they are by no means the only illegal groups operating in the region. Terrorist groups, like the Fuerzas Armadas Revolucionarias de Colombia (FARC) and Sendero Luminoso in Peru, fund their insurgencies through illicit trafficking. Criminal activities extend into the Venezuelan government; in September 2011, the Department of the Treasury designated four Venezuelan officials under the Foreign Narcotics Kingpin Act—identical to the 2008 designation of General Henry Rangel Silva, the new Minister of Defense—for supporting the FARC's narcotics and arms trafficking. The bandas criminales (BACRIM) in Colombia are testament to the highly adaptive nature of TOC; these criminal networks grew from the vestiges of disbanded paramilitary groups and are now focused on illicit profits rather than territorial control. In Brazil, criminal gangs control cocaine trafficking and many of the country's favelas. Transnational gangs like Mara Salvatrucha 13 (MS-13) and Calle 18 (M-18) have a long-established presence in Central America and maintain active ties to U.S.-

<sup>3</sup>The U.S. interagency flow numbers use Documented Cocaine Movement, which is drawn from analysis of the Consolidated Counterdrug Database (CCDB) and augmented by law enforcement reporting. JIATF-South's Projected Cocaine Movement is calculated based on demand-driven methodology to project the amount of cocaine that must be leaving South America to satisfy global demand. JIATF-South's methodology attempts to capture the 'unknowns' inherent to cocaine flow figures.

<sup>4</sup>Department of State. 2011 International Narcotics Strategy and Control Report, vol. II; Financial Action Task Force (FATF). List of jurisdictions with AML/CTF deficiencies, October 28, 2011.

based affiliates, engaging in extortion, kidnapping, and murder-for-hire in El Salvador, Guatemala, Honduras, and the United States. Increasingly, these gangs are collaborating with larger trafficking organizations to provide a range of criminal services.

TCOs possess a critical enabler that many states in Central America lack: enormous financial reserves. The illicit financial flows associated with TOC are staggering; the United Nations Office of Drugs and Crime (UNODC) estimates annual global gross profits from cocaine sales at \$84 billion, \$35 billion of which is generated in retail and wholesale profits in North America alone.<sup>5</sup>

Country	Homicide Rate per 100,000 <sup>7</sup>
Honduras	82.1 per 100,000
El Salvador	66.0 per 100,000
Guatemala	41.4 per 100,000
Belize	41.7 per 100,000
Panama	21.6 per 100,000
Costa Rica	11.3 per 100,000
Mexico	18.1 per 100,000
United States	4.6 per 100,000

Illicit traffickers in South America, Central America, and the Caribbean pocket an estimated \$18 billion in gross cocaine profits per year.<sup>6</sup> Lucrative profits enable organized crime to increase operational capacity at a rate that far outpaces that of regional law enforcement and militaries, purchasing sophisticated, military-grade weapons, investing in semi and fully submersible vessels to improve transportation, corrupting and coercing government officials to ensure freedom of movement, and recruiting and bankrolling highly trained specialists, many with military backgrounds.

#### *Threat to Citizen Safety*

In support of security initiatives led by the Department of State, we focus our efforts on countering the impact of transnational criminal activity on citizen security, which is currently most threatened in Central America. Lack of rule of law and widespread impunity provide fertile ground for illicit trafficking and unchecked criminal violence. Present-day homicide rates in Central America have reached crisis levels.<sup>8</sup> Honduras posted a record-setting homicide rate not seen in the hemisphere since Colombia in the 1980s; in 2011, San Pedro Sula overtook Ciudad Juarez as the most violent city in the world, with 159 homicides per 100,000 residents.<sup>9</sup> Although still low by regional standards, Panama's rate represents a 140 percent increase over the past five years. In Guatemala, Honduras, and El Salvador, we have also seen troubling instances of targeted murders of government officials, community activists, journalists, and law enforcement personnel. In 2011, drug traffickers killed and dismembered an auxiliary prosecutor in Cobán, Guatemala, leaving his decapitated body in front of the governor's house. In El Salvador, gangs have repeatedly attacked or murdered local officials, police officers, and soldiers. In Honduras, 23 journalists have been assassinated in the past 5 years, 10 of whom were specifically targeted for covering illicit trafficking and corruption.

#### *Threat to U.S. National Security*

Of particular concern, TCOs operating in the region control the smuggling routes that traverse the hemisphere, many of which lead into the United States. These

<sup>5</sup>UNODC. Estimating illicit financial flows resulting from drug trafficking and other TOC, 2011. Similar estimates are provided by the DEA; according to the 2011 National Drug Control Strategy, the DEA estimates that Mexican and Colombian drug traffickers generate, remove, and launder between \$18 billion and \$39 billion annually in wholesale drug proceeds, which are largely smuggled in bulk out of the United States via the Southwest Border.

<sup>6</sup>UNODC, op. cit.

<sup>7</sup>UNODC. 2011 Global Study on Homicide: Trends, Context, Data.

<sup>8</sup>Due to inconsistencies in data collection, it is difficult to ascertain how much of this violence is directly caused by illicit trafficking, organized crime, and gang activity, but the UNODC's 2011 Global Study on Homicide assesses that between 25 and 40 percent of violence in the Americas is related to organized crime and gangs.

<sup>9</sup>Consejo Ciudadano para la Seguridad, Justicia y Paz Penal A.C. (Citizen Council for Public Security and Criminal Justice), Mexico, 2011.

routes represent potential access points that could be leveraged by other groups. South American-based Alien Smuggling Organizations (ASOs) provide a critical link for international trafficking networks and facilitate the illegal movement of Special Interest Aliens (SIAs) through South and Central America for attempted entry into the United States.<sup>10</sup> While we have not yet seen any attempts by international terrorist groups to leverage these smuggling routes, we remain watchful for the potential threat of TCOs collaborating to move terrorists through our AOR and into the United States.

Additionally, the global illicit economy is underpinned by vast and intricate money laundering systems that are utilized by both criminals and terrorists alike, albeit to different ends. Understanding the complex financial flows of these networks can help the law enforcement, intelligence, and defense communities focus our efforts on groups engaging in activities that most directly threaten U.S. national security. We do see evidence of international terrorist groups benefitting from the intertwined systems of illicit trafficking and money laundering in our AOR; in South America, funding for Hizballah is raised through licit avenues, such as charitable donations, and illicit means, including trafficking in drugs, counterfeit, and pirated goods. In 2011, the U.S. Treasury Department identified the Lebanese Canadian Bank as a “primary money laundering concern” for its role in facilitating the money laundering activities of Ayman Joumaa and his Lebanon-based drug trafficking network, which also channeled financial support to Hizballah. Joumaa is also accused of smuggling U.S.-bound cocaine through Central America and Mexico and providing money laundering services to Los Zetas and numerous Colombian and Venezuelan suppliers.<sup>11</sup>

Finally, the pernicious reach of TOC is exemplified by one word: transnational. The National Drug Intelligence Center assesses that Mexican-based TCOs and their associates operate in upwards of 1,000 U.S. cities, working with domestic U.S. gangs to distribute and traffic illicit drugs throughout the United States.<sup>12</sup> Additionally, transnational gang activity in the United States is a growing concern for the FBI. MS-13 leaders in El Salvador manage five regional “programs” of cliques in cities such as Boston, Greensboro, Miami, and Dallas, and have authorized retaliatory actions against U.S. law enforcement personnel in the Virginia and Maryland areas, which fortunately did not come to fruition. The deepening linkages between illicit trafficking inside the United States and TOC in our AOR are representative of the wide-reaching impact of this networked threat.

#### *Regional Stability*

In addition to the threat posed by TOC, the region is also vulnerable to humanitarian crises, mass migrations, and natural disasters. SOUTHCOM remains a committed and responsive partner in foreign humanitarian assistance and disaster relief efforts. To enhance partner-nation preparedness, we strengthen the humanitarian assistance and disaster relief (HA/DR) capacities of regional militaries through our multinational training exercises and security cooperation activities. Our efforts are yielding long-term dividends while also promoting the shared responsibility and costs of regional leadership in responding to catastrophes. Countries such as Guatemala, El Salvador, Costa Rica, and Colombia have demonstrated an increased capacity to respond to natural disasters without asking for U.S. or international aid, a testament in part to the effectiveness of our programs.

SOUTHCOM is also watchful for potential geopolitical turbulence that could impact U.S. citizens and military personnel in the region, particularly in Cuba, Haiti, Bolivia, and Venezuela. Fidel Castro’s leadership transition to his brother Raul is complete, but the long-term effects of the government’s market reforms remain to be seen. Haiti, while making slow but steady progress, remains vulnerable to natural disasters and economic hardship. Public demonstrations in Bolivia related to wages, food prices, and energy shortages are likely to continue until the government addresses the underlying causes of social turmoil. In Venezuela, uncertainties about President Chavez’s health, continued economic instability, and escalating levels of violence are placing increasing demands on the Venezuelan Government.

#### *Violent Extremist Organizations and Influence of Iran*

In addition to Hizballah supporters throughout South America, the region is home to a small number of violent extremist organizations. We remain vigilant for the po-

<sup>10</sup> The Department of Homeland Security defines SIAs as individuals from “Special Interest” countries, or countries that have some connection to international terrorism.

<sup>11</sup> *United States of America v. Ayman Joumaa*. U.S. District Court for the Eastern Division of Virginia, November 3, 2011.

<sup>12</sup> National Drug Intelligence Center, 2011 National Drug Threat Assessment.

tential radicalization of homegrown extremists. Sunni extremists, while small in number, are actively involved in the radicalization of converts and other Muslims; these efforts can be seen through the influence of public personalities like Jamaica's Shaykh Abdullah al-Faisal, who was convicted in the United Kingdom for inciting terrorism. Current al Qaeda senior operative Adnan el-Shukrijumah has held valid passports for the United States as well as Guyana and Trinidad and Tobago, where he has family and associates. Despite the recent convictions in the 2007 plot to attack the John F. Kennedy International Airport, one alleged co-conspirator remains at large in Guyana.

In an attempt to circumvent international sanctions, Iran continues its overtures to the region and has succeeded in establishing modest economic, cultural, and security ties, mostly with nations aligned with the Bolivarian Alliance for the People of our Americas (ALBA), such as Venezuela, Ecuador, Bolivia, Nicaragua, and Cuba. Iran also propagates its agenda through its 36 Shia cultural centers. The Fundación Cultural Oriente—an Iranian outreach center dedicated to strengthening Iranian ties to Latin America—is run by the radical cleric Moshen Rabbani, currently on the Interpol Red List for involvement in the 1994 bombings of a Jewish cultural center in Buenos Aires. Rabbani oversees several media outlets and has recruited students from the region to study in Iran. We take Iranian activity in the hemisphere seriously and we monitor its activities closely. The U.S. Government's successful detection and thwarting of the plot to assassinate the Saudi ambassador to the United States reinforces the importance of that monitoring and the effectiveness of U.S. countermeasures.

#### *Russia and China in the Region*

Russia and China also factor into the strategic environment in the region. Russia's outreach to the region is centered primarily on arms sales and expanding military ties. Russian weapons provide a low-cost alternative that is appealing to many nations in the region; in 2011, Venezuela became the largest importer of Russian arms in the world.<sup>13</sup> Brazil, Colombia, Ecuador, and Peru all have engaged in arms transfer agreements with Russia over the past few years, and the Latin American market represents a large and growing segment of global arms sales by Russia. Historically, Russia's strongest partnerships have been with Venezuela, Cuba, and Nicaragua, but its engagement efforts are expanding.

China's strategy vis-à-vis the region is based on expansion of trade and investment in commodities. Beijing has also increased its engagements in the military realm; Chinese arms sales to regional militaries have more than quadrupled in the past 5 years, while the frequency of high-level Chinese visits has also increased substantially. Currently, 18 countries in Central America, South America, and the Caribbean receive military training from China. In September 2011, the Chinese hospital ship "Peace Ark" embarked on its first-ever humanitarian mission to the Western Hemisphere, visiting Cuba, Jamaica, Trinidad and Tobago, and Costa Rica and provided bilateral medical exchanges and assistance in each port visit. This type of endeavor is consistent with China's declared intent to expand diplomatic, economic, and military relations in the region.<sup>14</sup>

SOUTHCOM will continue to maintain and deepen our existing partnerships, while exploring avenues for future cooperation with key nations in the region. Throughout the world, U.S. military and defense partnerships are essential to ensuring national security, but nowhere more so than within our own hemisphere, which is comprised of nations that share the same interest in promoting regional and global stability, freedom, and prosperity. SOUTHCOM is committed to being the security partner of choice for these nations. We demonstrate this commitment through our multinational training exercises, security cooperation activities, humanitarian assistance programs, and military-to-military engagements, all of which build strong security partnerships that help every nation meet the challenges of an uncertain and complex security environment.

#### STRATEGIC APPROACH

##### *Strengthening Our Partnerships*

Building partnerships is the cornerstone of our strategic approach, ensuring the forward defense of the United States by promoting capable regional militaries that

<sup>13</sup> According to the Center for Analysis of World Arms Trade, in 2011 Venezuela purchased an unspecified number of T-72B1 tanks, BMP-3M infantry fighting vehicles, BTR-80A armored personnel carriers, Msta-S 152-mm self-propelled howitzers, Nona-SVK 120-mm self-propelled mortars, Grad multiple rocket launchers, and an assortment of other weaponry. In 2012, the country will begin production of AK-103 assault rifles.

<sup>14</sup> China's Policy Paper on Latin America and the Caribbean, 2008.

share in the responsibility of hemispheric security and stability. Our efforts are designed to strengthen and enhance the capacities of partner nations to respond to domestic and regional threats, both individually and collectively. We envision a hemisphere characterized by nations working together to address the emerging security challenges of the coming decade. SOUTHCOM's modest budget and small footprint have encouraged us to embrace innovative, low-cost approaches to achieving our security objectives; annual exercises, rotational presence, and advisory roles are integral to our engagement with the region. Through our component commands, our efforts focus on strengthening the security capacity of regional militaries in support of civilian government-led efforts to counter TOC and illicit trafficking; respond effectively to natural and humanitarian disasters; contribute to global stability operations; and assist in our efforts to ensure a safe, secure, and stable region.

#### *Countering Transnational Organized Crime*

Within our authorities, SOUTHCOM is supporting the efforts of militaries throughout Central America that have been tasked by their civilian governments to assist in countering TOC. Our component command 12th Air Force (U.S. Air Forces Southern) began implementation of its successful Sovereign Skies Expansion Program with Air Forces in Belize, Guatemala, Honduras, and El Salvador. Working closely with NORTHCOM, the State Department, and the U.S. Embassies in Guatemala, Belize, and Mexico, we supported full implementation of our Border Security Initiative, providing targeted counter-narcotics training, equipment, and infrastructure to all three countries. Under this initiative, we facilitated the establishment of an Interagency Border Security Unit in Tecún Umán and a border checkpoint at El Carmen to increase land interdiction capabilities along the Guatemala-Mexico border. Further south on the Central American isthmus, we worked with the U.S. Embassy in San Jose to conduct training and checkpoint infrastructure improvements in Costa Rica to help address the flow of illicit traffic along the Pan-American Highway.

Executed by our component command U.S. Naval Forces Southern Command, our multinational naval training exercise Southern Seas continues to yield positive results in increased maritime domain surveillance and interdiction capabilities throughout our AOR. The 2011 Southern Seas included two multinational exercises conducted off the eastern and western coasts of South America. Unitas Atlantic and Unitas Pacific provided training on multinational naval interoperability, maritime interdiction operations, and naval special warfare. Over 4,000 participants from navies in the region participated in the 2011 Unitas exercises in Brazil and Chile. Thanks in part to participation in our security cooperation activities, the Nicaraguan, Honduran, Salvadoran, Panamanian, and Colombian navies are contributing important interdiction capacities to JIATF-South's ongoing operations. Capable militaries and security forces that help counter illicit trafficking act as force multipliers to regional efforts and are indicative of the long-term dividends of our training and exercise programs. Cocaine seizures in Colombia, particularly by the Colombian Navy, are among the highest in our AOR, while Brazil seized a record 115 tons of illegal drugs on their borders this year.

Our annual multinational exercises are also designed to improve interoperability and promote collaboration among participants, skills that can be employed at the regional level and in multinational operations. Held in El Salvador and executed by our component Special Operations Command South, this year's Fuerzas Comando helped improve the training, readiness, and capability of 250 Special Operations Force (SOF) soldiers and special police units. During the 2011 Southern Partnership Station exercise, U.S. Naval Forces Southern Command deployed a High Speed Vessel (HSV) SWIFT team, which conducted engagements in five partner nations centered on medical, Naval Criminal Investigative Service, and Maritime Civil Affairs discussions with partner-nation counterparts.

Although we are focusing our current efforts in Central America, we recognize the interconnectedness and adaptability of transnational threats throughout the hemisphere. Colombia and Peru remain top priorities; both countries are engaged in definitive campaigns to defeat the weakened terrorist threats within their borders. U.S. support to both nations remains important at this critical juncture. Due to its proximity to the United States and former role as the primary transit zone, the Caribbean remains vulnerable to exploitation by TOC. In support of the CBSI, programs like Secure Seas and our multinational training exercises are improving maritime interdiction in the Dominican Republic, Jamaica, and throughout the Eastern Caribbean, providing an important preventative capacity each nation can use to enhance their security. Led by our component U.S. Marine Corps Forces South, over 1,000 military personnel from the Caribbean and the United States participated in

our 2011 Tradewinds exercise, which focused on improving maritime interdiction and ground security skills at the tactical and operational levels.

*Promoting Regional Stability and HA/DR Capacity*

As demonstrated by our support to the U.S. response effort after the 2010 earthquake in Haiti, SOUTHCOM possesses unique capabilities to respond to natural disasters. These capabilities provide critical support to lead Federal agencies in disaster response efforts and ensure that we remain prepared to conduct non-combatant evacuation operations for American citizens in Central America, South America, and the Caribbean, if necessary. We also stand ready to bolster the efforts of regional militaries to provide support to civilian authorities in foreign HA/DR events. During 2011, we made significant progress advancing a framework for military support to civilian-led disaster relief operations, using the computer-networking tool All Partners Access Network (APAN) as a potential standardized technology platform to facilitate collaboration among regional militaries during disaster response efforts. We also continued development on our Caribbean Disaster Emergency Management Agency (CDEMA) initiative, promoting increased disaster resilience and response capability in the 18 Caribbean Community (CARICOM) nations.

In 2011, SOUTHCOM also engaged with our partners through several complementary activities: our Humanitarian Assistance Program (HAP), disaster preparedness projects, and annual humanitarian assistance exercises. This past year we completed 255 HAP projects in 28 countries in our AOR, constructing disaster response warehouses, wells, potable water systems, and emergency operations centers. We also executed 22 low-cost projects designed to increase disaster preparedness in Honduras, Guatemala, El Salvador, Colombia, Dominica, Haiti, St. Kitts, and Suriname. In conjunction with these projects, we provided training to first responders and disaster response managers, imparting a critical skill that can be employed long after our forces have left the country. Held in Trinidad and Tobago and Guatemala and led by our component U.S. Army South, the 2011 Fuerzas Aliadas Humanitarias exercise brought together more than 480 participants from regional militaries, civilian disaster management agencies, and first responders to provide field training in disaster relief and recovery efforts. Of note, our cost-effective HAP program has attracted funding from the international community; the Inter-American Development Bank has pledged to incorporate the sustainment of eight HAP schools being built in 2012 into its \$50 million grant package that supports public and primary education in Haiti.

Our Continuing Promise humanitarian mission continues to foster goodwill and demonstrate core U.S. values. In 2011, the USNS *Comfort* visited nine countries in the region, providing invaluable training to U.S. service men and women and partner-nation personnel while also providing free medical care and civic assistance to communities throughout our AOR. During the 2011 mission, the 850-person crew—comprised of U.S. servicemembers, civilians, volunteers from nongovernmental organizations, and members of partner-nation militaries—treated approximately 70,000 patients, performed more than 1,000 surgeries, and conducted 16 engineering projects in Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Jamaica, Nicaragua, Peru, and Haiti.

Our component U.S. Army South led the 2011 humanitarian civic assistance exercises Beyond The Horizon and New Horizons in El Salvador, the Dominican Republic, and Haiti, while 12th Air Force (U.S. Air Forces South) executed the 2011 New Horizons in Suriname. An integral part of these missions, our medical readiness training exercises resulted in the treatment of 85,364 patients and provided training opportunities to more than 6,000 U.S. Reserve component and Active Forces and 250 partner-nation personnel, while also bolstering partner-nation state presence in rural, often under-governed areas. As our only forward operating location, Joint Task Force-Bravo (JTF-B) supports immediate response to HA/DR events and DEA-led counter-drug operations. In 2011, U.S. medical forces stationed at JTF-B treated 20,257 patients throughout Central America and assisted with transporting food and supplies to local schools and orphanages in Honduras. Although small in force size, JTF-Bravo serves as a tangible representation of U.S. values and of our steadfast commitment to the region.

*Promoting Shared Responsibility*

Our security cooperation activities and military-to-military engagements by SOUTHCOM and our components have helped increase security across the entire region and helped promote shared responsibility for hemispheric security. For example, during the Sovereign Skies program, our component 12th Air Force (U.S. Air Forces Southern) provided training and conducted interoperability exercises with the Dominican Republic Air Force to increase illicit air interdiction capacity in the

Caribbean. This training—in conjunction with the country's purchase of Brazilian A-29 Super Tucano aircraft and Italian radars—helped reduce illicit air tracks into the Dominican Republic from over one hundred per year to almost zero. Led by U.S. Army South, PANAMAX focuses on the cooperative defense of the Panama Canal. PANAMAX is one of our oldest multinational exercises, growing from two participating nations in 2003 to over seventeen this year. Colombia's participation culminated by leading the Combined Forces Land Component Command in 2011. This remarkable achievement is a testament to Colombia's success in regaining security and the importance of ongoing U.S. engagement with Colombia, which is yielding enormous dividends in other areas. Colombia is now a leading provider of bilateral security assistance and a regional partner in security operations throughout Central America, South America, and the Caribbean.

Our engagement with regional militaries also includes training for peacekeeping operations in support of multinational peace and stability efforts. We execute the Department of State's Global Peace Operations Initiative (GPOI) to build the peacekeeping capacity of 11 participating partners. In support of this objective, our components U.S. Marine Corps Forces South and U.S. Army South conduct two annual training exercises, Partnership of the Americas and Peacekeeping Operations Americas (PKO-A). The GPOI program and our exercises provide the opportunity for our partners to sustain capacity to support United Nations peace support operations. Countries in our AOR contribute nearly 8,000 personnel to peace support and stability operations throughout the world, including critical and ongoing support to the U.N. Missions in Haiti, Lebanon, and the Sudan. We are also seeing GPOI-funded countries exporting their peace support training; in 2011, a GPOI-funded Peruvian Military Mobile Training Team provided training to the El Salvadoran military in support of its deployment to the U.N. Mission in Lebanon.

We engage with regional militaries through our educational and academic institutes: the Western Hemisphere Institute for Security Cooperation, the Inter-American Defense College, the Center for Hemispheric Defense Studies. We also utilize the International Military Education and Training program to achieve our objectives for regional military engagement. I want to thank Congress for its continued support for these important programs, which build enduring relationships between future military leaders in the region and the United States and promote positive relations between partner nations. We further expand on these relationships through our engagements with senior defense leaders throughout our AOR. Our component command U.S. Army South supported the 2011 Central American Regional Army Leaders Conference, bringing the Guatemalan, Honduran, Salvadoran, and Nicaraguan Army Commanders together for the first time to discuss shared security concerns related to TOC. U.S. Marine Corps Forces South's 2011 Marine Leaders and Senior Enlisted Leaders Conferences helped enhance relations between the Marine Corps and Naval Infantry in North, Central, and South America, while 12th Air Force's (U.S. Air Forces Southern) support to the 2011 System of Cooperation Among the American Air Forces brought together representatives from 13 member nation Air Forces in the Western Hemisphere to discuss opportunities for mutual cooperation.

As we look to future engagements, SOUTHCOM is working with the armed forces of other willing nations, such as Colombia, Chile, and Brazil, to enhance security throughout the Western Hemisphere. Colombia is providing training to military personnel in its Regional Training Center<sup>15</sup> and to over 2,000 police officers in Central America. In 2011, the Colombian Air Force began working with its Honduran counterparts to interdict illicit air traffic and expand intelligence sharing. In support of the 2011 Central American Integration Secretariat's (SICA) Donors Conference, Chile offered to share its naval expertise in securing its maritime domain with Central American militaries and security forces. In 2011, Brazil played a pivotal role in facilitating improved trilateral counterdrug efforts with Bolivia and the United States, and we hope to expand and deepen this kind of cooperation in the coming year.

Our engagement efforts also extend to the private sector and nongovernmental organizations (NGOs). Many NGOs have their own active programs in the region and can lend unique capabilities and expanded resources to complement our engagement initiatives. SOUTHCOM championed public-private cooperation during Operation Unified Response (OUR), and this type of collaboration can yield enormous benefits for U.S. departments and interagency, and our partner nations. In 2011 our business engagement team facilitated support from a multinational corporation to a

<sup>15</sup>Under the U.S. OH-58 helicopter initiative, the Rotary Wing Entry Training Center in Melgar, Colombia is currently training 24 Mexican pilots per year, enhancing efforts in the AORs of both SOUTHCOM and NORTHCOM.

local U.S. Agency for International Development (USAID) project in Honduras and coordinated the donation of \$20 million worth of pharmaceuticals from NGOs to clinics and hospitals in Honduras, Guatemala, Colombia, Trinidad and Tobago, and Guyana, helping strengthen partner-nation state presence in under-governed areas. The cumulative result of this type of engagement—along with our ongoing exercises and security cooperation activities—is a region comprised of nations, militaries, and citizens that are willing and able to share in the responsibility of ensuring hemispheric security and stability.

*Ensuring the Safe, Humane, and Transparent Care and Custody of Detainees*

As part of our strategic objective to defend the United States, SOUTHCOM also remains committed to providing a safe, humane, and transparent detention center at U.S. Naval Station, Guantanamo Bay, Cuba, for detainees and prisoners in U.S. military custody there. In accordance with guidance from the Secretary of Defense, SOUTHCOM will continue operations at Joint Task Force-Guantanamo until such time as directed otherwise. We will also continue to support the transfer of those detainees who are approved for transfer to their country of origin for repatriation or third-countries for resettlement, consistent with applicable U.S. laws and reporting requirements. Joint Task Force-Guantanamo and SOUTHCOM routinely meet with International Committee of the Red Cross representatives to discuss their observations following regular visits to the detention facilities. Additionally, coverage of the 2011 arraignment of Abd al-Rahim al-Nashiri was broadcast via closed circuit television in selected sites in Norfolk and the Washington DC areas, enhancing the transparency of military commission proceedings at Joint Task Force-Guantanamo.

LOOKING TO THE FUTURE

*Strategic Priorities*

In the immediate future, we will focus our efforts on strengthening the security capacities of our partners in Central America. As the lead U.S. agency responsible for directing illicit trafficking detection and monitoring activities, we are undertaking operational and tactical activity in support of whole-of-government efforts to counter TOC in the maritime approaches to Central America. On January 15, with-in our existing resources, we began Operation Martillo, a joint, interagency, and combined operation led by SOUTHCOM and JIATF-South and coordinated with partner-nation assets on patrol or alert. This persistent operation aims to disrupt maritime illicit trafficking along the Central American littorals. We recognize that the effects of Operation Martillo can be amplified by aligning our air and maritime focus with complementary land law enforcement activities conducted by partner nations; as such, we have coordinated our activities with the Central American Governments and international donors to maximize all possible means for supporting this effort.

While we work to achieve our strategic objectives in the long-term, the challenge for SOUTHCOM is to find creative ways to enhance interagency, public-private, and partner-nation cooperation as we plan, train, and operate with regional militaries to address the predominant security concerns in the region. The intricately networked, globalized nature of TOC signifies that no one country or agency can solve this problem alone; collaboration with partner nations and across the U.S. Government will be essential to successfully mitigate this threat. Our goal is to support partner-nation and U.S. Government efforts to improve citizen safety by reducing the threat of TOC from a national and regional security threat to a public safety problem.

We expect militaries in Guatemala, Honduras, and El Salvador will continue to be called upon to play an important role in domestic security matters in the coming years, given the increasing threat to citizen security and the numerous challenges facing regional law enforcement institutions, which are under-resourced, poorly trained and equipped, and prone to corruption. While we recognize this is a necessary initial step to help curb the rising tide of violence, we also recognize that this approach is unsustainable in the long term; strengthening civilian law enforcement institutions is critical, and we will support the Department of State as the lead agency in this endeavor. As militaries continue to take on internal security responsibilities, our Human Rights Initiative will remain a critical mission set. Through this program, we will continue to support partner-nation military and security forces in instituting human rights training; revising policies and regulations to include human rights principles; strengthening internal control mechanisms; and improving cooperation with civilian authorities and civil society.

To address the growing threat of TOC, SOUTHCOM has shifted its approach towards a more holistic strategy that will help us prioritize programs, streamline ac-



tivities, and integrate our efforts across the U.S. interagency. While our primary focus will remain strengthening partnerships to enable effective regional security, we will also support and contribute to the disruption of illicit trafficking; the dismantling of TOC networks; and the fostering of alternatives to criminal influence in under-governed areas. Our efforts complement both the National Strategy to Combat Transnational Organized Crime and the citizen safety goals of CARS and CBSI. The key concept in our strategy is support. With the exception of fulfilling our statutory responsibility as the lead agency for detection and monitoring of aerial and maritime transit of illegal drugs, DOD plays a supporting role in all counter-narcotics and related efforts.

Enhanced support is only one part of our refined approach; we are also examining how to use our capacities in network analysis and operational planning to maximize U.S. Government and partner-nation efforts throughout the region. We are working with the U.S. interagency to support a more effective integration of effort, improving the alignment of our operations, exercises, and initiatives with those of NORTHCOM, the Department of State, the Drug Enforcement Administration, the Department of Homeland Security, USAID, and others. SOUTHCOM will continue to support the Department of State as it leads the effort to integrate U.S. security initiatives with SICA's regional security strategy, which incorporates assistance offered by donor nations like Canada, Spain, and Chile and organizations like the Inter-American Development Bank and the World Bank. We will also sustain our support to Colombia and Peru, countries that are fighting narco-terrorist groups whose illicit trafficking activities extend throughout the hemisphere. Finally, in close coordination with the Regional Security System, CARICOM, and Caribbean nations, we will continue to play an active role in developing a regional maritime interdiction plan in the Caribbean.

#### *Resources and Requirements*

We recognize difficult adjustments will be required as we enter into an era of fiscal austerity. The emerging security threats in our AOR, however, necessitate that we remain engaged with militaries in the region. Historical events in our AOR have demonstrated that investing in early and routine engagement activities can avoid exponentially larger expenditures in the future. We firmly believe that building, maintaining, and sustaining capable security partners is a wise investment to hedge against future security challenges and guarantee the long-term stability of the Western Hemisphere. The new Defense Strategic Guidance recognizes our approach as the model for the future. As DOD prioritizes resources across the Joint Forces, we will look to share the "best practices" of our agile, small-footprint approach to building partner capacity and promoting the layered defense of the United States.

As we look to the future, SOUTHCOM is exploring ways to improve our flexibility to address the problems facing Central America, including an examination of the authorities available to DOD; how we can better support the U.S. interagency; and our engagement with the Guatemalan military, which remains limited by restrictions on U.S. security assistance. In 2011, Guatemala took important steps to address past human rights violations through release of key documents pertaining to the country's civil conflict and continues to make progress on enforcing the rule of law and respecting human rights. SOUTHCOM supports efforts by the Department of State and Congress to find a constructive way forward to improve the human rights situation in Guatemala and address the existing restrictions that prevent full support to the Guatemalan military.

#### *Budget Considerations*

In 2011, SOUTHCOM took proactive steps to identify and enact cost-saving measures. Having improved the command's organizational structure during our 2010 reorganization, this year we conducted a manpower analysis to further align resources and functions. As directed by the Secretary of Defense, SOUTHCOM eliminated the Standing Joint Force Headquarters and froze DOD civilian senior executives, general, and flag officer positions at 2010 levels. We also applied reductions in areas such as: reduction of support to Operation Southern Voice; reduction or adjustments to annual foreign military interaction exercises; and reduction in discretionary travel. We have also reduced activities in certain lower-priority portfolios and revamped our internal business practices to better manage resources.

While we are committed to enacting cost-saving mechanisms, reducing duplication, and improving the accountability and cost-effectiveness of our programs, we remain committed to our most important resource: our people. As a joint command, SOUTHCOM supports the needs of our Army, Marine, Navy, Air Force, and Coast Guard servicemembers, their families, as well as our civilians. In 2011, we took measures to extend our survivor outreach program to the families of the more than

100 servicemembers from South Florida who have died in the conflicts in Afghanistan and Iraq. Many of these survivors live hundreds of miles away from the nearest long-term survivor program for their particular supporting Service. SOUTHCOM is working with the Service Casualty Chiefs to establish an agreement to allow our survivor outreach coordinator to offer long-term support to all the families of fallen heroes in South Florida, regardless of Service affiliation. I am proud of this effort and I believe it embodies the truly joint nature of our command.

#### CONCLUSION

This will very likely be my last opportunity to testify before you in my current capacity. Over the last 3 years, it has been my great honor to serve with the men and women of SOUTHCOM. It has also been a distinct privilege to serve with the dedicated and capable leaders of Central and South America and the Caribbean. My time at SOUTHCOM brought me back to the region I left almost 41 years ago. Returning reinforced my belief in the importance of the region: the role it plays for the security of the United States and the critical need to remain engaged with our military partners. I also believe strongly in the importance of expanding inter-agency, regional, and multilateral efforts to address transnational security concerns, and in the value of being prepared to support disaster relief efforts.

As I finish my tenure at SOUTHCOM, I want to thank Congress and the distinguished members of this committee, especially Senators Levin and McCain, for your continued support to our men and women in uniform. Our Armed Forces remain strong and capable because of your leadership, your focus, and your commitment to ensuring they remain the best armed forces in the world. My parting request to the Members of Congress is to sustain the unmatched capability of our Armed Forces, continue to support the incredibly dedicated, imaginative, flexible, and wonderful men and women in our Armed Forces, and keep faith with our veterans and their families. Thank you.

**2011 Component Accomplishments (Annex)**

**U.S. Army South  
Headquarters: San Antonio, Texas  
Major 2011 Accomplishments**

- **U.S. Army South** conducted 128 security cooperation events in 17 countries in United States Southern Command's AOR.
- **Central American Regional Army Leaders Conference:** In March 2011, U.S. Army South executed the Central American Regional Army Leaders Conference bringing together the senior Army commanders from Guatemala, Honduras, El Salvador, and Nicaragua to discuss emerging threats in the sub-region.
- **PANAMAX 2011:** a joint and combined operational exercise focused on defending the Panama Canal and Central America by a multi-national joint task force, as well as building disaster and pandemic outbreak response capabilities of 17 participating partner nations.
- **FUERZAS ALIADAS HUMANITARIAS:** regionally-oriented humanitarian assistance/foreign disaster relief (HA/FDR) exercise that brings together partner nation and U.S. military units, civilian disaster management agencies, and local first responder. This year's exercise was held in Trinidad and Tobago, with 640 participants from 27 nations.
- **PEACEKEEPING OPERATIONS AMERICAS:** PKO-A provides training in international stability and peace operations, in support of the United Nations and the Conference of the American Armies doctrine and procedures. This year's exercise was held in Brazil and Chile, with 244 participants from 16 nations.

**U.S. Naval Forces Southern Command  
Headquarters: Mayport, Florida  
Major 2011 Accomplishments**

- **Continuing Promise 2011:** USNS COMFORT (T-AH 20) brought medical, dental, veterinary, engineering and civic action programs to nine partner nations during the annual deployment designed to promote partnerships and goodwill. The COMFORT Team treated 67,897 patients and performed 1,130 surgeries.
- **Southern Partnership Station 2011:** Southern Partnership Station (SPS) is a series of Navy deployments focused on Theater Security Cooperation (TSC), specifically subject matter expert exchanges with partner nation militaries and civilian security forces.
  - **HSV SWIFT Southern Partnership Station 2011:** The High Speed Vessel (HSV) SWIFT (HSV 2) deployed to United States Southern Command's AOR during Southern Partnership Station 2011. During HSV SPS 2011, the SWIFT Team conducted engagements in five partner nations, and included medical, Naval Criminal Investigative Service (NCIS), Maritime Civil Affairs (MCAST), and U.S. Marines expert exchanges with partner nation counterparts. SWIFT Seabees completed small-scale construction/refurbishment projects. The SWIFT

Team also delivered Project Handclasp Gifts-in-Kind during COMREL Projects, and made a special delivery of relief materials to Port Au Prince, Haiti.

- **Amphibious Southern Partnership Station 2011:** USS GUNSTON HALL (LSD 44) conducted AMPHIB SPS 2011 from January to March 2011. USS GUNSTON HALL's deployment featured an embarked U.S. Marine Corps Security Cooperation Task Force that completed afloat and ashore engagements in three partner nations.
- **Southern Seas 2011:** This year's Southern Seas included the following exercises: UNITAS ATLANTIC and UNITAS PACIFIC. USS THACH (FFG 43) and USS BOONE (FFG 28) circumnavigated the South American continent to conduct a variety of exercises and multinational exchanges to enhance interoperability, increase regional stability, and build and maintain regional relationships with partner nations.

**Marine Corps Forces South  
Headquarters: Doral, Florida  
Major 2011 Accomplishments**

- **Marine Corps Forces South** conducted 65 Security Cooperation events in 19 countries in United States Southern Command's AOR.
- **TRADEWINDS:** exercise designed to improve coordination and interoperability of participating Caribbean nations to respond to transnational threats, emphasizing maritime interdiction and ground security skills at the tactical and operational levels. Held in Antigua and Barbuda, with 1,000 participants from 19 countries.
- **PARTNERSHIP OF THE AMERICAS:** table-top exercise conducted in Miami with 8 partner nations, focusing on interoperability and collaboration in peace support operations.
- **CD/CN Mobile Training Team Deployments:** provided training throughout the AOR to partner nation counterdrug and counter narco-terrorism forces to increase interdiction capacities.
- **USMC SPMAGTF:** supported the 2011 CONTINUING PROMISE mission aboard the USS IWO JIMA, demonstrating U.S. commitment and values to the region and providing unique seas based capabilities.
- **MARINE LEADERS OF THE AMERICAS CONFERENCE (MLAC):** The Commandant, USMC and the Commandant, Peruvian Fuerzas Infaterias de Marina co-hosted this year's MLAC in Miraflores, Lima, Peru. 15 partner nations attended the conference, which focused on the role of regional Marine Corps/Naval Infantry in confronting shared security challenges in the region.

**12<sup>th</sup> Air Force (Air Forces Southern)**  
**Headquarters: Tucson, Arizona**  
**Major 2011 Accomplishments**

- **PANAMAX 2011:** Successfully trained/integrated partner nation air planners into division processes and pushed 9 ATOs/ACOs with a total of 1,166 missions (1,462 sorties). During PANAMAX 2011, 12<sup>th</sup> Air Force integrated the first-ever Dynamic Targeting Cell, prosecuting 8 time-sensitive targets and providing collateral damage estimate calls and weaponeering solutions.
- **ISR Missions:** Provided C2 for 900+ ISR missions in support of United States Southern Command's priorities; over 7,000 images, 800+ hours of signals intelligence. As a result, over 126,000 lbs (\$1 billion worth) of drugs and weapons were seized, and two high-value narco-terrorists killed in action.
- **Airlift Missions:** Executed 116 theater airlift missions moving 4,489 passengers and 730 tons of cargo throughout United States Southern Command's AOR.
- **Medical Deployments:** 12<sup>th</sup> Air Force planned and executed 12 Medical Deployment for Training Exercises in United States Southern Command's AOR in 2011, treating 51,495 patients. All provided increased readiness of U.S. Forces and improved the capability of regional partners to conduct combined operations.
- **UNITAS PACIFIC:** Through its MEDRETEs during the 2011 UNITAS PAC, 12<sup>th</sup> Air Force helped strengthen ties with the Peru Ministry of Health, the Peruvian Navy, and Ministry of Defense, as well as with the local communities of the Alto Amazonas region. 12<sup>th</sup> Air Force medical teams treated 4,303 patients during this exercise.
- **NEW HORIZONS:** A field training exercise that trained 550 participating U.S. Active Duty, Guard, and Reserve military engineer, medical, and support forces. This year's exercise provided humanitarian and civic assistance to rural areas in Suriname, resulting in the construction of schools and medical clinics.
- **Sovereign Skies Expansion Program:** 12<sup>th</sup> Air Force applied to successful lessons learned from Dominican Republic and Colombia programs to develop air force capabilities, such as helicopter maintenance and operations, intelligence, surveillance, and reconnaissance, in Belize, El Salvador, Guatemala, and Honduras. 12<sup>th</sup> Air Force also conducted an integrated air sovereignty study of these four countries and sent the Mobility Support Advisory Squadron (MSAS) to Honduras for a proof of concept activity.
- **Air Mobility Support:** Air Mobility Command stood up the 571<sup>st</sup> Mobility Support Advisor Squadron, consisting of 4 teams and 25 specialties, to address air mobility and airfield support needs, and to facilitate the training and interface with the 6SOS for spin-up training.

**U.S. Special Operations Command South**  
**Headquarters: Homestead, Florida**  
**Major 2011 Accomplishments**

- **FUERZAS COMMANDO:** a multinational exercise designed to improve the training, readiness, interoperability and capability of regional Special Operations Forces (SOF) in the tactics, techniques, and procedures used to prosecute Overseas Contingency Operations (OCO). This year's FUERZAS COMANDO was held in El Salvador, with 250 participants from 19 partner nations.
- **FUSED RESPONSE 2011:** Exercise validating existing crisis response capabilities and helped reveal areas requiring further improvement. This year's FUSED RESPONSE was held in the Dominican Republic.
- **Logistics Training and Advisory Team (LTAT):** U.S. Special Operations Command South synchronized efforts with U.S. Special Operations Command, U.S. Army Special Operations Command, and U.S. Army South to increase Partner Nation Special Forces' logistics capacity, with the goal of continued sustainment.
- **Intelligence analytical support to U.S. Country Teams:** U.S. Special Operations Command South analysts supported 7 US Country Teams focusing on terrorism, human smuggling networks, and transnational organized crime. The unclassified results culminated with three Pakistani citizens pleaded guilty in the District of Columbia to conspiracy to provide material support to the Tehrik-e Taliban Pakistan (TTP); -one Colombian hostage rescued; and transnational criminal organizations exploited.

**Joint Interagency Task Force South**  
**Headquarters: Key West, Florida**  
**Major 2011 Accomplishments**

- **Seizures / Disruptions (CY2011)—119 MT of Cocaine:** Facing the consistently mounting challenge of operating in an austere asset environment, JIATF South supported the disruption of 119MTs of cocaine resulting in the arrest of 355 traffickers and the seizure of 70 aircraft and vessels. This amount of cocaine represents \$7.1 billion in gross profit denied to transnational criminal organizations operating in the JIATF South Joint Operating Area. Stated another way, in CY2011, JIATFS supported the disruption of nearly twelve lethal doses of cocaine for every high-schooled aged American child.
- **Operation Martillo:** JIATF South planned, coordinated and synchronized the major elements of Operation Martillo. The operation is currently being executed under JIATF South leadership and supports a whole-of-government approach to countering the spread of transnational organized crime in Central America by denying the use of the Central American littorals as transshipment routes for illicit drugs, weapons, people and bulk cash. The operation is designed to foster capacity building to enable partner nation successes within their own sovereign responsibilities. The desired strategic effects are to enhance regional stability and to reduce the flow of cocaine ultimately destined for the United States.
- **Command and Control:** Under JIATF South Tactical Control, 17,710 aircraft flight hours and 2,548 ship days were executed without mishap. While this is a significant decrease in asset support from previous years, effective and efficient planning resulted in

the successes shown above. This year saw first ever deployments of the JSTARS aircraft to the JIATF South Joint Operating Area, which proved to be a “game changer” with respect to achieving Maritime and Air Domain Awareness.

**Joint Task Force Bravo**  
**Headquarters: Soto Cano Air Base, Honduras**  
**Major 2011 Accomplishments**

- Conducted 15 MEDRETEs, resulting in the treatment of 20,257 patients throughout Central America.
- JTF-Bravo received 7,000+ pounds of food and supplies on military aircraft cargo under the Denton Program, which was made available to NGOs for delivery to local families.
- JTF-Bravo received food, shoes and clothing on military aircraft cargo under the Denton Program, which was made available to NGOs for donation to approximately 800 children in five orphanages near Soto Cano Air Base.
- JTF-Bravo received 70,000 pounds of cargo, to include 460 wheelchairs and \$9,000 in equipment on military aircraft cargo under the Denton Program, which was made available to NGOs for donation to remote locations.
- JTF-Bravo received 5,000 backpacks on military aircraft cargo under the Denton Program, which was made available to NGOs for delivery to children from Guatemala, El Salvador, Nicaragua and Honduras.

**Joint Task Force Guantanamo**  
**Headquarters: Guantanamo Bay, Cuba**  
**Major 2011 Accomplishments**

- **Safe and Humane Care and Custody:** Most detainees have been moved from expeditionary camps to more modern Camps V and VI. Detainees in camp VI are allowed communal living arrangements, improving social interaction and overall well-being. Outdoor recreation areas have been expanded, and library holdings increased to 25,000 items. Educational course offerings have been broadened in scope and frequency, and videophone conferences have been made available to the detainees.
- **Legal and Transparent Operations:** continued quarterly assessment by the International Committee of the Red Cross. Detainees are granted routine visits by legal representatives; there have been more than 4,500 attorney visits since 2007. A dedicated effort is ongoing to increase visibility of detention operations; during 2011, more than 1,200 visitors and 220 journalists from 140 domestic and international news organizations visited the facility.
- **Military Commissions:** In March 2011, the Obama administration announced that military commissions would resume at Guantanamo Bay. Military commission proceedings are open to observation from the media, non-governmental organizations, and victim family members.

Chairman LEVIN. Thank you very much, General Fraser.  
 General Jacoby.

**STATEMENT OF GEN CHARLES H. JACOBY, JR., USA, COM-  
 MANDER, U.S. NORTHERN COMMAND/COMMANDER, NORTH  
 AMERICAN AEROSPACE DEFENSE COMMAND**

General JACOBY. Chairman Levin, Senator McCain, members of the committee: Thank you for the opportunity to appear before you this morning. It's an honor to be here. It's a pleasure to join my fellow combatant commander and friend, General Doug Fraser. Also with me today, I am happy to acknowledge my Command Ser-

geant Major, Bob Winzenried. On behalf of the men and women of NORTHCOM and NORAD, I appreciate this committee's continuing support of our missions of Homeland defense, including ballistic missile defense, defense support to civil authorities, for which the highlight last year was the team response to Hurricane Irene, and security cooperation, including our expanded cooperation with the Mexican military as they tackle the brutal TCO.

In the case of NORAD, our assigned missions for the United States and Canada include aerospace warning and control through our safe and successful Operation Noble Eagle, and maritime warning, where we continue to grow capability through improved inter-agency and international information-sharing. In addition to cooperative defense with our ally Canada, we are steadily improving our security cooperation with our good friends in Mexico and the Bahamas at a pace determined by mutual agreement and with constant respect for national sovereignty.

Our vision is that, with our trusted partners, we will defend North America by outpacing all threats, maintaining faith with our citizens, and supporting them in their times of greatest need. We view our missions as a sacred trust by our governments and our citizens. We appreciate that the American people and their elected representatives in Congress and the White House rightly have high expectations of our ability to defend them here at home.

Consistent with the necessity for collaboration and with many other organizations in a wide variety of challenging situations that can threaten the citizens of our great Nation, my priorities are:

- to expand and strengthen our trusted partnerships;
- to advance and sustain the binational military command, NORAD;
- to gain and maintain all-domain situational awareness, including air, space, cyberspace, land, maritime, and the unique and fast-changing domain known as the Arctic;
- to advocate and develop the abilities in our core mission areas to outpace all threats; and
- to take care of our people as they are our foundation.

I'm tremendously proud of the committed and selfless men and women, military and civilian, Americans and Canadians, who serve in our commands. When appropriate, in accordance with the Stafford Act, the National Response Framework, and other laws and guidance such as on the request of a Governor and upon direction of the President or Secretary of Defense, NORTHCOM pulls together the unique capabilities and capacities of DOD to multiply the impact of a primary Federal agency such as our close partner the Federal Emergency Management Agency.

Now, thanks to Congress and the President, the 2012 National Defense Authorization Act put into law initiatives supported by the Council of Governors and the Secretary of Defense concerning dual-status commanders and activation of Reserves in domestic disaster response. I appreciate this committee's support for these two important measures, which surely will help save American lives.

It was my privilege to serve in Afghanistan and Iraq with many superb members of the National Guard and Reserves. I believe that in the crucible of over 10 years of continuous conflict, with the support of Congress, we have developed the finest Total Force that I've



ever seen, and NORAD and NORTHCOM depend on that Total Force every day.

This past year has been busy. We've synchronized our activities with many partners and we've done our part to realize efficiencies that we've worked through the budget process for fiscal year 2012, trimming our workforce by 141 full-time equivalents and for fiscal year 2013 reducing our operations and maintenance funding by about 6 percent. But with the resources and authorities at hand and maintaining our vigilance, we'll be able to continue to defend and support the American people.

Thank you for this opportunity to appear today and I look forward to the discussion.

[The prepared statement of General Jacoby follows:]

PREPARED STATEMENT BY GEN CHARLES H. JACOBY, JR., USA

Chairman Levin, Senator McCain, distinguished members of the committee, I appreciate this opportunity to report on the posture of U.S. Northern Command (NORTHCOM) and North American Aerospace Defense Command (NORAD). The men and women of NORTHCOM and NORAD are dedicated to defending the U.S. and Canadian Homelands. We accept the obligation to defend the homelands as the most fundamental and enduring of our responsibilities. Consistent with the Department of Defense's Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, January 2012, as directed by the President, our Nations depend on the might of our militaries and the security of our Homeland to project and sustain military power, ensure our economic vitality, and safeguard our people and their will. This source of strength and resiliency must be carefully guarded. As we rebalance our military to deal with the challenges of the 21st century, we recognize that the security of our citizens cannot be compromised. Earning and keeping the trust of the American people drives our motto, "We have the watch."

I am honored to lead this exceptional command team made up of 1,725 full-time U.S. military and DOD civilians assigned to the command's headquarters, including nearly 80 National Guardsmen from 33 States, augmented by an additional 237 part-time Reserve component personnel. In addition, 114 Canadian military members are fully integrated into our NORAD headquarters and two Mexican liaison officers work alongside our NORTHCOM staff. Rounding out our team are representatives from over 60 Federal mission partner organizations.

NORTHCOM and NORAD are two separate commands that are inextricably linked. Neither command is subordinate to, nor a part of the other, but most elements of our headquarters staffs are combined and we all work very closely together. We hold the missions of NORTHCOM and NORAD as a sacred trust.

- NORTHCOM Mission: U.S. Northern Command partners to conduct homeland defense, civil support, and security cooperation to defend and secure the United States and its interests.
- NORAD Mission: North American Aerospace Defense Command conducts aerospace warning, aerospace control, and maritime warning in the defense of North America.

Our commands' missions are not only complementary, they are also inseparable, as the missions of aerospace warning and control, maritime warning, homeland defense, and civil support are more aligned than ever. To ensure that NORTHCOM and NORAD are strong and ready, we balance the day-to-day missions and operational concerns of the two commands with planning and preparing for an uncertain future. In support of these goals, these are my priorities:

- Expand and strengthen our trusted partnerships—The strength of NORTHCOM and NORAD is found in the partnerships that we create and sustain across joint, interagency, and multinational organizations. Accordingly, in the months ahead, we will continue our efforts to integrate across and develop trust among capable mission partners.
- Advance and sustain the binational military command—Over the last half-century, NORAD has been a mechanism for collaboration between the United States and Canada in the interest of security. As we look ahead to the next half-century of this partnership, NORAD will remain a model for international cooperation in defense planning, execution, training, information management, and technological innovation.

- Gain and maintain all-domain situational awareness—Ensuring global reach and projection is a function of a secure homeland. Our global reach is being challenged by both symmetric and asymmetric threats in and across space, cyberspace, land, sea, and air. Combining appropriate whole-of-government and whole-of-society efforts, we will keep our Homelands safe by giving priority to technologies and collaborative interagency processes for anti-access/area denial against potential adversaries, including those who attack from the inside.
- Advocate and develop capabilities in our core mission areas to outpace threats—There is no doubt that both long-understood threats and future asymmetric threats will look to exploit seams and vulnerabilities in our technologies and procedures. As Commander of NORTHCOM and NORAD, I help mission partners advocate for capabilities to close any seams, mitigate any vulnerabilities, and enhance security to meet the evolving challenges of an interconnected world.
- Take care of people; they are our foundation—We will always remember that the success of NORTHCOM and NORAD is due to the professionalism, commitment, and tireless service of our people. As we do our part during the next few years to reset the force in the drawdown from two wars, we will do everything we can to ensure our men and women in uniform have the tools they need to keep our Nations safe and free.

With these priorities as our focus, we will continue to improve our Homeland defense, civil support, and security cooperation capabilities. It is my privilege today to report on the actions we are taking in each of these mission areas.

#### HOMELAND DEFENSE—A SACRED TRUST

North America faces an ever-changing world that presents many challenges. Violent extremists, proliferation of weapons of mass destruction, rogue states, traditional competitor states, transnational criminal organizations (TCOs), insecurity in various domains, economic distress, and the effects of climate change continually reshape our strategic environment. Each of these challenges poses a potential threat to the United States, Canada, and our regional partners, and each is pertinent to the missions of NORTHCOM and NORAD. Continued successful defense and security of the continent require flexible, multi-domain, whole-of-government, multinational, and combined arms approaches from our commands.

As such, the commands are integral parts of an active, layered defense of the Homelands. We work closely with our interagency, private sector, and international mission partners to sustain continuous situational awareness and readiness to deter, prevent, and defeat a range of threats in all domains when directed at our Homelands across the spectrum of missions assigned to the commands.

#### *Missile Defense*

The American people have a deservedly high expectation of success in our Homeland defense efforts. Every nation should pursue the right to protect its population and critical infrastructure from the terror of ballistic missiles. Accordingly, no homeland task is more important than protecting the United States from a limited intercontinental ballistic missile (ICBM) attack. NORTHCOM is responsible for directing missile defense operations to protect the Homeland from hostile acts while assisting the Missile Defense Agency in developing improved capability. We work to balance development, testing, training, and daily readiness for this complex mission. Indicative of the success of the Total Force concept, the Army National Guard provides all of the manning (over 300 people) at our Ground-Based Interceptor (GBI) sites in support of missile defense. It is due to the professionalism of these dedicated warriors, coupled with the current capability of the Ballistic Missile Defense System (BMDS), that I am confident of NORTHCOM's ability to successfully defend the Homeland from the current set of limited long-range ballistic missile threats. However, because of the uncertainty of threat intentions and capabilities, we must remain vigilant and continue to develop, refine, and adapt the system.

The Ground-Based Midcourse Defense (GMD) system, which is part of the BMDS, was fielded using a spiral development acquisition approach and, as system updates are delivered and new elements added to the architecture, we continue to assess and refine our operational procedures to maximize the effectiveness of the GMD system. As the Nation develops and fields more robust regional BMDS capabilities using the Phased Adaptive Approach, we will reevaluate our procedures and adjust if needed to ensure synchronization of the entire missile defense enterprise. The GMD system stands ready to defend against limited ballistic missile threats to the Homeland; however, we are continually monitoring the development and progress of regional

ballistic missile programs to ensure we stay ahead of any advances in threat capability. We must not allow regional actors, such as North Korea, to hold U.S. policy hostage by making our citizens vulnerable to a nuclear ICBM attack. I cannot over-emphasize the importance of executing a robust testing program to validate current and future capabilities that comprise the GMD system. I strongly support the Missile Defense Agency's test cadence of conducting at least one GMD flight test annually. We are making great strides to improve system capability in partnership with the Missile Defense Agency. The Missile Defense Agency completed major construction on Missile Field 2 at Fort Greely, AK, this past year. This new missile field will provide important flexibility to increase capability in the future, if needed. The Missile Defense Agency is fielding new kill vehicle software this fiscal year, which will improve not only the accuracy, but also the reliability of our GBI fleet. The Missile Defense Agency will soon test the fix for the problem that caused the failure of the last GMD flight test and is well on its way to return to flight testing and production of an improved kill vehicle.

In addition, we must be better prepared to respond to threats that give us little to no advance warning, which places a tremendous burden on the low-density, high-demand sensors we have available today to detect these threats and places a greater emphasis on our requirements for tracking through all phases of flight. This requires pursuing future sensor capability, such as the Space-based Precision Tracking Space System, ensuring we have the highest level of GMD for the Homeland.

#### *Aerospace Control Alert*

Our Nation continues to face threats from the air because our adversaries still view aircraft as potent weapons and a means to covertly gain access to our Homeland. As a nation, with all our partners, we have made it hard for air attacks to be successful and we must continue to do so by improving our air domain awareness and addressing gaps.

An effective air defense and a strong air sovereignty capability are critical components of homeland defense. Since the September 11 attacks, NORAD has defended the airspace of the United States and Canada through airspace surveillance, a ready alert force, air patrols, and the National Capital Region Integrated Air Defense System. This mission was previously known as Air Sovereignty Alert. In 2011, we expanded the term to Aerospace Control Alert because it captures the totality of this mission, which includes the air defense mission, as well as the air sovereignty mission.

For the air defense mission, armed fighters are positioned across the United States and Canada on alert to intercept and identify suspect aircraft, which allows NORAD to be postured to defend against strategic airborne threats to the United States and Canada. Thanks to our Total Force partners, the Air National Guard provides the majority of NORAD's operational force for Aerospace Control Alert missions, while the Army National Guard provides ground-based air defense capabilities protecting our Nation's capital.

Providing our National Guard partners with capable equipment is key to Aerospace Control Alert, which requires the modernization of NORAD airframes. Legacy fighters are aging, but will be able to perform their mission through the 2013–2025 timeframe. However, recapitalizing our fighter, tanker, and airborne early warning aircraft will remain a requirement. Another capability we are actively pursuing is our ability to respond to low, slow airborne threats. We have submitted this capability into the joint requirements process and have begun work on an Analysis of Alternatives. Based on our initial timelines, we anticipate having a way ahead by late summer.

The second part of the Aerospace Control Alert mission is air sovereignty operations. NORAD safeguards the sovereign airspace of the United States and Canada by responding to unknown, unwanted, and unauthorized air activity approaching or operating within either country's airspace. NORAD conducts Northern Sovereignty Operations to detect and respond to long-range aviation conducted by the Russian military in the vicinity of U.S. and Canadian airspace. This includes monitoring all northern approaches to U.S. and Canadian airspace and identifying all aircraft approaching it. In addition, we remain vigilant and ready to conduct Southern Sovereignty Operations in the event that North American air sovereignty is challenged by foreign aircraft operating in the southern portion of our area of operations.

After the fall of the Soviet Union, Russia conducted military long-range aviation flights on a very limited basis; however, in the summer of 2007, Russian officials publicly announced their intent to resume a more robust schedule of long-range aviation activity. Since then, Russian bomber aircraft have conducted northern patrols and training activities on a regular basis. These flights are flown both northwest of Russia, prompting responses from European nations, and northeast of Rus-

sia approaching the United States and Canada. These flights routinely enter the U.S. and/or Canadian Air Defense Identification Zones.

If Russian aircraft have not provided prior notice via a flight plan, or do not respond to air traffic control instructions, they are detected and labeled as unknown aircraft. It is the responsibility of NORAD to respond appropriately to any unknown aircraft. Our actions demonstrate not just to Russia, but to all, our capability and intention to defend North American air sovereignty.

This does not mean we view Russia as an enemy. In fact, in an effort to increase cooperation with the Russian military, NORAD and the Russian Federation Air Force conducted the second Vigilant Eagle exercise in August 2011, where each side practiced tracking, intercepting, and passing control for monitoring and escorting a live-fly, simulated hijacked aircraft into the other's airspace. The benefits we realize from this type of exercise are invaluable as they are by nature complicated and require high levels of synchronization between NORAD and the Russian Federation Air Force. As a result, this process by itself opens up new avenues for discussion and cooperation, establishes long-term contacts, and fosters better understanding among our governments, and especially among our militaries. These open lines of communication help our respective militaries avoid misunderstandings that could result in heightened tensions and unintended consequences.

Vigilant Eagle is a symbol of what can be achieved using an incremental, step-ping-stone process—each event building on the success of the prior year's effort—which we hope over time will lead to even greater levels of openness and cooperation among our nations.

#### *Maritime Domain*

While most American and Canadian citizens are familiar with our air defense capabilities, our less-publicized maritime operations remain a strong deterrent capability for our nations. NORTHCOM and NORAD partner with geographic combatant commanders, U.S. and Canadian Government agencies, allied nations, and the commercial/private sector to maximize maritime warning and maritime domain awareness for North America through information sharing, plan development, and cooperative training. Sixteen stakeholders now contribute to the common operating picture with NORAD, to include the U.S. Coast Guard, the other combatant commands, Fleet Forces Command, and Canada Command. NORAD processes, assesses, and disseminates intelligence and information related to the respective maritime areas and internal waterways of, and the maritime approaches to, the United States and Canada. We leverage maritime domain awareness to develop a comprehensive shared understanding of the maritime operating environment and to issue binational warnings of maritime threats or attacks against North America.

As we look to the future, NORTHCOM and NORAD continue to refine and report requirements, efficiencies, and deficiencies to the Joint Staff and via the annual Maritime Domain Awareness Plan submission to the Secretary of the Navy in his capacity as DOD Executive Agent for Maritime Domain Awareness.

#### *Cyber Events*

Cyber security is a growing critical mission. Since NORTHCOM and NORAD rely on data systems, the Internet, and inter-networked commercial and military infrastructure, cyber attacks pose potentially grave risks to our ability to accomplish our missions. To improve our capability to fight in a degraded cyber environment, we are working within the DOD to establish responsive policies, authorities, and technologies and to develop a skilled cyber workforce to enhance mission assurance and resiliency.

Outside of the DOD, the Department of Homeland Security (DHS), in partnership with other Federal Departments and Agencies; State, local, tribal and territorial governments; the private sector; and international partners, is improving its capability for a fully-coordinated response to a significant cyber incident to minimize impact, restore operations, and reduce the risk of a future occurrence. Given that much of the critical infrastructure that the DOD and civil authorities use is owned by the private sector, the continued development of these partnerships, information sharing, and advancement of defensive measures is an imperative. Therefore, NORTHCOM continues its good relationships with DHS and U.S. Cyber Command to coordinate and collaborate on cyber situational awareness, and to effectively provide "response and recovery" support to civil authorities when requested in the event of a serious domestic cyber attack with second- and third-order physical effects.

#### *Anti-Terrorism and Force Protection*

Fundamental to homeland defense is the protection of our servicemembers to ensure full mission capability. In executing our Force Protection mission, NORTHCOM

continues to improve information sharing with our interagency partners and to streamline reporting within the DOD to proactively detect emerging threats directed against our Nation, our military personnel, and our critical capabilities. The Intelligence Community and other interagency representatives in NORTHCOM, including Federal and Service law enforcement investigative agencies, meet on a daily basis with NORTHCOM Anti-Terrorism and Force Protection experts to examine threat information and to implement mitigation measures to achieve the best possible protective posture in the most economical way. NORTHCOM also participates in the Fort Hood Senior Steering Group and attendant sub-working groups to conduct a comprehensive review of lessons learned, and to implement processes and procedures that facilitate synchronization of our defensive strategy to warn against and mitigate threats across geographic regions, jurisdictions, and operational chains of command. We have had significant success in this area and our partnership with the Federal Bureau of Investigation in this endeavor is a model for interagency coordination.

#### CIVIL SUPPORT—RESPONDING TO OUR NATION’S NEEDS

NORTHCOM stands ready to support primary agencies in responding quickly to natural and manmade disasters and to the effects of terrorist attacks. The DOD has a long history of supporting civil authorities with specialized skills, capabilities, and capacities that can rapidly stabilize and improve the situation in the wake of catastrophic events. All requested DOD support is provided at the direction of the President or Secretary of Defense and in accordance with the National Response Framework and applicable laws, including the Stafford Act and the Economy Act.

In coordination with our DOD and interagency partners, NORTHCOM has made significant improvements in Defense Support of Civil Authorities (DSCA) and, therefore, our ability to respond quickly and more effectively to manmade or natural disasters. These improvements include: (1) implementation of a Dual-Status Commander Concept of Operations through which we are able to achieve greater unity of effort between Federal and State military forces during contingencies; and (2) implementation of a new Chemical, Biological, Radiological, and Nuclear (CBRN) Response Enterprise that is able to deliver more lifesaving capability faster than ever before.

In accordance with the Joint Action Plan, which was a collaborative effort of designated representatives of the Council of Governors, the DOD, the DHS, and the Federal Emergency Management Agency (FEMA), NORTHCOM led the development and implementation of the Dual-Status Commander Concept of Operations. This has allowed the DOD and the State governors to jointly pre-identify, train, and certify senior military officers to perform simultaneously as commanders of both National Guard Forces in State status and Federal military forces in Title 10 status. Prior to Hurricane Irene in 2011, the DOD employed Dual-Status Commanders only for selected pre-planned events. Now that all States have designated Dual-Status Commanders, this joint initiative postures the DOD and the States to employ these officers for short- or no-notice events such as earthquakes, hurricanes, or other natural disasters.

#### *Reserve Mobilization Authority*

Since access to trained forces is vital to successful civil support operations, we appreciate the Committee’s action to include a provision in the National Defense Authorization Act for Fiscal 2012, supported by the Council of Governors, to authorize the Secretary of Defense to order Army, Air Force, Navy, and the Marine Corps Reserves involuntarily to active duty for a major disaster or emergency. This new authority makes the significant capabilities of the Army Reserve, Air Force Reserve, Navy Reserve, and Marine Corps Reserve Forces all available to assist civil authorities in responses to major disasters and emergencies, thus enabling a truly Total Force approach to DOD disaster response.

#### *Chemical, Biological, Radiological, and Nuclear Response*

As an important subset of DSCA, managing the aftermath of a CBRN event will be exceptionally challenging due to the potential scope of the event, the specialized skills and equipment required to respond, and a general lack of knowledge among our Nation’s population of the hazards associated with such events. NORTHCOM has a key leadership role in ensuring that our Government is prepared to succeed in this important mission area.

Over the past 18 months, the DOD has taken significant steps to improve its ability to support civil authorities in responding to catastrophic incidents in major metropolitan areas, particularly weapons of mass destruction attacks and major industrial accidents. The CBRN Response Enterprise includes National Guard, Reserve,

and Active component forces prepared to rapidly respond to a CBRN incident within the Homeland. Having already achieved initial operational capability, the CBRN Response Enterprise will reach full operational capability on 1 October 2012 with over 18,000 Active component, Reserve component, and National Guard servicemembers dedicated to this vital mission. These forces are focused on lifesaving and are trained and equipped to provide critical search and rescue, decontamination, emergency medical care, and medical evacuation in support of the Primary Federal Agency, the affected regions and States, and local incident commanders. Ever vigilant, these forces maintain a graduated response posture and are prepared to deploy within hours after an incident in order to save lives and minimize human suffering within the critical first 72 hours.

#### *Hurricane Response Operations*

We continue to stand ready to provide robust military support during hurricane response operations. We have incorporated lessons learned into our operational planning, and we have conducted rigorous exercises to hone our capabilities. These activities ensured that we were prepared, in August 2011, when NORTHCOM coordinated support to the FEMA, State and local response efforts throughout the Hurricane Irene experience. In anticipation of the storm, the command quickly deployed 9 of our 10 Defense Coordinating Elements, each led by a Defense Coordinating Officer, to join with FEMA Incident Management Teams across the northeastern United States. In all, more than 6,500 active duty servicemembers were ready to assist States affected by Hurricane Irene. In New Jersey, nearly 100 troops provided command and control for military forces supporting efforts in the northeast.

Hurricane Irene response activities marked the first time that Dual-Status Commanders were in position for an unplanned event to provide command and control over both Active Duty and Reserve component (National Guard and Army Reserve) forces. Indicative of the success of the program and continuing collaboration between NORTHCOM and the States, Dual-Status Commanders for the response missions were appointed in New Hampshire, New York, North Carolina, and Rhode Island.

#### *National Security Implications from Arctic Change*

The progressive opening of the Arctic represents both challenges and opportunities. Climate change in the Arctic is impacting the land and seascape, creating opportunity for increased human activity and presenting a new set of regional vulnerabilities and potential resource competitions. Emerging Arctic challenges require deliberate preparation to ensure economic access and freedom of maneuver, and to prevent irresponsible actions. As the Arctic opens, there will be a marked increase in human activity in a push for resources (e.g., fish, diamonds, natural gas) and eco-tourism. Special capabilities will be required to operate successfully in the Arctic. For instance, icebreakers are an essential capability for the United States to exercise our responsibilities. I believe the Nation should continue to exercise freedom of navigation to assure access to this new dimension of the maritime domain.

Regardless, the Arctic will remain an austere and formidable environment that requires unique capabilities and skills. We are looking ahead at how best to fulfill our responsibilities for DOD military operations within the Arctic portion of our area of responsibility to advocate for DOD capabilities in the Arctic region.

As Arctic nations, the United States and Canada have broad and fundamental interests in the Arctic region where we seek to sustain our national security equities, protect the environment, manage resources responsibly, advance the social and economic development of indigenous communities, support scientific research, and strengthen international cooperation. In support of these interests, NORAD, NORTHCOM, and Canada Command are working toward a Tri-Command Framework for Arctic Cooperation, which synchronizes planning, operations, domain awareness, information sharing, exercises, and capability development among the commands in the Arctic region.

In addition to our partnership with Canada, NORTHCOM is also committed to developing "whole-of-nation" solutions to Arctic challenges through collaboration with our DOD, interagency, and industry partners to address gaps in Arctic communications, domain awareness, mass rescue, disaster response, and weather forecasting capabilities.

Later this month, NORTHCOM will host an Arctic Collaborative Workshop at the National Defense University in conjunction with these partners to validate our near-term operating concepts and capability development. The Workshop will also inform our series of exercises to be conducted in the Arctic this summer. Lessons learned from these events will drive our Theater Campaign Plan's evolution to better sup-

port our partners in promoting security, safety, stability, and economic growth in the region.

The foundation of our future success in the Arctic must be built upon the 1982 Convention on the Law of the Sea, the seminal agreement that provides the international legal framework for use of the world's seas and oceans, including the Arctic Ocean. I believe that joining the Convention would protect and advance a broad range of U.S. interests, including navigational mobility and offshore resources. In short, joining the Convention would bolster our national security, secure U.S. rights over extensive marine areas, and formalize the United States' standing where our vital interests are at stake.

#### *Exercise and Training*

The Combatant Commander's Exercise Engagement Program (CE2) supports all aspects of the mission-critical NORAD and NORTHCOM Exercise and Engagement program. This CE2 program helps us build partner capacity and readiness across 54 States and territories, Canada, Mexico, and the Bahamas. We appreciate the committee's support of this critical program that directly supports our readiness to defend the Homeland and save lives during domestic crises.

#### SECURITY COOPERATION—COOPERATIVE DEFENSE THROUGH ENDURING PARTNERSHIPS

NORTHCOM and NORAD do not meet today's complex challenges alone, and as such our allies and partner nations actively contribute to the cooperative defense of North America. We support and enable other agencies, advocate for complementary resources, and work toward common objectives to improve interagency planning and coordination that synchronize U.S. support for building our partners' capacities. These partnerships allow us to defend the Nation in depth.

#### *Countering Transnational Criminal Organizations*

There has been a continued steady increase in the number of deaths as a result of this ongoing conflict since 2006, although the rate of increase slowed in 2011. TCOs represent a globally-networked national security threat. This sophisticated network of networks includes criminal organizations and street gangs, frequently serving as enforcers and drug distributors for TCOs. The criminal organizations have global reach that spans a diverse set of illicit activities that includes, but is not limited to drug trafficking, kidnapping, human trafficking, and extortion. According to the Department of Justice National Drug Intelligence Center's 2011 National Drug Threat Assessment, TCOs have links in over 1,000 U.S. cities. According to the 2009 National Drug Threat Assessment, our Nation's demand for illegal drugs results in wholesale proceeds of up to \$39 billion annually from illicit drug trafficking via the Southwest Border. This transnational problem needs to be approached in a holistic, interagency manner.

In support of the President's Strategy to Combat Transnational Organized Crime, NORTHCOM coordinates with Mexico, Canada, The Bahamas, U.S. Southern Command, and our other partners in the Caribbean, to enhance mutual trust, increase collaboration, improve capacity against TCOs and their activities, and to contribute to a cooperative defense of North America. NORTHCOM is just one supporting organization in a much larger interagency and international law enforcement effort to counter the TCOs operating worldwide.

As requested by Mexico, NORTHCOM cooperates with the Mexican military in support of their efforts to build capabilities and capacities to employ against TCOs. Above all, we will continue to respect Mexico's sovereignty and we stand ready to increase coordination and collaboration to the extent that Mexico desires and in accordance with U.S. Government policies. Under the courageous leadership of Mexican civil authorities, the Mexican military is making progress against TCO activity. At the invitation of our Mexican partner, NORTHCOM provided assistance in several key areas.

In support of the Mérida Initiative, we will improve our collaboration with international and interagency partners to disrupt and reduce transnational threats to North America and provide regional security through a whole-of-government approach. We will encounter both challenges and opportunities as our partners develop and improve their capacities.

An important element of our efforts to combat TCOs is the Western Hemisphere Institute for Security Cooperation (WHINSEC). Late last year, I participated in a WHINSEC Board of Visitors curriculum review at Fort Benning, GA. This organization provides an effective mechanism to build relationships with militaries throughout the hemisphere and to influence a positive trajectory on human rights.

### *Security Cooperation with Mexico*

The military-to-military relationship between the United States and Mexico has advanced to unprecedented levels of coordination. Today, Mexico and the United States are strategic partners, respecting the laws and sovereignty of our individual nations, and at the same time facing shared challenges and applying lessons learned. While our Mexican colleagues share information about fighting TCOs, as well as their expertise in providing humanitarian assistance and disaster response, we share our experiences in asymmetric conflict, to include intelligence-driven operations, law of land warfare, whole-of-government solutions and rule of law challenges. In addition, we have shared mutual perspectives on how to incorporate a whole-of-nation approach.

We work closely with the Mexican military to enhance planning, tactical skills, communication capabilities, and incorporation of human rights principles, and meet frequently to build personal relationships and coordination. As an example, we conduct combined planning and exercises such as Quickdraw, a tactical-level exercise that tests the capability of U.S., Canadian, and Mexican maritime forces in a joint response against illicit activity threatening North American Maritime Security. We have also incorporated bilateral and multilateral arrangements such as the North American Maritime Security Initiative (an information-sharing and cooperation arrangement among NORTHCOM, Canada Command, the Mexican Navy and the U.S. Coast Guard), and have conducted Subject Matter Expert Knowledge Exchanges, which allow us to learn military best practices from each other. We conduct bilateral and multilateral conferences for broader coordination in dealing with issues such as natural disasters, pandemics, and search and rescue. The United States also shares information in resource management and logistics, operations development, and aviation training with the Mexican military.

Additionally, for the past few years, NORTHCOM has had resident Mexican Foreign Liaison Officers from both SEMAR (Mexican Navy and Marines) and SEDENA (Mexican Army and Air Force) in our Headquarters, which has helped tremendously to improve cooperation. For the first time, in May 2012, NORTHCOM and the Mexican military will conduct Ardent Sentry 12, a combined Defense Support of Civil Authorities exercise designed around mutually-agreed objectives.

We are partnering with U.S. Southern Command and working with security forces from Mexico, Guatemala, and Belize to strengthen ties and promote a coordinated approach to enhancing security along the Mexico-Guatemala-Belize border region. With our assistance, our southern neighbors are fortifying this porous border region and slowing the flow of illicit trafficking northward.

### *Support to Law Enforcement Agencies*

DOD support to U.S. law enforcement agencies (LEAs) and the Mexican military ultimately contributes to a safe and more secure border and supports the broader Counter-TCO fight. This is one fight against a common enemy for the Mexican military and our Federal agency partners. NORTHCOM's role in the border security mission is to provide DOD support to U.S. and foreign law enforcement agencies. Through our subordinate unit, Joint Task Force North (JTF-N), we provide mutually-beneficial DOD support in a broad range of unique military categories.

Our vision is for JTF-N to be the most effective integrator of DOD support to LEAs. Fostering our important relationships with LEAs, State National Guard counterdrug task forces, and the Mexican military is vital to securing our Nation's borders against drug traffickers and their associated criminal activities.

In coordination with our DOD and interagency partners, NORTHCOM is developing systematic improvements in our ability to provide more effective and efficient LEA support. One improvement, coordinated by JTF-N with our LEA partners, is the new DHS comprehensive campaign planning process. This new planning cycle helps support the development of DHS and Department of Justice (DOJ) strategic guidance, increases interagency planner cooperation, and ultimately improves unity of effort and synchronization of resources for countering illegal drugs and other transnational threats.

A second improvement is the military intelligence training support provided to the DHS-led Border Intelligence Fusion Section within the DOJ-led El Paso Intelligence Center. The Border Intelligence Fusion Section, comprising of military intelligence analysts supporting training and intelligence fusion, develops operational intelligence products that we share with our interagency partners for their use in early cueing, warning, and interdiction operations.

Operational support to LEA partners includes detection and monitoring missions using a variety of multi-domain sensors and platforms that are unique to the DOD, in order to improve a supported LEA's ability to interdict transnational threats. Together we are exploring our spectrum of authorities to determine where modifica-



tions could enhance our ability to support our U.S. Government partners, better defend our Homeland in depth, and enhance cooperation with our Mexican partners.

In sum, I believe DOD support to law enforcement is a “win-win” cooperation effort for our Nation’s homeland security and defense missions. DOD units are afforded the opportunity to conduct operational training in an interagency environment, and our LEA partners are provided support through unique DOD capabilities to counter an adaptive threat to our Nation.

#### *Partnership with Canada*

Canada is a trusted partner with whom we share the defense of the continent. The military-to-military relationship between NORTHCOM and Canada Command is strong, and has progressed to unprecedented levels of cooperation. At the Permanent Joint Board on Defence this past January, Lieutenant-General Walter Semianiw, Commander of Canada Command, and I signed the Civil Assistance Plan and the Combined Defence Plan to codify cooperative efforts among NORAD, NORTHCOM, and Canada Command to advance continental security, safety, and stability.

Canada and the United States are allies and strategic partners in the security cooperation arena, with NORTHCOM and Canada Command working together as never before on emerging regional engagements such as the North American Maritime Security Initiative.

Meanwhile, Canada Command is developing a plan for complementary regional engagements along Mexico’s southern border with Guatemala and Belize, supporting the fight against TCOs as well as providing expertise and training to the Mexican military and civil authorities as they transition their legal system to a model better able to prosecute, convict, and incarcerate TCO members.

NORTHCOM and Canada Command also closely coordinate security cooperation activities with other partner nations, as well as refine a common exercise schedule, to ensure that all activities provide the most value for their cost and that no time is wasted on duplicating efforts.

Additionally, for the past few years NORTHCOM has had a resident Liaison Officer at Canada Command Headquarters, and Canada Command now has a resident Liaison Officer at NORTHCOM and NORAD Headquarters, further improving the already excellent coordination between our commands and nations.

#### *Theater Security Cooperation with the Bahamas*

The United States and the Bahamas share a strong bilateral relationship built on bolstering citizen security and promoting trade and cultural exchange. These shared interests, including a common belief in the rule of law and democratic values, and The Bahamas geographic proximity to the United States, are the foundation upon which we have built a longstanding partnership. The Bahamian Government is committed to close cooperation with the United States on law enforcement and maritime security concerns, as well as on counterdrug efforts. This strong security cooperation relationship is highlighted by Operation Bahamas, Turks and Caicos, which is a trilateral counternarcotics effort conducted by personnel of the Royal Bahamas Police Force, Royal Bahamian Defense Force, and the Turks and Caicos Islands police with counterparts from the U.S. Drug Enforcement Administration (DEA) and the U.S. Coast Guard.

One of the key focus areas in The Bahamas is the Hawk’s Nest Forward Operating Base, a staging location for counterdrug operations. Hawk’s Nest is a centrally-located facility on Great Exuma used by Bahamian and interagency counternarcotics partners. We are supporting the U.S. Embassy-Nassau, in their effort to develop a cost-sharing agreement with the Department of Homeland Security, U.S. Customs and Border Protection, DEA, the U.S. Coast Guard, and the Federal Aviation Administration, all of which have equities in either operating from Hawk’s Nest or retaining radars and other equipment located at the site. The proximity of The Bahamas to the United States means that relatively small sites like Hawk’s Nest have strategic importance for the Counter-TCO and Cooperative Defense mission areas.

#### THE NATIONAL GUARD—OUR VITAL PARTNER

NORTHCOM and NORAD rely on the support of National Guard soldiers and airmen who work each day at the headquarters and within the NORAD Regions and NORTHCOM’s Service components and joint subordinate commands. This includes one three-star, two two-star, and three one-star National Guard officers who serve as my NORTHCOM Deputy Commander, subordinate commanders, and direct advisors. I believe this allows the commands to leverage National Guard expertise and experience bringing the best mix of DOD assets to bear in executing the full spec-

trum of homeland defense and civil support missions. The commands also benefit from their understanding of National Guard policies and programs to ensure the commands' planning and collaboration with the National Guard are informed and effective. Through the National Guard Bureau, NORTHCOM and NORAD coordinate with each State's Joint Force Headquarters for planning purposes and to maintain situational awareness of National Guard actions and commitments. I believe that no force is better suited to help deter, prevent, and defeat many of the threats we face than today's National Guard. Simply put, the National Guard is a natural partner in all we do.

#### FUTURE CAPABILITIES

As we investigate existing technologies and capabilities for innovative uses, we are also focusing on emerging technologies to meet our requirements.

##### *Aerospace Threats*

One of the more pressing challenges that NORTHCOM and NORAD will face in defense of the Homeland in the near future is from emerging air threats, to include low, slow-flying General Aviation aircraft, cruise missiles, unmanned aerial systems, and short- and medium-range ballistic missiles. Our Nation is developing a more responsive, tailorable integrated air and missile defense capability to defend against these threats. In the past year, NORTHCOM and NORAD have made significant strides toward protecting the Homeland against these threats through exercises, experiments, and tests with other organizations within the DOD. As the threat of terrorism looms and the proliferation of advanced asymmetric capabilities grows, it becomes increasingly important to improve existing air and missile defense systems-of-systems tailored to meet the unique needs of the Homeland.

##### *Smart Power Infrastructure Demonstration for Energy Reliability and Security*

We are also investigating ways to reduce the risk of our military's dependence on commercial power grids. We are currently partnering with U.S. Pacific Command, the Department of Energy, DHS, and five of the national labs (Sandia National Laboratories, Idaho National Laboratory, Pacific Northwest National Laboratory, Oak Ridge National Laboratory, and National Renewable Energy Laboratory) on a Joint Capabilities Technology Demonstration known as Smart Power Infrastructure Demonstration for Energy Reliability and Security (SPIDERS). With SPIDERS, we hope to create a cyber-secure smart microgrid that not only will augment existing power sources, but will also enable a military installation to remain operational when the commercial power grid is disrupted. We are currently working with our partners to test an energy control system at Joint Base Pearl Harbor-Hickam in Hawaii this summer. Later this year, we will begin work to demonstrate a cyber-secure microgrid at Fort Carson, CO, that will leverage previous electrical upgrades, a 2-megawatt solar array, electric vehicle-to-grid energy storage, and distributed backup generators to provide emergency power to a portion of this Army post. In 2014, we expect to demonstrate the first operational end-to-end SPIDERS cyber-secure microgrid at Camp Smith, HI.

#### FINAL THOUGHTS

We are grateful for everything the members of this committee have done to ensure our ability to defend the Homeland. We appreciate your support to soldiers, sailors, airmen, marines, coast guardsmen, and to their families for their efforts to defend our Nation at home and abroad. With your help, North America will be even safer tomorrow than it is today. I am honored to appear before you, and look forward to your questions.

Chairman LEVIN. Thank you very much, General Jacoby.  
We'll have a 7-minute first round.

Let me ask both of you. DOD created a new defense strategy to guide creation of the fiscal year 2013 defense budget request. It's our understanding that the development of the strategy was a highly-inclusive process, and that each of you had the opportunity to provide input into the development of the new strategy. In your view, does the budget request support the strategy and do you support the budget? General FRASER?

General FRASER. Mr. Chairman, we were very much included in the process and the development of the strategy through a series

of conversations with the Chairman and with the Secretary of Defense. From where I sit, I'm very comfortable that the budget supports the strategy and that I can perform my mission within the allocated resources.

Chairman LEVIN. General Jacoby?

General JACOBY. Mr. Chairman, yes, I do. I feel that the strategy the Homeland appropriately considered, and I believe the budget supports the execution of the strategy in the Homeland. Thank you.

Chairman LEVIN. Thank you.

General Jacoby, as the executive branch works through the roles and missions of various military and civilian agencies for our Nation's cyber security, are you working with other agencies to determine what roles and missions would be appropriate for NORTHCOM and NORAD with regard to cyber security?

General JACOBY. Mr. Chairman, yes, we're working very closely, particularly with our good partners in DHS and DOD, of course, with U.S. Cyber Command (CYBERCOM) and U.S. Strategic Command (STRATCOM).

Chairman LEVIN. We face a number of malicious, many types of malicious cyber activity, from hackers to criminals to intrusions to steal our intellectual property and secrets, to also the possibility at least of an attack which could disrupt or damage or destroy our infrastructure, be it civilian or military.

The Director of National Intelligence has told us that among the most difficult strategic challenges that he faces are the following: distinguishing between cyber espionage intrusions and potentially disruptive attacks; and providing timely warning of cyber threats and incidents. Now, are you involved in an effort to distinguish between these various types of cyber activity in order to determine whether and when our Nation is under a cyber attack and to provide timely warning of such an attack, and can you give us a status report as to where those discussions are? How close are we to reaching criteria to make that kind of distinction?

General JACOBY. Mr. Chairman, these are important subjects you've raised with regard to cyber. My principal responsibility in the cyber domain is consequence management. In the event of a catastrophic cyber attack on this country, NORTHCOM could certainly be called upon to provide support to civil authorities in the recovery.

But we think our role is broader than that. As you mentioned, we have some work to do in defining what's an attack in the cyber domain. It's a very collaborative process that we're doing as combatant commanders, along with STRATCOM and the sub-unified command, CYBERCOM. That's a work in progress. However, in the end, I believe it'll be a matter of policy to clearly define what is an attack or what isn't an attack.

Until then, I continue to work closely, particularly with General Alexander and CYBERCOM, to ensure that we have ample warning to understand if there is a cyber attack or malicious cyber activity that's taking place that could compromise the defense of the Homeland. We have good cooperation across both DOD and with our partners in DHS to achieve that end.

Chairman LEVIN. I think we all can understand why it has to be a work in progress, given the complexity of the issue. Would you say that we would have some way of bringing to a resolution that issue so we can have some criteria to determine when the Nation is under attack, military attack that needs a response, or a military-like attack that requires a response? Do you believe that we'll have that kind of sense or identification or criteria, for instance, within a year? Is that a reasonable expectation?

General JACOBY. Senator, I don't think that's an unreasonable expectation. I wouldn't want to put an exact time limit on it. But I think there is momentum. There is a momentum across DOD and across the government, and we appreciate the support of this committee and the Senate in helping us think through this. I know you had a very successful tabletop exercise, lots of good feedback from that. Continuing efforts like that to inform, to educate, and to understand will help us get more quickly to that end state where we can define better the criteria which would determine whether we're under an attack or not.

Chairman LEVIN. General Jacoby, as the combatant commander responsible for the Arctic, do you support the U.N. Convention on the Law of the Sea (UNCLOS) and, if so, why?

General JACOBY. Mr. Chairman, yes, I do. It's DOD's position that we support accession to the UNCLOS.

Chairman LEVIN. Is it your position as well?

General JACOBY. Mr. Chairman, that's correct, it is my position. As the commander responsible for the Arctic, in my AOR it would be very helpful to have a seat at the table as we begin the lengthy and I'm sure long process of determining the continental shelf and all of the attributes to the Arctic that competing nations will be interested in.

Chairman LEVIN. General Jacoby, do you support the current MDA plan to conduct two flight tests of the GMD system to verify a fix to the EKV that failed in the last flight test, before we resume production or refurbishment of the EKV's?

General JACOBY. Mr. Chairman, yes, I do.

Chairman LEVIN. Do you agree with General O'Reilly of the MDA that it's essential to have operational production-quality kill vehicle hardware on the intercept flight test plan to gain confidence that the system will work properly and reliably in the future?

General JACOBY. Mr. Chairman, yes, I do. I support General O'Reilly's test program.

Chairman LEVIN. There have been suggestions by some in Congress that we should deploy a ground-based interceptor (GBI) or interceptors on the east coast of the United States to defend the Homeland against a possible future long-range Iranian missile threat. You're the combatant commander who establishes the requirements for Homeland missile defense capability. Is there a requirement for deploying an east coast GBI site and are you seeking to deploy such a site on the east coast?

General JACOBY. Mr. Chairman, today's threats do not require an east coast missile field and we do not have plans to do so.

Chairman LEVIN. Thank you.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman, and thanks again to the witnesses.

General Jacoby, as you well know, nearly 50,000 Mexican citizens have lost their lives as the result of drug-related violence since 2006, nearly 13,000 last year alone, which shows an increasing trend according to those numbers. I note that recently the Department of State (DOS) issued a travel advisory in literally every one of the northern states of Mexico.

What's your assessment of the current security situation in Mexico?

General JACOBY. Senator, I concur with the numbers that you mentioned. Violence went up again in 2011. It began to trail off as the year concluded, but I don't think there's any conclusions yet to be drawn from that. So the Mexicans are in a tough fight with a brutal, adaptable enemy, and to my estimation they haven't blinked. They're taking the fight to the TCOs. But there's a lot of work to be done, and we are eager to continue to provide support to them as they request in that fight.

Senator MCCAIN. Last year they had 13,000 deaths, which is a very high number. Does that indicate—with the travel advisory which has recently been issued, does that indicate to you that we are winning or losing or at a stalemate? What is the basic situation?

General JACOBY. Senator, I think it's too soon to make an estimation on winning or losing. I know the Mexican Government has made a courageous decision, an extraordinary decision, to put its military on the street.

Senator MCCAIN. I appreciate courageous decisions. I think we ought to have an assessment as to whether we are succeeding or failing and whether the Mexican Government is succeeding or failing, because then we ought to look at what strategies we are using. So I guess I'm asking, General, has the violence gotten worse or has it gotten better? Do you think we are succeeding or failing? I'd really appreciate that assessment.

General JACOBY. I think that the violence has continued to increase. It wasn't a tremendous jump this year, but those are unacceptable numbers. As evidenced in the decision in Nuevo Laredo, where we issued a travel advisory, I think that's indicative of the security problem along our border.

I also believe that the decapitation strategy, they've been successful at that. 22 out of the top 37 trafficking figures that the Mexican Government has gone after have been taken off the board. But it has not had an appreciable effect, an appreciable positive effect.

So I agree that there are other things that need to be done, and the Mexican military is working on trying to establish security by reducing the violence across the communities, particularly in the northeast, and I think that's the correct strategy to follow.

Senator MCCAIN. What is your assessment of the situation along the U.S.-Mexico border?

General JACOBY. The situation along the border, we see all the bad things that can be attributed to a TCO appearing at the border. We know from our experiences in Afghanistan and Iraq that at the border weak institutions are exploited by malicious activity

and illicit activity. So the illicit activity that is really the heart and soul, the economic engine of the TCO, expresses itself on the border, as you mentioned, in illicit trafficking of human beings, weapons, cash, and drugs.

Senator MCCAIN. As you are aware, a great portion of that goes across the Arizona-Mexico border, including a large percentage of the drugs which get up to Phoenix and then are distributed nationwide; isn't that a correct assessment?

General JACOBY. Senator, that's correct.

Senator MCCAIN. So is it your view that we still need to—and we have improved border security, but we need to take additional steps on the issue of border security?

General JACOBY. It's my view, Senator, that we need to continue our efforts along the border.

Senator MCCAIN. Additional steps.

General JACOBY. Senator, what we do on the border as DOD is to provide support to the lead agencies, DHS primarily, DOJ's organizations as well. We're eager to provide that support. It's mutually beneficial to both the agencies and to the soldiers, sailors, airmen, and marines who are training, and we look for every opportunity to meet their requirements.

Senator MCCAIN. We have identified a lot of the cartels and their leaders. Guzman's name and others are very familiar to us. But according to the assessment released by the DOJ, the cartels now have presence in over 1,000 U.S. cities. Why don't we know those names? Maybe that's kind of an elementary question, but maybe I could ask you and General Fraser. We know the names of the cartel leaders, but we don't know the names of the people who are running these drug rings in over 1,000 cities, or do we know them?

General JACOBY. Senator, my estimation would be that we know to some level the members of the cartels that are operating within the United States. I've spoken to several agencies within the United States about this issue and I think that we have loose connections with some of the cartels in Mexico, but I believe that we have our own gang problem issues within the United States. I think they are fed or feed off of TCOs. So we recognize this as a problem and I know that our Federal agencies and DOJ are working it.

Senator MCCAIN. Guatemala has declared its second military state of siege to try to deal with the increased violence from Mexican drug cartels operating within its borders. How serious is this problem in Guatemala, General Fraser, the Mexican cartels extending their operations into not just Guatemala, but into Central and South America?

General FRASER. Senator, it is an effort that we see that is moving down through Central America. As Mexico increases their pressure, we see that the networks from especially Los Zetas and Sinaloa are moving into Central America. Guatemala is obviously that first location, but we see their footprints further down into Central America as well.

Senator MCCAIN. Do you believe that in some cases the cartels are better trained and equipped than the security forces in some of these countries?

General FRASER. Senator, I think they have some better equipment as you look at some of their armored SUVs and some of the high-powered weapons that they have, and in cases, yes, they are better-equipped than their military and law enforcement counterparts.

Senator MCCAIN. Obviously, with this much money washing around, the issue of corruption remains a very, very serious one?

General FRASER. Corruption is still very, very serious throughout much of Central America.

Senator MCCAIN. Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to both of you for your service. General Fraser, let me join my colleagues in thanking you for a really remarkable career of service to our country and to wish you godspeed in the chapters ahead.

Obviously, this set of hearings that we hold in this committee is all to inform us as we act on our authorization bill. We're acting in the context of a new defense strategic guidance which calls for a rebalancing toward the Asia Pacific, although not ignoring the Middle East, which continues to be very active and has a lot of threats to us there.

But it strikes me as your two commands come before us, though you don't get as much attention publicly as the U.S. Central Command (CENTCOM), for instance, as the questions of Chairman Levin and Senator McCain indicate, you're involved in matters that are really important to the security of the United States and to the people of the United States.

So I'm concerned about the extent to which the cuts in funding in the defense budget or the pressure on the defense budget is constricting your ability to do the job that we need you to do.

General Fraser, I wanted to start with you. I noticed that last week you told reporters that SOUTHCOM at this point can only interdict about 33 percent of observed illicit traffic transitting the region en route to the United States because of what I take to be insufficient assets or personnel. I'm just going to quote you: "We intercept about 33 percent of what we know is out there and that's just a limitation on a number of assets. More is getting through."

So I wanted to ask you just to amplify on that a little bit. In a very specific way, if you would indicate to the committee what specific assets would you like to see more of at SOUTHCOM, which would help you and your successor fulfill the mandate, the responsibility, that we've given you?

General FRASER. Senator, the figures you quote are correct, and those are figures from the Joint Interagency Task Force-South, which is our organization who conducts that operation.

Senator LIEBERMAN. Right.

General FRASER. That is availability of not only DOD ships, but it's the U.S. Coast Guard and other assets. What we are working with the Navy on today is how they can make available other capacities which are not necessarily the traditional capacities that we've asked for: riverine vessels, offshore patrol vessels, capacity of

that type. So it really is a maritime environment issue that we're focused on initially.

We're also working with our partner countries in the region and providing them with interceptor capacity, because it's not only the United States that has a role in this effort; it is all the partner nations that we have. We're working with them in providing some interceptor vessels all the way along Central America, to provide them with the capacity to also intercept these vessels. That is an ongoing effort as we speak.

Senator LIEBERMAN. Yes. So my concern is—and you illustrate it—that there's tremendous demand in a lot of sections of the world for our maritime capabilities. Obviously, now we're focused on the Iranian threat in the Middle East and the Strait of Hormuz and we're moving more assets there. Of course, some assets have been engaged in Afghanistan, for instance.

So can you get a little more specific, for instance, on the MC-12 aircraft and the needs that you think are there in your AOR? I know that obviously a number of those have been occupied in Afghanistan, and they're slated to come to Air National Guard squadrons in not the coming year, but fiscal year 2014.

So tell me about the need for those aircraft, as you see it in the SOUTHCOM?

General FRASER. Senator Lieberman, as those aircraft become available we see a great opportunity for use of those airplanes in support of our partners throughout the region. Many of our partner nations take captured drug trafficking aircraft that are very similar in form and they then transfer them with equipment that they perform a role very similar. So we think the MC-12 is a great companion to that effort.

I'm comfortable with the fact that the MC-12s are focused in the place we need them right now as a Nation and that as those become available we have opportunities that we can really make use of them.

Senator LIEBERMAN. Am I correct to assume that the command is also being affected by the retirement of the *Perry*-class frigates, which have been a real mainstay of those interdiction efforts, before the replacement system, which is the littoral combat ship (LCS), is available in sufficient numbers?

General FRASER. Senator, that is one of the issues we're seeing with the availability of naval ships, is the retirement of those frigates. This has been a gap that we have seen for a few years now coming. So the LCS will have a great capacity to also support our mission as well in the future.

Senator LIEBERMAN. Okay. I may file some questions for you or have our folks talk to your folks, because I think we're not giving the command the assets you need to get the job done that we want you to do. That's not your fault; that's our fault, if you will, or the budget's fault.

Can I ask you a very different kind of question, General. I was really struck in your posture statement about what you had to say about Iranian activity in the AOR of SOUTHCOM. We're all aware of this really remarkable story just within the last year of the Iranian connection to the Mexican TOC groups aimed at sending



somebody into the U.S. groups to kill the Saudi ambassador here in Washington.

But I wanted to invite you and, if you want, General Jacoby, to talk more broadly about, there's unfortunately a natural coming together. It seems almost inevitable that if somebody wants to do us damage in the United States, terrorist group, extremist group, Islamist group, that they're going to find their way to these TOC groups that have become quite adept at getting into the United States and getting stuff into the United States, people into the United States.

So I wanted to invite you both to talk more broadly about that problem. Then, General, if you could just describe a little bit for the record here some of what you say in your posture statement about the quite methodical movement of Iranian activities, personnel, particularly this man Rabbani, into Latin America, which is obviously not good for us.

General FRASER. Senator, Iran is very engaged in the region. They have doubled their number of embassies in the last 7 years. They now have 11 embassies. They have 40 cultural centers in 17 different countries throughout the region. We see their activity very much as trying to build cultural awareness and awareness for Iran, trying to circumvent international sanctions that are on their economy and on their activities. They are seeing an opportunity with some of the anti-U.S.-focused countries within the region as a method on being able to do that.

Our concern remains their traditional connections with Hezbollah and Hamas, who do have organizations in Latin America. Those organizations are primarily focused on financial support to organizations back in the Middle East, but they are involved in illicit activity. So that is the connection that we continue to look for as we watch in the future, that connection between the illicit activity and the potential pathway into the United States.

Senator LIEBERMAN. General Jacoby, did you want to add anything to that?

General JACOBY. Senator, there's an extraordinary amount of vigilance across the interagency looking for that counterterrorism nexus with the TCOs. So we have our eye on that closely. It's a matter of great importance to the Homeland. I think it also reflects what I believe today is an intimate relationship between the home game and the away game. So what General Mattis is doing in the Gulf is very important to us, and so making that intelligence connective tissue with the other commands is critical to us, and we've worked hard to do that.

There's an extraordinary amount of money in the TCO coffers. They're networks for hire, and so we'll be watching that carefully and working with our very good Mexican partners to that end.

Senator LIEBERMAN. Thank you both very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Chambliss.

Senator CHAMBLISS. Thanks very much, Mr. Chairman.

Gentlemen, thanks to both of you for your service. General Fraser, you've been a good friend as well as providing great leadership to the Air Force and that leadership is going to be missed. But we certainly wish you the best.

General Jacoby, in your written statement you note that "Legacy fighters are aging and recapitalizing our fighter, tanker, and air-borne early warning aircraft will remain a requirement." Given the Air Force's planned delay now in the F-35, are you confident that the Air Force will provide the required aircraft and resources for the aerospace control alert (ACA) mission over the next 10 years, and is there a risk that we may not be able to provide that same level of air space control coverage as before based on a reduced number of tactical aircraft?

General JACOBY. No, I'm not concerned about the aircraft, Senator. Whether it's F-16s, F-22s, or Canadian CF-18s, we go through a rigorous process of inspections and tests and exercises to ensure that all of our alert sites can meet the standard required for the aerospace control mission. So I know the Air Force has had to make some tough calls, but I have great faith that they'll provide capable aircraft for us to use in the future.

I know that it includes challenges for recapitalization and fielding the F-35. I'm a big fan of the Air Force continuing those efforts, but I have trust and confidence the Air Force is going to give me what I need to get the job done.

Senator CHAMBLISS. General Fraser, both you and General Jacoby mentioned the Western Hemisphere Institute for Security Cooperation (WHINSEC) in your written statements and acknowledge the importance of this program in building enduring military-to-military relationships. I'm pleased to serve on that board with both of you. General Fraser, you particularly, since you've been there longer, you have been a real asset to air and you've put a lot of time and provided great leadership to that institution.

I'd appreciate any thoughts you have regarding how the training with the Mexican and South American military personnel receive at WHINSEC has allowed them to be better capable of confronting these TCOs that are so active in the region. As we continue to focus on strengthening the security capacities of our partners in South and Central America, what additional role can WHINSEC play to increase our cooperation? Also, as I have done in the past, I'd appreciate your comment on the wisdom of the United States releasing and making public the names of the foreign military, civilian, and law enforcement personnel that train at WHINSEC?

General FRASER. Senator Chambliss, thank you, and thank you, Senator Levin, for your support and continued support to WHINSEC. It remains a very useful organization for us. We've had almost 14,000 people trained and educated in WHINSEC over the last 11 years. I've talked with many of the graduates who come through that institution. We find two lanes. One, it's not only a partnership with the United States and an understanding as we work through WHINSEC of the respect for civil authority, as, Mr. Chairman, you asked that we address, respect for human rights, respect for the rule of law, and other training capacities. So it's that partnership with the United States and our ability from a military standpoint to work with them.

But I also and they also mention that the partnerships that they form with one another from this institution are very important as well. As we look to the situation of TCOs and impacting that into the future, as well as working with law enforcement partners,

those partnerships that they form with one another as well as the international community are critical to our success in the future.

Senator CHAMBLISS. The release of the names issue?

General FRASER. That was a question that DOD studied, Senator, and the Secretary determined that he did not intend to release those names, and I support that position.

Senator CHAMBLISS. General, last year we discussed the need for improved intelligence, surveillance, and reconnaissance (ISR) as a requirement for SOUTHCOM and you noted the need for an imagery intelligence wide-area coverage sensor integration, signals intelligence, moving target indicators, layered ISR architecture and management tools, and biometrics. Do you believe that since we spoke last year you're getting the kind of support that you need from DOD and the Intelligence Community in terms of prioritizing and acquiring those assets, and has the need for those changed in any way?

General FRASER. Senator, it's a complex undertaking that we work. I still have many of those same requirements as we look into the future. I'm comfortable with the prioritization of all our ISR assets as we approach the multitude of requests and requirements there are on our ISR architecture.

We're continuing to take roads and pathways down opportunities in the information that is available. There is a lot of social media, blogs, a lot of information that's available, and we're looking very deliberately into those areas, as well as working with law enforcement and other agencies to figure out how we can take advantage of all the information that is there in a different way.

We will continue those efforts as well as continue to work with the entire DOD and the interagency to continue to foster and build our ISR requirements.

Senator CHAMBLISS. General Jacoby, I want to go back to this issue of cyber security and your comments in response to Senator Levin. You note in your written statement that "NORTHCOM and NORAD operate on data and networking systems that rely on inter-networked commercial and military infrastructure," and as such cyber attacks pose potentially grave risks to our ability to accomplish your mission.

Now, we know that Russia and China are leveraging cyber espionage to steal government and corporate secrets from the United States. The areas of information and communications technology and military technologies, including aerospace, aeronautical technologies, are at the greatest risk right now of cyber espionage.

Can you comment on what you believe NORTHCOM and NORAD need to do to mitigate these risks and vulnerabilities to those systems?

General JACOBY. Senator, we're focused very much on the defense of the networks we need for mission accomplishment. I feel that they are secure right now, but you have to stay vigilant on this. So there is great capability in the hacking world to put at risk points of vulnerability, especially where we have interconnectedness among government, military, and commercial systems. So we watch that closely and it is a great area of concern.

We're working closely with CYBERCOM, coming up with unique defense solutions. Part of what we're doing is including receiving

some expertise reinforcement in our cyber warriors at NORTHCOM.

Senator CHAMBLISS. Are you seeing any increase in the area of cyber attacks?

General JACOBY. Not against NORTHCOM, Senator.

Senator CHAMBLISS. Thank you.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

General Fraser, General Jacoby, thank you for your testimony. General Fraser, thank you and your family for your great service to the Air Force and the Nation.

Senator Lieberman touched on a series of issues about capacity, particularly maritime capacity in your AOR. One aspect of this is the reports frequently of submarines or submersibles being used to transport narcotics. Does that pose an emerging problem which complicates further your ability to interdict these vessels with maritime and in the air?

General FRASER. Senator, it remains a concern. For the first time this year, we saw semi-submersible vessels in the Caribbean, and we had not seen them prior to this year. So the use of those vessels continues to expand within the TCOs.

As I look at the problem, it's not just a maritime problem, because they're built in the jungles in Colombia, they acquire those assets, and they're commercially available assets, and they arrive somewhere off the coast of Central America and they transfer their goods there. It's a very expensive proposition to try and find them, follow them, detect them as they work through the maritime environment. It requires a lot of assets to be able to do that.

We're working the entire connection. Our focus is really on where they're built and where they arrive to address the problem with trying to detect them and then intercept them when we do find them in the maritime environment.

Senator REED. I presume this is a collaborative effort with the host countries, if you will, they're not doing it with their permission, but they're doing it in Colombia and other places, and you're working closely with their intelligence services to do that?

General FRASER. Yes, Senator. It's a great collaboration. We rely primarily on law enforcement information and it is really those countries and their law enforcement capacity who really take action to address this issue within their territory. Within our own interagency it's a very collaborative effort as well.

Senator REED. One of the consequences of our active commitment in other theaters, particularly CENTCOM, is overhead and other ISR factors. Do you think you have adequate support in this area to pursue these construction projects in the jungles and to pinpoint them early on, or is that a deficiency?

General FRASER. Senator, I think I have adequate assets. We are continuing to look especially at capacity that can look through triple-canopy jungles. That's a capacity that we're testing and working on today. That will really help us a lot as we look at that effort. There are test programs under way to build that capacity. So I'm comfortable, Senator.

Senator REED. General, can you comment on the soon-to-be expansion of the Panama Canal in terms of your operations and just in general? I think in 2014 they're scheduled to begin the transit with the new canal, which would be a huge, huge change to sea-borne transportation, not just in your AOR, but worldwide. Do you have any specific insights?

General FRASER. Senator, you're correct, 2014 is the scheduled timeline and the Panama Canal Authority and the Government of Panama are very focused on achieving that goal. It will change the amount of commercial activity that comes through the Panama Canal, maybe not the number of ships, but the amount of commercial activity.

We on an annual basis conduct an exercise called Panamax, which is an international exercise—17 nations participated last year—that supports the Government of Panama in defense of the Panama Canal. We will continue those efforts in the future as we look at that expansion as it happens within Panama. I don't see a direct change to the threat or to the concerns as we look into the future, but our Panamax exercise will remain critical to that effort.

Senator REED. Thank you.

General Jacoby, there is another emerging corridor and that's the Arctic Ocean. Given your requirements and your day-to-day coordination with the Canadian authorities, the Navy is predicting, I think, in some cases at least 1 or 2 months of transit by 2020 of commercial ships through the Arctic, which opens up questions of security, of search and rescue, of environmental response.

Where are we in that endeavor?

General JACOBY. Thank you, Senator. The Arctic is a unique domain and it's changing every day for us. We work closely with the Canadians on how they think about the Arctic and how they are planning for it. They really are working in three 5-year blocks towards some of the same things we are considering.

Today, Admiral Papp and I are going to sign a white paper that we've done, a capabilities gap assessment, principally in the areas of communications, domain awareness, infrastructure, and presence, and what we will recommend for the future that might lead to prudent investments to position us for that eventual opening of the Arctic.

Traffic has already increased over 61 percent in the Arctic since 2008. There'll be drilling starting in the Beaufort Sea prior to the close of the spring. So security interests follow closely behind economic interests, and we will be participating in a number of venues to help lead that for DOD.

Senator REED. Many of my colleagues have touched on the issue of cyber security. NORTHCOM has assets within your area of operations—missile silos, I presume, bases, et cetera. You have the NORAD system, your assets. Have you and SOUTHCOM together or separately done a vulnerability analysis relative to your dependence upon civilian utilities, civilian systems that are less secure than the military systems?

General JACOBY. Senator, yes, we have, and we've also exercised those extensively and red-teamed ourselves with that regard.

Senator REED. You're confident that you can continue to respond to the National Command Authority in a situation, a cyber attack

or any other that would go after, not directly your installations, but supporting utilities, supporting civilian complexes?

General JACOBY. In particular, Senator, with regard to our national military command participation, I believe our network is secure.

Senator REED. Can it operate if the civilian networks are compromised and go down?

General JACOBY. I believe so, Senator. But as you know, there's great interconnectedness across the country and across from the energy system and the transportation system. So there will inevitably be second- and third-order effects of any kind of wholesale attack on the cyber system.

But in terms of our core mission area, I believe that we are adequately defended. But once again, vigilance is going to be required, because the enemy, the cyber enemies, continue to advance in their capabilities and have demonstrated an intent to conduct malicious activity on our nets.

Senator REED. Just a final comment as my time has expired. Can you operate in an environment in which the worst case environment is that all of these civilian support or networks have gone down and you have to go back to getting on the telephone, if maybe that's still working, if it is, like a land line, or sending a messenger? I don't want to be too facetious, but I think sometimes we have become so dependent upon Global Positioning Systems, cellphones, on automatic computer technology, et cetera. Do you exercise to the point of truly the worst case, where you might even have to rely upon old-fashioned technologies like people driving a car and getting an order out?

General JACOBY. Senator, it's a great question. That's exactly what we exercised in November, and I will tell you that it is very painful, but doable, and it takes a long time to recover your network. We purposely took it down. It takes a long time to put it back up.

Senator REED. Thank you, General.

Chairman LEVIN. Thank you very much, Senator Reed.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, General Fraser and General Jacoby, for your service. General Fraser, thank you for all that you've done for our country. We certainly will miss having you around here and testifying before our committee.

General Fraser, in your written testimony, you describe the role of Russia in the SOUTHCOM region. In fact, you said that Russia's outreach to the region is centered primarily on arms sales; is that right?

General FRASER. Yes, ma'am, it is.

Senator AYOTTE. As I understand it, their arms sales are actually to Venezuela, is that right?

General FRASER. The principal purchaser of Russian equipment is Venezuela, but they are also selling equipment to other nations.

Senator AYOTTE. Is it accurate that the Chavez regime in Venezuela is the largest importer of Russian arms in the world?

General FRASER. For last year, yes, ma'am.

Senator AYOTTE. They're also, as I understand it, selling arms to Castro's Cuba?

General FRASER. Yes, ma'am.

Senator AYOTTE. Selling arms to Ortega's Nicaragua?

General FRASER. Yes, ma'am.

Senator AYOTTE. Not exactly the most democratic and enlightened rulers in that area of your jurisdiction, are they?

General FRASER. Ma'am, they've been putting the pressure on the traditional checks-and-balances in democratic institutions.

Senator AYOTTE. Unfortunately, this is part of the pattern for Russia. This is something we had before the committee last week, I'm deeply concerned about this—as are others on this committee—as well as Russia's role in selling arms to Syria, even as the bloodshed continues there. In fact, the state-controlled Russian company Rosoboronexport continues to provide the Syrian Government with weapons. I just want to take this opportunity, if you look at the pattern here in addition with Russian obstructionism with respect to our efforts of sanctioning Iran, that this is a troubling, troubling pattern.

When it comes to Syria, I want to say this, that I was proud to join my colleagues, Senator Cornyn, Senator Durbin, and Senator Gillibrand, in writing a letter to Secretary Panetta to express our outrage regarding the Russian arms sales, in fact, to Syria. Yesterday our Secretary of State, Secretary Clinton, sparred with a representative from the Russian Government and she said, rightly so, and I stand by our Secretary of State in saying this, that Russia was standing silent as Assad kills his own people.

I'd go further. In my old profession when I was attorney general of the State of New Hampshire, if you know someone is killing someone and committing murder, like the Assad regime is doing with their own people, and you knowingly provide them with arms, you are not just standing silent; you are actually an accomplice to those killings.

So I think this is a pattern we're seeing from Russia. I want to take this opportunity, even though it's not in your command, to express again my outrage that Russia is not only providing arms to some of the most despotic regimes in the world, but one right now that is killing its own people. I would hope that the Russians would stop this and stop trying to spar with Secretary Clinton over what is obvious, and that they should come forward and be a member of the international community to support sanctions against Syria.

So thank you for giving me the opportunity to do that. Again, I would hope they would stop selling arms to people like Chavez as well as their interactions with Cuba.

I wanted to ask you both about the National Guard and in particular, our State Partnership Program (SPP). General Fraser, the Guard in New Hampshire has had a very strong SPP in SOUTHCOM with El Salvador. Can you let us know what you think is the value of the SPP and also what your view is on, in particular, the partnership between the Guard in New Hampshire and the program in El Salvador? How does that help our national interests?

General FRASER. Senator, I'm a strong supporter of the SPP. One of the values the SPP brings is the fact that Guard members stay

in their units longer than Active Duty personnel do, and that provides an opportunity to build an enduring relationship with that country that they're working with.

We have SPP with 22 different countries within the region and it is a critical long-term partnership-building capacity that we see. New Hampshire, working with El Salvador, who is a great partner of the United States also, is a very, very close connection and really helps build their routine tactical capacity, their budgeting capacity, just a good relationship back and forth between the two partners.

Senator AYOTTE. Is this an effective use of our resources in terms of building partnerships in our own national security interests?

General FRASER. Ma'am, I think it's a very effective tool.

The other benefit we gain from the State partners is because of their civilian jobs they have some opportunities to share experience that goes beyond military experience when that can be authorized.

Senator AYOTTE. General Jacoby, did you want to add your opinion to that?

General JACOBY. Senator, thank you. No, just from my career experience it's tremendous, very effective, very efficient use of resources. It's consistency over time. It helps us broaden and deepen our military-to-military relationships around the world.

Senator AYOTTE. I was struck in your testimony, your written testimony, General Jacoby, how you talked about that the Guard, "The National Guard is a natural partner in all that we do" is the language that you used. As we look at this challenging time in terms of the prospect of, unfortunately, not only the cuts that DOD is facing now, but on top of it sequestration, how important is it that we not only maintain a robust Active Duty and resources for that in terms of training, but also for our Guard as well?

General JACOBY. Senator, the Guard is our natural partner, and our most important partner. They function in all of my mission sets.

Senator AYOTTE. I should include the Reserves as I'm talking about this.

General JACOBY. They function in all of our mission sets and, thanks to Congress now, the Reserves can also function in defense support of civil authorities. It makes sense. We saw problems locally and the Guard is available, fast, and efficient in that way. So from defending the Homeland to supporting civil authorities to actually helping us with some of our engagements with the countries in this AOR, the Guard is an important partner to us.

Senator AYOTTE. Did you want to add anything further, General Fraser?

General FRASER. I think we're in violent agreement here that SPP is a natural ally. We work and depend very heavily upon the National Guard in our engagement, not only with our partners, but as we work within our headquarters and within our capacity to provide exercise support and other capacities. So across the board we rely very heavily on the National Guard as well as the Reserves to conduct our mission.

Senator AYOTTE. I thank you both.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Begich.

Senator BEGICH. Thank you very much, Mr. Chairman.



General Fraser, General Jacoby, good to see you. I feel like I'm in Alaska right now, as both of you were up there and commanding operations. So thank you for being here. It's great to be back in a forum where we're all three here. So thank you very much.

Let me first start if I can, General Jacoby. We had a brief meeting last week in regards to Alaska Command (ALCOM) and what's going on up there, and I want to lead a little bit into the Arctic. But first, before I do that, the general description or discussion is: Can you tell me from your perspective the value of ALCOM in regards to the connection with NORTHCOM? Can you give me your sense of how that plays and what the role and responsibility is?

General JACOBY. Thank you, Senator.

Senator BEGICH. Of course I'm biased, and I hope it's a good answer. Please, go ahead.

General JACOBY. When I was Commander of U.S. Army Alaska, of course, my Commander of ALCOM was Doug Fraser.

Senator BEGICH. That's right.

General JACOBY. He commanded brilliantly. So ALCOM was very valuable.

Senator, Alaska is unique in strategic significance to the country and now even more so as our gaze turns towards the Arctic. I believe it requires a three-star command. I believe it requires a joint command. So I think that ALCOM remains relevant and important to the defense of the Homeland.

Many, many tasks that take place in Alaska are tasks that support NORTHCOM and NORAD in our Homeland defense role, to include defense support of civil authorities through JTF Alaska. So very important to NORAD and NORTHCOM, and I think you have the right command structure up there right now.

Senator BEGICH. Let me add a little bit more to that, because not only NORTHCOM but U.S. Pacific Command (PACOM), too, it has another unique role in its operations. Either one of you—I know, even though you're SOUTHCOM, General Fraser, you've had a lot of experience up there. But, General Jacoby, maybe you could respond.

General JACOBY. We've had a good working relationship with PACOM and they have important equities in the strategic significance of Alaska. However, as both the NORAD Commander and the NORTHCOM Commander, I believe that I probably occupy—

Senator BEGICH. You want the assets.

General JACOBY.—80 to 85 percent of the ALCOM commander's time.

Senator BEGICH. Excellent.

Let me ask you, from the Arctic perspective—and Senator Reed was leading into that and you indicated that today you'll be, I think you said today, that Admiral Papp and you are signing a document indicating some of the gap analysis or resources that may be needed. First of all, is the analysis—I'm assuming it's a long-term analysis—of what really will be needed there to make our presence known there, and my sense is by your signing that agreement you believe—I'm putting these words in your mouth, but you can correct me—that this kind of agreement in the future of the Arctic is going to be another piece of the equation to our military positioning? Is that a fair statement?

General JACOBY. Senator, yes, it is. Admiral Papp and I share great interests in the Arctic. Of course, we need to move forward with some consensus of what are the capabilities that will be required and the implications for what are the prudent investments that should be made. So we have an opportunity while we watch the Arctic begin to open up to get ahead of potential security requirements. To that end, working closely with the Coast Guard, the U.S. Navy, other partners in DOD, and the DHS, and also staying tied closely to the Canadians, is the right strategic framework to begin working on now.

Senator BEGICH. One statistic I'll use, and I think it came from the Coast Guard in Alaska, and that is a few years ago you'd maybe see 50 ships moving through the Bering Sea; now close to 1,000, to give you a sense. In the Arctic, I think it was 7 last year; now 34 in 1 year alone. So it's moving in a rapid pace of activity up there, and we know our friends from China and Russia are very interested, China in our land, as I would say, curious about their efforts.

So again, your gap analysis, will that also then be utilized as you move forward in your long-term budget planning of how will these pieces fit in and where you need to allocate assets?

General JACOBY. Yes, Senator, I think that's an important first step with our closest partners, to look at the gaps and particularly in how you communicate, how you see and understand, what infrastructure we may need, and what kind of continued presence you might require in the Arctic. We come to a consensus on that, and then we help inform our Integrated Priority List and our Scientific Integrated Priority List so that we can influence budgets over time through our components to the Services.

So that's the start of the process. We received this responsibility in the latest Unified Command Plan (UCP) update. I'm happy to say we're moving out on it.

Senator BEGICH. Thank you very much.

Let me if I can, General Fraser, first of all, thank you for your long-term service in your career. I know you'll be missed, but I know you have been an incredible asset for this country.

Let me ask you a couple questions about SOUTHCOM. The first is a general comment. As we move down the path with the Panama Canal going into—out of our control to a certain extent and predominantly out of total control, do we have any worry as we worry about commercial lanes in Somalia with piracy? Do we have any worry over the long haul what might happen in that region? Give me your sense?

I know this is an odd question, but when you're from Alaska and you deal with fisheries, we hate pirates. So when you're thinking of Somalia, we hate pirates. So I'm thinking of Panama; what's their ability to manage that?

General FRASER. The Government of Panama and the Panama Canal Authority are doing a great job of managing the Panama Canal. It's efficient, it's effective, and it's a big income provider for the Government of Panama.

We don't see any indications right now of any piracy on either end of the Panama Canal. It is an area that we continue to watch.

Senator BEGICH. Also, we had great conversations when the hurricane went through Haiti. I know we talked on the phone. Tell me how SOUTHCOM is continuing to prepare and be ready for those kinds of responses for natural disasters. Give me a sense of—that was the first one that's pretty significant that I as a Member of the Senate was seeing SOUTHCOM respond to. Give me your thoughts on that and how we're prepared for other natural disasters in the region?

General FRASER. We remain very deliberately prepared. The hurricane season is obviously our number one concern because that happens on an annual basis and we can predict that. We have a deliberate plan that we've developed post-Haiti exercise, revised our disaster response plan. It's a graduated plan depending on what the needs of any request would be. We continue to exercise that on an annual basis. As we look at the hurricane season, we prepare for that, not only within our headquarters, but with our partners in the region, and we work directly associated with Haiti, with the United Nations Stabilization Mission in Haiti, and the Government of Haiti, to be able to respond should a hurricane impact them during the hurricane season.

Senator BEGICH. This is my last comment because my time has expired. You have designed, after going through that experience, you've seen some areas of improvement and some areas that were successful in trying to work off of that and expanding the kind of preparation at different levels, depending on the severity of the natural disaster. Is that a fair statement?

General FRASER. Senator, it is a fair statement, to include that normally we don't have the authority to spend DOD dollars outside of a 72-hour emergency response capacity. Associated with Haiti specifically, we have requested and received authority from DOD for up to \$3 million just so that we can start that process and respond on a rapid basis.

Senator BEGICH. Very good. Thank you very much.

Thanks to both of you and, like I said, it's good to see—I consider you Alaskans. So thank you both for your service.

Chairman LEVIN. Thank you, Senator Begich.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

I had the honor of meeting both of you. I appreciate your taking the time to come to the office and address a lot of my questions.

I just had a follow-up. Obviously, what Senator Ayotte said about the SPP, I participated. We went to Paraguay and find, not only with our relationship with Morocco, Paraguay, other places where we don't have a lot of money, but through the SPP we can get a good value for our dollar. It's something that I know that the State has an interest in. I want to keep it right where it is so we can continue to train and use it as an asset. So thank you for that support.

Obviously, General Fraser, thank you for your service and your support as well.

General Jacoby, I was wondering if you could expand for a minute on your comments regarding defense support to civil authorities, with respect to counterdrug operations network, and with

respect to natural and manmade disasters, could you just expand on that just a touch?

General JACOBY. Thank you, Senator. We had a great initiative last year with the dual-status commander. I mentioned it in my opening statement. We had an opportunity to test that in a way that we haven't done in the past this year with Hurricane Irene. I'm really proud to report, as a team, that the very first opportunity we had to employ dual-status commanders we did, and put four dual-status commanders in position with their Title 10 deputies, just as was the intent of Congress and the Council of Governors.

So that program is alive and well. It made a lot of sense and now we're going to continue to grow that and look at ways to employ dual-status commanders in both the regional and the chemical, biological, radiological, and nuclear (CBRN) event, so big progress.

I'm also working with the Reserve Forces of both the Air Force and the Army to take advantage of the authorization that we now have for involuntary activation of the Reserves to support civil authorities. It makes tremendous sense. There is huge capacity in the Reserves distributed around the country and that was a great move that we are continuing to work on.

Senator BROWN. I know there was an instance where there was a tornado or a hurricane and the Reserve unit was right there and they couldn't respond, and it made really no sense whatsoever.

General JACOBY. I think we fixed that one, Senator. Thank you.

Senator BROWN. Great. Then talking about the dual-status commanders, how is that training going? So you're satisfied we're on track, it's going to be something that's viable for the future?

General JACOBY. Senator, with the April class, we will have trained at least two dual-status commanders for every State, and that's huge. So there's always one in the queue, and we'll keep that training course going.

Senator BROWN. How long is that course?

General JACOBY. It's about a 2-week course, but it dovetails with another course, the Joint Task Force Commander's Course. So that actually builds on previous programs. It gives you not just a certified dual-status commander; it gives you a team of guardsmen and NORTHCOM folks that have worked together and studied the problem and have pushed out the horizons on how we use dual-status commanders.

Senator BROWN. It may not be a bad idea to put in command and general staff and actually start it in the lower levels, the lower ranks, as just something to keep their eye on as we're going along, and integrate it earlier in the training cycle.

General FRASER, foreign influence in your AOR and how this affects your operation. I noted Senator Ayotte's comments on Russia. What about the role of China? Can you comment on that based on your experience?

General FRASER. Senator, China is very engaged in the region as well. They're primarily from a diplomatic and a commercial and economic standpoint is where they're very much engaged. They're now the leading trade partner with Brazil, with Chile, with Peru. They're also expanding into military-to-military relations. They've had over the last 2 years over 20 high-level visits to various coun-

tries within the region. They are selling some military equipment, from light aircraft to medium transports to radar capacity. They also provide education and training in China for military personnel.

Senator BROWN. Very similar to what we do at the War College and the like.

General FRASER. Very similar, yes, Senator.

Senator BROWN. It was interesting, I remember and have had personal experience with countries—when I was in Paraguay, for example, they would say: “Well, if you guys don’t do it, China will.” That’s what I think we’re seeing around the region. If you don’t provide us with that X, then we’ll get it from China. If you don’t, we’ll get it from China. So we’re seeing that more and more just in the last 3, 4, 5 years. Is that an accurate statement?

General FRASER. Senator, we see an increasing interest by China in the region. I don’t see it as a zero-sum game, though. It’s not China or the United States. I see both of us very much engaged in the region. I would state that there’s an opportunity for both of us as we engage with our partners in the region to help ensure the security and stability of the region.

Senator BROWN. That’s another reason for the SPP, I believe, in those smaller countries. You get that value for the dollars, so they can see the interaction and basically hang out with our soldiers and learn and grow and develop that relationship, which is critically important. Is that a fair statement?

General FRASER. The relationships we build through training and education programs are critical to the future. We see it all the time around the world. We don’t know when a crisis is coming. To have an awareness and an understanding and a shared experience with one of our partners is critical to our success.

Senator BROWN. I think we saw that in Egypt, actually, when we were able to pick up the phone and say: “Hey, stand down and let this thing play out a little bit.” General Jacoby, a fair statement as well?

General JACOBY. Yes, Senator, very much so.

Senator BROWN. General Jacoby, I’m deeply concerned about the cuts in the Air National Guard and how it may affect the mission. I think the Army’s done it really well in terms of trying to be very strategic with the cuts. I’m deeply concerned, especially about the air sovereignty alert mission, which we have one at Barnes Air National Guard Base, as you’re aware of.

Do you share those same concerns? Because I’m hearing from my folks back home that they had no knowledge that any of these cuts were coming. There was absolutely no communication whatsoever and out of left field, here we go. I’m looking at strategically Massachusetts and the eastern seaboard, the ability to respond all over our part of the world. It doesn’t make any sense.

General JACOBY. Senator, thanks for the question. The Air Force had some really tough choices to make, tough decisions. The Secretary asked us to turn over every rock as we sought to find the \$487 billion that was mandated in the Budget Control Act (BCA). I believe the Homeland was treated fairly and is treated as job number one.

However, we really need to be vigilant and ensure that we continue the programs necessary to defend the country, and that includes the ACA mission. In terms of defense support of civil authorities, the Guard, the Air Guard specifically, is very good at that mission. I'm going to count on the U.S. Air Force, the Total Air Force, to support our requirement. But all of us had to make tough choices and hated to see some of these cuts happen.

Senator BROWN. They're not there yet, and I'm hopeful that we'll be able to have a conversation, because when you're talking about the best value for the dollar and the Air Guard versus the regular Air Force, and the Reserves as well, the Reserve component, it doesn't make sense when you're talking about protecting the Homeland. We're not just talking about protecting the Homeland. There's a One-Army, One-Military concept now, and a lot of these folks are backfilling regular Air Force and Army units.

Like I said, the Army seems to have kind of got it right. They are being thoughtful, judicious. The Air Force, with all due respect, it's not over. I haven't really seen evidence that these cuts make sense. So I just wanted to bring that to your attention. I appreciate your input on that.

Thank you.

Chairman LEVIN. Thank you very much, Senator Brown.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. Thank you for being here today.

General Jacoby, if I could follow up on Senator Brown's question. So what I hear you saying is that the proposed reduction to the Army and Air Guard will not affect your mission, you believe you can deliver on that mission?

General JACOBY. Senator, that's correct.

Senator UDALL. Let me turn to a specific element in the change that's under way in this area. There has been a decision to end the 24-hour-alert requirement at Duluth and Langley. Did you have a say in that matter and what factors and assumptions went into that decision, and again will it affect the ACA mission?

General JACOBY. Thanks, Senator. A very tough decision; it was part of the process across every combatant command, across every Service, to find the savings required by the BCA. I believe that we did adequately address the strategic requirements of the Homeland. But in the analysis, as a team effort, there was a decision taken to reduce by two.

The command took responsibility for identifying those two bases. So we did two independent studies, one in my headquarters and one in First Air Force, which is my Air Force Component Command under Lieutenant General Sid Clarke. Both commands came up with the same answer—Duluth and Langley.

Now, no bases are closed and this doesn't reflect on numbers of fighter squadrons. I specifically felt that in the case of those two bases that I had the authorities and the capabilities already resident under my authority as the NORAD commander to mitigate on short notice the loss of those two bases. In fact, I can change on my own authority the alert conditions and could in case of a threat, stand that back up.

Senator UDALL. If that changes, I'm going to ask you to take the time to notify the committee and notify me, if you would.

General JACOBY. Senator, I'm passionate about the ACA mission. There's a high standard, and high expectations of the American public that we're going to defend the country's air space, and I will make sure my views are known.

Senator UDALL. Thank you.

Let's turn to critical infrastructure, if we might, and the vulnerability that our infrastructure has to either cyber or physical attack. What do you see—and this is a series of questions—as vulnerable pieces of our infrastructure? What steps need to be taken to protect those valuable components? What role does NORTHCOM have in facilitating those protective measures?

General FRASER. Thanks, Senator. There's a number of critical infrastructure protection requirements. Principally those lie within other sectors of the government, and so NORTHCOM's principal responsibility is to provide defense support to civil authorities in the consequence management of disasters within certain sectors, particularly a cyber attack, as I mentioned earlier. We would roll in and, if requested, provide defense support in recovering from that.

Critical infrastructure, though, we know we're more concerned now about systems than we are places. So things like the national energy grid, the transportation system, those are being looked at hard, and we are in support of our partners, particularly in DHS, in determining ways that we can help.

Senator UDALL. Of course, we have a lot of work left to do, and I'm optimistic we're going to work on the floor of the Senate to put in place a cyber security policy. You know that you'll play a key role in advising us, given your perspective and your responsibilities in this area.

General JACOBY. Yes, Senator.

Senator UDALL. General Fraser, if I could, I'd like to turn to the reports that Islamist groups are recruiting in your AOR. What are the conditions that are facilitating Islamist recruiting and fundraising in the most troubling areas, and what can we do, as well as our partners, to address these conditions?

General FRASER. Senator, there are groups, violent extremist groups, who are advocating and proselytizing in largely Muslim communities within Latin America. The Muslim community is fairly small within the region. It makes about 1 percent of the total inhabitants of the region. But they are still very deliberately advocating.

The situations and the conditions that enable that are ones that you see in many of the countries in the region, and that's poverty rates, it's income inequality, it's the corruption that's there. It is, in some of those cases, an anti-U.S. perspective.

Senator UDALL. It bears watching, obviously, and hopefully the lessons we've learned in other parts of the world we can apply. Thank you for drawing our attention to this.

South America, as I understand it, has certainly had its violent intervals in its history, but it has very little history of, of course, Islamist or terrorism of any kind. So it just shows this is a world-wide phenomenon that we have to be able to respond to wherever it may surface.

General FRASER. Senator, we're paying very close attention to this issue. We're seeing measured success. We don't see great success in their efforts along these lines.

Senator UDALL. General Jacoby, if I could turn back to you, our good friend, General Renuart, when he relinquished command in 2010 he talked about his concerns about our aging air defense systems. We know that he talked about temporary fixes to take us forward. What's your current assessment of the modernization efforts in this important area?

General JACOBY. Of course, we're very eager to have the F-35 come on line. We're eager to continue the service life extension programs for the F-16s. Senator, the most important thing we do as a combatant commander, though, is we conduct frequent periodic inspections of our ACA squadrons. They continue to do well in these and we'll maintain vigilance. But of course, we're a stakeholder in capable aircraft stretching out into the future.

Senator UDALL. If you had more resources, though, in this area, you could put them to work, I assume?

General JACOBY. Senator, I think any combatant command that you had before you would know what to do with additional resources.

Senator UDALL. General Fraser, before my time expires, talk a little bit more about Iran's outreach efforts in South America. We know that Chavez and Ahmadinejad have close ties, but have the Iranians been making inroads with any other South American countries?

General FRASER. President Ahmadinejad has made six visits to the region in the last 7 years. This last trip that he took, he visited Venezuela, Cuba, Nicaragua, and Ecuador. We saw it largely as a diplomatic effort and the estimate that we have and throughout the government is that he didn't really get the reception or the support that he was looking for.

Senator UDALL. We need to be vigilant there. It almost feels like it's a throwback to the Cold War, when the Soviet Union was traveling the world looking for allies. But this is serious and thank you again for your leadership in this area.

My time has expired. I want to do two final things. I want to thank General Fraser for your phenomenal service, and I know you and General Jacoby go way back. You've worked together in a series of commands. Senator Begich reminded me of your connection to Alaska. So godspeed and thank you again for your service.

General Jacoby, I did want to put on the record that the flow of drugs into our country is significant and substantial and worrisome, but it's a symptom of the demand that exists in our country. I know you're going to go to the ends of the Earth to cut off the flow, but we as a country have to have a continued discussion about what we do to dampen that demand down. I just want you to know that I'm a Senator that understands that that's a real challenge that you face.

Thanks for your service.

Chairman LEVIN. Thank you, Senator Udall.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.



General Fraser and General Jacoby, thanks very much for your service. I couldn't agree more with what Senator Udall just said about trying to ramp down the desire in our country for narcotics.

I wanted to ask a question about Ecuador. The 2009 closing of the cooperative security location at the Air Force Base in Manta, Ecuador, and the ejection of the U.S. Ambassador in April of last year, has really stressed the U.S.-Ecuadorian bilateral ties. General Fraser, how would you characterize the current status of the counternarcotics cooperation between the United States and the Government of Ecuador? Then what needs to be done to strengthen our cooperation with regard to both counterterrorism and counternarcotics?

General FRASER. We continue to engage with the military in Ecuador. We have good military-to-military relations with them. They are working closely with their neighbors as well. We have seen an impact, especially from the maritime traffic that now is able and uses Ecuador to depart. So we have seen an increase in that activity.

We continue to have discussions with them and work with them to adjust and address this problem.

Senator HAGAN. DOD support to the U.S. law enforcement agencies and the Mexican military supports the broader counter-TCO fight. NORTHCOM provides DOD support to both U.S. and foreign law enforcement agencies against this common enemy. General Jacoby, what type of mutually beneficial DOD support is provided towards this end, and are we doing enough to foster the important relationships with law enforcement agencies, State, and the National Guard counterdrug task forces?

General JACOBY. Thank you, Senator. In NORTHCOM, partnerships are our center of gravity. In the Homeland, we do things in support of our partners across DHS and DOJ. So along the border that's where you find our efforts, in support of those lead agencies along the border.

What we do is we provide them operational support, analytic support, technical support, all of it with the checkmark of mutually beneficial. Mainly for us that means that it's a good training opportunity for the military forces that are partnered up, primarily with U.S. Customs and Border Protection (CBP).

It is a great relationship. It's grown stronger and stronger over time. Just this month, we've conducted OPNIMBUS 2 in the Tucson sector, where 1st Armored Division soldiers feel they got better training than they've gotten prior to a deployment at any time in the past 10 years. So it's a complex environment with a thinking, noncooperative enemy, and it's a great training experience. It also provides some good support to CBP, which they are very happy with.

So I think we have a good relationship. I think it's critical to continue to expand and strengthen our partnerships. In the NORTHCOM headquarters we have over 32 agencies represented there and 8 law enforcement agencies. We've never had better sharing of information across the interagency. So I'm pretty proud of that, and I appreciate the question.

Senator HAGAN. Thank you. That's a lot of agencies to coordinate together, so thank you.

I think it's very important for us to counter the TCOs and their illicit trafficking activities. Central to that is building the effective partnership capacity that I know that you're working on each and every day with the key governments and security establishments, to prevent them from operating in these permissive environments.

I do chair a subcommittee of this committee, the Emerging Threats and Capabilities Subcommittee, and I'm concerned that Central America has become the preferred transit zone for the TCOs, which seem to have diversified their portfolios to include not only drugs, but also precursor chemicals from India and China and Bangladesh, commercial weapons from the United States, and then obviously the trafficking of people.

The limited capabilities of the Central American states have allowed the Mexican transnational, the TCOs, to establish points of entry for illegal drugs coming from South America, and then the Mexico-Guatemala-Belize border area is particularly vulnerable. I understand that SOUTHCOM is working with NORTHCOM and the interagency community to develop a regional operations capability among these nations.

For both of you, what types of resources does this regional operational capability require, and what are the objectives?

General FRASER. Senator, it's a broad, whole-of-government effort, and international community, with a group of friends and international donors who also support this effort. From a DOD standpoint, we're a supporting organization because this is criminal activity; it's not military activity. But we have a role to support those militaries who have been asked by their governments to support law enforcement to help address this question.

So we're continuing training and equipping with our partner militaries, working with them to help them work better with their law enforcement partners. But the real solutions are in the rest of our foreign affairs support. It is really in the U.S. Agency for International Development programs, it is in law enforcement programs, it is in judiciary programs. It is all of us working together with those governments to solve this problem.

Senator HAGAN. General Jacoby?

General JACOBY. Yes, Senator, I concur with General Fraser. I think truly we understand this as a whole-of-government requirement. But the participation of the militaries from Belize, Guatemala, and Mexico is very good and improving, and there are efforts and a consciousness on the Mexican side of the importance of that southern border, and I see them taking action.

Senator HAGAN. Together, Colombia, Peru, and Bolivia, I understand produce most of the world's supply of cocaine. In recent years progress in controlling cocaine production in Colombia seems to have resulted in an increase in cocaine production in Peru and in Bolivia. I don't know if you agree with that, but I'd like to know, and what would be your plan to prevent further cocaine production increases in Peru and Bolivia without losing the progress made in Colombia?

General FRASER. Senator, I do agree with that effort. We have seen a reduction in the cocaine production in Colombia. As traffickers have worked other places, they've gone into Peru and Bolivia. Most of the cocaine coming into the United States, though,

still comes from Colombia. That other cocaine heads to other parts of the world.

We're working with the Colombians to support their effort, and again this is an inter-governmental effort because really the reduction and eradication of cocaine is other parts of our government, DOS who really supports those efforts. But we are working with the Government of Peru, their military, especially when you look at the narcoterrorist group, the Sindero Luminosa in Peru, to help reduce their impact in that country.

We're just seeing, as you watch, Brazil, the United States, and Bolivia just signed a tripartite agreement to address TOC in Bolivia, and that's an ongoing effort.

Senator HAGAN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hagan.

Before I recognize Senator Blumenthal and ask him to take the gavel to wind up, because I'm going to have to leave, I just had one additional question if I could of General Jacoby. That has to do with the anti-terrorism joint exercise with Russia that we conduct annually, I believe, called Vigilant Eagle. You indicated, General, that the benefits that we realized from this sort of exercise are invaluable. This is what your prepared statement tells us, and that you hope over time it will lead to even greater levels of openness and cooperation among our nations, referring to us and Russia.

Are you hoping that we can enhance the cooperation militarily? For instance, do you plan to have direct interaction with your Russian counterpart as part of that effort?

General JACOBY. Senator, yes, I do. Vigilant Eagle last year was a very successful exercise among Russia, the United States, and Canada. We exercised a counterterrorist scenario where we shared an air picture that was required to deal with the threat adequately. So I think it was an important step forward in creating trust and confidence on all sides and to ensure that there's transparency in what our military activities are, particularly in the Alaska region.

So we're going to do Vigilant Eagle again this year. I'm hoping to meet with my Russian counterpart to discuss the tactics, techniques, and procedures that will help us do that better. We have areas of cooperation with the Russians that I think are important and should be sustained. I think, as we've discussed earlier in the testimony, we have to keep our eyes wide open, but I think there is good potential for cooperation here.

Chairman LEVIN. Thank you both. Thank you for your great service and leadership. General Fraser, again, all of us wish you all the best as you take on other chapters and responsibilities in your life. We wish you and your family all the best.

General FRASER. Thank you, Mr. Chairman. It's been a great honor.

Chairman LEVIN. Senator Blumenthal, thank you for taking over here.

Senator BLUMENTHAL [presiding]. Thank you.

I'm honored to take over from Chairman Levin for the final questioning. I think that's the good news; and very honored to be with you and thank you, as others have, for your extraordinary service, both General Fraser and General Jacoby. I will try to avoid repeat-

ing some of the questions. I think I know about most of them. But I do have a number that may elicit some of the same testimony.

I want to come back to the aircraft that are being drawn down from the Air National Guard, a decision that affects particularly Connecticut because we will lose the lift capacity of the C-27J and 136 aircraft will be lost to the Air National Guard, which I regard as important because Connecticut is one of the 27 States that is affected by it. I wonder if you have done an analysis of what the effects will be of that drawdown?

General JACOBY. Senator, thank you for the question. The Air National Guard is an important partner of NORTHCOM and to NORAD, so in both hats, they're important partners to us. The Guard has done invaluable service, both in defending the Homeland and support of civil authorities.

The Air Force had some really tough decisions to make, tough choices that all the combatant commanders had and all of the Services had in order to meet the significant budget reduction. What I do as a combatant commander is I put requirements on the table, and there is a requirement to support civil authorities and there's a requirement to defend the Homeland. I trust the Air Force to meet that requirement with their total force, whether it's Active, Reserve, or Guard. But the loss of Guard aircraft will, I'm sure, be felt, and they're a tremendous asset. So it's part of the pain that all the combatant commanders will feel as a result of this very important round of budget decisions.

Senator BLUMENTHAL. Can you be more precise about how it will be felt, what the effects will be?

General JACOBY. I can only speak to the ACA mission. We will be able to mitigate the loss. I felt the loss of the standing alert on those two bases was a loss that within my authorities and within the capability of the NORAD commander I could mitigate that. It wasn't a loss of aircraft and it wasn't a loss of bases, just sitting alert at those two locations 24/7.

Senator BLUMENTHAL. Any other effects that you've analyzed or foreseen?

General JACOBY. Senator, no.

Senator BLUMENTHAL. Let me go to cyber, if I may. You answered one of the questions earlier about the task of defining criteria that would constitute an act of war in case of a cyber attack. My understanding is that those attacks are ongoing even as we speak, not only against the defense industrial base, certain private sector elements, but also our actual defense capabilities.

I wonder if you could be somewhat more precise about where you think we are in defining those criteria. You said there was—and I'm using your word—"momentum" toward that definition.

General JACOBY. Yes, Senator. As recently as yesterday, I had a conversation with General Alexander. He's walking point with General Kehler in STRATCOM in terms of developing criteria. We'll address that in a collaborative fashion, I believe, in the very near future.

But part of the momentum is not just in DOD; it's within the broader community of agencies and organizations that are concerned about cyber security, both commercial and specifically in the lead element for defending our Nation's networks, the DHS.

So I would concur as a military professional. I know that we are undergoing malicious activity on the net. The challenge is how do we define that as an attack on our country. I think this is a serious discussion that needs to be had, and it ends up being really a policy question on where are the red lines, because that's essentially what we're talking about. Where are the red lines where malicious activity transitions into an attack on the Homeland, and then what else could it be connected to that might otherwise define previously considered malicious activity now a serious threat or an attack on the country?

Senator BLUMENTHAL. Would you agree that part of the defense against that attack and part of defining the criteria has to be deciding what the offense should be, what the deterrent should be?

General JACOBY. Senator, I believe that the country requires and DOD requires full-spectrum computer network operations, exploitation, defense, and attack.

Senator BLUMENTHAL. Thank you.

I want to ask you a question that I don't believe has been covered, and it may be a little beyond the normal purview of what you do. But obviously over the time that you've been in this job, over the time that we've been aware of conditions in the Arctic, there have been changes to the topography and other environmental aspects. I'm not going to go into detail because you're much closer to it actually than we could be sitting here. But I wonder whether those so-called climate change issues, for lack of a better word, affect your strategic thinking, your practical approach to that part of the world?

General JACOBY. Senator, the opening of the Arctic has driven us to a new imperative within the Command to consider the Arctic in a different way. So starting with the UCP's most recent change, which gave us Arctic geographic responsibilities, as well as directing that we become the advocate for Arctic capabilities, we have opened our aperture and now work differently at the Arctic.

I believe that it's not just a geographic location, but it's a specific domain that requires special capabilities and capacities to operate effectively. With the opening of the Arctic, there are sure to be commercial and economic interests. Historically those are followed closely by security interests, and we will seek to stay ahead of the challenge and not behind it and make sure that the Arctic is explored and the resources exploited in a collaborative, peaceful way.

Senator BLUMENTHAL. This is a burgeoning AOR.

General JACOBY. I believe so, Senator. We're working closely with Canada. Canada has it as a top priority. I'm in a unique position as the NORAD Commander with my relationship with Canada, and so I can tell you that we're joined at the hip with not just Canada, but all eight of the northern region countries.

Senator BLUMENTHAL. Do submarines play a part in that thinking?

General JACOBY. Submarines are still active up there and I know that our Navy operates in the Arctic region and will, I presume, continue to do so.

Senator BLUMENTHAL. They are important to both economic and national security in that area?

General JACOBY. The Arctic will, as it opens up as a domain, I'm sure we'll find all types of commercial, economic, and military activity in the Arctic.

Senator BLUMENTHAL. Thank you.

My time has expired, which means that your time has expired, thankfully, I'm sure from your standpoint. I want to thank you again on behalf of the entire committee for your service and for your sacrifice, your families' service and sacrifice, and for being with us today. Thank you very much, gentlemen.

This hearing is adjourned. Thank you.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### GMD RELIABILITY IMPROVEMENTS

1. Senator LEVIN. General Jacoby, according to Deputy Under Secretary of Defense Jim Miller, the Department of Defense (DOD) has "an aggressive Ground-based Interceptor (GBI) reliability improvement program in order to reduce the number of GBIs required per intercept, which will increase the number of intercontinental ballistic missiles (ICBM) that can be defeated by the Ground-based Mid-course Defense (GMD) system." As the operational combatant commander responsible for determining the number of GBIs required per intercept, do you support this reliability improvement program, and do you agree that it would be operationally important if this program can "increase the number of ICBMs that can be defeated by the GMD system?"<sup>8</sup>

General JACOBY. [Deleted.]

##### SM-3 IIB TO AUGMENT HOMELAND DEFENSE

2. Senator LEVIN. General Jacoby, as you are aware, DOD is developing the Standard Missile-3, Block IIB interceptor for Phase 4 of the European Phased Adaptive Approach (PAA) to missile defense. The SM-3 Block IIB is designed to defeat a possible future Iranian long-range missile capable of reaching the United States; so that system would augment our existing Homeland defense capability provided by the GMD system. Do you support development of the SM-3 IIB as a cost-effective, mobile, and forward-based augmentation of our Homeland defense, in case an Iranian ICBM threat develops?

General JACOBY. Yes. Though the SM-3 Block IIB is still a conceptual program, it may contribute to the ability to defend the Homeland from an Iranian ICBM. The forward-based nature of this system may allow possible multiple engagement opportunities against these threats, thus augmenting our Homeland defense by conserving GBIs.

##### RADAR IN TURKEY AUGMENTS HOMELAND DEFENSE

3. Senator LEVIN. General Jacoby, as part of Phase 1 of the European PAA to missile defense, the United States has deployed an X-band radar (designated AN/TPY-2) to Turkey, and the radar is now operational. In addition to providing early and accurate tracking information about Iranian missiles launched toward North Atlantic Treaty Organization (NATO) Europe, this radar also augments our GMD system with respect to defense against potential future long-range Iranian missiles that could be launched at the United States. Could you please describe the contribution of the AN/TPY-2 radar in Turkey to the capability of the GMD system?

General JACOBY. [Deleted.]

##### PRECISION TRACKING SPACE SYSTEM

4. Senator LEVIN. General Jacoby, your prepared statement describes a number of planned improvements to our GMD system to stay ahead of potential future missile threats to the Homeland from nations such as Iran and North Korea. You noted that "we must be better prepared to respond to threats that give us little to no advance warning," and conclude that this "requires pursuing future sensor capability, such as the space-based Precision Tracking Space System (PTSS), ensuring we have

the highest level of GMD for the Homeland.” Could you please describe the benefit to Homeland missile defense that you see from deploying the PTSS?

General JACOBY. [Deleted.]

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QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

MISSILE DEFENSE

5. Senator LIEBERMAN. General Jacoby, you noted in response to Senator Levin that today's threats do not require GBI sites on the east coast of the United States. Understanding that there is no requirement, would such a site on the east coast provide additional capability and greater probability of successfully intercepting an ICBM launched from the east?

General JACOBY. There is no current requirement. However, as we better understand current and future threats that our GMD system may have to account for, we should look at a full range of potential solutions that could include additional missile fields to outpace the threat.

JOINT INTERAGENCY TASK FORCE-SOUTH

6. Senator LIEBERMAN. General Fraser, the Counter-Threat Finance section at the Joint Interagency Task Force-South (JIATF-South) has recently begun several new initiatives related to bulk cash smuggling in the Western Hemisphere. Is improved tracking of bulk cash smuggling important to your command's efforts to interdict illegal trafficking?

General FRASER. The JIATF-South Counter-Threat Finance cell has embarked on a concerted and multifaceted effort to document, track, disrupt, and seize bulk cash being moved by narco-traffickers in the Western Hemisphere. This holistic effort to enhance awareness and disrupt this illicit financial activity is an important part of U.S. Southern Command's (SOUTHCOM) support to the overall strategy of countering transnational organized crime (TOC). Over the past year, we have seen several successes, working with and through our interagency and international partners, to disrupt several million dollars in smuggled bulk cash. Simultaneously, we have enhanced our understanding of the networks engaged in this activity. Countering transnational bulk cash smuggling presents many challenges, to include coordinating with a myriad of interagency and international agencies and the difficulty of effectively targeting a commodity which is easy to hide and inherently legal. As with other aspects of the counter illicit trafficking mission, SOUTHCOM will continue to support interagency efforts to confront these problems. We will also do our part to enhance the targeting of bulk cash smugglers as part of an integral U.S. and international strategy to combat TOC.

7. Senator LIEBERMAN. General Fraser, how valuable does your command find regular analysis of bulk cash smuggling in the Western Hemisphere?

General FRASER. With the standup of the JIATF-South Counter-Threat Finance cell, involving interagency information and personnel, the command analyzes bulk cash smuggling associated with narco-trafficking in the Western Hemisphere. This analysis has been valuable in an enhanced awareness of illicit financial activity in the JIATF-South Joint Operating Area and contributed to the interagency and international seizure and disruption of bulk currency shipments. It has also enhanced our understanding of TOC networks. Bulk cash smuggling is a critical part of TOC's ability to sustain their activities. Regular analysis of bulk cash smuggling has emerged as a vital piece in the holistic approach to confronting TOC.

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QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

AIR DEFENSE CAPABILITIES

8. Senator McCASKILL. General Jacoby, in your testimony you stated that an effective air defense and a strong air sovereignty capability are critical components of Homeland defense. Since the September 11 attacks, North American Aerospace Defense Command (NORAD) has defended the airspace of the United States and Canada through airspace surveillance, a ready alert force, air patrols, and the National Capital Region Integrated Air Defense System. For the air defense mission, armed fighters are positioned across the United States and Canada on alert to intercept and identify suspect aircraft, which allows NORAD to be postured to defend against strategic airborne threats to the United States and Canada. The Air Na-

tional Guard provides the majority of NORAD's operational force for Aerospace Control Alert (ACA) missions. According to your testimony, providing the National Guard with capable equipment is key to the ACA mission. You also state that modernization of NORAD airframes is a requirement. How does the Air Force's recent decision to significantly downsize the Air National Guard in terms of equipment and personnel affect NORAD's ACA missions?

General JACOBY. The Air National Guard is a key partner in conducting NORAD operations. As such, NORAD will continue to advocate for maintaining and increasing both NORAD and the Air National Guard air defense capabilities wherever possible. Additionally, we are working closely with our Joint Staff, Air Force, and Air National Guard partners to ensure current and future requirements are met. Due to the historically excellent stewardship NORAD has provided for air defense assets and the firm commitment of the Air Force to support this mission, I am confident that the Air Force will continue to support NORAD with Total Force solutions we need to meet mission requirements.

9. Senator MCCASKILL. General Jacoby, what commitment has been made by the Air Force to ensure that the aging airframes that support this mission will be replaced in a timely manner in order to meet NORAD's requirements?

General JACOBY. The Air Force is committed to the Service Life Extension Program, which will allow NORAD assets to be effectively utilized through the next decade while new airframes are added to the Air Force inventory. We will continue to work closely with our Total Force partners to ensure current and future mission requirements will be met.

#### INTERNATIONAL TERRORIST GROUPS

10. Senator MCCASKILL. General Fraser, you stated in your testimony that the routes controlled by transnational criminal organizations (TCO) operating in the region represent potential access points that could be leveraged by other groups, including international terrorist groups. This is particularly concerning, as many of these routes lead directly into the United States. The recently foiled attempt by Iran to utilize unconventional resources in Central America to attempt an attack on U.S. soil highlights a disturbing potential for further terrorist activity in the region. Has U.S. Southern Command (SOUTHCOM) conducted an analysis of the vulnerabilities of these routes?

General FRASER. SOUTHCOM continually conducts assessments of the routes that TCOs use in our area of responsibility (AOR). We work with the interagency and partner nations to determine vulnerabilities. Identified vulnerabilities to date include porous borders and poorly funded border control stations.

11. Senator MCCASKILL. General Fraser, can you point to characteristics of these routes that make them potentially attractive assets to terrorist activities?

General FRASER. SOUTHCOM studies the strengths and vulnerabilities of illicit trafficking routes. The characteristics that make these routes attractive to terrorist organizations are the same characteristics that make them difficult to disrupt—they run through undergoverned areas and across porous borders; they have illicitly organized logistical support including refueling capacity at sea; they are well-resourced, decentralized, and flexible, enabling traffickers to adapt quickly to changes in the operational environment; and they exploit our partner nations' lack of capabilities to develop comprehensive land, air, and maritime awareness and conduct intelligence-driven operations.

12. Senator MCCASKILL. General Fraser, are you confident that our intelligence is sufficient to identify potential attempts by international terrorist groups to exploit the transnational drug routes?

General FRASER. SOUTHCOM is focused on this potential nexus. However, identifying the intent and capability of terrorists and illicit networks to cooperate presents a formidable challenge. We work to mitigate this challenge by leveraging inter-agency capabilities and through continued engagement with our partner nations.

13. Senator MCCASKILL. General Fraser, has SOUTHCOM identified any gaps in intelligence or resources needed to identify attempts by international terrorist groups to utilize these routes?

General FRASER. Identification and monitoring of illicit trafficking networks, which could be exploited by terrorist groups, is a resource-intensive endeavor. Development of human intelligence networks and enhanced signals intelligence capabili-



ties are particularly important in this effort, as well as collaborating with our U.S. interagency partners, building partner-nation capabilities, and sharing information.

SOUTHCOM relies on dozens of all-source intelligence collection requirements to detect and monitor illicit trafficking routes. Most of these requirements are shared by the intelligence and law enforcement communities. Despite the submission of requirements, reporting on these illegal networks remains inadequate.

14. Senator MCCASKILL. General Fraser, are regional governments engaged on this particular issue through specific SOUTHCOM programs and operations?

General FRASER. SOUTHCOM provides limited intelligence, surveillance, and reconnaissance assets to support regional partners faced with the threat of terrorist groups. In addition, SOUTHCOM has several Memorandums of Understanding with select partner nations that provide for information exchange in support of our partners' and SOUTHCOM's regional objectives.

Outside of the intelligence realm, SOUTHCOM conducts various training activities aimed at building partner-nation capacity to control their maritime domain. These activities, although mostly aimed at countering the illicit narcotics trade, are broadly applicable to assist our partner nations in disrupting the maritime routes through their sovereign territories.

Through our special operations component command, U.S. Special Operations Command South, we are also training some of our partner-nation tier-one forces in counterterrorism through Joint Combined Exchange Training (JCET).

15. Senator MCCASKILL. General Fraser, are there joint security measures and programs in place to prevent terrorists from exploiting these routes?

General FRASER. SOUTHCOM works across the interagency and with our partner nations every day in an effort to disrupt these routes and disrupt illicit trafficking, whether it is by drug trafficking organizations or international terrorist groups. JIATF-South is our key component in detection and monitoring of illicit traffic, and it exemplifies this unity of effort. Considered the linchpin in U.S. counterdrug efforts, JIATF-South capitalizes on the unique capabilities, authorities, and strengths of interagency partners such as the Federal Bureau of Investigation, Drug Enforcement Administration, and Department of Homeland Security (DHS). The collaborative, interagency taskforce make-up allows for the quick sharing and dissemination of any terrorism intelligence threads to proper authorities. Operationally, JIATF-South's capital assets are arrayed in the principal maritime and air trafficking routes through the Caribbean and eastern Pacific and would, if intelligence suggested, direct all its efforts to stopping a terrorist event.

We do see evidence of international terrorist groups benefitting from the intertwined systems of illicit trafficking and money laundering in our AOR; in South America, funding for Hizballah is raised through licit avenues, such as charitable donations, and illicit means, including trafficking in drugs, counterfeit, and pirated goods. Understanding the complex financial flows of these networks can help the law enforcement, intelligence, and defense communities focus our efforts on groups engaging in activities that most directly threaten U.S. national security. To this end, SOUTHCOM supports the U.S. interagency through our network analysis and information sharing capabilities.

16. Senator MCCASKILL. General Fraser, which countries in the region have been cooperative on counterterrorism planning and prevention on a security cooperation level?

General FRASER. The following partner nations cooperate with DOD on counterterrorism planning and prevention at the security cooperation level: Guatemala, El Salvador, Nicaragua, Honduras, Costa Rica, Panama, Guyana, Costa Rica, Dominican Republic, Jamaica, Trinidad & Tobago, Belize, Colombia, Peru, Brazil, and Paraguay.

That said, most of the countries in the region do not share our concern over international terrorism threats; instead, they are concerned with criminal problems and frame their threats as such. The main exceptions are the Governments of Colombia and Peru, which are combating the Fuerzas Armadas Revolucionarias de Colombia and Sendero Luminoso, respectively. Regardless, law enforcement and counterterrorism efforts are inextricably linked. In our AOR, these duties are carried out by a combination of domestic law enforcement and militaries. Therefore, we measure partner-nation cooperation through the lenses of both our engagement efforts to counter TOC as well as terrorism.

Our cooperation activities are guided by Title 10, U.S.C., and by the counterdrug and counterterrorism sections of the National Defense Authorization Act. Statutory requirements include detection and monitoring of illicit narcotics trafficking (§ 124

U.S.C. 10); and authorized activities include training, education, and resourcing host nations' security forces; providing planning support to U.S. country teams as they assist host-nation defense and security establishments; and engaging key leaders in the region.

#### HEZBOLLAH

17. Senator MCCASKILL. General Fraser, of particular concern to me are reports of activity in South America by Hezbollah, including the raising of funds through both licit and illicit means in the region. Does SOUTHCOM have an assessment of how much funding has been raised by Hezbollah in the region?

General FRASER. Determining exact amount of funds raised by Hizballah in South America is difficult considering the permissive environment and furtive manner in which funds are moved. Notwithstanding, we assess Hizballah likely generates tens of millions of dollars annually in South America.

18. Senator MCCASKILL. General Fraser, how are these funds logistically transferred back to finance Hezbollah's activities in the Middle East?

General FRASER. Funds generated within the SOUTHCOM AOR in support of Hizballah are transferred back to the Middle East in a variety of ways. Specific transfer methods include bulk cash transfers via human couriers, Hawaladars, electronic bank transfers, and the use of global money laundering networks.

19. Senator MCCASKILL. General Fraser, is there any evidence that a portion of this funding is being used by Hezbollah for recruitment in SOUTHCOM's AOR?

General FRASER. No. There is no evidence that this funding is used to recruit in the region.

#### BRAZIL

20. Senator MCCASKILL. General Fraser, the threats that fall under SOUTHCOM's purview are particularly concerning because they are transnational in nature. This increasingly complex security environment will require invigorated partnerships that, likewise, span the region. The U.S.-Brazil bilateral relationship is especially critical to stability in the region and to the fight against the transnational threats that the world faces today. As Brazil continues to grow as a global leader, its role as a stabilizer in the region will become increasingly important. What opportunities has SOUTHCOM identified for enhanced security cooperation between the United States and Brazil?

General FRASER. Brazil is an increasingly developed country focused on attaining regional and international leadership roles. With a robust economy, the world's sixth largest, Brazil desires to be recognized as a world leader. Their defense and security policies center on maintaining a well-trained and professional military, and developing a national defense industry base for foreign military sales and internal use. A stable and capable Brazil promotes regional stability and is a partner able to export and support military missions in response to international crisis. SOUTHCOM continues to engage Brazil in mutually beneficial areas such as humanitarian assistance and disaster relief, counter TOC, consequence management, counterproliferation, and science and technology cooperation initiatives. SOUTHCOM also supports and encourages Brazilian leadership and participation in regional and global activities. This year, for the first time for any partner military, Brazil has accepted the role as the Combined Force Maritime Component Commander (CFMCC) for SOUTHCOM's Panamax 2012 exercise. The Brazilian Government has also demonstrated willingness to deploy its Armed Forces to conduct peacekeeping and stability operations in support of the United Nations (U.N.) around the globe, including the work they continue to do leading the U.N. Stabilization Mission in Haiti.

Cybersecurity cooperation is another area that offers beneficial engagement opportunities, especially with upcoming international sporting events in Brazil (World Cup 2014, Olympics 2016). The Brazilian Army, the strategic lead for cyber, has expressed mutual interest in cyber engagements, particularly in the establishment of a Joint Cyber Defense Center. Areas for cooperation include development of joint cyber doctrine, joint cyber operations, and development of cyber professionals.

21. Senator MCCASKILL. General Fraser, in what ways is Brazil uniquely positioned to increase security and stability in the region?

General FRASER. Brazil, the sixth largest economy in the world with over 192 million people, increasingly focuses on attaining a regional and international leadership role. Defense and security policies, captured in their 2008 National Defense Strategy, provide strategic guidance on maintaining a well-trained and professional military, developing a national defense industrial base, and protecting natural resources.

Brazilian Armed Forces are capable, well-funded, and willing to export capacity to conduct regional and global peacekeeping and stability operations. They have led the U.N. Stabilization Mission in Haiti since 2004 and its significant contribution of Brazilian troops reflects its global aspirations. They are also the leading maritime component of the U.N. Interim Force in Lebanon's Maritime Task Force with the deployment of a Brazilian Navy frigate.

Brazil's foreign policy emphasizes regional integration and cooperation. They are members of Union of South American Nations and its South American Defense Council; the participation of serious partners such as Brazil in this organization can support our own initiatives such as combating illicit trafficking, border security, et cetera. They carry significant regional influence and their regional strategic objectives usually align with U.S. interests.

#### CENTRAL AMERICA AND THE CARIBBEAN

22. Senator McCASKILL. General Fraser, the rise of illicit trafficking through Central America and the Caribbean coupled with the vast resources available to traffickers have presented significant challenges to the region. Some of the Caribbean and Central American States' available resources are eclipsed by those available to trafficking networks. SOUTHCOM has played an invaluable role in partnering with these countries and acting as a capability multiplier in the fight against these threats. Additionally, SOUTHCOM has worked to bolster the capabilities of these governments by providing equipment needed to counter trafficking. It is critical that this type of assistance is sustainable and that the recipient governments have the financial resources and the technical capabilities to use and maintain these tools. What are you doing to ensure that governments that receive assistance from SOUTHCOM are able to use and maintain equipment or systems that we have provided to aid in the fight against trafficking?

General FRASER. SOUTHCOM's focus is on developing specific partner-nation operational capabilities that can contribute to a regional strategy to counter TOC. The ability of individual partner nations to maintain and sustain the capabilities the United States provides is a critical consideration in the type and scope of support provided. SOUTHCOM works diligently with our partner nations to ensure that they are able to manage and maintain the equipment and systems they are provided to build their capacity to execute counter TOC missions. To facilitate both the near- and long-term maintenance and sustainment of equipment purchased for our partner nations, we use a variety of methods, such as: vendor contracted training, mobile training teams (MTT), and individual Service specific training in the United States. A specific example of contracted training is the Maintenance Operational Support Teams that support a variety of programs such as the Harris Radio sustainment for the interdiction boats provided to our partner nations, the Jeep J8 vehicles provided to our partner nations to support border security operations, and the Boston Whaler engine and hull maintenance training which also support maritime interdiction efforts. MTTs and individual training at U.S. Service schools also serve to provide specific training for the use and maintenance of a variety of equipment in the maritime, air, land, and border security areas. The desired end state of our multifaceted training and maintenance efforts is to provide our partner nations the ability to operate independently against the threat, as an interoperable partner in joint efforts with their regional neighbors, and as an integrated element of the JIATF-South operational framework providing synergy to United States/partner-nation regional counter TOC efforts.

23. Senator McCASKILL. General Fraser, in these cases, how has the U.S. Government worked to help fill these capability gaps?

General FRASER. To fully implement our regional strategy to counter TOC we are focused on multiple domains, to include maritime, air, land, and border security/checkpoints. Our main focus is in the maritime arena because that is the primary mode of transportation by which drugs flow from the source zone to the United States. To develop capability in the maritime domain, we are working closely with our partner nations to emplace the basic infrastructure needed for sustainment of their maritime assets, to establish an integrated command and control system, and

to provide the boats, spare parts, and trained crews needed. Similarly, in the air domain, we are working with our partner nations to provide a modest integrated Maritime Patrol Aircraft (MPA) capability through the procurement and installation of Forward Looking Infrared Radars and surface search radars for their available aircraft. Guatemala's MPA should be operational this fiscal year; and Honduras and Belize are programmed for similar capability in the out-years. In the land and border security areas, we are training and providing newly formed border units with the mobility, infrastructure, and command and control needed to better manage and control their border areas. Additionally, we continue to cooperate with U.S. Northern Command (NORTHCOM) to ensure synchronization and coordination of the efforts of the Guatemalan, Belizean, and Mexican Governments along their shared borders. We also continue to work with partner nations in and outside of our AOR, such as Colombia, Chile, and Canada, to coordinate their security cooperation efforts aimed at improving the counter TOC capabilities of our Central American partner nations.

24. Senator McCASKILL. General Fraser, has the U.S. Government provided services or funding in support of these systems when the host government could not?

General FRASER. Yes, however, I must caveat my response with the fact that in most instances it is not due to a lack of will or desire from our partner nations to address what they have come to increasingly accept as regional challenges. Resources are provided primarily to those countries that demonstrate a willingness to execute operations to counter TOC within their sovereign spaces, but may lack the ability to maintain systems on their own. For example, Nicaragua is our most responsive maritime partner in Central America. When JIATF-South requests assistance against an intelligence-cued target, the Nicaraguan Navy responds with what limited capability it has. Guatemala, at significant cost, has refurbished the engines on a seized B-200 aircraft that, with U.S. assistance and additional equipment, will now be employed as a MPA providing dedicated support to JIATF-South requirements. Honduras is one of the poorest countries in the region, yet continues to provide direct support to ongoing JIATF-South and JTF-Bravo-led operations in their country. In cases like these, SOUTHCOM attempts to capitalize on partner-nation willingness by supplementing their limitations in order to maintain a viable regional counter TOC strategy.

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QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

MEXICO

25. Senator INHOFE. General Jacoby, over 50,000 people have been killed since the start of the drug war in 2007. In 2010 alone 15,237 people have died and 2011 is reported to be another recordsetting year in deaths. The United States contributes \$1.4 billion through the Merida Initiative, DHS is operating unmanned aerial vehicles over the border to stop smugglers, the United States has sold Black Hawk helicopters to help in the fight, and NORTHCOM has used their Avenger systems to detect low-flying aircraft on the border. NORTHCOM is also expanding military-to-military training, which has been nonexistent in the past. On the U.S. side of the border, NORTHCOM works with the Department of Justice (DOJ), DHS, and many others to secure the borders and reduce criminal/terrorist activities. How would you gauge our military-to-military training and what is your assessment of capabilities of the Mexican military?

General JACOBY. In October 2002, NORTHCOM inherited a limited existing military training program from SOUTHCOM that we have grown considerably, given the expansion of the security challenge in Mexico and the increase in requests for our training. To provide an illustration of this growth, in 2003, NORTHCOM provided \$2.75 million in counternarcotics training, professional military education and training, and technical training. In 2011, we provided \$16.774 million in training and the forecast for fiscal year 2012 is \$24.087 million, all at the request of the Mexican military. This includes a broad spectrum of courses such as extensive flight training for aircrew and maintenance personnel, attendance at our war colleges and staff colleges, counterterrorism training for senior members, and training in Human Rights, Rule of Law, Civil-Military Relations, Force Protection, Counter Improvised Explosive Device, Counter Narcotics Planning, Specialized Skills, Public Affairs, Military Operations in Urban Terrain, English Language, Maritime Boarding Operations, Small Craft Operations, Combat Life Saving, Search and Rescue, Command and Control, and many other areas.

My assessment is that this training has greatly strengthened our bilateral relationship by opening new doors in the areas of information-sharing and exercise participation. It is also providing the Mexican military with valuable tools that have significantly contributed to record seizures of illicit narcotics, weapons, contraband, and helped fortify the Mexican northern, southern, and maritime border regions.

26. Senator INHOFE. General Jacoby, with the upcoming presidential election in Mexico, do you foresee any changes to the way in which the war on drugs is being waged?

General JACOBY. The political campaign season is currently underway in Mexico, the outcome of which will be a new administration. I believe any new Mexican Government will continue to partner with us in the shared interest of countering threats posed by TCOs.

27. Senator INHOFE. General Jacoby, do you have adequate funding for a layered defense or have we cut our capacity too far to secure our Nation?

General JACOBY. NORAD and NORTHCOM are adequately funded to successfully provide an active, layered defense of the Homeland. Our Service partners have had to make some very tough decisions as DOD sought to meet the \$487 billion reduction in spending mandated by the Budget Control Act. I believe the Homeland was treated fairly and treated as job number one. However, an important aspect of defense in depth is the strength of our key partners. We defend in depth in many ways through our partnerships. DHS, the Department of State, and their funding are also critical to providing the means by which our Homeland is secured.

#### GROUND-BASED MISSILE DEFENSE

28. Senator INHOFE. General Jacoby, I remember during the Clinton administration, the then-Joint Chiefs of Staff Chairman, General Henry Shelton, reaffirmed that U.S. intelligence would know at least 3 years before North Korea posed an ICBM threat. Homeland defense is listed as the first policy priority in the 2010 Ballistic Missile Defense Review (BMDR). The GMD system in Alaska and California is currently the only missile defense system that protects the U.S. Homeland from long-range ballistic missile attacks. On April 5, 2009, North Korea launched a three-stage Taepodong-2 missile. The missile travelled 3,200 km before crashing in the Pacific Ocean. The TPD-2 is designed to have a range over 4,000 miles which would be far enough to reach the United States. One week later, North Korea surprised the world by testing a missile with intercontinental range. Intelligence has estimated that North Korea may have the capability to successfully launch a Taepodong-2 missile with a 200 kg warhead by 2015 with a range of 6,000 to 7,500 miles ... putting a majority of the United States within range of this missile. On May 25, 2009, North Korea conducted a second nuclear test. North Korea is not only pursuing their own nuclear and ballistic missile capabilities, but they also are potentially selling missiles, material, and technology to other countries to include Iran. GBIs are being refurbished currently at Fort Greely, AK. You have stated that as North Korea and other states develop their missile technology, we cannot sit idly by without improving our own systems. What is your command doing to ensure that our missile defense can meet all future threats?

General JACOBY. I'm closely assessing the evolving development of regional threats and if ever I believe our efforts may be falling behind those threats, I will strongly advocate for increased funding and oppose cuts that would negatively impact my ability to protect the Homeland. I continue to work closely with the Missile Defense Agency (MDA) and other partners across the ballistic missile community in developing capabilities to outpace the threat. Furthermore, I continue to advocate for a more robust testing program to validate both current and future capabilities that comprise the GMD system and to baseline models and simulations used in training and certification of our GMD (operational) personnel.

29. Senator INHOFE. General Jacoby, how confident are you in the GMD program to protect our east coast and intercept missiles originating from the Middle East?

General JACOBY. Against current threats from the Middle East, I am confident we are well-postured. As with North Korea, we must ensure we have agile programs and good intelligence that allow us to stay ahead of the threat.

30. Senator INHOFE. General Jacoby, can you discuss how your command is testing our assets to ensure reliability?

General JACOBY. The MDA conducts the actual testing, though NORTHCOM provides operational participation in the testing program, from flight tests to ground tests. We also review and provide inputs into MDA's test campaign plan. I am comfortable with the current Integrated Master Test Plan (IMTP) schedule for testing of the GMD system. A robust testing regime must be sustained.

31. Senator INHOFE. General Jacoby, do you have enough assets to conduct this testing?

General JACOBY. I am confident there are sufficient GMD test assets to support the latest IMTP.

#### HOMELAND DEFENSE AND NATURAL DISASTER RESPONSE

32. Senator INHOFE. General Jacoby, the integration of Active, Reserve, Guard, and interagency elements into your headquarters and the makeup of your subordinate units makes NORTHCOM one of the most diverse agencies this government has. As we all know, without our Guard and Reserve Forces, it would be impossible to conduct operations abroad while ensuring that our Homeland is secure and safe. Like you, I am also concerned about the impact the slip in the F-35 program and aging F-16 fleet are going to have on our air sovereignty sites and our Air National Guard. As we both know, seven of our air sovereignty alert sites are flying F-16s which are currently scheduled to reach the end of their service life between 2020 and 2023. The dual status commander role was approved for a National Guard officer to be in command of both National Guard and Reserve component forces when reacting to natural disasters within the United States. Will we be able to maintain our air sovereignty alert sites given the slip in the F-35 programs and scheduled retirement of our oldest F-16s?

General JACOBY. Yes, we are working diligently with our Total Force partners to ensure current and future mission requirements are met. In addition to being an advocate for NORAD and Air National Guard air defense capabilities, I am closely monitoring force provider programs to make certain that NORAD has the assets we require to accomplish all mission taskings. For example, 24/7 alert operations reductions at two air sovereignty alert sites for fiscal year 2013 will not affect aircraft retention at those sites. NORAD will retain the ability to conduct operations at these sites as required, to include operations at higher levels of readiness. Additionally, any future reduction at air sovereignty alert sites will not be initiated without a thorough analysis of its effect on air defense operations and an accompanying risk mitigation strategy. This will allow NORAD to evolve operations and meet all of the threats posed by our adversaries.

33. Senator INHOFE. General Jacoby, do you believe that you have the right mix of Active Duty, Reserve, and National Guard present within your command?

General JACOBY. Yes. We have met all mission taskings with the current mix of Active Duty and Reserve component support provided by the Services. We will continue to work hand-in-hand with our Total Force partners to ensure current and future mission requirements are met.

34. Senator INHOFE. General Jacoby, what is your perspective on the state of our National Guard and Reserves and their ability to provide support in times of crisis?

General JACOBY. The National Guard has a long and distinguished history of responding to our Nation's crises. As a combatant commander advocate for the Reserve component, I work to ensure that they have the appropriate resources necessary to be able to respond to NORAD and NORTHCOM mission requirements when needed. I am proud of NORTHCOM's current collaborations with the National Guard Bureau in areas like the Dual-Status Commander and the CBRN Enterprise and expect these and other programs to continue to mature in the near future.

I have the same level of confidence in the capabilities of our Reserve Forces and the critical roles they can play in responding to a crisis in NORTHCOM's AOR. The authorities Congress recently granted the President to mobilize Reserves for significant domestic emergencies will greatly enhance the ability of the Nation to leverage the robust capacity within the Reserve Force. NORTHCOM is actively engaged with the Office of the Secretary of Defense, the Joint Staff, the Services and their Reserve Commands, and our Subordinate Commands to develop plans and procedures to take full advantage of the updated law to allow timely, total-force support to civil authorities in a disaster.

35. Senator INHOFE. General Jacoby, what has NORTHCOM done to ensure disaster relief operations are run smoothly and efficiently now that the dual status commander has become law?

General JACOBY. NORTHCOM has established a cadre of both potential Dual Status Commanders and Title 10 Deputy Commanders. In addition, we have developed procedures that focus on the training, planning, and execution of duties during pre-planned and no-notice events. These procedures were first implemented during the initial response to Hurricane Irene and have been further refined during State-level exercises in California and Arizona last fall.

Our Defense Coordinating Officers and their elements continue to engage with DHS and the Federal Emergency Management Agency (FEMA) and at the regional planning and execution level. This ensures that current and future efforts are focused on the integration of National Guard and Title 10 forces that will respond to an event at a State's request.

#### JOINT TASK FORCE GUANTANAMO

36. Senator INHOFE. General Fraser, the prosecution of terrorist detainees belongs in a military tribunal not because it ensures a particular result, but because it is the best way to present classified information and present evidence that has been taken from the battlefield. SOUTHCOM is principally responsible for operating facilities at Guantanamo Bay, some of which are used to detain individuals and have been used to adjudicate them. The budget request for Overseas Contingency Operations (OCO) includes money to finance all aspects of detainee operations at Guantanamo Bay. What is your impression of the operations, quality of our personnel, and treatment of detainees at Guantanamo Bay?

General FRASER. Joint Task Force Guantanamo (JTF-GTMO) conducts safe, humane, legal, and transparent care and custody of detainees. Eighty percent of the detainee population resides in a communal setting which has reduced the number of assaults and incidents that have occurred against the guard force. Those in a communal setting can eat, pray, and recreate together. We also employ a Strategic Cultural Consultant, who has been at Guantanamo since 2005. The Cultural Consultant, along with our Muslim interpreters, ensures we are culturally aware and religiously sensitive when conducting detainee operations.

We continue to work very closely with the International Committee of the Red Cross which sends delegations to observe our detention conditions and medical care six times a year. They have access to, and conduct interviews with, all detainees.

Detainees have access to news and watch worldwide events. Despite the dynamic international environment, there have been fairly few incidents within the camps because of strong leadership oversight and the professionalism of the Joint Task Force's personnel.

37. Senator INHOFE. General Fraser, can you explain why we are using taxpayers' money to develop a soccer field that costs \$774,000 at Guantanamo Bay?

General FRASER. Under Common Article III to the Geneva Conventions (GC) and DOD policy, the U.S. Government has an obligation to treat persons detained at Guantanamo humanely. One element of humane treatment is to provide opportunities for detainees to participate in recreation, study, sports, and games. In analyzing this issue, the 2009 Walsh Report applied Article 38 of the GC III (Treatment of Prisoners of War) and Article 94 of GC IV (Protection of Civilian Persons); these Articles "provide that detainees are encouraged to participate in intellectual, educational, and recreational pursuits, as well as sports and games. In addition, all possible facilities and equipment are to be provided for this purpose, including sufficient space for outdoor exercise and sports. Detainees in a disciplinary status are to be allowed to exercise and stay in the open air at least 2 hours daily." Additionally, the International Committee of the Red Cross regularly visits JTF-GTMO to observe conditions of detention, which includes how JTF-GTMO accommodates and improves recreation over the course of longer term "Law of War" detention.

In early 2011, Camp 4 closed and the remaining detainees were moved into Camp 6. As a result of this consolidation, JTF-GTMO has been able to reduce its guard requirement by roughly 150 troops, for a total reduction of roughly 200 personnel, saving more than \$4 million per year.

The Camp 6 Recreation Yard was built as part of the consolidations to replicate a similar recreation yard to the one that was in Camp 4. The recreation yard required security features such as dual containment fences and two-vehicle access gates; all managed from three climate controlled guard towers. Security fenced walkways from the camp building to the yard have several electronic locking gates

to selectively control the movement of detainees from eight different cell blocks, reducing guard escort requirements and physical interaction. The field, path, and security fenced walk-ways are constructed of dirt and gravel and are lighted with full security lights. These requirements enhance security and safety for both guards and detainees.

All construction costs for JTF-GTMO carry an additional cost factor of approximately 55 percent because of the unique nature of operating an isolated base. Construction projects are more expensive due to the costs to support all labor, shipping costs, and energy costs. Unlike other overseas bases, the company that did the construction is a U.S.-owned company and all materials were shipped to Guantanamo from U.S. suppliers. Once completed, the project will cost \$744,000.

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QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

NORTH KOREA

38. Senator AYOTTE. General Jacoby, in your written statement you stated that we must not allow regional actors, such as North Korea, to hold U.S. policy hostage by making our citizens vulnerable to a nuclear ICBM attack. As Senator McCain noted in the world wide threat briefing earlier this year, North Korea is developing ever-more sophisticated ballistic missiles. Based on North Korea's development of ICBMs, do you believe that North Korea is becoming a direct threat to the United States?

General JACOBY. [Deleted.]

39. Senator AYOTTE. General Jacoby, do you believe North Korea will likely possess an ICBM ballistic missile capable of targeting the continental United States within the next 5 years?

General JACOBY. [Deleted.]

40. Senator AYOTTE. General Jacoby, what more should be done to ensure the people of the United States are protected now and in the future from North Korean missile attacks?

General JACOBY. [Deleted.]

MISSILE DEFENSE—SEA-BASED X-BAND RADAR

41. Senator AYOTTE. General Jacoby, you write in your prepared testimony that, "we must be better prepared to respond to threats that give us little to no advance warning, which places a tremendous burden on the low-density, high-demand sensors we have available today to detect these threats and places a greater emphasis on our requirements for tracking through all phases of flight. This requires pursuing future sensor capability, such as the space-based PTSS, ensuring we have the highest level of GMD for the Homeland." Yet, the MDA has chosen to place the sea-based x-band radar (SBX) in a limited test and contingency operations status. Doesn't removing SBX from day-to-day operational readiness run counter to your recommendation to be better prepared to respond to threats that give us little to no advance warning?

General JACOBY. [Deleted.]

42. Senator AYOTTE. General Jacoby, how long would it take to get SBX prepared for operations assuming you had warnings of a threat?

General JACOBY. [Deleted.]

43. Senator AYOTTE. General Jacoby, can we count on being warned in time to activate SBX?

General JACOBY. [Deleted.]

44. Senator AYOTTE. General Jacoby, why was this decision made to remove the SBX from day-to-day operational readiness?

General JACOBY. Until recently, the primary function of SBX has been to support research, development, test, and evaluation (RDT&E) of the GMD system. Due to concerns about where best to base it, the high cost of operation, and the associated risk of the SBX not being available when needed, it has not been the key contributor we once expected it to be operationally.

45. Senator AYOTTE. General Jacoby, what was the rationale for this decision?



General JACOBY. Until recently, the primary function of SBX has been to support RDT&E of the GMD system. Due to concerns about where best to base it, the high cost of operation, and the associated risk of the SBX not being available when needed, it has not been the key contributor we once expected it to be operationally.

46. Senator AYOTTE. General Jacoby, are we doing all we can to defend the Homeland against long-range missile threats?

General JACOBY. Yes. I am confident in my ability to successfully defend the Homeland from the current set of limited long-range ballistic missile threats. However, we must remain vigilant because of the uncertainty of threat intentions and capabilities, and we must also continue our efforts to develop, refine, and adapt the capabilities of our defense against a ballistic missile attack.

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QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

C-130 TRANSFER FROM FORT WORTH

47. Senator CORNYN. General Jacoby, one of NORTHCOM's primary civil support missions is to conduct domestic disaster relief operations. The Gulf Coast has seen its fair share of natural disasters over the last decade. Certain assets are extremely valuable—even critical—in responding to these disasters. What is your assessment of the value the C-130 capability brings to disaster response efforts?

General JACOBY. While the C-130 has proven its worth in peace and war, typically there are a number of equipment systems that can provide capabilities to support DOD civil support requests. As such, we do not request specific aircraft platforms, but rather capabilities. In turn, the Joint Staff and uniformed Services prioritize needs and provide available DOD assets that best meet the needs of the support we request. The bottom line is that I trust the Total Force to meet NORTHCOM's requirements needed for disaster response.

48. Senator CORNYN. General Jacoby, the U.S. Air Force recently announced a decision to transfer all eight Texas Air National Guard C-130s from the 136th Airlift Wing in Texas out of the Gulf region entirely, sending them to Montana. Were you consulted on this decision prior to its release?

General JACOBY. We were fully aware of and tracked Air Force aircraft basing decisions throughout the duration of the budget process. If there had been any impact to our missions, we would have provided input to the Air Force.

49. Senator CORNYN. General Jacoby, it is my understanding that there are no other Air National Guard C-130s currently stationed in the other Gulf States: Louisiana, Mississippi, Alabama, or Florida. On March 5, all five Gulf Coast Governors sent a letter to President Obama strongly advising against the relocation of the 136th Airlift Wing's C-130s, arguing that, "losing the C-130s takes away a powerful airlift asset for saving the lives of Gulf Coast States citizens." These governors have relied heavily on these eight C-130s in recent years, including in the aftermath of Hurricane Katrina. The 136th has flown 423 sorties in response to storms, safely evacuated 3,143 passengers, and delivered 939 tons of emergency aid. Removing these eight C-130s from Texas and eliminating their proximity to the Gulf Coast seems like a profound mistake. What is your assessment of the impact on disaster recovery efforts along the Gulf Coast if these eight aircraft are moved from Texas to Montana?

General JACOBY. As is the case with all natural disasters, local and State authorities work together to address, respond, and provide disaster response and recovery. When local and State resources are exhausted, civilian officials/agencies request Federal assistance through the Request For Assistance (RFA) process. NORTHCOM provides the command and control for DOD assets deployed in support of disaster relief to fill local and State capability gaps. Because NORTHCOM has access to several DOD force providers, we are able to respond to these requests and meet the needs through several options without having ready-alert forces for a specific need.

50. Senator CORNYN. General Jacoby, as NORTHCOM commander, what is your preference in these disaster situations—for governors to employ the Air Guard or for NORTHCOM to wait for assigned Active or Reserve component C-130s when necessary to execute missions as ordered by the President?

General JACOBY. The basis of our National Response Framework is to employ local and State capabilities prior to a Federal response.

51. Senator CORNYN. General Jacoby, which force is more capable, historically, of responding in the shortest amount of time?

General JACOBY. Response time is dependent on the situation, location of an incident, and the capability required. We do not have data to suggest one force is quicker to respond than another, but have identified capabilities that meet requirements for any given situation. When disaster strikes, we assess and plan in concert with myriad stakeholders to be ready to provide relief assistance when and where needed.

52. Senator CORNYN. General Jacoby, would you agree that a governor can mobilize Air National Guard assets within hours, while the execution of a Federal response could take days?

General JACOBY. Local and State authorities have regulated processes that enable them to respond to need, as required. Likewise, NORTHCOM has regulated processes that facilitate DOD assistance to local and State authorities, when requested. NORTHCOM also has the capability to rapidly employ DOD forces, if needed, and also has options for decreasing response time, if needed. For instance, a State can verbally request Federal assistance and NORTHCOM can in turn receive and execute verbal orders to respond in order to meet the need of the local and State authorities.

In addition, recent enhancements to Federal procedures have facilitated an expedited Federal response. For Hurricane Irene, in August 2011, these enhancements enabled a pre-event mission assignment and funds from FEMA that allowed deliberate, prudent pre-staging of Title 10 assets in New England, poised for any regional need.

Speed of Federal response is a factor of speed of request and priority of effort.

#### MEXICO

53. Senator CORNYN. General Jacoby, General Burgess recently testified before this committee that Mexican President Felipe Calderon's aggressive campaign against TCOs has resulted in Mexican security forces having captured or killed 21 of Mexico's 37 most wanted traffickers. What is your assessment of the progress that has been made since Calderon took office in December 2006?

General JACOBY. [Deleted.]

54. Senator CORNYN. General Jacoby, Mexico will hold presidential elections this summer. In your opinion, if the next President of Mexico loses focus on combating the drug cartels and strengthening the rule of law, what would the likely impact be?

General JACOBY. [Deleted.]

55. Senator CORNYN. General Jacoby, can the progress that has been made since 2006 be sustained if the Mexican Government's attention is focused elsewhere?

General JACOBY. [Deleted.]

56. Senator CORNYN. General Jacoby, how would an increased level of threat most likely impact the United States?

General JACOBY. [Deleted.]

57. Senator CORNYN. General Jacoby, in your prepared testimony you highlight the Combatant Commander's Exercise Engagement (CE2) program which supports all aspects of the mission-critical NORAD and NORTHCOM Exercise and Engagement program. You note the CE2 program helps to build partner capacity and readiness across your AOR. Can you elaborate on this program's scope and success in Mexico?

General JACOBY. [Deleted.]

58. Senator CORNYN. General Jacoby, your prepared testimony states, "As requested by Mexico, NORTHCOM cooperates with the Mexican military in support of their efforts to build capabilities and capacities to employ against TCOs. Above all, we will continue to respect Mexico's sovereignty and we stand ready to increase coordination and collaboration to the extent Mexico desires and in accordance with U.S. Government policies." Please elaborate on what type of increased coordination NORTHCOM could provide, if requested to do so by the Mexican Government?

General JACOBY. NORTHCOM is prepared to increase the scale and scope of coordination across the operational spectrum as requested by the Mexican Govern-

ment and within the authorities we are allowed as a geographic combatant command. I believe that counter threat finance is an area we could better exploit to disrupt the funding streams fueling TCOs. I also believe that our activities in supporting human rights and rule of law training could be further expanded in the areas of laws, transparency, enforcement, prosecution, and incarceration.

#### INTERAGENCY COOPERATION ON THE SOUTHWEST BORDER

59. Senator CORNYN. General Jacoby, you state that DOD is exploring its spectrum of authorities to improve support to law enforcement agencies and its ability to interdict transnational threats. To date, what potential modifications have you identified that could enhance DOD's ability to support its interagency partners or cooperation with Mexican partners?

General JACOBY. In the short-term, I believe that there are procedural and policy changes that we can effect within my command, and within DOD, that will result in more efficient and operationally flexible support to our law enforcement agencies and international partners. My staff is working with the Office of the Secretary of Defense to realize these policy revisions in order to achieve the desired end state. From a long-term perspective, we are reviewing existing legislation with DOD to see if there are modifications that would facilitate better support to our interagency and international partners, from a detection and monitoring standpoint.

60. Senator CORNYN. General Jacoby, General Fraser's prepared testimony highlighted the continued success of JIATF-South, noting that, "In 2011, JIATF-South operations resulted in the disruption of 117 metric tons of cocaine, denying illicit traffickers approximately \$3 billion in revenue. Our return on investment is substantial; in 2010, JIATF-South supported the interdiction of eight times the amount of cocaine than was interdicted on the southwest border, at a third of the cost and in an operating area that covers 42 million square miles." In your opinion, what factors can you point to that account for this disparity in cocaine interdiction and cost of operations between JIATF-South's AOR and the southwest border region?

General JACOBY. The first movement of cocaine from the source zone typically occurs in large movements via non-commercial air and maritime trafficking. TCOs are in the money-making business, therefore, many of the routes they transit not only exploit weakness in our visibility of their movements, but they are also the most cost-effective routes. The JIATF-South area of operation and focus remains on interdicting these large loads shortly after departure—by design, each interdiction does result in a large return on investment. As the drugs move closer to the U.S. market, though, the TCOs generally break the narcotics into many smaller packages to reduce the visibility and risk of interdiction by law enforcement agencies.

By contrast, the NORTHCOM supporting effort along the southwest border consists of merely \$10 million through the Counternarcotics Central Transfer Account, which is executed by NORTHCOM's Joint Task Force North (JTF-N) annually. DOD's Uniformed Services do not receive specific counternarcotics funding to support domestic law enforcement agencies. This NORTHCOM effort supports a larger U.S. Government interagency effort to maintain the North American Free Trade Agreement, while stemming the flow of all illicit trafficking across our Nation's border. The fiscal year 2011 NORTHCOM domestic support resulted in the interdiction of over \$52 million of marijuana and various smaller values of narcotics and undocumented aliens that were seized principally along the southwest border.

61. Senator CORNYN. General Jacoby, you note that, "NORTHCOM's role in the border security mission is to provide DOD support to U.S. and foreign law enforcement agencies. Through our subordinate unit, JTF-N, we provide mutually-beneficial DOD support in a broad range of unique military categories. Our vision is for JTF-N to be the most effective integrator of DOD support to law enforcement agencies." One improvement you highlight is the new DHS comprehensive campaign planning process, which you state will help support the development of DHS and DOJ strategic guidance, increase interagency planner cooperation, and ultimately improve unity of effort and synchronization of resources for countering illegal drugs and other transnational threats. Another improvement you cite is the military intelligence training support provided to the DHS-led Border Intelligence Fusion Section (BIFS) within the DOJ-led El Paso Intelligence Center (EPIC). As I understand it, the BIFS develops operational intelligence products to share with interagency partners for their use in early cueing, warning, and interdiction operations. Although JTF-N and EPIC are both located in El Paso, they are separate entities. What is your assessment of the value of potentially fully integrating the structure and func-

tions of JTF-N and EPIC, or potentially standing up a new interagency coordination entity, based on the JIATF-South model, that would focus solely on the southwest border?

General JACOBY. I support any integration arrangement that provides greater unity of effort. Since TCOs swiftly adapt to changes in the operational environment, an integrated interagency entity would facilitate an agile decisionmaking process to outpace changing threat vectors. Additionally, there are synergies to be gained by drawing on the authorities and core competencies of multiple agencies and departments. Experience has taught us that interagency operations on the southwest border benefit from tighter integration and more comprehensive, intelligence-driven operations. The JTF-N partnership with BIFS that you mention has enhanced intelligence fusing and produced an improved common intelligence picture. The blending of law enforcement agency and DOD structures and functions effectively bridges gaps between Homeland security and Homeland defense missions to protect our Nation.

#### MISSILE DEFENSE

62. Senator CORNYN. General Jacoby, please describe in detail what metrics you will use to agree to reduce the shot doctrine for protection of the contiguous United States (CONUS) against long-range missile threats?

General JACOBY. We continue to work with the MDA and will evaluate their proposal to reduce shot doctrine as part of the IMTP process. As we assess improvements to the 2018–2020 architecture and evaluate potential threats, a reduced NORTHCOM shot doctrine may be possible.

63. Senator CORNYN. General Jacoby, when was the last drill or exercise conducted by NORTHCOM against a theoretical or hypothetical unauthorized or accidental launch by a Russian or Chinese ICBM directed at CONUS?

General JACOBY. NORTHCOM conducted exercises against similar launch events during Vigilant Shield 12.

64. Senator CORNYN. General Jacoby, are you comfortable that there will not be an intercept test of the GMD system involving an ICBM target until 2015, yet a mobile ICBM threat against CONUS may develop sooner than that?

General JACOBY. We are confident the available GMD interceptors are capable of defending the Homeland against a regional threat and are therefore comfortable with the current IMTP schedule for a test against an ICBM target.

65. Senator CORNYN. General Jacoby, what were the findings of the NORTHCOM GBI study conducted before the 2010 BMDR?

General JACOBY. The classified findings are contained in the July 2008 GBI study, which we delivered to the Senate Armed Services Committee in August 2010. As stated in the transmittal memo that was signed by my predecessor, “we believe the GBI study commissioned by NORTHCOM, which was narrowly focused on the homeland defense challenge, has been superseded by a more robust global approach.”

66. Senator CORNYN. General Jacoby, please describe whether and why the Cobra Dane radar is an important capability for CONUS defense.

General JACOBY. [Deleted.]

67. Senator CORNYN. General Jacoby, how does the decision to remove the SBX from day-to-day operational readiness affect the capability of the GMD system?

General JACOBY. Removal of SBX from the operational architecture will not negatively affect the capability of the GMD system.

68. Senator CORNYN. General Jacoby, how much warning time is necessary to make SBX operational, in the event of a threat to the United States?

General JACOBY. Until recently, the primary function of SBX has been to support RDT&E of the GMD system. Due to concerns about where best to base it, the high cost of operation, and the associated risk of the SBX not being available when needed, it has not been the key contributor we once expected it to be operationally.

69. Senator CORNYN. General Jacoby, how much lead time would NORTHCOM need to ensure all available GBI silos would be outfitted with available GBIs?

General JACOBY. MDA is the organization that would emplace GBIs into silos. Currently, all available GBIs are emplaced in silos, with the exception of testing designated GBIs.

70. Senator CORNYN. General Jacoby, what is the maximum number of GBIs the United States could deploy each year through 2024?

General JACOBY. The maximum number of GBIs deployed is predicated on the amount of funding allocated to the production of GBIs. The current program of record calls for a buy of 57 GBIs. According to MDA, the rough order of magnitude projection for the production and delivery rate is about two GBIs per year.

71. Senator CORNYN. General Jacoby, if there were 10 ICBMs deployed by North Korea by the end of 2012, would we have enough GBIs to defend CONUS under current shot doctrine?

General JACOBY. [Deleted.]

72. Senator CORNYN. General Jacoby, how about 20 North Korean ICBMs by 2020, under current and proposed MDA shot doctrine in 2020?

General JACOBY. [Deleted.]

73. Senator CORNYN. General Jacoby, what are the plans to deploy SM-3 IIB by 2020 to defend CONUS from North Korean ICBMs?

General JACOBY. [Deleted.]

[Whereupon, at 11:31 a.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**THURSDAY, MARCH 15, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**DEPARTMENT OF THE NAVY**

The committee met, pursuant to notice, at 9:33 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Nelson, Webb, Hagan, Begich, Shaheen, Blumenthal, McCain, Inhofe, Sessions, Chambliss, Wicker, Brown, Ayotte, and Vitter.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Peter K. Levine, general counsel; Jason W. Maroney, counsel; John H. Quirk V, professional staff member; and Russell L. Shaffer, counsel.

Minority staff members present: Ann E. Sauer, minority staff director; Lucian L. Niemeyer, professional staff member; Bryan D. Parker, minority investigative counsel; and Christopher J. Paul, professional staff member.

Staff assistants present: Jennifer R. Knowles, Mariah K. McNamara, and Brian F. Sebold.

Committee members' assistants present: Brian Burton, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Gordon Peterson, assistant to Senator Webb; Lindsay Kavanaugh, assistant to Senator Begich; Chad Kreikemeier, assistant to Senator Shaheen; Kevin Fink, assistant to Senator Gillibrand; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Brad Bowman, assistant to Senator Ayotte; and Charles Brittingham, assistant to Senator Vitter.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. We want to welcome Secretary Mabus, Admiral Greenert, and General Amos to the com-

mittee this morning to testify on the plans and programs of the Department of the Navy in our review of the fiscal year 2013 annual budget and overseas contingency operations (OCO) request.

We greet Admiral Greenert as he makes his first appearance before the committee as Chief of Naval Operations (CNO). We want to wish General Amos good health as he recovers from a visit to the flight surgeon. You look terrific, General, you really do; and we all know about what you've come through with flying colors and we're just delighted you're here and looking so fit.

We are grateful to each of you for your service to our Nation and for the valorous and truly professional service of the men and women with whom you serve. We are also very grateful to their families, knowing the vital role that families play in the success of careers and missions of our armed forces.

Two recent changes make the defense budget situation challenging for the Services in particular. First is the Budget Control Act passed by Congress last summer, which places limitations on funding for our national security; and second is adapting to its changing role in the new strategic guidance announced by the President last January. Each of our Services has that challenge.

The Department of Defense's (DOD) most recent defense strategic guidance, issued in January, refocuses the U.S. military on the Asia-Pacific and, consistent with that strategy, DOD has been working to realign U.S. military forces in countries like South Korea and Japan, and also plans to position Navy and Marine Corps forces further to the south in countries like Australia, Singapore, and possibly others.

As we rebalance and realign our presence in the Asia Pacific, it is important that we not only get strategy right, but also get sustainability right. This is particularly true for the Marine Corps. With respect to the realignment of the marines on Okinawa, for instance, Senator McCain, Senator Webb, and I have advocated changes to the current plan in ways that support the strategic goals of the U.S. military posture in the region, while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability.

Last month, the United States and Japan announced that they intend to amend certain elements of the plan, including the delinking of the movement of marines off Okinawa from the progress on the Futenma Replacement Facility and adjusting the unit composition and number of marines that will move to Guam. As the details of these changes are finalized, it is important that any changes be jointly agreed upon and jointly announced with Japan, with the goal of achieving a more viable and sustainable U.S. presence in Japan and on Guam.

As we discuss the budget issues here at home, our thoughts are principally focused on places far from here. Nearly 20,000 marines are partnered with an approximately equal number of Air Force security forces in Afghanistan in the effort to bring security and stability to the people of that country. In addition, our Navy forces at sea in the U.S. Central Command area of responsibility (AOR) are joined by another 10,000 sailors on the ground, most supporting our combat forces in Afghanistan.



We all deeply regret the tragic loss of civilian life in Afghanistan apparently caused by one of our soldiers last week. The investigation of that incident needs to go forward expeditiously and transparently, with the due process that is also one of those core values that we hold dear as Americans. We should not lose sight of the fact that our goals remain clear: to train indigenous Afghan forces; to provide for the security of the Afghan people; and to support them while they get larger, stronger, and more capable.

The Taliban's goals are just as clear. They regularly engage in terrorist acts against Afghan civilians in an attempt to achieve their political aims. We should not let one tragic incident which violates our laws and values to muddy the difference between the Taliban and most of the rest of the world.

Last year we saw how naval forces could support national goals on short notice in Libya. Among those forces we had: first, missile-launching ships that struck Libyan targets; second, military aircraft supporting coalition operations; and third, unmanned aerial vehicles providing intelligence, surveillance, and reconnaissance support.

Navy and Marine Corps forces also played a significant role in aiding the Japanese tsunami relief effort. On our visit to Japan, the people, still stunned, were most grateful to the United States for the assistance that we provided.

The use and the possible use of our forces overseas makes it even more important that our budget provide for their success and their wellbeing.

Our witnesses this morning are faced with a number of large challenges that confront the Navy in the budget, such as balancing modernization needs against the costs of supporting ongoing operations. Indeed, we face a number of issues that will need our attention as we review the DOD authorization request. Making reductions to the shipbuilding plan and retiring ships earlier than planned, the result will be that the fleet will not grow to the previously stated goal of 313 ships, but fall from its current level of 288 and only return to the level of 288 at the end of the Future Years Defense Program (FYDP). The Navy had made modest progress in increasing the size of the Navy fleet from a low of 274 ships in March 2007, but that progress would be suspended with this budget.

Another challenge, retiring seven Aegis cruisers earlier than planned rather than modernizing them; delaying the *Ohio* replacement program or the SSBNX by 2 years, although the Navy testified just last year that we needed to maintain the original SSBNX schedule to ensure that we meet our strategic deterrent patrol requirements.

Other challenges are reducing the end strength of the Active component of the Marine Corps from 202,000 beginning this year to 182,000 by the end of fiscal year 2016 and modernizing the amphibious tractor fleet with programs for the Amphibious Combat Vehicle (ACV) and the Marine Personnel Carrier (MPC) that would replace the Expeditionary Fighting Vehicle cancelled last year.

In this authorization request, we are also being asked to commit future Congresses to several multi-year procurement programs, in-

cluding ones for the *Virginia*-class submarine, the DDG-51 *Arleigh Burke*-class Aegis destroyers, and the V-22 tactical lift aircraft.

If we approve these proposals we will be monitoring these very closely to ensure that DOD actually achieves the proposed savings and gets costs under control in other acquisition programs. The future strength of the Navy depends on holding firm on its cost reduction efforts and expanding them across the whole acquisition portfolio.

The Weapons Systems Acquisition Reform Act of 2009 requires that DOD make significant changes in its regulations and procedures governing the acquisition system. While the legislation should help correct past problems, I also know that we will succeed only through concerted efforts within the executive branch to implement that legislation, and I look forward to hearing how the Navy is proceeding to implement the provisions of that act.

In addition to concern about future force levels, naval aviation's force levels are under pressure. The Navy's planning to conduct a service life extension program on some 150 F-18 aircraft already in the inventory. Also the Navy budget would continue to buy additional F-18 aircraft, as was planned before, but the budget would buy fewer Marine Corps and Navy versions of the F-35 Joint Strike Fighter (JSF) aircraft than we had planned at this time last year.

On that point, we saw Secretary Panetta remove the F-35B short takeoff-vertical landing (STOVL) variant of the F-35 from a probationary status a year earlier than planned. Senator McCain and I questioned that action, particularly since the fixes to the problems that caused Secretary Gates to put the F-35B on probation in the first place have not completed testing.

When we asked the Secretary about this, the answer was in effect that the F-35B has made progress in testing and is in no worse shape than the other F-35 variants. We're pleased that the F-35B has improved testing performance in the past year, but it seems that it is too early to declare any victories.

I want to commend the Secretary for fully funding this year's ship depot maintenance account. It is the first time that the budget request of an administration has done that in recent history. While our submarine fleet has benefited from 100 percent-funded requirement for many years, and necessarily so, it is noteworthy that the surface fleet will receive similar treatment in the fiscal year 2013 budget. The reduction of the Navy's fleet is an essential element to our national security and I believe that a fully funded maintenance requirement is our best chance of ensuring that our fleet reaches its expected service life. As much of an advance that it is, and we commend the Navy for it, there still is a backlog of ship and aircraft depot maintenance that remains.

With the decision to fund naval aircraft depot maintenance at 94 percent of the requirement, my understanding is that we now face a \$160 million backlog for aircraft and a \$217 million backlog for ship maintenance. We'll be interested in hearing from the witnesses how the Navy plans to address and fund those backlogs to mitigate risk across the fleet.

Finally, I want to commend you, Secretary Mabus, for your effort to lead DOD in making energy efficiency and self-reliance such a

priority. You have correctly placed a very strong emphasis on an area where, as strong as our military forces may be, we remain subject to the tyranny of energy supplies. We thank you for your commitment to a more sustainable and a stronger Navy.

Senator McCain.

#### STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Mr. Chairman, I join you in welcoming our witnesses today to discuss the President's budget request for fiscal year 2013 for the Navy. I know I speak for all members of our committee when I praise the men and women who serve in the U.S. Navy and Marine Corps for their outstanding and dedicated service and sacrifice.

While recruiting and retention in the Navy and Marine Corps remain strong, we should carefully consider plans for 15,100 fewer Active and Reserve members of the Navy and 20,000 fewer marines, as DOD is currently proposing under its budget plan covering the next 5 years.

The administration is proposing a reduced defense budget at a time when the challenges to our security are arguably more daunting than at any time in recent memory. In particular, the U.S. Pacific Command AOR is predominantly a maritime theater and our presence and power projection will continue to depend on the Navy and Marine Corps.

The Navy remains short of its goal of 313 ships and it proposes under its current budget request to retire 7 Aegis-class cruisers earlier than planned, placing to reduced operating status 2 amphibious lift ships needed by the Marine Corps. Cuts to our naval capabilities without a plan to compensate for them puts our goals in the Asia-Pacific region at greater risk.

First, on the F-35 JSF program. About 50 percent of the work needed to build all 32 jets under the fourth lot of early production aircraft is completed. Including the cost of design changes driven by discoveries late in the development, the total cost of finishing lot 4 is estimated at about \$500 million over the target cost. The high likelihood that concurrency costs, which was strongly objected to by this committee and me in particular at the time that it was decided upon, although stoutly defended by the Navy and the Marine Corps at the time, will continue to grow, now acknowledged by the head of acquisition in the Pentagon as acquisition malpractice. In my view, preventing further cost growth in the F-35 program is absolutely imperative.

Because of delays in the program, the Navy has decided to buy more F/A-18s, the Marine Corps is buying ex-British AV-8 Harriers for spare parts, and the Air Force is investing in refurbished F-16s to fill the gap created by unfulfilled F-35 deliveries. I'd be interested again to hear from the witnesses as to how we can make some progress in bringing these costs under control.

The cost of acquisition of the USS *Gerald Ford* aircraft carrier has grown over the original estimate by over \$1 billion. I repeat: It has grown over cost by \$1 billion. I'd be very curious, Mr. Secretary, what you've been doing on your watch to try to bring those costs under control, bringing the total cost of the carrier to over \$12 billion and at least \$600 million over the legislative cost cap.

We do have a legislative cost cap. The likelihood of future growth in the cost to complete construction is high.

I expect the Navy will soon ask for legislative relief from the cost cap. Before I'll support such a request, I need to understand why the Navy has been unable to control costs on this program. I'm also reluctant to support additional funding for the second carrier, CVN-79, until the Navy and the shipbuilder get *Ford*-class carrier costs under control.

There are many other programs that are under stress and duress and are subject to cost overruns, and I won't take the time of the committee at this time to go over things like the Littoral Combat Ship (LCS), the *Ohio*-class replacement submarines, et cetera.

I'd like our witnesses to elaborate on the strategy for modernization of the Marine Corps' Ground Combat Vehicle capabilities, including the ACV, the Joint Light Tactical Vehicle, and the MPC. How does the Marine Corps plan to accomplish all of this within current and projected budget constraints in a way that maintains operational capabilities and readiness?

Secretary Mabus, I understand that your second highest priority is "treating energy as a strategic national security issue." Even with the very real threat of sequestration and the dramatic cuts in end strength and investment and all that would entail, the Navy has pledged \$170 million as its share of a \$510 million effort to create a commercially viable biofuel market. You've directed the Navy to produce or consume one gigawatt of new renewable energy by 2020 to power naval installations across the country.

Using defense dollars to subsidize new energy technologies is not the Navy's responsibility, nor is it sufficiently related to the Service's core mission to justify such expenditures. I hope you will address this issue in your comments, including where you got the authorization to spend this money on energy.

Finally, the committee will carefully consider the three multi-year procurement proposals included with the budget submission. To be approved, the proposals must meet the criteria in law, including the requirement for substantive savings, considered 10 percent, and stability in design.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Mr. Secretary.

#### **STATEMENT OF HON. RAYMOND E. MABUS, JR., SECRETARY OF THE NAVY**

Mr. MABUS. Thank you, Mr. Chairman. Chairman Levin, Ranking Member McCain, members of the committee, I want to start by thanking you all for the support that you give to our sailors, marines, civilians, and their families in the Navy, and ensuring that they get what they need to do their mission.

The pride that General Amos, the Commandant of the Marine Corps, and Admiral Greenert, CNO, and I take in leading these dedicated sailors, marines, civilians of the Navy, who selflessly serve the United States is exceeded only by the accomplishments of these brave and completely selfless individuals.

Whatever is asked of them by the American people through their Commander in Chief, from Afghan to Libya, from assisting the

stricken people of Japan, to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice, to bringing hostages out of wherever they may be hidden by terrorists or pirates, they answer the call. They get the job done.

The CNO, the Commandant, and I are confident that the U.S. Navy, and the U.S. Marine Corps, are well prepared to meet the requirements of the new defense strategy and maintain their status as the most formidable expeditionary fighting force the world has ever known. No one should ever doubt the ability, capability, or superiority of the Navy-Marine Corps team.

As we reposition after two long ground wars, it was essential to review our basic strategic posture. The new guidance, developed under the leadership of the President and the Secretary of Defense, and with the full involvement of every Service Secretary and Service Chief, responds to changes in global security. The budget presented to implement this strategy, which was also arrived at through full collaboration of all the Services, ensures that the Navy and Marine Corps will be able to fully execute this strategy while meeting the constraints imposed under the Budget Control Act passed by Congress.

This new strategy has an understandable focus on the western Pacific and Arabian Gulf regions, while maintaining our worldwide partnerships and our global presence using innovative, low-cost, light footprint engagements. It requires a Navy-Marine Corps team that is built and ready for any eventuality on land, in the air, on and under the world's oceans, or in the vast cyber seas, and operated forward to protect American interests, respond to crises, and to deter and if necessary win wars.

The impact of these two ground wars in the last decade on our Navy fleet and force is unmistakable. As you pointed out, Mr. Chairman, a fleet that stood at 316 ships and an end strength of 377,000 sailors on September 11, 2001 dropped to 283 ships and close to 49,000 fewer sailors just 8 years later when I took office. This administration has made it a priority to rebuild our fleet. Despite the budget constraints imposed under the Budget Control Act, our plan assures that we will have no fewer ships at the end of the 5-year budget cycle than we have today, although the fleet of 2017 will include more capable ships, equipped with state of the art technology and manned, as always, by highly skilled people.

Although we are presenting one 5-year budget plan and one FYDP, this is not a one-FYDP issue. As the defense strategy states, we are building the force for 2020. In the years beyond the current FYDP we have a plan to grow our fleet and ensure capacity continues to match missions.

Our plan will have us again cross the threshold of 300 ships by 2019. Overall, we will fully meet the requirements of the new strategy and maintain the industrial base we need.

The Marine Corps will also return to its maritime roots and resume its traditional role as the Nation's expeditionary force in readiness. Our marines will retain the lessons of a decade of hard and effective fighting in Iraq and Afghanistan as they transition back to a middleweight amphibious force, optimized for forward presence, engagement, and rapid crisis response. We will carefully manage the reduction in Active Duty end strength from 202,000 to

182,100 by the end of fiscal year 2016 in order to keep faith with our marines and their families to the maximum extent possible.

This restructured Marine Corps, developed under a plan arrived at after a year and a half of very careful study, will be smaller, but it will be fast, it will be agile, and it will be lethal. The number of marines in certain critical jobs, like special forces and cyber, will be increased and unit manning levels and therefore readiness will go up.

Both the Navy and Marine Corps will continue to decrease operational vulnerabilities in ways that are cost efficient. That means we will maintain our effort to reduce our dependence on foreign oil and to use energy more efficiently. These efforts have already made us better warfighters. By deploying to Afghanistan with solar blankets to charge radios and other electrical items, the marine patrol dropped 700 pounds in batteries from their packs and decreased the need for risky resupply missions.

Using less fuel in theater can mean fewer fuel convoys and that will save lives. For every 50 convoys we bring in, a marine is killed or wounded. That is too high a price to pay.

We all know the reality of a volatile global oil market. Every time the cost of a barrel of oil goes up a dollar, it costs the Navy \$31 million in extra fuel costs. These price spikes have to be paid for out of our operational funds. That means that our sailors and marines are forced to steam less, fly less, and train less. It's for these reasons that we have to be relentless in the pursuit of energy goals that will continue to make us a more effective fighting force and our military and our Nation more energy independent.

As much as we have focused on our fleets' assets of ships, aircraft, vehicles, and submarines, they don't sail, fly, drive, or dive without the men and women who wear the uniform and their families. They have taken care of us. They have kept the faith with us. We owe them no less. The commitment to sailors, marines, and their families is there whether they serve 4 years or 40. It begins the moment they raise their hand and take the oath to defend our country. It continues through the training and education that spans their career. It reaches out to their loved ones, because it's not just an individual who serves, but the entire family. It supports our wounded warriors with recovery, rehabilitation, and reintegration. It continues with transition services for our veterans to locate new jobs and the GI Bill for their continued education or to transfer for a family member's education. The list goes on and on and on, as it should. Our commitment to our sailors and marines can never waver, it can never end.

For 236 years, from sail to steam to nuclear, from the USS *Constitution* to the USS *Carl Vinson*, from Tripoli to Tripoli, our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute that strategy will assure that our naval heritage not only perseveres but that our Navy and Marine Corps continue to prevail.

Thank you.

[The prepared statement of Secretary Mabus follows:]

PREPARED STATEMENT BY HON. RAYMOND E. MABUS, JR.

Chairman Levin and Senator McCain, I have the privilege of appearing today on behalf of the sailors, marines, and civilians who make up the Department of the Navy ("DON" or "Department"). This is the fourth year that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. The pride the Commandant of the Marine Corps, General James Amos, the Chief of Naval Operations (CNO), Admiral Jonathan Greenert, and I take in leading the dedicated men and women of the Department who selflessly serve the United States in the air, on land, and at sea is exceeded only by the accomplishments of these brave and selfless individuals.

Whatever is asked of them by the American people through their commander in chief—from Afghanistan to Libya, from assisting the stricken people of Japan to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice to bringing hostages out of wherever they may be hidden by terrorists or pirates—they answer the call and get the mission done.

As we pivot away from a decade of war on two fronts in two separate nations, the Commandant, CNO, and I are confident that the U.S. Navy and Marine Corps are well prepared to meet the requirements of the new defense strategy, and maintain their status as the most formidable expeditionary fighting force the world has ever known. No one should doubt the ability, capability, or superiority of the Navy-Marine Corps team.

The administration's defense strategic guidance, with its understandable focus on the Western Pacific and Arabian Gulf region; its requirement to maintain our worldwide partnerships; and its call for a global presence using innovative, low-cost, light footprint engagements requires a Navy-Marine Corps team that is built and ready for war—on land, in the air, on and under the world's oceans, or in the vast "cyberspace"—and operated forward to protect American interests, respond to crises, and deter and prevent war.

This new strategy, developed under the leadership of the President and the Secretary of Defense, with the full involvement of every Service Secretary and Service Chief, responds to the dynamic global security environment, while meeting the constraints imposed under the Budget Control Act (BCA) passed by Congress.

Our ability to meet the demands of this new strategy depends on the improvements we have begun and objectives we have set regarding how we design, purchase, and build new platforms, combat systems, and equipment; increase the development and deployment of unmanned systems to provide increased presence and enhanced persistence at lower cost and less danger; and how we use, produce and procure energy. Most importantly, our efforts and this new strategic guidance and the budget that guidance informs, will assure that we continue to keep faith with those who serve our country so selflessly and heroically, our sailors and marines, civilians, and their families.

#### FISCAL YEAR 2013 BUDGET SUBMISSION

##### *Fleet Size*

On September 11, 2001, the Navy's battle force stood at 316 ships and 377,000 sailors. Eight years later when I took office, the battle force had fallen by 49,000 sailors, and to 283 ships. Today, 3 years into the Obama administration, the fleet increased to 285 ships of all types.

Many have noted that we have the lowest number of battle force ships since 1917. But today's "Fleet" is best thought of as an fully integrated battle network comprised of sensors, manned and unmanned platforms, modular payload bays, open architecture combat systems, and smart, tech-savvy people. Thus, making comparisons between today's "total force battle network" with the battle force of 1917 is like comparing a smart phone to the telegraph. Still, even though the ships coming into service today are vastly more capable than their 1917 predecessors, at some point quantity has a quality of its own. This is why building up the number of ships in our Fleet has been a priority for this administration from day one.

The topline reductions mandated by the BCA made holding to current Fleet numbers a difficult challenge. However, I am pleased to report to you that we have developed a plan that delivers a Fleet with the same number of ships by the end of the Future Years Defense Program (FYDP), as we have today—all while still meeting our fiscal obligation to support a responsible end to our ground combat mission in Afghanistan. The fiscal year 2013–2017 shipbuilding plan maintains a flexible, balanced naval battle force that will be able to prevail in any combat situation, including in the most stressing anti-access/area-denial (A2/AD) environments.

While our ship count stabilizes in this FYDP, our shipbuilding plans aim to build a Fleet designed to support the new defense strategy and the joint force for 2020

and beyond. The specific requirements for this future Fleet will be determined by an ongoing Force Structure Assessment (FSA), which should be concluded later this year. Regardless of the final battle force objective, however, you can expect to see the Fleet's ship count to begin to rise as the Littoral Combat Ship (LCS) and Joint High Speed Vessels (JHSVs) built during the next 5 years begin to enter fleet service beyond this FYDP, and as we sustain our major combatant and submarine building profiles. As a result, even under the fiscal constraints imposed by the BCA, the battle force is projected to reach 300 ships by 2019.

While the final ship count will be determined by the FSA, the decisions made during the recent PB-13 budget deliberations will result in a battle force consisting of:

- Nuclear-powered Aircraft Carriers and Air Wings. With delivery of USS *Gerald R. Ford*, the first of a new class of nuclear-powered aircraft carriers, in 2015, we will have 11 CVNs in commission, and will sustain that number at least through 2040. Our future carriers will be even more powerful, with new combat capabilities resident in the F-35C Lightning II Joint Strike Fighter, F/A-18E/F Super Hornet, EA-18G Growler electronic attack aircraft, E-2D Advanced Hawkeye airborne early warning aircraft, and new unmanned air combat systems.
- Nuclear-powered Attack Submarines. SSNs are the key to sustaining our dominant lead in undersea warfare. While the procurement of one *Virginia*-class submarine was delayed from 2014 to 2018 to help free up budget resources in the FYDP, the planned fiscal year 2014–2018 Multi-Year Procurement (MYP) of nine submarines remains intact. To mitigate the loss of large undersea strike capability when SSGNs retire in 2026–2028, we invested Research and Development for the *Virginia* Payload Module (VPM). VPM can provide future *Virginia*-class SSNs with an additional 4 SSGN-like large diameter payload tubes, increasing each SSN's Tomahawk cruise missile capability from 12 to 40. While we are committed to a long-term force goal of 48 SSNs, low submarine build rates during the 1990s will cause us to fall below that number for some time starting in the late 2020s. We continue to explore ways to limit the submarine shortfall by increasing the near-term submarine build rate, improving affordability, and maintaining the health of this critical industrial base.
- Guided Missile Cruisers and Destroyers. The *Arleigh Burke*-class DDGs remain in serial production, with funding in place for a nine-ship fiscal year 2013–2017 MYP. The next flight of DDG 51s will introduce a more powerful and capable Air and Missile Defense Radar in fiscal year 2016. We project that the new defense strategy will require slightly fewer large surface combatants so we will retire seven *Ticonderoga*-class CGs in this FYDP—all but one before a planned mid-life ballistic missile defense upgrade, and that one had serious structural issues—achieving considerable cost savings at relatively low risk. The long-term inventory of guided missile cruisers and destroyers is projected to come down as combatants built at the rate of three to five per year during the Cold War begin to retire in the 2020s. We are exploring a variety of ways to mitigate these losses.
- Littoral Combat Ships. With their flexible payload bays, open combat systems, ability to control unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of a more agile future Fleet. New crew rotation plans, built on a modified version of the highly successful SSBN two-crew model, will allow for substantially more LCS forward presence than the frigates, Mine Counter-Measures ships, and coastal patrol craft they will replace, and will free our more capable multi-mission destroyers for more complex missions. Although forced to shift 2 LCSs outside the current FYDP to achieve cost savings, we remain fully committed to our plan to ultimately purchase 55 of these warships.
- Amphibious Ships. 30 amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation, with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 32 total ships, or 5 ships more than we have in commission today. The ultimate fleet will consist of 11 big deck amphibious ships, Amphibious Transport Dock LPD-17s, and 10 Landing Ship, Dock ships (LSDs). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG in Japan, plus an additional big-deck Amphibious ship available to support contingency operations worldwide. We will place two LSDs into reduced operations status, allowing us to reconstitute an 11th ARG in the future, or to build up the number of ships in the active inventory, if necessary. Con-



sistent with these changes, we have deferred procurement of a new LSD, aligning it with LSD-42's planned retirement. We also intend to disband the third Maritime Prepositioning Force (MPF) squadron that we placed in reserve last year due to fiscal restraints, and reorganize the two remaining active squadrons with more capable ships, making them more effective.

- **New Afloat Forward Staging Bases (AFSBs).** Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent combatant commander request for sea-based support for mine warfare, Special Operations Forces (SOF), Intelligence, Surveillance and Reconnaissance (ISR), and other operations. To speed this capability into the fleet, and to ultimately provide for continuous AFSB support anywhere in the world, we also intend to request congressional approval to convert the fiscal year 2012 MLP into the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure.

Most of the ship reductions in the President's fiscal year 2013 budget submission—16 fewer than the comparable years' in the fiscal year 2012 budget—are combat logistics and Fleet support ships and reflect prudent adjustments to our new strategy and a lower defense topline. For example, 8 of the 16 ships cut from our 5-year plan were JHSVs. These cuts reflect the new 10-ship JHSV requirement developed during our strategy review.

In addition, we simply delayed purchasing three new oilers, which were part of an early changeover from single-hulled to more environmentally safe and internationally accepted double-hulled ships. Our current Fleet of oilers will not start to retire until the 2020s, so there is no impact on the number of available oilers for Fleet operations. Finally, an ocean surveillance ship was added to the Navy's plan last year to provide greater operational depth to our current Fleet of five ships; however, after careful consideration, we concluded we could meet our operational needs with five ships and could cut the sixth ship with manageable risk.

Ships are not the only platforms in our "total force battle network." Accordingly, the new defense strategic guidance also required us to review and evaluate the needs of our naval aviation community going forward into the 21st century. We plan to complete our purchases of both the F/A-18 Super Hornet and the EA-18 Growler within the next 2 years. The Department recently completed a review of our aviation requirements for the F-35 that validates our decision to purchase for the Navy and Marine Corps 680 F-35s over the life of the program. While we plan to slow procurement over the next 5 years to address program risks, especially concurrency, we remain committed to procuring 680 aircraft. The F-35B, the short-take-off-vertical-landing (STOVL) variant, completed successful at-sea trials onboard the USS *Wasp* and overall testing is proceeding very well. For the carrier version, the F-35C, testing exceeded the plan by 30 percent last year. In light of this encouraging testing performance, we are even more confident that this multirole, cutting-edge platform will more than meet our tactical requirements in the future security environment.

The Navy and the Marine Corps continues to carefully monitor strike fighter capacity requirements as well. Changes in the Marine's force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, and a reduction in use resulted in an appropriately-sized strike fighter aircraft inventory. Based on current assumptions and plans, our strike fighter aircraft shortfall is predicted to remain below a manageable 65 aircraft through 2028, with some risk.

In the far term, the Navy will need to replace its F/A-18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A-XX aircraft. Options include additional F-35s, a variant of the Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS), a new manned/unmanned platform, or some combination of these. While we remain committed to the first-generation UCLASS, which will provide a low-observable, long-range, unmanned ISR-strike capability that will enhance the carrier's future ability to project power in anticipated A2/AD threat environments, the target date for a limited operational capability has shifted by 2 years from 2018 to 2020 to reduce schedule and technical risk, as well as to meet the savings targets mandated by the BCA.

The planned reduction in our cruiser inventory has decreased requirements for MH-60R Seahawk helicopters, allowing us to reduce procurement in this program by nine aircraft. Fiscal constraints have also led us to reduce E-2D Hawkeye and P-8 Neptune procurement over the FYDP. We still intend to procure all the aircraft originally planned, but at a slower rate.

*Future Force Structure Assessment and Re-designation of Primary Mission Platforms*

Given the broad refocus of the Department of Defense (DOD) program objectives reflected in the new defense strategy, the Navy has undertaken analysis of the existing Force Structure Requirements and, in conjunction with ongoing internal DOD studies and planning efforts, is reworking an updated FSA against which future requirements will be measured. The new FSA will consider the types of ships included in the final ship count based on changes in mission, requirements, deployment status, or capabilities. For example, classes of ships previously not part of the Battle Force such as AFSBs developed to support SOF/nontraditional missions, Patrol Combatant craft forward deployed to areas requiring that capability, and *Comfort*-class hospital ships deployed to provide humanitarian assistance, an expanded core Navy mission, may be counted as primary mission platforms. Any changes in ship counting rules will be reported and publicized. Any comments on total ship numbers in this statement are based on current counting rules.

As noted earlier, in the years beyond the current FYDP, we have a plan that puts us back on track to increase our Fleet and ensure capacity matches the demands of the mission. However, with the Fleet and force we have today, we will meet the requirements of the new strategy, continue to protect our national interests, preserve our ability to deter or defeat aggressors, and maintain the industrial base needed.

*Marine Corps*

After a decade of hard fighting in Iraq and Afghanistan, the Marine Corps will return to its maritime roots and resume its traditional role as the Nation's naval expeditionary force-in-readiness. We will carefully manage reduction in active duty end strength from 202,000 to 182,100 by the end of fiscal year 2016. Drawing upon its long history of aligning its training and structure with areas of operations, the marines will continue to provide tailored security force assistance and to build partnership capacity missions with allies and other regional partners. Along these same lines, the Marine Corps will continue to leverage the experience gained over the past decade of non-traditional warfare to strengthen its ties to the special operations community. The resulting middleweight force will be optimized for forward presence, engagement, and rapid crisis response through strategic positioning at forward bases in the western Pacific and Indian Oceans, as well as renewed participation in traditional Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) exercises. The Marine Corps shall maintain required readiness levels throughout the transition process. Most importantly, we will drawdown without breaking faith with marines and their families.

In summary, the Department's strategy calls for a world class Navy-Marine Corps team, and our plan delivers one that is fully ready to meet the current and emerging challenges. We will maintain a strong naval presence in the western Pacific, Indian Ocean and the Middle East. This will be accomplished by adjusting basing assignments for some units from the Atlantic to the Pacific, as well as by increasing the number of units operating from ports located in theaters of interest. We are still committed to strategic dispersal. The Department will, for example, operate four LCSs from Singapore. Similarly, we will continue to expand our usage of AFSB and coastal patrol boats around Africa and in the Arabian Gulf to counter the growth of piracy and the growing threat of swarming small boats, as well as to help partner nations build their own maritime capacity while upholding our national interests. We also received two high-speed ferries from the Maritime Administration, which will most likely operate in the Western Pacific supporting the peacetime transport of U.S. Marine Corps forces deployed to Okinawa and Australia.

SEAPOWERS AND NAVAL PRESENCE

Since the end of World War II, the Navy-Marine Corps Team has acted as the guarantor of the global maritime commons, upholding a sophisticated set of international rules that rest upon two inextricably linked principles: free trade and freedom of navigation. These principles have supported an era of unprecedented economic stability and growth, not just for the United States, but for the world at large.

This period of growth has resulted in a truly "globalized" economy which owes much to the unique scalability and flexibility of our naval forces. We can reroute Navy ships and Marine Corps units to create appropriate responses as actions unfold. We can shift force concentrations from the Atlantic to the Pacific or from the southern oceans to northern seas with ease. From a single JHSV to a Carrier Strike Group and from a Marine Fleet Anti-terrorism Security Team (FAST) to an Expeditionary Unit, combatant commanders can scale naval forces and their responses ap-

propriately to emerging challenges across the spectrum of engagement. Our forces are flexible enough to shift from supporting combat air patrols over Afghanistan to providing humanitarian assistance and disaster relief in Japan at a moment's notice. Much of their flexibility derives from the use of the high seas as a vast, unencumbered maneuver space. This freedom of navigation allows our naval forces to gather information, perform surveillance and reconnaissance of seaborne and airborne threats, defend regional partners, interdict weapons of mass destruction, disrupt terrorist networks, deter, and, if necessary, defeat prospective adversaries.

#### LAW OF THE SEA

The traditional freedom of the seas for all nations developed over centuries, mostly by custom, have been encoded within the United Nations Convention on the Law of the Sea (UNCLOS). This important treaty continues to enjoy the strong support of the DOD and the DON. The UNCLOS treaty guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. The convention has been approved by nearly every maritime power and all the permanent members of the U.N. Security Council, except the United States. Our notable absence as a signatory weakens our position with other nations, allowing the introduction of expansive definitions of sovereignty on the high seas that undermine our ability to defend our mineral rights along our own continental shelf and in the Arctic. The Department strongly supports the accession to UNCLOS, an action consistently recommended by my predecessors of both parties.

#### NAVAL OPERATIONS IN 2011

Naval presence serves as a deterrent against those who would threaten the national interests of the United States even as it assures allies and partners of our consistent commitment. Our enduring national security interests require our continued presence to provide the President and our Nation with credible response options to deter conflict and, if necessary, defend the United States' national security interests from the sea. From counter-insurgency and security force assistance operations in Afghanistan to ballistic missile defense and humanitarian assistance missions in Europe and the Western Pacific and naval engagement in South America and Africa, our sailors and marines are making a difference around the globe every day. On any given day, more than 72,000 sailors and marines are deployed and almost half of our 285 ships are underway, responding to tasking where needed by the combatant commanders.

Visiting our forward deployed forces and meeting with allies and partners, commanders and staffs, and our marines and sailors on the ground provides insights as to how we can better support all of their critical efforts. In June, September, and again in December, I travelled to Helmand province in Afghanistan on behalf of the Department, and visited forward operating bases. These were my fifth, sixth and seventh trips to theater in Afghanistan. In each area, Taliban offenses and infiltration had been forcefully rebuffed. Critical relations had been built with local Afghan leaders and significant progress has been made towards the goal of creating effective Afghan security forces that will be able to build on these efforts. I also visited Camp Leatherneck and, among other things, toured the Concussion Restoration Care Center where I met with Wounded Warriors. At all of my stops, I expressed the appreciation of the American people for the courage and sacrifices of our marines and sailors who serve alongside them on the field of battle.

For more than 6 decades, our Navy-Marine Corps team has been the strongest naval force afloat and we are committed to maintaining this position of influence. Our strength, versatility, and efficacy derive from our unique capacity for global reach, our focus on warfighting excellence and our commitment to maintaining naval presence in regions vital to our national interests. We cannot predict the exact nature of the challenges facing the Department in the 21st century, but a glimpse back at operations in 2011 illustrate the increasing variability of events that required a flexible naval response.

#### *Special Operations*

U.S. Navy SEALs remain decisively engaged throughout the globe conducting the Nation's most sensitive and important counterterrorism operations. They served with great distinction in Iraq and continue to serve in Afghanistan with telling effect. From the killing or capturing of the most wanted terrorists to the rescue and recovery of captured American citizens abroad we ask them to do the most daunting of missions.

#### *Operations in Iraq, Afghanistan, and Libya*

Having completed operations in Iraq, the Department has maintained over 23,000 marines and sailors in Afghanistan, largely associated with Regional Command-Southwest based in Helmand province. This force provides security and seeks to build the self defense capacity of our Afghan partners. Currently the Navy has deployed just over 8,000 sailors on the ground, 2,920 of whom are reservists, across the Central Command supporting joint and coalition efforts. Another 10,000 sailors are in the Arabian Gulf and the Indian Ocean supporting combat operations from destroyers, submarines, supply vessels and aircraft carriers, which launch around 30 percent of the aircraft conducting combat air patrols over Afghanistan. On the first day during the opening moments of Operation *Odyssey Dawn* in Libya, the U.S. Navy launched 122 Tomahawk Cruise Missiles from two surface ships and three submarines, including the guided missile submarine USS *Florida*, the first time one of these converted ballistic missile submarines has fired ordnance in live operations. Ground based Navy E/A-18G Growlers flying combat missions in Iraq were repositioned to support *Odyssey Dawn*, and within 44 hours engaged hostile forces in Libya. When violence erupted across northern Africa and the Middle East, significant portions of the *Kearsarge* ARG and 26th MEU, then off the coast of Pakistan, were directed to take station off the coast of Libya.

#### *Ballistic Missile Defense*

Another newly emergent mission centers on the Ballistic Missile Defense (BMD) capable *Ticonderoga*-class cruisers and *Arleigh Burke*-class destroyers that provide homeland defense-in-depth, as well as the protection of U.S. and allied forces in distant theaters. As ballistic missile capabilities have proliferated around the globe, the demand for BMD capable ships has increased dramatically. For example, over the past year, BMD ships like the USS *Ramage*, USS *Monterey* and USS *Stout* took up station in the eastern Mediterranean to provide BMD for both Europe and Israel. Elsewhere, elements of Destroyer Squadron *Fifteen* provided similar support in the waters surrounding Japan.

#### *Humanitarian Assistance and Disaster Relief*

Following the devastating earthquake and tsunami last year that resulted in the deaths of over 15,000 Japanese citizens, the displacement of thousands, and the worst nuclear accident since Chernobyl, the *Ronald Reagan* Strike Group, en route to support combat operations missions in Afghanistan, was diverted to Japan to provide humanitarian assistance. Upon arrival, instead of combat, the crews were employed to shuttle tons of water, food, and blankets to displaced victims ashore, while the Strike Group's ships simultaneously served as landing and refueling stations for Japanese Self Defense Force (JSDF) rescue helicopters operating in the region. The *Reagan* Strike Group supplemented units of the USS *Essex* ARG with its embarked 31st MEU, which is forward deployed in Japan, in what became known as Operation Tomodachi—"Friendship" in Japanese. Elements of the *Essex* ARG airlifted over 300 JSDF personnel and 90 vehicles from Hokkaido to disaster areas while USNS *Safeguard* and Mobile Dive and Salvage Unit One transported relief supplies to Yokosuka for distribution throughout the affected areas. Additionally, the Navy transported the equipment and personnel of the Pearl Harbor Naval Shipyard's Radiological Control Team as well as the Marine Corps' Chemical Biological Incident Response Force to Japan to assist with nuclear monitoring efforts.

#### *Anti-Piracy*

Throughout the year the Navy performed the critical mission of combating piracy and supporting the anti-piracy efforts of our allies and partners in the region. Ships operated in conjunction with allies and partners in the vicinity of the Horn of Africa to prevent the disruption of the free flow of trade in the Gulf of Aden. More recently elements of the *Stennis* Strike Group freed Iranian citizens who were being held hostage by pirates in the Arabian Sea. Their actions directly resulted in the capture or killing of 21 pirates and the freeing of 38 hostages.

#### *Partnership Stations and Maritime Exercises*

The Navy remains committed to building our partner nations' capacities to provide for their own maritime security. This year we once again created "partnership stations" in the Pacific Ocean and Caribbean Sea, off the coast of South America and around the continent of Africa to work with local navies to educate their leaders, train their sailors, strengthen their material infrastructure, increase their maritime domain awareness, and raise their response capacity. USS *Cleveland*, USS *Oak Hill*, USS *Robert G Bradley*, the hospital ship USNS *Comfort* and High Speed Vessel *Swift* were strategically deployed to work with the maximum number of partner

navies to provide medical care and security training while building local naval capacity to plan and conduct operations in the maritime environment.

Lastly, with an eye to the future of naval and maritime operations in an increasingly ice-free Arctic, the *Virginia*-class submarine USS *New Hampshire* and the *Seawolf*-class submarine USS *Connecticut* conducted Ice Exercise (ICEX) 2011 with Canadian and United Kingdom counterparts in the Arctic Ocean.

#### AIR-SEA BATTLE

The Navy and Marine Corps are working with the Air Force to implement the Air-Sea Battle concept which seeks to improve integration of air, land, maritime, space, and cyberspace forces in order to provide combatant commanders the range of military capabilities necessary to maintain operational access and deter, and if necessary defeat, an adversary employing sophisticated A2/AD capabilities and strategies.

The Air-Sea Battle concept leverages the military and technological capabilities, as well as unprecedented Naval and Air Force collaboration, cooperation, integration, and resource investments within the Services' purview to organize, train, and equip.

The jointly manned Air-Sea Battle Office has defined a series of initiatives to achieve the capabilities and integration required in future naval and air forces so that combatant commanders have the tools necessary to ensure U.S. freedom of action in future years.

As we work to implement and enhance the Air-Sea Battle concept, the Navy continues to invest in capabilities to counter advanced A2/AD challenges, including:

- BMD enhancements both in the Aegis Combat System and the Standard Missile, as well as myriad "soft-kill" initiatives;
- Integration of advanced air and cruise missile defense capabilities;
- Harpoon missile replacement, which will increase the range (and speed) at which we can engage enemy surface combatants armed with advanced anti-ship cruise missiles (ASCMs);
- *Virginia*-class submarines and the VPM, which has the potential to mitigate the loss of the SSGN undersea strike capacity when they retire in the mid-2020s;
- Improvements in Joint Force Command, Control, Communications, Computers and ISR capabilities which will significantly increase our information gathering and warfighting coverage in access-challenged areas, as well as provide counters to adversary capabilities; and
- Cyberspace capabilities.

#### DEPARTMENTAL PRIORITIES

The Department must adhere to four key priorities with strategic, tactical, operational and management elements if we are to maintain our position as the world's most formidable expeditionary fighting force while continuously evolving our Navy and Marine Corps as a strategic asset that provides our Commander in Chief with the broadest range of options in a highly dynamic international security environment. These priorities remain:

- (1) Taking care of our sailors, marines, civilians, and their families;
- (2) Treating energy as a strategic national security issue;
- (3) Promoting acquisition excellence and integrity; and
- (4) Continuing development and deployment of unmanned systems.

These principles guide the direction of the Department, from training our recruits at Great Lakes, Parris Island, and San Diego, to our ongoing operations in central Asia and the Western Pacific, to acquiring the Navy and Marine Corps of the future.

In the end it all comes down to stewardship; the careful management of our people, platforms, infrastructure and energy to guarantee that your Navy and Marine Corps are ready to defend our Nation's interests.

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

As we move forward, the Department is committed to our most important asset—our sailors, marines, civilians, and their families. A large part of our commitment is the careful attention to pay and benefits. No one's pay will be cut; only the growth of pay is slowed in the later years of our 5-year plan. Specifically, we are proposing continued pay raises at 1.7 percent for military personnel in fiscal year 2013 and fiscal year 2014, in line with the private sector, recognizing the continued stress on our forces and their families, and providing time for families to adjust.

We support asking Congress to establish a commission with authority to conduct a comprehensive review of military retirement in the context of overall compensa-

tion. The Commission should seek ways to identify improvements in the military retirement system, ensuring any proposed change to military retirement supports required force profiles of the Department of the Navy in a cost effective manner. We believe that the Commission should protect, through grandfathering, the retirement benefits of those currently serving.

With so much of our defense strategy dependent upon our Navy and Marine Corps, we must ensure that our resources support the most combat effective and the most resilient force in our history. We must set high standards, but at the same time we must provide individuals with the services needed to meet those standards. The Department will soon announce the 21st Century Sailor and Marine Initiative, which is a set of objectives and policies across a spectrum of wellness that maximizes sailor and marine personal readiness. The program consists of five "pillars:" readiness, safety, physical fitness, inclusion, and the continuum of service.

Readiness will ensure sailors, marines, and their families are prepared to handle the mental and emotional rigors of Military Service. Both Services are introducing campaigns this year to deglamorize, treat, and track alcohol use. We will also develop new means to reduce suicides, and increase our family and personal preparedness programs. This includes zero tolerance for sexual assault. The DON Sexual Assault Prevention and Response Office (SAPRO) was created and made part of the secretarial staff to keep the issue at the front of the discussion, to strengthen the lines of communication with the Navy Judge Advocate General (JAG) and Naval Criminal Investigative Service (NCIS), and to make sure the Secretariat received frequent updates about the incidents of sexual assault and our progress towards reducing the number of attacks. We are continually working to improve the reporting, investigation and disposition of sexual assault cases ensuring commanders, investigators, and prosecutors receive sufficient training and appropriate resources. Last year, JAG finalized a complete revision of the advanced trial advocacy courses that train litigators involved in sexual assault cases as well as filled the Deputy Director of the Trial Counsel Assistance Program position with a senior civilian sexual assault litigator. The JAG and NCIS are working aggressively to educate lawyers and agents on the unique aspects of sexual assault cases. NCIS has hired personnel to provide assistance and support to NCIS special agents; this will enable special agents to focus on conducting investigative activities, trial preparation and prosecutorial testimony relative to adult sexual assaults.

Our efforts to ensure the safest and most secure force in the Department's history extend to encouraging the safe use of motor vehicles and motorcycles.

Physical fitness is an important central pillar that resonates throughout the 21st Century Sailor and Marine Program. Personal fitness standards throughout the force will be emphasized. We will also improve nutrition standards at our dining facilities with the introduction of "Fueled to Fight." Fueled to Fight ensures that healthy food items will be available and emphasized at every meal.

The Department will be inclusive, and consist of a force that reflects the Nation it defends in a manner consistent with military efficiency and effectiveness. The Department will also reduce restrictions to military assignments for personnel to the greatest extent possible, consistent with our mission and military requirements. We must ensure that all who want to serve have opportunities to succeed and barriers that deny success are removed. Nothing reflects our core values of honor, courage, and commitment better than having an organization characterized by fairness and dedication. Last year for the first time ever, 16 women were assigned to submarines. This will expand command-at-sea opportunities and eventually increase the chances for more women to be promoted to admiral. Additionally, we need an officer corps that is representative of the enlisted force it leads. Through increased minority applications from diverse markets, the U.S. Naval Academy and Naval Reserve Officers' Training Corps (NROTC) programs are achieving historical racial and ethnic diversity rates. The U.S. Naval Academy received nearly 7,000 minority applications for its class of 2014, nearly double that of the class of 2010. Along with recent NROTC additions at Harvard, Yale, Columbia, and Arizona State University (with the largest undergraduate population in the country), next we are establishing an NROTC unit at Rutgers University. Not only is it one of the Nation's top engineering schools, but more than half of its class of 2014 identify themselves as minority.

The final pillar, continuum of service, will provide the most robust transition support in the Department's history. Individuals choosing or selected for either separation or retirement will be afforded a myriad of assistance programs and benefits that are available to them as they transition to civilian life. These programs, which include education benefits, transition assistance, career management training, counseling, life-work balance programs, and morale, welfare, and recreation programs have been recognized by human resource experts as some of the best corporate level personnel support mechanisms in the Nation.

Because Navy and Marine Corps were highly successful in meeting their recruiting goals, we have been able to be very selective, accepting only the very best candidates who are morally, mentally and physically ready to serve. Historically high retention rates have put us below our active duty manning ceiling of 322,700 sailors and 202,100 marines. Our recruiting classes have gotten smaller, as have our "A" school classes, and promotion rates from E-4 to E-6 have fallen as well. More officers in the O-5 and O-6 pay grades are choosing to remain on active duty rather than retire, leading to smaller promotion selection groups and repeated adjustments to promotion zones.

We have attempted to deal with this challenge within the enlisted ranks by instituting the "Perform to Serve" program that used a detailed algorithm to advise personnel specialists on who should be allowed to re-enlist, but this approach did not fully address either the systemic manning challenge confronting us or the unsustainable overmanning in certain enlisted ratings. This past year, given fiscal constraints and manpower draw-downs, we decided to confront the problem head on and convened special administrative Enlisted Retention Boards, Senior Enlisted Continuation boards and officer Selective Early Retirement Boards to pare back overmanned enlisted ratings and officer ranks. It was a difficult decision to use these force management tools, but the future of the Department requires us to fix the problem now rather than further delaying a decision.

Another vital support program that we remain committed to is the support we provide to our Wounded Warriors. Since 2001, over 900 sailors and nearly 13,000 marines have been wounded as a result of combat operations in Iraq and Afghanistan. This year we completed the alignment of the Army's Walter Reed Medical Center with our own National Naval Medical Center in Bethesda and we continued to invest in the doctors, techniques, and technologies to care for the injuries that have become representative of modern warfare: traumatic brain injury, amputations, burns, and post traumatic stress disorder. The requirements for the Purple Heart were updated to include the immediate and lasting damage associated with brain injuries.

Part of our commitment centers around the families and caregivers that support our Wounded Warriors as they endure the challenges of recovery, rehabilitation, and reintegration. The 2010 National Defense Authorization Act provided a Special Compensation for Assistance with Activities in Daily Living to help offset income lost by those who provide non-medical care and support to servicemembers who have incurred a permanent catastrophic injury or illness.

Driven by the moral obligation to assist our injured heroes, the Department has set a goal of being able to offer every combat wounded sailor or marine an opportunity to continue their service as a civilian on the Navy/Marine Corps team. Our Wounded Warrior Hiring and Support Initiative aims to increase the number of veterans with a 30 percent and above service-connected disability into our workforce. Through this initiative, we have hired over 1,000 veterans with 30 percent and above service-connected disability rating in fiscal year 2010 and fiscal year 2011. Our Naval Sea Systems Command alone hired 509 service-disabled veterans for fiscal year 2011, exceeding its goal of hiring one veteran for each day of the fiscal year. We recently held our second annual Wounded Warrior Hiring and Support Conference to provide prospective employers and human resource professionals with the tools and resources to enable them to hire, train, and retain our Wounded Warriors in the civilian workplace.

This past August, the President announced his Veteran's Employment Initiative that extends tax credits to businesses that hire Veterans. We work with the Departments of Veterans Affairs and Labor to establish programs that ease the transition of Veterans into the civilian world. We are also heavily engaged through the Yellow Ribbon Program in supporting the reintegration efforts of our Reserve Forces.

I want to address the Defense budget proposals regarding health care costs. The DON and DOD on the whole continues to face rapidly rising costs in health care. In 2001, DOD health care costs were approximately \$19 billion. By 2010 that amount had risen to \$51 billion and as a percentage of our budget is approaching 10 percent. This rate of rise cannot be sustained. We continue to streamline our staffs and standard operating procedures in an ongoing effort to manage costs while retaining quality patient care and overall customer satisfaction. One area where we continue to be challenged is system accessibility for our retiree community, especially in areas where bases have been closed due to the BRAC process, leaving behind a large retiree population with no local access to military treatment facilities. Increasing use of the affordable Mail Order Pharmacy Program and implementing modest fee increases, where appropriate, would go far towards ensuring the long term fiscal viability of the system while preserving equity in benefits for our retirees.

I consider my obligations to the well-being of every sailor and marine, and every family member under their care to be sacrosanct. We worked carefully to develop these proposals, with all participants—the government, the providers of health care, and the beneficiaries—sharing in the responsibility to better manage our health care costs. I have previously asserted that as a former Governor, I well know that the growth in health care costs is an issue for the country, not just the military. But, we all have to do our part. The TRICARE benefit remains one of the best benefits in the country. I hope you will support our proposed changes.

Also this past year the Department, along with the other military departments, worked with the U.S. Chamber of Commerce and over 70 employers to launch a program targeted at expanding the career opportunities for military spouses. The Military Spouse Employment Partnership seeks to help the business community recognize the skills and talents that military spouses bring to the workforce, but are unable to fully leverage due to frequent moves of the servicemember in the family. This partnership between the military and the business community promises to tap into the energy of one of the most hard-working, highly skilled, educated, and yet under-utilized segments of our population.

Overall, the fiscal year 2013 budget reflects a responsible request for the fiscal support and resources required to support our marines, sailors, their families, and our retirees in the face of increasing operational pressures and financial demands upon them. Thank you for your continuing support.

#### *Energy Security and Sustained Leadership*

We must reform how the Navy and Marine Corps use, produce, and procure energy, especially in this fiscally constrained environment. We must use energy more efficiently; however, the Department must also lead on alternative energy, or we will leave a critical military vulnerability unaddressed, further straining the readiness of our sailors and marines to be able to respond wherever and whenever called to defend and protect America's interests.

Fuel is a tactical and operational vulnerability in theater; guarding fuel convoys puts our sailors and marine's lives at risk and takes them away from what we sent them there to do: to fight, to engage, and to rebuild. The Department is also exposed to price shocks in the global market because too much fuel comes from volatile regions, places that are vulnerable to instability and ruled by regimes that do not support our interests. Every time the cost of a barrel of oil goes up a dollar, it costs the Department \$30 million in extra fuel costs. In fiscal year 2012 alone, in large part due to political unrest in oil producing regions, the price per barrel of oil is \$38 more than was budgeted increasing the Navy's fuel bill by over \$1 billion. These price spikes must be paid for out of our operations funds. That means that our sailors and marines are forced to steam less, fly less, and train less. The threat of price spikes is increased by the vulnerability of choke points. Energy analysts have speculated that if Iran ever succeeded in closing the Strait of Hormuz, the price of oil could rise by 50 percent or more in global markets within days.

We would never let the countries we buy oil from build our ships or our aircraft or our ground vehicles, but we give them a say on whether those ships sail, whether those aircraft fly, whether those ground vehicles operate because we buy their oil. As a nation we use over 22 percent of the world's fuel but only possess less than 2 percent of the world's oil reserves. Even if we tap every domestic resource we do not have enough to meet all of our needs over time, and as a minority producer of fuel we will never control the price.

That is why in the fall of 2009, I established five goals for the Department the broadest of which is that by no later than 2020, 50 percent of the Department's energy will come from alternative sources. These goals drive the Navy and Marine Corps to use energy more efficiently, to explore wider use of alternative energy and to make energy a factor in the acquisition of our next ships, tactical vehicles and aircraft.

As one example of our success, the Marine Corps continues to aggressively pursue technologies that will help achieve greater energy efficiency while increasing combat effectiveness in the theater. The Third Battalion, Fifth Marines, deployed to the Helmand Province in Afghanistan with solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power. One 3-week patrol was able to reduce their carrying weight by 700 pounds, reducing the number of dangerous resupply missions needed. Even in a tough fight in Sangin, the marines managed to cut fuel use and logistical support requirements by 25 percent at main operating bases and up to 90 percent at combat outposts by relying on these alternative energy technologies. The Marine Corps is committed to finding more innovative solutions to decreasing dependence on convoys by conducting two Experimental For-



ward Operating Bases (ExFOB) per year (one in Twentynine Palms and one in Camp Lejeune).

Another initiative to increase alternative energy supply is using advanced, drop-in biofuel in aircraft and ships. Our criteria for this fuel are straight forward. It must be “drop in” fuel requiring no changes to our aircraft or our ship or our infrastructure; it must be derived from non-food sources; and, its production should not increase our carbon footprint as required by law. In 2011, the Department completed testing on 50/50 blends of drop-in biofuel and jet fuel on all manned and unmanned aircraft, including an F/A-18 Hornet at MACH 1.7 and all six Blue Angels during an air show. The Department has also tested and experimental Riverine Command Boat (RCB-X), a self defense test ship, a ridged hull inflatable boat (RHIB), and a Landing Craft Air Cushion (LCAC) that traveled at more than 50 knots.

In March of this past year, the President directed the Departments of Agriculture, Energy and the Navy to partner with the private sector to catalyze a domestic, geographically dispersed, advanced biofuel industry for the United States. In response to this directive, Energy Secretary Dr. Steven Chu, Agriculture Secretary Tom Vilsack, and I signed a memorandum of understanding (MOU) committing our departments to jointly partner with industry to construct or retrofit multiple domestic commercial or pre-commercial scale advanced drop-in biofuel refineries capable of producing cost competitive fuels. Under the MOU we issued a request for information in August, which drew over 100 responses in 30 days from companies ranging from major oil companies and large defense contractors to small businesses.

In December, DLA Energy awarded a contract on our behalf to purchase 450,000 gallons of biofuel; the single largest purchase of biofuel in government history. The Department will use fuel from this purchase—awarded to the most competitive bidder under full and open competition—to demonstrate the capability of a carrier Strike Group and its air wing to burn alternative fuels in a full operational environment including UNREPs for destroyers and refueling of helos and jets on the deck of an aircraft carrier. The demonstration will take place as part of the Rim of the Pacific (RIMPAC) Naval Exercise.

We are also pursuing efficiencies measures in our fleet. The USS *Makin Island*, the Navy’s first hybrid electric-drive ship, saved \$2 million on its maiden voyage from Pascagoula, MS to its homeport in San Diego, CA. It is estimated to save approximately \$250 million in fuel costs over the course of its lifetime—approximately 40 years—at current energy prices.

A hybrid electric drive system will also be installed as a retrofit proof of concept on the USS *Truxtun* (DDG 103)—an existing Navy destroyer. We estimate that successful testing will result in fuel savings of up to 8,500 barrels per year. If these tests are successful we will continue to install hybrid electric drives as a retrofit on other DDGs in the fleet. The U.S. Navy has been installing stern flaps to reduce drag and energy on amphibious ships in an effort to make them more fuel-efficient, which could save up to \$450,000 annually in fuel costs per ship.

Whether it is the procurement of new ships and aircraft or the retrofit of existing platforms we are making energy a consideration in the acquisition process. In addition to traditional performance parameters such as speed, range, and payload, the Department is institutionalizing energy initiatives that will save lives, money and increase warfighting capability. Analyzing energy costs during the “analysis of alternatives” phase of major defense acquisition programs will ensure warfighters get the speed, range, and power they require, as well as help the department manage the life-cycle costs of its systems. The Marine Corps pioneered this approach last year by including system energy performance parameters in developing a new surveillance system and the Navy has included energy criteria as part of the procurement of the LSD-X.

All across our shore installations, Navy and Marine Corps are also undertaking energy efficiency initiatives and installing alternative energy wherever practical. As just one example, at China Lake Naval Air Weapons Station we are a net contributor to the local power grid, creating more than 270 megawatts (MW) of clean, affordable geothermal power in partnership with the private sector.

In January, we tapped the vast renewable energy resources available at China Lake again breaking ground on a 13.8MW solar array, offsetting 30 percent of the base’s electric load. The contract is a 20-year power purchase agreement (PPA) having no upfront costs to the Navy and saving the Navy \$13 million over its term.

To meet the energy goal of 50 percent alternative energy ashore, I have directed the Navy and Marine Corps to produce or consume one gigawatt of new, renewable energy to power naval installations across the country using existing authorities such as PPAs, enhanced use leases, and joint ventures. One gigawatt of renewable energy could power 250,000 homes, or a city the size of Orlando. This will be a

broad and dynamic project that, over the life of the contract, will not cost the taxpayer any additional money, and will create domestic private sector jobs. This will be our path to unlocking our Nation's clean energy potential that leaves our military more secure, agile, flexible and ready.

To further facilitate our partnerships with industry, the Department is trying to make our contracting opportunities more accessible. Two years ago we introduced a website called Green Biz Ops which aggregates our energy and efficiency opportunities for procurement. This site helps all companies interested in doing business with the Navy—and especially small businesses—find opportunities in one place. In partnership with the Small Business Administration last year our agencies launched a “2.0” version of Green Biz Ops called the Green Procurement Portal which expands the site to include more features as well as energy opportunities across DOD and the Federal Government.

To prepare our leadership to achieve our energy goals, this fall the Naval Postgraduate School began offering a dedicated energy graduate degree program, the first military educational institution to do so. Later this year, NPS will launch an Executive Energy Series to bring our senior leadership together to discuss specific energy challenges that confront the Navy and Marine Corps. This energy-focused Masters Degree program and the executive energy series will target both the current and future civilian and military leadership of the Navy and Marine Corps.

Further, promotion boards have been directed to specifically consider the background and experience in energy some of our men and women in uniform are gaining today. Energy is not just an issue for the future, or just the young officers and policy experts that attend NPS. It is an issue for all of us.

Those who question why the Navy should be leading on energy should study their history. The Navy has always led in new forms of energy: shifting from wind to coal-powered steam in the middle of the 19th century, from coal to oil in the early 20th century, and pioneering nuclear power in the middle of the 20th century.

#### *Promoting Acquisition Excellence and Integrity*

Especially given the fiscal reality of our budget deficit, we are fully cognizant of our responsibility to the President, Congress, and the American people to spend this money wisely. What history shows us is that when budgets are tight we should get smarter about the way we spend our money. As noted earlier, rebuilding our fleet has been and will continue to be a top priority of this administration. Achieving this lies at the heart of the acquisition excellence initiative that has been a priority for the Department for almost 2 years now, because if we do not get smarter about how we buy, in addition to what we buy, we are not going to be able to afford the Navy and Marine Corps that the Nation needs in the future.

Improving how we buy means that we have take actions against fraud and shoddy contractors. The Department's General Counsel and the Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN(RDA)) are authorized to take the swiftest and strongest action in any case where bribery or attempts to gain preferential contracting treatment are substantiated. When a violation occurs, RDA may terminate the contract and assess damages immediately, in addition to pursuing suspension and debarment. The Department's Acquisition Integrity Program was recently recognized by the Government Accountability Office (GAO) as one of the more effective at using suspension and debarment practices.

The Department's role in the President's new defense strategy is clear and will drive acquisition programs underway or in development. We will carefully define program requirements and then drive affordability through aggressive “should cost” oversight and competition where possible, such as the fixed price contracts we negotiated for the LCS or the multi-year procurements that we negotiated for *Virginia*-class submarines. Innovative funding strategies and stable industrial base workload further allow for efficiencies that provide opportunities to acquire more ships more affordably.

To keep our technological advantage, we plan to invest in science and technology and research and development to maintain the knowledge base and keep it moving forward. This is the lesson of the 1920s and 1930s when so much of the technologies that became critical to our victory in World War II were kept alive in military, academic, and industrial laboratories. Times and technologies change, and we need to preserve the capability to change with them. Proper funding of our labs and research centers is key to incubating the next “game-changing” breakthroughs that will sustain the United States' military advantage over time.

The acquisition workforce was downsized over the past 15 years and, in truth, was stretched too thin. Accordingly, and with your strong support, we are increasing the number of acquisition professionals and restoring to the government the core competencies inherent to their profession and to our responsibilities in the Depart-

ment to organize, train and equip the Navy and Marine Corps. The Department has grown its acquisition work force by 4,400 personnel since starting the effort 2 years ago, increasing its technical authority and business skill sets.

Additionally the Department is keeping program managers in place longer to build up their experience, expertise and oversight on individual programs. We are also investing in education for our program managers. As an example, we send all of our program managers to an intensive short course at the graduate business school at the University of North Carolina, specifically targeting a better understanding of our defense contractors: what motivates them; what are their financial situations; and how can we work with them to achieve a win-win contract award for both the taxpayer and the stockholder. We are also changing the way in which we evaluate our program leaders to incentivize them to work with their industry counterparts to manage costs.

Over the FYDP, affordability will continue to be a central concern of this Department. As resources are tight, cost has to be one of the primary considerations of every program, and it ought to be driven by “should cost, will cost,” methods. “Should cost” scrutinizes each contributing ingredient of program cost and seeks to justify it. The “will cost” method represents an effort to budget and plan weapons acquisition programs using realistic independent cost estimates rather than relying on those supplied by the manufacturer. Make no mistake, our focus will remain on the security of our primary customer, the American people, for whom we will build the best possible Fleet for the future.

#### *Shipbuilding/Industrial Base*

A healthy industrial base is critical to supporting the Department’s top priorities. The dangerous downward trend in our ship inventory has been and must stay reversed. Even though we face increased fiscal constraints, we still plan, as we noted earlier, to grow the Fleet to 300 ships by 2019. We want to increase the number of our highly capable large surface combatants to meet the President’s directive that we confront the growing ballistic missile threat to the United States and its allies, while strengthening our small combatant inventory to provide the presence needed to maintain freedom of navigation. We have to make significant investments in support vessels while continuing our investment in our nuclear submarine force and maintaining the viability of our last yard capable of building nuclear powered aircraft carriers.

What all this means is that we will need to closely monitor the shipbuilding industrial base as we move forward. Much as with energy, we need to ensure diversity in supply moving forward. We need to strengthen our relationship with traditional shipbuilders, but we need to reach beyond them to small and mid-tier shipbuilders to develop innovative designs and new construction techniques to meet emerging threats.

#### *Developing and Deploying Unmanned Systems*

When I took office in 2009, unmanned systems were already at work within the Department. To assist our troops on the ground in Iraq and in Afghanistan we had either purchased or contracted for thousands of unmanned aerial vehicles that flew hundreds of thousands of hours in support of our mission. Despite their demonstrated utility, there was no vision of where unmanned systems belonged in the Navy and Marine Corps future force structure or coherent plan to achieve that vision. Over the past 2 years, the Services have worked hard to develop a plan and the presence and reach of our unmanned systems have expanded, including the first expeditionary deployment of a Firescout vertical takeoff and landing unmanned aerial vehicle (UAV), and the first successful flight of the unmanned combat air system, (UCAS), which will begin carrier demonstrations later this year. In total, nearly 1,500 unmanned aerial systems deployed into theater.

In the Fleet, unmanned systems need to be integrated into established operational communities. The marines have been out in front on this effort, having established four unmanned aerial system squadrons over the past quarter century, and the Navy is working on these capabilities as well. This past year a detachment of Helicopter AntiSubmarine Squadron 42 deployed with a SH-60B Helicopter and a MQ-8B Firescout and supported combat operations in Libya and counter piracy operations in the Gulf of Aden. In both environments, they leveraged the operational flexibility and low signature characteristics of unmanned systems to support local commanders while keeping sailors and marines safe from danger. Additionally, our Tactical Air Control Community took possession of their first Small Tactical Unmanned Aerial System (STUAS) this past year and began to integrate it into the Surface Warfare community’s day-to-day operations. In the future, the Maritime Patrol and Reconnaissance Aviation community, soon to take delivery of the P-8A Po-

seidon, will add the MQ-4C Broad Area Maritime Surveillance unmanned aerial system to their squadrons and hangars, extending the reach and persistence of maritime reconnaissance capabilities.

We will test and field mine hunting and then mine sweeping capability of the Mine Countermeasures (MCM) Mission Module in LCS, employing airborne and remotely operated vehicles to reduce the risk to sailors and the cost. Current developmental testing of the Increment I mine warfare mission package is underway in USS *Independence* (LCS 2), demonstrating mine hunting capability with the AN/AQS 20A mine hunting sonar set, towed by the remotely operated vehicle RMMV. Future increments will incorporate autonomous mine sweeping and the ability to find buried mines using unmanned surface and underwater vehicles.

The Unmanned Carrier Launched Airborne Surveillance and Strike (UCLASS) system is changing the way we plan to deliver reconnaissance and strike capabilities from our venerable aircraft carrier platforms. Designed to operate in contested airspace and conduct ISR or strike missions over extended periods of time, the UCLASS at sea will differ fundamentally from the standard operating procedures of both manned carrier aircraft or land based unmanned aircraft. Unlike with a manned carrier aircraft that is mostly used to maintain the qualifications of its pilot, a UCLASS airframe will be employed only for operational missions and pilots will maintain qualifications in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by the availability of tankers to refuel it, ordnance expenditure, or the need to change the oil after many hours of flight time. This will allow us to launch from greater distances, effectively negating emergent A2/AD technologies. We have only just begun to understand the potential of this unmanned system and the capabilities that will spiral from it.

#### CONCLUSION

Our Constitution requires that Congress “Maintain a Navy.” We do so with the world’s most advanced platforms, equipped with cutting edge weapons systems and manned by crews who receive the best training possible is a credit to our Nation. The Navy that fought and defeated a more advanced British Navy in the War of 1812 looked very different from the Navy of 2012. But our sailors and marines continue to live up to that legacy forged 200 years ago. Today your Navy and Marine Corps are deployed across the spectrum of engagement from rendering humanitarian assistance to combat. They often seem to be everywhere except at home. They bring to these efforts skills, training and dedication unmatched anywhere else in the world. The enduring support of this committee for our key programs and our people enables us to fulfill the ancient charge of the founders that we should sail as the Shield of the Republic, and we thank you.

The goals and programs discussed today will determine our future as a global force. At the direction of the President, we have worked to streamline our processes, to eliminate programs that no longer fit in the current strategic environment and to construct new approaches to the challenges of the modern world while retaining the ability to deter regional conflict and respond rapidly and decisively to emerging crises. Our specific requests are reflected in the President’s fiscal year 2013 budget submission.

The process by which we arrived at these requests was both deliberate and determined. We are fully aware of the economic environment and the fiscal constraints that our government faces today. We have attempted to balance these considerations with the President’s requirement that we maintain a ready and agile force capable of conducting the full range of military operations. We want to assure you that the Department has considered the risks and applied our available resources efficiently and carefully. This year’s request aligns with the Defense Strategic Guidance and the priorities and missions contained within it while balancing trade-offs that you and the American taxpayer expect of us.

For 236 years, from sail to steam to nuclear; from the USS *Constitution* to the USS *Carl Vinson*; from Tripoli to Tripoli; our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute that strategy will assure that our naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you and Godspeed.

Chairman LEVIN. Thank you very much, Mr. Secretary.  
We will now call on Admiral Greenert.

**STATEMENT OF ADM JONATHAN W. GREENERT, USN, CHIEF  
OF NAVAL OPERATIONS**

Admiral GREENERT. Thank you, Mr. Chairman. Chairman Levin, Ranking Member McCain, distinguished members of the committee, I'm honored to appear before you for the first time to discuss the Navy's budget submission.

Because of the dedication of our 625,000 Active and Reserve sailors and civilians and their families, the Navy and our primary joint partner the Marine Corps remain a vital part of our national security. I'm honored to serve and lead the Navy in these challenging times and I thank this committee for your continued support.

This morning I'd like to address three points: the Navy's importance to the Nation's security, our enduring tenets and priorities that guided our budget decisions, and how these tenets and how these decisions shaped the budget submission.

Today our Navy is the world's preeminent maritime force. Our global fleet operates forward from U.S. bases and partner nation places around the world to deter aggression, respond to crises, and when needed and when called upon to win our Nation's wars.

If you will refer to a chartlet (see Figure 1) that I've provided in front of you, you can see that on any given day we have about 50,000 sailors and 145 ships underway, with about 100 of those ships deployed overseas. These ships and sailors allow us to influence events abroad because they ensure access to what I will refer to as the maritime crossroads. These are areas where our shipping lanes and our security interests intersect, and they're indicated in orange on the chartlet. We can remain forward in these areas because of the facilities and the support from nearby allies and partners.

[The chart referred to follows:]

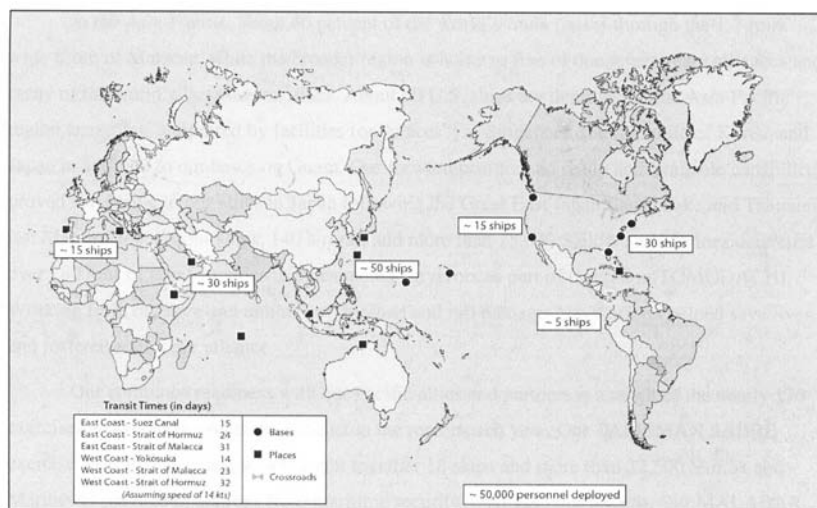


Figure 1

For example, in the Middle East we have 30 ships and more than 22,000 sailors at sea and ashore. They are combatting piracy, supporting operations in Afghanistan, assuring our allies, and maintaining a presence in the region to deter or counter destabilizing activities. These forces rely on facilities in Bahrain, who's been a U.S. partner for 6 decades.

In the Asia-Pacific, we have about 50 ships, supported by our base on Guam and our facilities or places in Singapore, the Republic of Korea, and Japan. They will be joined next spring by our first LCS, the *Freedom*, which will deploy to Singapore for several months to evaluate the operational concepts associated with forward stationing a LCS. The lessons learned from this deployment will help stabilize design and we'll understand better the operational concepts of our mission packages.

We are also collaborating with the Marine Corps to determine the support and the lift that they need in order to support rotational deployments to Darwin, Australia.

In the Indian Ocean, we depend on Diego Garcia and the fleet tender and the airfield there for ship repair and logistics support.

Around the Horn of Africa, we depend on the airfield and the port in Djibouti to support our forces conducting counterterrorism and counterpiracy operations.

In Europe, we rely on places in Spain, in Italy, and in Greece to sustain our forces forward in support of our North Atlantic Treaty Organization allies.

In our own hemisphere, our port and airfield at Guantanamo Bay will grow more important in the next several years as the Panama Canal is widened and traffic through this crossroad increases.

When I assumed the watch as the CNO, I established three key tenets for our decisionmaking. To me they are the clear, unambiguous directions for our Navy leadership, and they are: warfighting is first, operate forward, and to be ready.

Warfighting first, that means the Navy has to be ready to fight and prevail today, while building the ability to win tomorrow. This is our primary mission and all our efforts must be grounded in this fundamental responsibility. Iran's recent provocative rhetoric highlights the need for us to have forward deployed warfighting capability. In our 2013 budget submission we directed funding toward weapons, systems, sensors, and tactical training that can be more rapidly fielded to the fleet, particularly in this area. This includes demonstrators and prototypes that could quickly improve our forces' capability.

Operate forward, that means we will provide the Nation an off-shore option to deter, to influence, and to win in an era of uncertainty. Our 2013 budget submission supports several initiatives to establish our forward posture at the maritime crossroads. These include placing forward-deployed naval force destroyers in Rota, Spain, and forward stationing LCSs in Singapore, and patrol coastal ships in Bahrain. One ship that is operating from an overseas location can provide the same presence as about four ships rotationally deployed from the continental United States.

Be ready, that means we will harness the teamwork, the talent, and the imagination of our diverse force to be ready to fight and responsibly use our resources. This is more than completing re-

quired maintenance and ensuring that parts and supplies are available. Being ready also means being proficient and confident with our weapons, with our sensors, our command and control, our communications, and our engineering systems as well.

Applying these tenets to meet the defense strategic guidance, we've built a 2013 budget submission to implement three main investment priorities. Number one, we will remain ready to meet our current challenges today. Consistent with the defense strategic guidance, we will continue to prioritize readiness over capacity and to focus our warfighting presence on the Asia-Pacific and the Middle East. We will also sustain the Nation's most survivable strategic deterrent in our SSBNs.

Number two, we will build a relevant and capable future force. Our Navy will evolve to remain the world's preeminent maritime force and our shipbuilding and aircraft construction investments will form the foundation of the future fleet.

In developing our aircraft and ship procurement plans, we really focused on three approaches: to sustain serial production of today's proven platforms, including the *Arleigh Burke*-class destroyers, *Virginia*-class submarines, and our Super Hornets. We have moved new platforms to the fleet, such as the LCS, the JSF, the *Ford*-class carrier, the P-8A Poseidon aircraft, and the *America*-class amphibious assault ship.

To improve the capability of today's platforms through new weapons, sensors, and unmanned vehicles, including the Advanced Missile Defense Radar, Firescout, and the follow-on to Firescout, the Fire-X. New payloads like these will help ensure we can project power despite threats to access, as described in the new defense strategic guidance. They will also enable our continued dominance in the undersea domain environment and support our goal to operate effectively in cyber space and fully exploit the electromagnetic spectrum.

In developing the future force, we will continue to emphasize jointness, as described in our air-sea battle concept, and we will emphasize affordability by controlling requirements creep and making costs the entering argument for new systems.

We will enable and support our sailors, civilians, and their families. I'm extremely proud of our people. We have a professional and moral obligation to lead, train, equip, and motivate them. Our personnel programs deliver a high return on investment in readiness. We fully fund our programs to address operational stress, support our families, eliminate the use of synthetic drugs such as spice, and aggressively prevent suicides and sexual assaults.

I support the compensation reforms included in the DOD's 2013 budget submission, which I believe are appropriate changes to manage the costs of the All-Volunteer Force.

In closing, your Navy will continue to be critical to our Nation's security and prosperity by ensuring access to the global commons and being at the front line of our Nation's efforts in war and peace. I assure the committee, Congress, and the American people that we will focus on warfighting first, we will operate forward, and we will be ready.

I want to thank the committee staff, those that sit behind you, Mr. Chairman, for their assistance with our budget articulation as

we worked through the submission. I thank the committee again for their support to our sailors and families.

[The prepared statement of Admiral Greenert follows:]

PREPARED STATEMENT BY ADM JONATHAN GREENERT, USN

Chairman Levin, Ranking Member McCain, and distinguished members of the committee, it is my honor and pleasure to appear before you to submit my first budget as Chief of Naval Operations. Thanks to our 625,000 Active and Reserve sailors and civilians and your continued support, the Navy-Marine Corps team remains vital to our national security and economic prosperity. Operating globally at the front line of our Nation's efforts in war and peace, our Fleet protects the interconnected systems of trade, information, and security that underpin our own economy and those of our friends and allies. Our Navy and Marine Corps are the first responders to international crises through combat operations or humanitarian assistance. After U.S. ground forces have drawn down in the Middle East, the naval services will remain on watch with offshore options to deter aggression and—when necessary—fight and win on, over, and under the sea. Despite the economic and military challenges facing our Nation, your Navy will evolve and adapt to fight and win our Nation's wars, remain forward, and be ready. I appreciate your continued support and look forward to working together in pursuing our national security objectives.

THE NAVY HAS BEEN IMPORTANT TO OUR NATION'S SECURITY AND PROSPERITY

Today our Navy is the world's preeminent maritime force—but that has not always been the case. Leading up to the War of 1812, Britain's Royal Navy held that distinction. Our own Fleet, lacking warfighting capability, forward posture and readiness, was bottled up in port early in the war. It was unable to break the British blockade of the Atlantic Coast or stop the Royal Navy from wreaking havoc along the mid-Atlantic seaboard and burning parts of Washington, DC, in 1814. Our nation's economy suffered as shipping costs soared and imports from Europe and the Caribbean grew scarce. Soon, however, the Fleet developed a warfighting focus and engaged the British, winning victories on Lake Erie, at New Orleans, and in the Atlantic that, combined with concerns about France, brought Britain to the negotiating table. However, outside of a determined effort from privateers, the U.S. Navy still could not project power away from home, could not control the sea, and could not deter aggression against our interests. We needed these key capabilities—outlined in our Maritime Strategy—then, just as much as now. The War of 1812 offered a number of hard lessons, and for the next century our Navy focused on preventing an aggressor from restricting our trade or isolating us from the sea as our Nation expanded across the North American continent.

Our Navy operated farther forward as our Nation's economy grew and, by necessity, became more integrated with Eurasia. In the midst of the world's first wave of globalization, the Great White Fleet from 1907 to 1909 demonstrated to the world America's emerging power and capability to project it globally. These episodes of "operating forward" became sustained during World War I as our Fleet convoyed supplies and forces to Europe and combated German submarines across the Atlantic Ocean. In World War II, our Navy established dominance in the air, sea, and undersea domains, going forward around the world to protect sea lanes and project power to Europe and Africa, and take the fight across the Pacific to Asia. We sustained our maritime dominance and remained forward and global throughout the Cold War to contain Soviet expansion and provide tangible support to allies and partners with whom we were highly interdependent diplomatically, economically and militarily.

Our Navy today remains global, operating forward from U.S. bases and international "places" around the world. From these "places" we continue to support and operate with allies and partners who face a range of challenges, from piracy and terrorism to aggressive neighbors and natural disasters. "Places," from Guantanamo Bay to Singapore, enable us to remain present or have access to the world's strategic maritime crossroads—areas where shipping lanes, energy resources, information networks and security interests intersect. On any given day over the last year, more than 50,000 sailors were underway or deployed on 145 of the Navy's 285 ships and submarines, 100 of them deployed overseas (see Figure 1). They were joined by more than 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, and over 4,000 Naval Expeditionary Combat Command sailors on the ground and in the littorals, building the ability of partners to protect their people, resources, and territory.



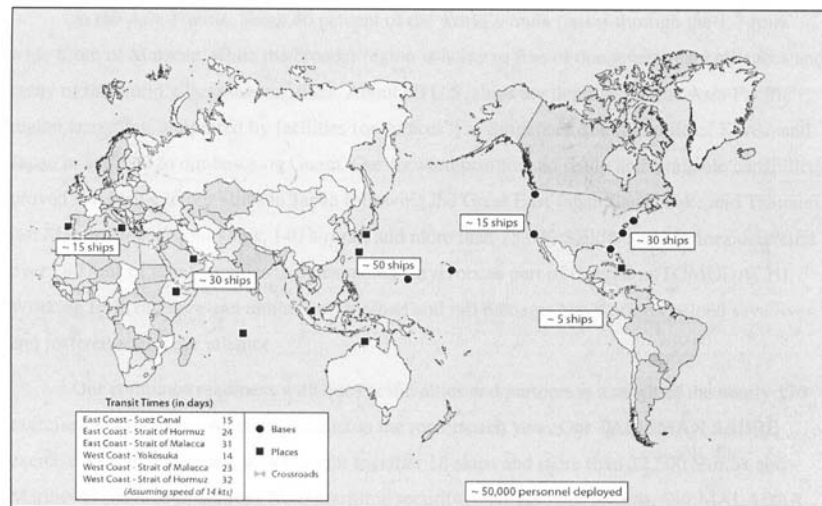


Figure 1

The security and prosperity of our Nation, and that of our friends and allies, depends on the freedom of the seas, particularly at the strategic maritime crossroads. Twenty percent of the world's oil flows through the Strait of Hormuz, the center of a region where more than 12,000 sailors on 30 ships combat piracy, smuggling and terrorism, deter Iranian aggression, and fly about 30 percent of the close air support missions in Operation Enduring Freedom. These sailors directly supported the special operations forces mission that resulted in the death of Osama Bin Laden, provided ballistic missile defense to our Arabian Gulf partners, and just last month rescued the crew of the Iranian dhow, *Al Morai*, from Somali pirates. Our forces there depend on facilities in Bahrain, a U.S. partner for more than 60 years, for supplies, communications, and repairs, while our maritime patrol and reconnaissance aircraft, patrol craft, and minesweepers in the region are based on the island. Our forces at sea are joined by another 10,000 sailors on the ground, most supporting our combat forces in Afghanistan as we continue to transition that effort to the Afghan Government.

In the Asia-Pacific, about 40 percent of the world's trade passes through the 1.7-mile wide Strait of Malacca, while the broader region is home to five of our seven treaty alliances and many of the world's largest economies. About 50 U.S. ships are deployed in the Asia-Pacific region every day, supported by facilities (or "places") in Singapore, the Republic of Korea, and Japan in addition to our bases on Guam. Our forward posture and ready and available capability proved invaluable to our allies in Japan following the Great East Japan Earthquake and Tsunami last March. Twenty four ships, 140 aircraft and more than 15,000 sailors and marines delivered over 280 tons of relief supplies to beleaguered survivors as part of Operation Tomodachi. Working from offshore and unhindered by road and rail damage, Navy efforts helped save lives and fostered a stronger alliance.

Our combined readiness with our Pacific allies and partners is a result of the nearly 170 exercises and training events we conduct in the region each year. Our Talisman Sabre exercise with Australia last year brought together 18 ships and more than 22,500 sailors and marines to practice operations from maritime security to amphibious assault. Our Malabar series of exercises continues to expand our interoperability with India, a key partner in an important part of the world. From simple maneuvers and replenishment-at-sea in 2002, Malabar has gone on to include dual carrier flight operations, gunnery practice, anti-submarine warfare (ASW) training, and maritime interdiction exercises. This year, the U.S. Navy will host Rim of the Pacific (RIMPAC), the world's largest maritime exercise, bringing together more than 20,000 sailors from 14 nations to practice the entire range of maritime missions from counter-piracy to missile defense and ASW.

Africa is adjacent to several key strategic crossroads—Bab El Mandeb on the southern end of the Red Sea, the Suez Canal at its northern end, and the Strait of Gibraltar at the western edge of the Mediterranean. Events at each of these crossroads can significantly impact the global economy and regional security. Supported by our air and port facilities in Djibouti (Camp Lemonier), our ships form the backbone of multinational forces from more than 20 nations that combat pirates and terrorists around East Africa and the Arabian Peninsula. In the Mediterranean and Northern Africa our forward forces enabled a rapid response to the Libyan civil war. During NATO Operations Odyssey Dawn and Unified Protector, our ships and submarines fired 221 Tomahawk Land Attack Missiles and Growler electronic attack aircraft (EA-18G) redeployed from Iraq in less than 48 hours to suppress and destroy Libya's air defense network. The Navy-Marine Corps team aboard USS *Kearsarge* supported NATO forces with air strikes and personnel recovery, while on USS *Mount Whitney*, NATO leaders managed and coordinated the fight.

We continue our commitment to our NATO allies in the Mediterranean and other waters around Europe. Supported by facilities in Rota, Spain, Souda Bay, Greece, and Naples, Italy, our destroyers and cruisers conducted, among other critical U.S. and NATO missions, continuous ballistic missile defense patrols in the Mediterranean to counter the growing Iranian ballistic missile threat. Europe also continues to be a source of security. Our Fleet trains routinely with allied navies from the Mediterranean to the Baltic in security cooperation exercises such as Proud Manta, NATO's largest ASW exercise. Outside the continent, we operate with our European allies and partners to address our shared concerns around the world, such as maintaining freedom of navigation through the Strait of Hormuz, countering piracy around the Horn of Africa, supporting our African partners with training and assistance, and responding to crises such as the conflict in Libya.

In Latin America, the ongoing expansion of the Panama Canal will increase the importance of that strategic maritime crossroad. Today the waters around Central America already experience a high level of illegal trafficking, which could adversely affect the increasing volume of shipping through an expanded canal. Our first Littoral Combat Ship (LCS), USS *Freedom*, made its first operational deployment to the region in 2011, preventing more than three tons of cocaine from entering the United States as part of Joint Interagency Task Force—South. We leveraged our port and airfield in Guantanamo Bay, Cuba, to continue supporting operations in the Gulf of Mexico and Caribbean. As the capability of our Latin American partners has grown, so has the sophistication of our cooperation. In 2011 we conducted ASW training with Brazil, Peru, Colombia and Chile, where their diesel submarines helped to train our surface and submarine crews and our crews exchanged lessons learned on effective undersea operations.

#### ESTABLISHING FIRST PRINCIPLES

These are challenging and dynamic times for the U.S. military services and the U.S. national security enterprise. We need to remain focused on our enduring principles and contributions that hold true regardless of funding, force structure size or day-to-day world events. Upon taking office as Chief of Naval Operations, I established these first principles for Navy leaders to follow in my "Sailing Directions."

I believe historical and current events demonstrate that the Navy is most effective and best able to support our national security objectives when Fleet leaders and sailors are focused on three tenets:

- Warfighting first
- Operate forward
- Be ready

I incorporated these tenets into "Sailing Directions." Similar to their nautical counterpart, my directions describe in general terms where the Navy needs to go in the next 10–15 years, and the approach we will take to get there. We applied "Sailing Directions" to the final decisions we made in building our fiscal year 2013 budget submission and I believe they are consistent with the Defense Strategic Guidance that emerged from our collaborative efforts with the Chairman of the Joint Chiefs of Staff, the Secretary of Defense and the President. I am in the process of drafting a "Navigation Plan" to define our course and speed now that our defense strategy is established and our budget request submitted.

#### MY GUIDANCE FOR THE NAVY AND WHAT WE BELIEVE

We use these three tenets—Warfighting First, Operate Forward, and Be Ready—as "lenses" through which we view each decision as we organize, train and equip the Navy.

### *Warfighting First*

The Navy must be ready to fight and win today, while building the ability to win tomorrow. This is our primary mission and all our efforts from the “wardroom to the boardroom” must be grounded in this fundamental responsibility. The recent posturing and rhetoric from Iran highlight the importance of our ability to deter aggression, promptly respond to crisis, and deny any aggressors’ objectives. This requires getting relevant and effective warfighting capability to the Fleet today, not waiting for perfect solutions on paper that may not arrive for 10 years. We can no longer afford, strategically or fiscally, to let the perfect be the enemy of the good—or the good enough—when it comes to critical warfighting capability. Our history and the contemporary cases of Iran, North Korea, violent extremists, and pirates show that conflict is unlikely to appear in the form of the scenarios for which we traditionally plan. Therefore, our ships, aircraft and sailors that operate forward must be able to decisively act and defeat an adversary’s actions in situ to deter continued aggression and preclude escalation. To that end, in our fiscal year 2013 budget submission we shifted procurement, research and development, and readiness funds toward weapons, systems, sensors and tactical training that can be rapidly fielded to the Fleet, including demonstrators and prototypes that can quickly improve our forces’ capability. I request that you support those investments.

### *Operate Forward*

The Navy-Marine Corps team provides the Nation offshore options to deter, influence, and win in an era of uncertainty. Our naval forces are at their best when they are forward, assuring allies and building partnerships, deterring aggression without escalation, defusing threats without fanfare, and containing conflict without regional disruption. We keep the Fleet forward through a combination of rotational deployments from the United States, Forward Deployed Naval Forces (FDNF) in Japan, Guam and Italy, and forward stationing ships in places such as Bahrain or Diego Garcia. Our ability to operate forward depends on our U.S. bases and strategic partnerships overseas that provide “places” where the Navy-Marine Corps team can rest, repair, refuel, and resupply.

Our fiscal year 2013 budget submission supports several initiatives to establish our forward posture including placing FDNF destroyers in Rota, Spain, and forward stationing Littoral Combat Ships (LCS) in Singapore and Patrol Coastal ships (PC) in Bahrain. We are also now collaborating with Headquarters Marine Corps to determine the support and lift needed for marines to effectively operate forward in Darwin, Australia. In the FDNF construct, the ships, crews and families all reside in the host nation. This is in contrast to forward stationing, where the ship’s families reside in the United States and the crew rotates to the ship’s overseas location for deployment. We will rely on both of these basing constructs and the “places” that support them to remain forward without increases to the Fleet’s size. I request you support funding for these initiatives so our Navy-Marine Corps team can continue delivering the rapid response our Nation requires of us. We will continue to pursue innovative concepts for operating forward such as rotational crewing and employing new classes of ships such as Joint High Speed Vessels (JHSV), Mobile Landing Platforms (MLP), and Afloat Forward Staging Bases (AFSB).

### *Be Ready*

We will harness the teamwork, talent, and imagination of our diverse force to be ready to fight and responsibly use our resources. This is more than simply completing required maintenance and ensuring parts and supplies are available. Those things are essential, but “being ready” also means being proficient and confident in our ability to use our weapons, employ and rely on our sensors, and operate our command and control, communication and engineering systems. This requires practice, so in our fiscal year 2013 budget submission we increased readiness and procurement funding for training deploying personnel and for exercise ordnance—funding that I request you support. Further, we are employing simulation and adjusting our Fleet Readiness and Training Plan (FRTTP) to afford more time to train prior to deployment. Our fiscal year 2013 budget submission provides the opportunity to build on events such as this year’s Bold Alligator, our largest amphibious assault exercise in more than a decade, which brought together more than 20,000 sailors and marines and 25 ships from 5 nations. Fundamentally, being ready depends on our ability to train, lead and motivate our sailors and marines through events such as Bold Alligator. As we continue to move through challenging times strategically and fiscally, we will increasingly depend on their resolve and imagination.

The Budget Control Act of 2011 placed new constraints on our budget, which required hard choices and prioritization to address. I applied our tenets to my three main investment priorities as we built our fiscal year 2013 budget submission to support the new Defense Strategic Guidance.

*Priority 1: Remain Ready to Meet Current Challenges, Today*

Readiness means operational capability where it needs to be to deter aggression, respond to crises, and win our Nation's wars. I will continue to prioritize readiness over capacity and focus our warfighting presence on the Asia Pacific and Middle East. Our fiscal year 2013 decision to decommission seven *Ticonderoga*-class guided missile cruisers (CG) and two dock landing ships (LSD) exemplify our resolve to provide a more ready and sustainable Fleet within our budget constraints. The resources made available by these retirements will allow increased funding for training and maintenance. To ensure these investments improve readiness, we adjusted the FRTP to be more sustainable and provide units adequate time to train, maintain and achieve the needed "fit" and "fill" in their manning between deployments. The FRTP is aligned to and supports the fiscal year 2013 Global Force Management Allocation Plan (GFMAP), which is the authoritative, Secretary of Defense-approved plan for supporting Combatant Commander presence requirements.

A ready Fleet requires proper maintenance of our ships and aircraft, and our long-term force structure inventory plans require each of them to affordably reach expected service life. Our fiscal year 2013 budget submission fully funds ship maintenance and midlife modernization periods. We are also continuing a series of actions to address surface ship material condition. We increased the number of sailors in select surface ships and established Integrated Material Assistance Teams to ensure adequate personnel for preventive maintenance and at-sea repairs. To improve maintenance planning and budgeting, the new surface ship life cycle engineering and support organization develops comprehensive plans for maintenance and modernization of non-nuclear ships. These plans will allow us to refine our assessments of ship material condition, improve our ability to estimate maintenance costs, and identify actions needed to achieve expected service life. These initiatives, supported in this budget submission, have tangibly improved ship readiness and enable more efficient maintenance periods. Our fiscal year 2013 budget submission also funds aircraft depot maintenance requirements to 94 percent, meeting our goal for available airframes and engines.

Readiness involves more than material condition. Our capabilities must also be "whole," meaning our weapons, combat systems, and sensors must be able to interface with one another, are available in adequate numbers, and our sailors are proficient and confident in their use. We emphasized training in our fiscal year 2013 budget submission—allocating time, ordnance and targets for increased live-fire training as well as funds to improve the fidelity, capacity and interoperability of our Fleet simulators. Our fiscal year 2013 budget submission also funds improved data links and radar reliability to enhance the interoperability and availability of weapons and sensors. In aviation, we fully funded the Flying Hour Program and invested in F/A-18 A-F life cycle sustainment and system capability upgrades to ensure these "workhorses" of the carrier air wing remain ready and relevant. F/A-18 A-F sustainment helps ensure our strike fighters reach their expected service lives and our strike fighter inventory remains sufficient to meet anticipated needs. Ashore, we fully funded air and port operations and nuclear weapons infrastructure and security. Our fiscal year 2013 budget submission accepts some risk in facilities sustainment and recapitalization, but we anticipate minimal impact on Fleet readiness. We will continue to closely monitor our shore infrastructure to ensure it remains capable of supporting the needed level of Fleet operations. Our fiscal year 2013 budget submission maintains funding for Homeport Ashore to provide quality housing for our single sailors and increases funding for family readiness programs such as child development centers.

We must continue improving our fuel efficiency to sustain a ready and relevant Fleet and our goal remains to reduce our tactical energy use 15 percent by 2020. We will combine modernization, research and development, acquisition, and efficient behavior by operators at sea and on the waterfront to achieve that goal. Our fiscal year 2013 budget submission continues to incorporate technological advances incrementally, but steadily. Our *Lewis and Clark* class supply ships now employ all-electric propulsion, as will our new *Zumwalt*-class destroyers (DDG). Our new hybrid-electric powered amphibious assault ship USS *Makin Island* saved more than \$2 million in fuel costs on its maiden voyage from the Gulf Coast to its San Diego homeport. The insights we gain from these efforts will be applied in developing re-

quirements for future ships, where energy usage was established last year as a key performance parameter.

*Priority 2: Build a Relevant and Capable Future Force*

Our Navy will evolve to remain the world's preeminent maritime force in the face of emerging threats and our shipbuilding and aircraft construction investments form the foundation of the future Fleet. In developing our aircraft and ship procurement plans, we focused on three approaches: Sustaining serial production of today's proven platforms, rapidly fielding new platforms in development, and improving the capability of today's platforms through new payloads of weapons, sensors and unmanned vehicles.

First, sustained production of today's platforms maintains the Fleet's capacity, improves the affordability of ships and aircraft, and fosters the health of the industrial base. Examples of this serial investment in our fiscal year 2013 budget submission include *Arleigh Burke* DDG, MH-60R/S Seahawk helicopters, F/A-18 E/F Super Hornet and *Virginia*-class submarines (SSN). These proven ships and aircraft represent a known quantity to both the government and contractor and provide opportunities for cost savings through multi-year procurement. Our fiscal year 2013 budget submission requests multi-year procurement of nine *Arleigh Burke* DDGs and nine *Virginia* SSNs. Your support for continued block purchases of DDGs and SSNs is essential to our Fleet's capacity over the next decade when decommissionings and the procurement of the new ballistic missile submarine (SSBN) combine to reduce the number of these Fleet workhorses. In addition to the capacity they bring, our experience with proven platforms also allows us to incrementally improve their capabilities with new weapons, sensors and unmanned vehicles, such as we are doing with *Arleigh Burke* DDG by adding the Surface Electronic Warfare Improvement Program (SEWIP), SM-6 missile, Advanced Missile Defense Radar (AMDR), and MQ-8 Firescout unmanned air vehicles.

Second, we will rapidly field the classes of ships and aircraft in development which are needed to recapitalize the Fleet and pace emerging threats. Each of these platforms are nearing completion or are in initial production and offer a significant return on our research and development investment over the past two decades. We will harvest this return and focus on capability improvement via new weapons, sensors and unmanned systems before we begin our next generation of platforms. Our fiscal year 2013 budget submission prudently moves into sustained production of Freedom and Independence class LCS, MQ-4C Broad Area Maritime Surveillance (BAMS) unmanned air system (UAS), Poseidon maritime patrol and reconnaissance aircraft (P-8A) and Lightning II strike fighter (F-35C). We slowed production of the F-35C to allow lessons from testing to be better incorporated into the aircraft and it will be a key element of the future carrier air wing. The fiscal year 2013 budget submission continues funding for *Gerald R. Ford* aircraft carriers (CVN), although the delivery of CVN-79 was delayed to most cost effectively maintain our Fleet of 11 CVNs by not delivering the ship ahead of need. Our budget submission continues funding for the *Zumwalt*-class DDG, which will provide an exceptional improvement in littoral and land-attack capability while also proving several new technologies to be incorporated into future ships. To sustain our capacity for amphibious operations, our fiscal year 2013 budget submission funds continued production of the America class amphibious assault ships (LHA), the first of which (LHA-6) is nearing completion. Each of these new platforms is designed to be adaptable and allow future capability evolution through new payloads. The physical and electronic open architecture of LCS, for example, will allow it to change missions in a short refit, but will also allow it to be widely adaptable over its lifetime. The P-8A has a similar reserve capacity for adaptation, as well as an operating profile which will allow it to do a wide range of missions, depending on the weapons and sensors placed aboard.

Third, we will evolve the force to maintain our warfighting edge by exploiting the ability of new payloads to dramatically change what our existing ships and aircraft can do. A focus on what our platforms carry will be increasingly important as anti-access/area-denial (A2/AD) threats including new radars and more sophisticated surface-to-air and anti-ship missiles limit the ability of manned platforms to get close to an adversary in wartime. Our Air-Sea Battle Concept, developed with the Marine Corps and the Air Force, describes our response to these growing A2/AD threats. This concept emphasizes the ability of new weapons, sensors, and unmanned systems to expand the reach, capability, and persistence of our current manned ships and aircraft. Our focus on payloads also allows more rapid evolution of our capabilities compared to changing the platform itself. This approach is exemplified by our fiscal year 2013 investment in LCS, which will carry an adaptable portfolio of unmanned vehicles, weapons, manned helicopters, and personnel. In aviation, new weapons such as the Small Diameter Bomb, Joint Standoff Weapon and Mark-54

torpedo will give our legacy aircraft the stand-off range, penetration, and lethality to defeat adversaries even if they employ advanced A2/AD capabilities.

Our focus on payloads includes unmanned systems such as the Firescout UAS (MQ-8B), which already demonstrated in Libya and the Middle East how it can add significant capability to our legacy frigates (FFG) and amphibious transport dock (LPD) ships. Our fiscal year 2013 budget submission continues production of the MQ-8B and adds the longer-range, higher-payload MQ-8C. The submission also continues our investment in the Unmanned Combat Air System (UCAS) demonstrator and the follow-on Unmanned Carrier Launched Air Surveillance and Strike system (UCLASS), which will expand the reach and persistence of our current carrier-based air wings.

Improved sensors and new unmanned systems are essential to our continued domination of the undersea environment. Our fiscal year 2013 budget submission funds the development of *Virginia* SSN payload modules that will be able to carry a mix of missiles, sensors and unmanned undersea vehicles (UUV) such as the new Large Displacement UUV. These undersea systems are joined by investments in the P-8A and *Arleigh Burke* DDG to improve cueing and close-in ASW operations. Our undersea superiority provides U.S. forces an asymmetric advantage in being able to project power or impose unacceptable costs on adversaries. Our fiscal year 2013 budget submission funds continued development of a new SSBN to begin replacing the *Ohio*-class late in the next decade and sustain the most survivable element of the Nation's nuclear triad. Our fiscal year 2013 budget submission also includes funding to study the possible use of *Ohio*-class guided missile submarine (SSGN) and *Virginia*-class SSN as platforms for a future conventional prompt strike capability.

While we currently dominate the undersea domain, cyberspace and the electromagnetic spectrum present a different set of challenges and a lower barrier to entry for our potential adversaries. Our fiscal year 2013 budget submission furthers our goal to operate effectively in cyberspace and fully exploit the electromagnetic spectrum. Investments including the SEWIP, EA-18G, Consolidated Afloat Network Enterprise System (CANES), Hawkeye (E-2D) early warning aircraft, Next-Generation Enterprise Network (NGEN) and Mobile User Objective System support development of a common operational picture of cyberspace and the electromagnetic spectrum. They also support robust defense of our networks and improve our ability to use non-kinetic effects to defend our ships from attack, conduct offensive operations, and conduct superior command and control.

It is imperative as we pursue these three approaches to the future force that we consider both affordability and "jointness." Our fiscal situation makes affordability essential to sustaining the fleet's capacity and improving its capability. Working with the Secretary of the Navy's staff, we are ensuring cost is considered as an entering assumption in developing requirements for new systems, while controlling the "requirements creep" that impacts the cost of our programs already in development. Joint capabilities may also be a way to improve affordability, although we are primarily concerned with how they can improve our warfighting effectiveness. Our Air-Sea Battle Concept describes how naval and air forces will develop and field capabilities in a more integrated manner to allow them to defeat improving A2/AD threats through tightly coordinated operations across warfighting domains. Using the Air-Sea Battle Concept and Joint Operational Access Concept (JOAC) as the starting point, the Navy-Marine Corps team will continue to expand our integration with the Air Force and Army in doctrine, systems, training, and exercises to sustain the ability of U.S. forces to project power.

### *Priority 3: Enable and Support our Sailors, Navy Civilians, and Their Families*

Today's Active and Reserve sailors and Navy civilians are the most highly trained, motivated, and educated force we have ever employed. Our people are the source of our warfighting capability and our fiscal year 2013 budget submission continues the investments needed to ably lead, equip, train and motivate them.

Our personnel programs deliver a high return on investment in the readiness of our sailors and civilians. We fully funded our programs to address operational stress, support families, prevent suicides, eliminate the use of synthetic drugs like Spice and aggressively reduce the number of sexual assaults. I view each of these challenges as safety and readiness concerns that can be just as damaging to our warfighting capability as operational accidents and mishaps. To ensure sailors and their families have a quality environment in which to live, we sustained our support for quality housing, including Homeport Ashore for Sailors, and expanded our child development and youth programs.

Our wounded warriors are a top priority. Our fiscal year 2013 budget submission fully funds programs that support the mental, emotional and financial well-being of our returning warriors and their families.

The Navy continues to face a unique manpower challenge. Retention is high, attrition remains steady at a very low level and highly qualified people continue to want to join the service. To continue bringing in new sailors with new and diverse backgrounds and ideas, we must have turnover in the force. To manage our end strength, sustain upward mobility and address overmanning in some specialties, we selected 2,947 sailors for separation in 2012 by conducting an Enlisted Retention Board (ERB). These sailors served honorably and we are now focused on providing the best transition possible for them, including early retirement for sailors selected for ERB who will have completed at least 15 years of Active service as of September 1, 2012. Thank you for providing this Temporary Early Retirement Authority (TERA) in the National Defense Authorization Act (NDAA) for Fiscal Year 2012. We do not plan another ERB for fiscal year 2013. Nor do we plan to offer early retirement more broadly, but we will evaluate this option if overmanning in individual specialty ratings/warfare communities again becomes a concern.

We will continue to use a range of force shaping tools to ensure we keep our best performers and align our people with needed skills and specialties. Perform-to-Serve (PTS), our centralized reenlistment program, will remain the principal method to shape the force. While in some cases we will be unable to offer reenlistment for sailors due to high retention and overmanning, PTS also offers sailors the opportunity to change specialties or enter the Reserves when they come up for reenlistment if their current specialty is overmanned. We will continue to offer and regularly adjust Selective Reenlistment Bonuses and incentive pays for critical specialties to ensure we properly sustain the skills required in the force.

By managing the size and composition of the force, we are able to bring in new sailors and civilians. Our fiscal year 2013 budget submission continues to invest in recruiting quality people, including diversity outreach and programs to develop science, technology, engineering and mathematics candidates for the service. Our future depends on the innovation and creativity that people with diverse backgrounds, experience and ideas can bring to the Navy.

#### DOD AND NAVY'S TURNING POINT—AND THE NEED FOR A NEW STRATEGY

We built our fiscal year 2013 budget submission by applying the tenets of Warfighting First, Operate Forward, and Be Ready to our three enduring priorities. This approach focused our resources on investments that are most important to the Navy's ability to be relevant to the challenges we face as a nation. Today, three main trends place America and our Navy at a turning point. First, the Federal Government has to get its fiscal house in order by reducing deficits and putting the Federal budget on a path toward balance. Second, the security environment around the world is becoming more dynamic as exemplified by the "Arab Awakening," ongoing piracy and terrorism, and the continued threat of aggression from countries including Iran and North Korea. Third, after a decade of war in the Middle East, we are completing ground operations and stabilization efforts in Iraq and Afghanistan.

This confluence of factors was emerging when I wrote my Sailing Directions and, as they clarified, were the drivers behind the Defense Strategic Guidance Sustaining U.S. Global Leadership: Priorities for 21st Century Defense issued by the President and Secretary of Defense. The Defense Strategic Guidance was developed in a collaborative and transparent process and I believe it is aligned with Sailing Directions. The guidance calls for a more agile, lethal and flexible force to address the challenges and opportunities facing our Nation and has clear implications for the Navy as a force provider, including:

##### *Emphasize Readiness Over Capacity*

We will not let the force become "hollow" by having more force structure than we can afford to maintain, equip and man. Our fiscal year 2013 budget submission inactivates seven *Ticonderoga* CGs and two LSDs. These ships were in need of significant maintenance investment and six of the seven cruisers required further investment to install ballistic missile defense capability. Inactivating these ships allowed almost \$2 billion in readiness funding to be shifted to other portions of the Fleet. This reduction in capacity and our shift to a more sustainable deployment model will result in some reductions to the amount of presence we provide overseas in some select areas, or a change in the nature of that presence to favor innovative and lower-cost approaches.

### *Invest in Current Warfighting Capability*

Our ability to deter aggression rests on our current warfighting capability. During the final stages of developing our fiscal year 2013 budget submission, we worked closely with the Office of the Secretary of Defense to shift more than \$700 million into procurement, operations and maintenance, and research and development to rapidly improve the readiness of warfighting capabilities being deployed to the Middle East and Asia-Pacific. These changes focused on countering A2/AD threats through mine warfare (MIW), integrated air and missile defense (IAMD), anti-surface warfare (ASuW) against fast attack craft and ASW. Our investments included training targets and ordnance, mine warfare maintenance and prototype systems, anti-surface and ASW sensors and weapons, and kinetic and non-kinetic systems for self-defense against torpedoes, cruise missiles and ballistic missiles.

### *Maintain Middle East Presence and Rebalance our Focus toward Asia-Pacific*

The Asia-Pacific and Middle East are the most consequential regions for our future security and prosperity. Two factors drive the Navy's ability to provide presence: The size of the Fleet and the amount of time ships can remain deployed. Our fiscal year 2013 budget submission reduces the size of the Fleet in the next year by decommissioning some ships, but the Fleet returns to its current size by 2017 and grows to about 300 ships by 2019. We will work with the Joint Staff and Secretary of Defense's office to focus our presence on the Middle East and Asia-Pacific as part of the GFMAP. The mix of ships in the Fleet between now and 2020 will evolve to include more small combatants and support vessels that can provide innovative, low-cost platforms for security cooperation and partnership building activities in Latin America and Africa. This will enable our carriers, large surface combatants, submarines, and amphibious ships to focus on the Middle East, Asia-Pacific, and Europe.

As described above, we are fostering a series of bases and "places" with our allies and partners around the world to provide access and support forward operations at the strategic maritime crossroads. Some of these facilities will host FDNF or forward stationed ships and aircraft, while others will extend the range and duration of deployments by providing places to rest, repair, refuel and resupply. Our fiscal year 2013 budget submission includes funding to support these facilities, while we are studying options for rotational crewing which may allow overseas "places" to host crew exchanges for additional classes of ships such as we plan to do for LCSs and currently conduct for PCs, SSGNs, and mine countermeasures ships (MCMs).

### *Develop Innovative, Low-Cost and Small Footprint Approaches to Partnerships*

The United States will continue to be the security partner of choice, and the Navy will tailor our partnership efforts to be both affordable and appropriate. The evolution of the Fleet's mix over the next 8 years will provide ships suited to cooperative operations such as maritime security; building partner capacity; countering terrorism, illegal trafficking and proliferation; and providing humanitarian assistance/disaster response (HA/DR). Ships including LCS (with ASuW mission packages), JHSV, MLP, AFSB, Hospital Ships (T-AH) and Combat Logistics Force ships will provide platforms to conduct the low-cost, small footprint missions called for in the Defense Strategic Guidance. These ships will free up higher-end combatants for other missions and will employ innovative crewing concepts such as civilian mariners and rotational military crews that will provide more time forward per ship.

### **OUR FISCAL YEAR 2013 INVESTMENTS SUPPORT THE DEPARTMENT'S MOST IMPORTANT MISSIONS**

Within the fiscal constraints of the Budget Control Act of 2011, we applied our priorities and tenets to develop our fiscal year 2013 budget submission, which strongly supports the missions described in the new Defense Strategic Guidance.

### *Counterterrorism and Irregular Warfare*

We will support the Joint Force in an active approach to countering terrorist and extremist threats. With the drawdown in Afghanistan and sensitivity to U.S. forces ashore, these efforts will increasingly be conducted from the sea. The Navy's fiscal year 2013 budget submission increases our ability to support these operations through investments including the sea-based MQ-8B and longer range, higher payload MQ-8C UAS, MLP, AFSB, LCS, BAMS, tailored language and culture training, and increases in SEAL manning. Places including Djibouti, Singapore, Bahrain and Guantanamo Bay, Cuba will continue to support small-footprint, long-duration operations to counter illegal activities—including terrorism, piracy and trafficking—from the Horn of Africa and Arabian Gulf to the South China Sea and the Caribbean.



### *Deter and Defeat Aggression*

The Navy-Marine Corps team is the Nation's front line to deny an aggressor's objectives or promptly impose costs on the aggressor. Naval forces bring two essential qualities to this mission: Presence or prompt access forward where conflict occurs, and credible warfighting capability to counter the aggressor. Our fiscal year 2013 budget submission supports forward operations at the places where conflict is most likely or consequential—the strategic maritime crossroads. In addition to the readiness and operations funding that allow our forces to operate forward, our fiscal year 2013 budget submission also invests in establishing FDNF DDGs in Rota, Spain, forward stationed LCSs in Singapore, additional forward stationed PCs in Bahrain and a sustainable tempo of rotational deployments.

Our fiscal year 2013 budget submission improves the warfighting capability of the forces we send forward. The centerpieces of naval capability remain the Carrier Strike Group and Amphibious Ready Group. Our fiscal year 2013 budget submission sustains funding for CVNs and the strike fighters (F-35C and F/A-18 E/F), E-2Ds, and EA-18Gs they deliver to the fight, as well as the unmanned NUCAS and UCLASS aircraft that will expand the reach and persistence of the future air wing. To complement our aviation capabilities, our fiscal year 2013 submission funds a “big deck” LHA in fiscal year 2017 to support power projection by Marine Air-Ground Task Forces. These ships, aircraft, sailors and marines have deterred and defeated aggression since World War II and will continue to do so well into the future.

Our fiscal year 2013 budget submission invests in capabilities to counter specific types of aggression, such as Iranian threats to deny access to the Strait of Hormuz through mine warfare. While we develop the LCS as the future host of MIW capabilities, our fiscal year 2013 budget submission invests in sonar upgrades and maintenance for our current MCMs, new mine detection and neutralization UUVs, establishment of an AFSB in the Arabian Gulf to support air and surface MIW operations, and sea-based intelligence, surveillance and reconnaissance (ISR). Our fiscal year 2013 budget submission also funds ASW improvements geared toward the Iranian threat such as air-launched Mark-54 torpedoes and torpedo defense systems, as well as ASuW weapons to counter fast attack craft such as Griffin and Spike missiles for PCs and rockets for helicopters.

### *Project Power Despite A2/AD Challenges*

Potential adversaries are mounting strategies to prevent U.S. forces from entering their theater (anti-access) or operating effectively once within the theater (area-denial). These adversaries intend to prevent U.S. forces from defeating their aggression or coming to the aid of allies and partners. Both state and non-state actors are undertaking these strategies using capabilities including mines, submarines, anti-ship cruise and ballistic missiles, anti-satellite weapons, cyber attack, and communications jamming. The Navy fiscal year 2013 budget submission addresses these threats through a wide range of investments that support the multi-service Air-Sea Battle concept and the JOAC. In addition to the MIW, ASuW and ASW investments identified above, our fiscal year 2013 budget submission funds upgrades in electronic warfare (EW), integrated fire control, cyber operations, networks, *Virginia* SSN and payload modules, and the F-35C.

The Navy's ability to retain access to international waters and airspace as well as critical chokepoints throughout the world would be enhanced by accession to the United Nations Convention on the Law of the Sea (UNCLOS). As the world's pre-eminent maritime power, the United States has much to gain from the legal certainty and global order brought by UNCLOS. The United States should not rely on customs and traditions for the legal basis of our military and commercial activity when we can instead use a formal mechanism such as UNCLOS. As a party to UNCLOS, we will be in a better position to counter the efforts of coastal nations to restrict freedom of the seas.

### *Counter Weapons of Mass Destruction (WMD)*

The Navy's primary contribution to countering WMD is interdicting WMD and their precursors through the international Proliferation Security Initiative (PSI). Our fiscal year 2013 budget submission funds the readiness and force structure necessary to maintain forces forward at the strategic maritime crossroads where these interdictions are most common, while continuing to enable PSI by sustaining the command and control and sensors needed to find and track WMD transporters.

### *Operate Effectively in Space and Cyberspace*

As a forward deployed force, our Fleet is highly dependent upon space-based systems, cyberspace and the electromagnetic spectrum. Naval forces rely on long-haul

communications for command and control, positioning, navigation and timing and administration. Given the growing A2/AD threat from communications jamming and anti-satellite weapons, our fiscal year 2013 budget submission includes investment in the maritime portion of the Joint Airborne Layer Network, a UAV-based system to assure our ability to communicate and conduct command and control.

Cyberspace and the electromagnetic spectrum are a key area of emphasis for our future force development. In the past 2 years, we made significant investments in personnel for Navy Cyber Command/Tenth Fleet as well as U.S. Cyber Command, which continue in our fiscal year 2013 budget submission. These highly-skilled operators are developing a “common operational picture” of cyberspace and the tools to effectively defend our interests within it. Cyberspace and the electromagnetic spectrum are inextricably linked, and in our fiscal year 2013 budget submission, we fund a range of EW and electronic support systems including EA-18G, SEWIP, Next-Generation Jammer, shipboard prototype and demonstrator systems, Ship Signal Exploitation Equipment, and the E-2D. These systems sustain our ability exploit the electromagnetic spectrum for sensing and communication, while denying our adversaries accurate or effective information. We are also developing the conceptual and doctrinal framework to fully exploit the electromagnetic spectrum as a warfighting domain.

#### *Maintain a Safe, Secure, and Effective Nuclear Deterrent*

The Navy provides the most survivable leg of the U.S. nuclear triad with the SSBN and associated nuclear command and control, maintenance, and support infrastructure. Our fiscal year 2013 program continues to fund the recapitalization of our *Ohio*-class submarines and the safe handling of Trident D-5 missiles through investment in an additional explosive handling wharf at Naval Base Kitsap. Consistent with the Defense Strategic Guidance, we delayed the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s and will require a high state of readiness to meet the Nation’s strategic deterrence needs. Our fiscal year 2013 budget submission fully funds the maintenance and support to today’s *Ohio*-class SSBNs to help maximize their operational availability throughout their service lives.

#### *Homeland Defense and Support to Civil Authorities*

We maintain approximately 45 ships underway around the United States and another 50 available within days to meet U.S. Northern Command’s homeland defense requirements through our FRTP. The Navy’s fiscal year 2013 budget submission also funds DDG modernization that can support homeland ballistic and cruise missile defense missions.

#### *Provide a Stabilizing Presence; Conduct Counterinsurgency, HA/DR and Other Operations*

Although our warfighting capability will be focused on the Middle East and Asia-Pacific, other regions will retain naval presence. The nature of that presence, however, will change over the next several years. While today DDGs and amphibious ships conduct security cooperation operations with partners in Latin America and Africa, our fiscal year 2013 budget submission funds procurement of JHSV, AFSB, MLP, and LCS and sustainment of PCs and T-AHs to take on these missions in the future. To support an expanding range of partnership missions, they will increasingly carry tailored force packages of marines to conduct security cooperation activities with partner armies and marines.

These same ships will support humanitarian assistance operations and rapid response by U.S. forces to crisis or disaster. They can embark a wide range of inter-agency and nongovernmental personnel, allowing them to support the whole range of development, defense and diplomacy activities and contribute to non-military efforts to counter insurgencies and conduct stabilization operations. As naval forces, they can be backed up by the robust multi-mission capability and transportation capacity of amphibious ships and embarked marines.

#### EVALUATING IMPACTS OF THE NEW DEFENSE STRATEGIC GUIDANCE

The new Defense Strategic Guidance is not without risk. In particular, we will need to assess the impacts of capacity reductions on the force’s ability to address highly likely or highly consequential security challenges. Senior defense leaders are conducting this assessment in a series of seminars over the next several months. Within the Navy, we are also reevaluating our force structure requirements in light of the Defense Strategic Guidance. We are assessing the capabilities needed to implement the strategy, what force structure could deliver those capabilities, and the resulting inventory of ships and aircraft that will be required. The results of this

assessment will indicate the risk in the ability of the Navy's investment plans to implement the Defense Strategic Guidance. The force structure assessment will also indicate what ships should be counted as part of the battle force, and the extent to which the Navy will need to implement innovative concepts such as rotational crewing to deliver the needed level of forward presence.

We will also 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. Some of our suppliers, especially in specialized areas such as nuclear power, have the government as their only customer. Our fiscal year 2013 budget submission addresses the health of the industrial base, and we will work closely with our industry partners to manage the risk of any further budget reductions.

Ship inactivations in the fiscal year 2013 budget submission, when combined with those of previous budgets, may cause an imbalance in the Fleet's overall distribution. We are assessing what will be affordable and appropriate in homeporting new ships or moving existing ships to ensure we efficiently employ our shore infrastructure, balance our port loading, and take advantage of collocating ships with common configurations and equipment.

The health care proposals in the President's budget are consistent with our efforts over the last several years to pursue a multi-pronged strategy to control the rate of growth in defense health costs—identifying more efficient processes internally; incentivizing healthy behaviors and wellness; and keeping our sailors and marines fit and ready to deploy. This budget maintains our commitment to those who serve and have served, and responsibly meets the demands dictated by Federal budget constraints. I hope you will agree, and support our efforts. I also support the establishment of a commission to study changes to the structure and benefits of our retirement program for those who have not yet entered the service. That assessment must include an evaluation of the combined impact to our future recruiting and retention of changes to retirement benefits, pay, and health care.

#### CONCLUSION

I believe the risks of the new Defense Strategic Guidance are manageable and can be mitigated with good management of the Joint Force. Our Navy will continue to be critical to our Nation's security and prosperity by assuring access to the global commons and being at the front line of our Nation's efforts in war and peace. I assure Congress, the American people, and those who would seek to do our Nation harm, that we will be focused on warfighting, operating forward, and being ready.

Chairman LEVIN. Thank you so much, Admiral.  
General Amos.

#### STATEMENT OF GEN. JAMES F. AMOS, USMC, COMMANDANT OF THE MARINE CORPS

General AMOS. Chairman Levin, Ranking Member McCain, members of the committee, I'm pleased to speak today on behalf of your Marine Corps. As we sit today in this chamber, more than 27,000 marines are forward deployed around the world, defending our Nation's liberty, shaping strategic environments, engaging with our partners and our allies, ensuring freedom of the seas, and deterring aggression abroad.

Over the past year the forward presence and crisis response of America's marines, working in concert with our most important joint partner, the U.S. Navy, has created opportunities and provided decision space for our Nation's leaders. Your marines were first on the scene to provide humanitarian assistance and disaster relief, and the first to fly air strikes over Libya. They evacuated noncombatants from Tunisia and reinforced our embassies in Egypt, Yemen, and Bahrain.

While accomplishing all of that, your Marine Corps continued to conduct sustained combat and counterinsurgency missions and operations in Afghanistan. Having just returned last month from visiting many of the nearly 19,000 marines and sailors currently de-

ployed there, I can tell you firsthand that their professionalism and morale remain notably strong. There is an indomitable spirit displayed in all that they do. Their best interests and the needs of all of our joint forces in combat remain my number one priority.

History has shown that it is impossible to predict where, when, and how America's interests will be threatened. Regardless of the global economic strain placed on governments and their ability to produce forces today, crises requiring military intervention will undoubtedly continue tomorrow and in the years to come. As a maritime nation dependent on the sea for the free exchange of ideas and trade, America requires security both at home and abroad to maintain a strong economy, to access overseas markets, and to assure our allies.

In an era of fiscal constraint, the Marine Corps is our Nation's risk mitigator, a certain force during uncertain times, one that will be the most ready when the Nation is the least ready.

There is a cost to maintaining this capability, but it is nominal in the context of the total defense budget and provides true value to the American taxpayer. This fiscal year I am asking Congress for \$30.8 billion, a combination of both base and OCO money. Your continued support will fund ongoing operations around the world, provide quality resources for our marines, sailors, and their families. It will reset equipment that is worn out from more than 10 years of war. Lastly, it will posture our forces for the future.

When the Nation pays the sticker price for its marines, it buys the ability to be able to respond to crises anywhere in the world through forward-deployed and forward-engaged forces. This same force can be reinforced quickly to project power and contribute to joint assured access anywhere in the world in the event of a major contingency. No other force possesses the flexibility and the organic sustainment to provide such capabilities.

As our Nation begins to direct its attention to the challenges and opportunities of a post-Afghanistan world, a world where the Middle East and Pacific take center stage, the Marine Corps will be ever mindful of the traditional friction points in other regions and prepared to respond to them there as needed.

The strategic guidance directs that we rebalance and reset for the future. We have a solid plan to do so and have begun our execution already. We will train and educate our marines to succeed in the increasingly complex and challenging world of the 21st century. In doing so, we will not deviate from consistency in the five principles so critically important to the continued success of your Nation's Marine Corps:

- one, we will recruit high-quality people;
- two, we will maintain a high state of unit readiness;
- three, we will balance capacity with strategic requirements;
- four, we will ensure that our infrastructure is properly cared for; and
- five, we will be responsible stewards of our equipment modernization efforts.

As we execute a strategic pivot, I have made it a priority to keep faith with those who have served during the past 10 years of war. Through judicious choices and forward planning, ever mindful of

the economy in which we live, we have built a quality force that meets the needs of our Nation. By the end of fiscal year 2016, your Marine Corps will be streamlined to 182,100 marines. This Active-Duty Force will be complemented by the diverse depth of our operational Reserve component that remains a strong 39,600.

Our emerging Marine Corps will be optimized for forward presence, engagement, and rapid crisis response. It will be enhanced by critical enablers, special operators, and cyber warfare marines, all necessary on the modern battlefield.

To build down the Marine Corps from its current end strength of 202,000, I will need the assistance of Congress for the fiscal resources necessary to execute the drawdown at a measured and responsible rate of approximately 5,000 marines each year, a rate that guards against a precipitous reduction that would be harmful to our force.

As we continue to work with our Nation's leadership and my fellow joint partners, you have my assurance that your Marine Corps will be ever faithful in meeting our Nation's need for an expeditionary force in readiness, a force that can respond to today's crisis with today's force today.

Thank you for the opportunity to appear before you today and I look forward to your questions.

[The prepared statement of General Amos follows:]

PREPARED STATEMENT BY GEN. JAMES F. AMOS, USMC

THE INDOMITABLE SPIRIT OF THE U.S. MARINE

*Your Marines are Ready Today*

We remain a Nation at war. Currently, nearly 20,000 marines are conducting combat operations in Afghanistan. Operation Enduring Freedom (OEF) remains our top priority. Having recently returned from visiting marines and sailors currently deployed throughout Central Command, I am pleased to report their professionalism and morale remains notably strong. Whether patrolling in Afghanistan or planning at the Pentagon, serving on Navy amphibious warships or engaging our partners around the world, the indomitable spirit of our greatest asset—the individual Marine—stands ready: ready to safeguard our Nation's liberty, to ensure freedom of the seas and to protect our Nation's interests abroad. With your assistance, we will continue to resource this national treasure ... the U.S. Marine.

*2011 Operational Highlights*

During the past year, marines have conducted counterinsurgency operations in Afghanistan, and have responded to a rapid succession of unpredicted political upheavals, natural disasters, social unrest, piracy, and emerging threats in various unstable areas of the world's littoral regions.

- Operation Enduring Freedom: We are seeing measurable progress along all lines of operation in the Helmand Province: security, reintegration, rule of law, governance, development, education and health. Over the past year, violence and the level of collateral damage have decreased significantly. Throughout 2012, Marines in Regional Command-Southwest [RC(SW)] will continue transitioning to partnership training missions as we transfer even greater security responsibility to the maturing Afghan National Security Forces; police and army forces in Helmand province have progressed in training and capability. There is a strong sense of optimism among our forces in Helmand.
- Operation Tomodachi: Following a devastating earthquake and tsunami in Japan last spring, 3,600 marines and sailors from our amphibious forces in the Pacific responded within 24 hours notice. They served as the lead element of the Joint Force, delivered humanitarian aid (i.e. 500 tons of food and supplies; 2,150,000 gallons of water; and 51,000 gallons of fuel), rescued those in danger, provided consequence management and facilitated the evacuation of almost 8,000 American citizens. For weeks following this dis-

aster, Marine aircrews flew through a radioactive environment to save lives, deliver aid and assist the afflicted.

- **Operation Unified Protector/Odyssey Dawn:** Amidst a wave of civil turmoil spreading across Northern Africa, two amphibious warships with embarked marines sped to the Mediterranean, and took up station off the coast of Libya. The 26th Marine Expeditionary Unit (MEU), an air-ground-logistics task force, provided our Nation's leaders invaluable decision time that allowed the determination of a way ahead and later integration with the Joint Force with the North Atlantic Treaty Organization to enforce a no-fly zone. Marine Aviation assets were an important component of the Joint Force. Short take-off and vertical landing (STOVL) Harriers, operating from USS *Kearsarge*, conducted the first precision airstrikes and provided airborne command and control. Our KC-130Js evacuated non-combatant foreign nationals repatriating them to their homeland, and our MV-22B Ospreys rescued a downed American aviator using unprecedented operational reach.<sup>1</sup>

- **Security Cooperation:** In 2011, we supported all six geographic combatant commands with task-organized forces of marines who conducted hundreds of security cooperation (SC) activities with the armed forces of more than 75 countries. Aligned with Defense Strategic Guidance to "develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence and advisory capabilities," our SC missions focus on internal defense and participation in coalition operations.<sup>2</sup>

- **Embassy Reinforcement:** We continue providing security for 154 U.S. Embassies and consulates in 137 countries around the world through the Marine Corps Embassy Security Group. To augment this mission, marines from our Fleet Anti-Terrorism Security Teams rapidly deployed to reinforce embassies. This past year they deployed to protect American lives and property in Bahrain, Egypt and Yemen as crisis events unfolded across the Middle East.

#### *The New Strategic Guidance; How Your Marine Corps is Changing*

New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current budget. The guidance calls for a future force that will "remain capable across the spectrum of missions, fully prepared to deter and defeat aggression and to defend the homeland and our allies in a complex security environment."<sup>3</sup>

We have built a quality force that is fully capable of executing its assigned missions. Our strategic guidance rightfully focuses our attention on the Pacific and Central Command regions. Navy-Marine Corps forward basing, response capabilities and plans are already positioned to support that strategy, yet we will remain vigilant and capable to respond on short notice in other areas of the world as the Nation requires. Marines continually stand ready to contribute decisively to a joint force, and can help provide access for that force wherever needed.

Though the fiscal choices made over the past year were difficult, we are confident that we are managing risk by balancing capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on its marines. The Corps of today and tomorrow will maintain its high standards of training, education, leadership and discipline, while contributing vital capabilities to the Joint Force across the spectrum of military operations. The emerging strategy revalidates our role as America's Expeditionary Force in Readiness. Our partnership with the Navy enables a forward-deployed and engaged force that shapes, deters, responds and projects power well into the future.

During our force structure assessment, we cross-checked recommendations against approved DOD Operations and Contingency Plans, and incorporated lessons learned from 10 years of combat. The resulting force structure decisions to support the new strategy are:

<sup>1</sup>The MV-22B Osprey rescue of an American combat aviator on March 22, 2011, was conducted within 95 minutes over a distance of 300 nautical miles (from launch aboard amphibious shipping to recovery of pilot and then back to shipping).

<sup>2</sup>Sustaining U.S. Global Leadership: Priorities for 21st Century Defense January 2012, pg. 3.

<sup>3</sup>Sustaining U.S. Global Leadership: Priorities for 21st Century Defense Fact Sheet January 5, 2012, pg. 2.

- Reduced the end strength of the Active component of the Marine Corps from 202,100 beginning this fiscal year to 182,100 by the end of fiscal year 2016.
- Designed a force with capabilities optimized for forward-presence, engagement and rapid crisis response.
- Funded readiness levels required for immediate deployment and crisis response.
- Properly reshaped organizations, capabilities and capacities to increase aggregate utility and flexibility across the range of military operations; also enhancing support provided to U.S. Special Operations and Cyber Commands.
- Properly balanced critical capabilities and enablers across our air-ground-logistics task forces, ensuring that identified low-density/high-demand assets became right density/high demand assets.
- Incorporated the lessons learned from 10 years of war—in particular, the requirements to field a force that is manned, trained and equipped to conduct distributed operations.
- Created an operational Reserve component capability without any reductions in Reserve Force structure.
- Designed the force for more closely integrated operations with our Navy, special operations, and interagency partners.

Throughout this period of adjustment, we will “keep faith with our marines, sailors, and their families.” Our approach to caring for them is based on our recognition and appreciation for their unwavering loyalty and unfailing service through a decade of combat operations. This strong commitment will not change.

#### *Maintaining a High State of Readiness*

The Navy and Marine Corps Team is the Nation’s resource for mitigating risk. Given likely future operations set forth in the Defense Strategic Guidance ranging from defeating rogue actors to responding to natural disasters, the Nation can afford and should invest in the small premium it pays for high readiness levels within its naval amphibious forces. Because our Nation cannot afford to hold the entire Joint Force at such high rates of readiness, it has historically ensured that marines remain ready; and has used us often to plug gaps, buy time for decision makers, ensure access or respond when and where needed.

In order for the Marine Corps to achieve institutional readiness for crisis and contingency response, we must maintain balance in the following five pillars:

- **High Quality People** (Recruiting and retaining high quality people plays a key role in maintaining our high state of readiness): Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention and improved readiness for the operating forces. By retaining the highest quality people, the Marine Corps will continue to achieve success in today’s dynamic environment and meet the challenges posed to our Nation. We will not lower our standards.
- **Unit Readiness** (Maintaining readiness of the operating forces, including appropriate operations and maintenance funding to train to core missions and maintain equipment): The Marine Corps deploys units at high levels of readiness for assigned missions. We source our best trained, most ready forces to meet geographic combatant commander requirements. One hundred percent of deployed units report the highest levels of readiness for their assigned mission. We will be ready to deploy on a moment’s notice.
- **Capacity versus Requirements** (Force-sizing to meet geographic combatant commander requirements with the right mix of capacity and capability): The Marine Corps must maintain a force that meets our ongoing operational requirements to include our commitment to OEF, our rotational presence abroad, our many security cooperation and engagement activities, along with anticipated missions as we reorient to the Pacific.
- **Infrastructure Sustainment** (Investing in real property, maintenance, and infrastructure): We must adequately resource the sustainment of our bases and stations to maintain our physical infrastructure and the means to train and deploy our forces. As resources become more constrained, we will become even better stewards of our installations to maintain our facilities for the next generation of marines.
- **Equipment Modernization** (Ensuring ground and aviation equipment matches the needs of the emerging security environment): As we explore options to adjust to changing fiscal realities, there is a clear imperative for our Corps to reset portions of our legacy equipment used in OEF and Oper-

ation Iraqi Freedom while we modernize what we must to guarantee our dominance and relevance against future threats.

#### FISCAL YEAR 2013 BUDGET HIGHLIGHTS

##### *The Frugal Force*

The Marine Corps is fully aware of the fiscal challenges facing our Nation and has critically examined and streamlined our force needs for the future. We continually strive to be good stewards of the public trust by maintaining the very best financial management practices. The Marine Corps has undergone an independent audit in fiscal year 2010, and our fiscal year 2011 audit is still ongoing. We plan to pursue an independent audit again for fiscal year 2012, and fully expect an audit opinion for fiscal year 2011 and fiscal year 2012. To date, we are the only service to undertake such independent scrutiny. By the end of 2012, we will complete initial service wide implementation of our Enterprise Resource Planning System-Global Combat Support System-Marine Corps (GCSS-MC). GCSS-MC will significantly improve our inventory accountability and contribute to clean audit requirements. We are proud of our reputation for frugality, and remain one of the best values for the defense dollar.

We have four major accounts governing our operations: Investment, Operations and Maintenance, MILCON and Family Housing and Manpower. These are our priorities:

- Investment
  - Enhancing programs vital to our ground combat elements
    - Light Armored Vehicles (LAV), High Mobility Artillery Rocket System (HIMARS), Small Tactical Unmanned Aerial System (STUAS)
  - Maintaining the same investment levels in other enabling programs
    - Ground Aviation Task Oriented Radar (G/ATOR), Next Generation Enterprise Network (NGEN), Command and Control Situational Awareness (C2/SA)
  - Fully funding critical research and development efforts
    - Joint Light Tactical Vehicle (JLTV), Amphibious Combat Vehicle (ACV)
  - Sustaining other ground and tactical vehicles until their replacements can be procured
    - High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) and Amphibious Assault Vehicle (AAV)
  - Procuring full programs of record critical to aviation modernization
    - F-35B, H-1 Upgrades, MV-22B, KC-130J, CH-53K
- Operations & Maintenance
  - Fully funding our education, training and readiness accounts
  - Resourcing civilian workforce at fiscal year 2010 end-of-year levels
  - Enhancing support of Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER)
  - Providing continued support to family readiness and Wounded Warrior programs
  - Supporting transition from the Navy Marine Corps Intranet to NGEN
  - Maintaining energy mandates
- Military Construction and Family Housing
  - Maintaining facility sustainment at 90 percent of required funding
  - Increasing facilities demolition funds
  - Preserving essential MILCON funding
    - Aviation: Joint Strike Fighter, MV-22B Osprey
    - Ground: Marine Corps Security Forces, Marine Corps University
  - Preserving environmental restoration funding, family housing operations and construction
- Manpower
  - Reducing end strength from 202,100 marines to 182,100 marines by the end of fiscal year 2016 in a responsible and measured way to keep faith with all who have served
  - Realigning force structure across the entire Marine Corps
  - Maintaining our Reserve component at 39,600 marines



During these times of constrained resources, we remain committed to refining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. We have met or exceeded all DOD efficiency measures to date. This fiscal year, we are seeking \$30.8 billion (\$23.9 billion baseline + \$6.9 billion Overseas Contingency Operations) to fund our operations, provide quality resources for our marines, sailors, and their families, conduct reset of equipment worn from more than 10 years at war and posture our forces for the future. Marines account for only 8.2 percent<sup>4</sup> of the total Department of Defense (DOD) budget. With that, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts to non combatant evacuation operations, to counter-piracy operations, to full-scale combat. When the Nation pays the “sticker price” for its marines, it buys the ability to remain forward deployed and forward engaged, to reinforce alliances and build partner capacity.

#### THE ROLE OF MARINES IN THE FUTURE SECURITY ENVIRONMENT

##### *The Future Security Environment*

The rapidly evolving events of the past year alone indicate a new constant. Competition for resources; natural disasters; social unrest; hostile cyber activity, violent extremism (criminal, terrorist, religious); regional conflict; proliferation of weapons of mass destruction and advanced weaponry in the hands of the irresponsible are becoming all too common. Marine Corps intelligence estimates rightfully point out that “more than half of the world’s population lives in fragile states, vulnerable to ruinous economic, ideological, and environmental stresses. In these unstable regions, ever-present local instability and crises will erupt, prompting U.S. responses in the form of humanitarian assistance and disaster relief operations, actions to curtail piracy, stability operations and the rescue and evacuation of U.S. citizens and diplomats.”<sup>5</sup> These and other sources of stress are challenging industrialized nations just as they do emerging and failed ones. Further increased fragility of the global systems impacts both international markets and our Nation’s economic stability. These challenges are harbingers of potential crisis around the world, and more specifically for naval forces in the littoral regions.

History has shown that crises usually come with little or no warning; stemming from the same conditions of uncertainty, complexity and chaos we observe across the world today. Regardless of the financial pressures placed on governments and markets today, crises requiring military intervention undoubtedly will continue tomorrow. In this environment, physical presence and readiness matter significantly. Since the 1990s, America has been reducing its foreign basing and presence, bringing forces back home. This trend is not likely to change in the face of the strategic and budget realities we currently face. There remains an enduring requirement to balance presence with cost. In the past, the Nation has chosen to depend on the Navy and Marine Corps to provide a lean and economical force of an expeditionary nature, operating forward and in close proximity to potential trouble spots. Investing in naval forces that can respond to a wide range of crisis situations, creates options and decision space for our Nation’s leaders, and protects our citizens and interests is a prudent measure in today’s world.

##### *The Navy and Marine Corps Team*

Partnered with the U.S. Navy in a state of persistent forward presence aboard amphibious warships, your U.S. Navy and Marine Corps Team remains the most economical, agile and ready force immediately available to deter aggression and respond to crises. Such a flexible and multi-capable force that maintains high readiness levels can mitigate risk, satisfy the standing strategic need for crisis response and, when necessary, spearhead entry and access for the Joint Force. More than 60 years ago and arising out of the lessons learned from the Korean War, the 82nd Congress envisioned the need for a force that “is highly mobile, always at a high state of combat readiness ... in a position to hold a full-scale aggression at bay while the American Nation mobilizes its vast defense machinery.”<sup>6</sup> This statement continues to describe your Navy and Marine Corps Team today. It is these qualities

<sup>4</sup>This percentage is based on the enacted fiscal year 2012 Defense budget authorization and is slightly larger than the 7.8 percent sum cited in the past. This percentage includes \$3 billion in fiscal year 2012 funding for amphibious warship new construction as well as Navy funding for chaplains, medical personnel, amphibious warships (operations and maintenance) and Marine Corps aircraft.

<sup>5</sup>Five-Year Forecast: 2012–2017 Assessment of International Challenges and Opportunities That May Affect Marine Expeditionary Forces January 2012, pg 1.

<sup>6</sup>Committee Report accompanying S. 677 and H.R. 666 of 30 June 1951.

that allow your Marine Corps to protect our Nation's interests, reassure our allies and demonstrate America's resolve.

*Reorienting to the Pacific*

As our security strategy looks increasingly toward the Pacific, forward deployed naval forces will become increasingly vital. The "geographic realities" of the Pacific theater demand naval responsiveness. The genesis of the amphibious and power projection capabilities of the Navy and Marine Corps traces back more than 70 years to operations in the Pacific—where today key terrain and strategic chokepoints are separated by large expanses of ocean. The Pacific theater is where 30 percent of the world's population and the same percentage of our primary trading partners reside; where five major defense treaties are focused;<sup>7</sup> where 50 percent of the world's megacities are situated; and where natural disasters over the past decade have required the greatest attention from the international community.<sup>8</sup> The geography of the Pacific has not changed, though our tactics and operations continually evolve with the changing character and lethality of modern warfare. Approximately 24,000 marines already in the Pacific conduct an ambitious, annual training cycle of more than 80 exercises, engagements and initiatives, in addition to the crises we respond to such as Operation Tomodachi in Japan last year.

Forward presence involves a combination of land and sea-based naval forces. Our enduring bases and presence have served U.S. National Security interests well for decades. Our rotational presence in locations such as Japan, Korea, Australia, the Philippines, Thailand and Singapore reassures our allies and partners. Sea-basing, the act of using amphibious warships with support from maritime prepositioned ships with various types of connectors, is uniquely suited to provide the geographic combatant commander with the flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases ashore or imposing our presence on a sovereign nation. Sea-basing enables forward deployed presence at an affordable cost. Forward-deployed naval forces serve as a deterrent and provide a flexible, agile response capability for crises or contingencies. Maritime prepositioning offers the ability to rapidly support and sustain Marine forces in the Pacific during training, exercises, or emerging crises, and delivers the full range of logistical support those forces require.

*A Middleweight Force from the Sea*

As a "middleweight force," marines do not seek to supplant any Service or "own" any domain. Rather, Marine forces operate in a "lane" that passes through all domains—land, sea, air, space and cyber—operating capably and freely throughout the spectrum of threats, whether they be conventional, hybrid, irregular or the uncertain areas where they overlap. Whereas other forces are optimized for a particular mission and domain, the Marine Corps is optimized for rapid deployment, versatile employment, and self-sustainment via Marine Air-Ground Task Forces (MAGTF), which are balanced, combined-arms formations under a single commander. All MAGTFs consist of four core elements: a Command Element, Ground Combat Element, Aviation Combat Element, and Logistics Combat Element. MAGTFs are scalable in size and capability.

Bridging a seam in our Nation's defense between heavy conventional and special operations forces (SOF), the U.S. Marine Corps is light enough to arrive rapidly at the scene of a crisis, but heavy enough to carry the day and sustain itself upon arrival. The Marine Corps is not designed to be a second land army. That said, throughout the history of our Nation, its marines have been called to support sustained operations from time to time. We are proud of our ability to contribute to land campaigns when required by leveraging and rapidly aggregating our capabilities and capacities. Primarily though, the Corps is a critical portion of our integrated naval forces and designed to project power ashore from the sea. This capability does not currently reside in any other Service; a capability that has been called upon time and again to deter aggression and to respond quickly to threatening situations with appropriate military action.

<sup>7</sup> Philippines-U.S. Mutual Defense Treaty (1951); Australia, New Zealand, U.S. (ANZUS) Treaty; U.S. Alliance with South Korea (1954); Thailand (Manila Pact of 1954); U.S. Japan Security Treaty (1960)

<sup>8</sup> According to the United Nations Economic and Social Commission for Asia and the Pacific, during the period 2001 to 2010 in the Asia-Pacific region over 200 million people per year were affected by natural disasters. This total amounts to 95 percent of the total people affected by natural disasters annually. Approximately 70,000 people per year were killed due to natural disasters (65 percent of the world's total that died of such causes). An average of \$35 billion of economic damage occurred per year to the region due to natural disasters.

Marine Corps and SOF roles are complementary, not redundant. Special Forces contribute to the counterinsurgency and counterterrorism demands of the geographic combatant commanders in numerous and specialized ways, but they are not a substitute for conventional forces and they do not have a broader range of capabilities and sustainability. SOF lack the organic logistic capability and capacity to execute a non-combatant operation, serve as a “fire brigade” in a crisis or conduct combined amphibious and airborne assaults against a competent enemy. Middle-weight naval forces, trained in combined arms warfare and knowledgeable in the art of maneuver warfare from the sea, are ideally trained and prepared for these types of operations.

#### *The Littorals*

The United States remains a maritime nation that relies heavily on the oceans and waterways of the world for the free exchange of ideas and trade. The maritime commons are where 95 percent of the world’s commerce flows, where more than 42,000 commercial ships are underway daily, where most of the world’s digital information flows via undersea cables, and where half the world’s oil travels through seven strategic chokepoints. To secure our way of life and ensure uninterrupted freedom of navigation, we must retain the ability to operate simultaneously and seamlessly while at sea, ashore, from the sea, in the air and, perhaps most importantly, where these domains converge—the littorals. These littoral areas exist not only in the Pacific, but throughout the world. Operating in the littoral environment demands the close integration of air, sea and land power. By using the sea as maneuver space, flexible naval forces can quickly respond to crises in the bordering environment of the littorals.

In the context of the new strategy, the Navy and Marine Corps Team is increasingly relevant in meeting the exigent military needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore, while maintaining a diplomatically sensitive profile. Additionally, when necessary, we are able to project this power ashore across the range of military operations at a time of our Nation’s choosing. Amphibious capabilities provide the means to conduct littoral maneuver—the ability to maneuver combat ready forces from the sea to the shore and inland in order to achieve a positional advantage over the enemy. Working seamlessly as a single naval force, your Navy and Marine Corps Team provides the essential elements of access and forcible entry capabilities that are necessary components of a joint campaign.

#### *Engagement*

In order to keep large crises from breaking out or spilling over to destabilize an entire region, 21st century security challenges also require expansion of global engagement with partner and allied nations—facilitated through persistent forward naval presence—to promote collective approaches to common security concerns. Our engagement contributions in support of the geographic combatant commanders minimize conditions for conflict and enable host nation forces to effectively address instability on their own as it occurs. They promote regional stability and the growth of democracy while also deterring regional aggression. History has shown that it is often far cheaper to prevent a conflict than to respond to one. This thrust will necessitate amphibious forces that are not only fighters, but who can also serve as trainers, mentors and advisers to host nation military forces.

#### *Integration with the Joint Force*

In our new defense strategy, the Marine Corps will fill a unique lane in the capability range of America’s Armed Forces. Whether first-on-the scene, part of, or leading a joint force, marines instinctively understand the logic and synergy behind joint operations. Our ability to deploy rapidly and globally allows us to set the stage and enable the transition to follow-on Joint Forces in a timely manner. Our MAGTF structure—with organic logistics, aviation, intelligence, fires and other assets—enables us to seamlessly team with others and provides options for the Joint Force Commander to:

- Provide a visible deterrent to would-be threats, without requiring a vulnerable presence ashore at fixed bases or airfields;
- Swiftly respond to small-scale crises with a range of options beyond precision strike, potentially containing crises before they erupt into major contingencies;
- Partner with the Navy and U.S. Special Operations Command (SOCOM) to shape the operational environment;
- Use the sea as maneuver space, avoiding enemy strengths and striking his weaknesses;

- Directly seize or obtain operational objectives from the sea, without the requirement for large force build-ups or sustained presence ashore;
- Extend the operational reach of the Joint Force hundreds of miles inland to achieve effects from the sea through organic MAGTF assets; and
- Overcome anti-access and area denial threats in a single-naval battle approach through the use of landing forces aboard amphibious warships integrated with other capabilities to include mine countermeasures and naval surface fires.

#### *Day-to-Day Crisis Response*

Engagement and crisis response are the most frequent reasons to employ our amphibious forces. The same capabilities and flexibility that allow an amphibious task force to deliver and support a landing force on a hostile shore enable it to support forward engagement and crisis response. The geographic combatant commanders have increased their demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence and crisis response.

Marines have conducted amphibious operations and responded to crises throughout the world more than 100 times in the past two decades. The vast majority of our expeditionary service has involved crisis response and limited contingency operations, usually conducted in periods when the Nation has otherwise been at peace. Some of these were relatively short-term rescue or raid expeditions, while others evolved into contingencies that were limited in force size, but not limited in duration, complexity and level of integration with the other elements of national power. We will contribute to the missions of our Nation's security strategy in the same way.<sup>9</sup> On a day-to-day basis, marines will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same marines will respond—locally, regionally, or globally if necessary—to accomplish whatever mission the Nation requires.

#### *America's Expeditionary Force in Readiness*

The new strategic guidance underscores the Marine Corps role as America's Expeditionary Force in Readiness. Reliant on a strategically relevant and appropriately resourced Navy fleet of amphibious warships and Maritime Prepositioned Force (MPF) vessels, we are forward deployed and forward engaged: shaping strategic environments; training partner nation and allied forces; deterring adversaries; and responding to all manner of crises contingencies.<sup>10</sup> Alert and ready, we respond to today's crisis with today's force ... today. Marines are ready to respond whenever the Nation calls and wherever and however the President may direct.

WE HAVE WORKED DILIGENTLY TO PREPARE FOR THE FUTURE

#### *Force Structure Review*

In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment, we conducted a capabilities-based Force Structure Review beginning in the fall of 2010 to identify ways we could rebalance and posture for the future. The Force Structure Review incorporated the lessons learned from 10 years of combat and addressed 21st century challenges confronting our Nation and its Marine Corps. The review sought to provide the "best value" in terms of capability, cost and readiness relative to the operational requirements of our forward-engaged geographic combatant commanders. The results of that effort have been shared with Congress over the past year. While affirming this strategy-driven effort, we have aligned our force based on the realities of constrained spending levels and Strategic Guidance.

<sup>9</sup>The Marine Corps is capable of performing 9 of the 10 stated missions in the Defense Strategic Guidance to include: Counterterrorism and Irregular Warfare; Deter and Defeat Aggression; Project Power Despite Anti-Access/Area Denial Challenges; Counter Weapons of Mass Destruction; Operate Effectively in Cyberspace and Space; Defend the Homeland and Provide Support to Civil Authorities; Provide a Stabilizing Presence; Conduct Stability and Counterinsurgency Operations; Conduct Humanitarian, Disaster Relief, and Other Operations.

<sup>10</sup>As of January 2012, approximately 30,000 marines were forward deployed in operations supporting our Nation's defense. This number includes ~19,500 marines in Afghanistan including those serving in external billets (transition teams, joint/interagency support, etc.), ~5,000 marines at sea on Marine Expeditionary Units, and ~6,000 marines engaged in various other missions, operations, and exercises. The 30,000 marine statistic does not include more than 18,000 marines permanently assigned to garrison locations outside the continental United States such as in Europe, the Middle East, the Pacific, etc.

### *End Strength*

During our comprehensive Force Structure Review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement and crisis response requirements of the geographic combatant commanders. The resulting force structure is intended to meet title 10 responsibilities, broaden capabilities, enhance speed and response options and foster the partnerships necessary to execute the range of military operations while providing the “best value” to the Nation. This force structure also accounted for the addition of enabling assets (e.g. combat engineers, information operations specialists, civil affairs personnel, specialized intelligence marines, cyber operators, special operators, etc.) necessary to meet the demands of the battlefields of today and tomorrow.

As directed, we will draw-down our force in a measured way beginning in fiscal year 2013. Our fiscal year 2013 programmed end strength is 197,300 marines. In accordance with Defense Strategic Guidance, we are resisting the “temptation to sacrifice readiness in order to retain force structure.”<sup>11</sup> Personnel costs account for about 60 cents of every Marine dollar; through our force structure efforts we balanced the requisite capabilities across a smaller force, in effect trading capacity for modernization and readiness.

The resulting 182,100 Marine Active-Duty Force, supported by our operational Reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 marines to a force of approximately 182,100 marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. We intend to leverage the diverse depth and range of assets within our Reserve component both to mitigate risk and maximize opportunities where available.

As we reduce end strength, we must manage the rate carefully so we reduce the force responsibly. We will draw-down our end strength by approximately 5,000 marines per year. The continued resourcing of this gradual ramp-down is vital to keeping faith with those who have already served in combat and for those with families who have experienced resulting extended separations. The pace of active component draw-down will account for completion of our mission in Afghanistan, ensuring proper resiliency in the force relative to dwell times. As our Nation continues to draw-down its Armed Forces, we must guard against the tendency to focus on pre-September 11 end strength levels that neither account for the lessons learned of 10 years at war nor address the irregular warfare needs of the modern battlefield. Our 182,100 Marine Corps represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to September 11. However, it adds cyber operations capability, Marine special operators, wartime enablers and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

My promise to Congress is that at the end of the day, I will build and maintain the best Marine Corps our Nation can afford with the resources it is willing to invest. We are also committed to keeping faith with marines, sailors, and their families who have sacrificed so much over the past decade at war. Personnel reductions that become precipitous are among the worst measures that can be employed to save money. Our All-Volunteer Force is built upon a reasonable opportunity for retention and advancement; unplanned and unexpected wholesale cuts undermine the faith and confidence in service leadership and create long-term experience deficits with negative operational impacts. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force.

### *Civilian Marines*

Our Civilian Marines support the mission and daily functions of the Marine Corps and are an integral part of our Total Force. In recognition of the need to study and clearly define our civilian workforce requirements to ensure we had the right workforce in the right location, at a cost that aligned with our budget, I directed a full review of the Total Force in late 2010. This measure necessitated a hiring freeze but resulted in prioritized requirements within affordable levels and the alignment of resources with capabilities. It also ensured the civilian labor force was shaped to support the mission of the Corps today and that projected for the future.

During the fiscal year 2012 budget cycle, there was no growth in our fiscal year 2011 civilian workforce levels due to necessary efficiency measures. Consequently, our civilian workforce went from a planned level of 21,000 personnel in direct fund-

<sup>11</sup>Sustaining U.S. Global Leadership: Priorities for 21st Century Defense January 2012, pg 7.

ed full-time equivalencies (FTEs) to 17,501 personnel. This number of FTE personnel will remain constant in each year of the current Future Year's Defense Program (FYDP)—there is no growth planned. The end result is a 17 percent reduction in planned growth between fiscal year 2011 and fiscal year 2012 budget requests.

Our fiscal year 2013 civilian personnel budget reflects efforts to restrain growth in direct funded personnel. By establishing budgetary targets consistent with current fiscal realities, we will be able to hold our civilian labor force at fiscal year 2010 end-of-year levels, except for limited growth in critical areas such as the acquisition workforce, the intelligence community, the information technology community (i.e. conversion from NMCI to NGEN), in-sourcing of security personnel (i.e. Marine Corps Civilian Law Enforcement Personnel) and personnel in our cyber community. Our Civilian Marine workforce remains the leanest among DOD with only 1 civilian for every 10 marines.

#### OUR PRIORITIES

##### *Commandant's Four Priorities*

To best meet the demands of the future and the many types of missions marines will be expected to perform now and beyond the post-OEF security environment, I established four enduring priorities in 2010. To that end, we will:

- Provide the best trained and equipped Marine units to Afghanistan. This will not change and remains our top priority;
- Rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations;
- Better educate and train our marines to succeed in distributed operations and increasingly complex environments; and
- Keep faith with our marines, our sailors, and our families.

We are making significant progress within each of these four critical areas; however, there are pressing issues facing our Corps today that require the special attention and assistance of Congress. These include specific programs and initiatives within the command, ground, logistics and aviation portfolios of the MAGTF.

##### *Reset*

The Marine Corps is conducting a comprehensive review of its equipment inventory to validate reset strategies, future acquisition plans, and depot maintenance programming and modernization initiatives. As already stated, after 10 years of constant combat operations, the Marine Corps must reset the force coming out of Afghanistan. The reset of equipment retrograded to home station from Iraq (approximately 64,000 principal items) is complete. However, the equipment density list currently supporting combat operations in Afghanistan totals approximately 95,000 principal items, of which approximately 42 percent was retransferred directly from Iraq to support the surge of 2009. The bulk of this transferred equipment included high demand items such as communications equipment and vehicles to include the majority of our Mine Resistant Ambush Protected vehicles and 100 percent of our medium tactical vehicle fleet.

Sustaining current combat operations has reduced the aggregate readiness of the non-deployed force. Non-deployed unit readiness is degraded and has been the "bill payer" for deployed unit readiness. We sacrificed readiness levels of our home station units to ensure marines in combat had the very best equipment. Through the support of Congress over the past few years, we have received a good portion of the required funding for reset and have made significant progress at our depots in restoring and procuring required materiel. But there is more to do at our home stations. Thirty-three percent of nondeployed units report the highest readiness levels for their designed mission, which leaves 67 percent of nondeployed units in a degraded state of readiness. The largest contributing factor to degraded readiness within non-deployed units is equipment supply. The non-deployed force provides the Nation depth in responsiveness and options when confronted with the unexpected. Our marines at home must be "geared up" and ready to be called at a moment's notice. Low levels of readiness within the nondeployed force increases risk in the timely and successful execution of a military response to crises or contingencies. Therefore, it is critical that the Marine Corps continues to receive congressional assistance on required funding to reset our equipment from the conflicts of the past decade.

In January 2012, I signed the Marine Corps OEF Ground Equipment Reset Strategy, rooted in the lessons learned from our successful redeployment and retrograde from Iraq. This strategy is helping to identify what equipment we will reset and what we will divest. It prioritizes investment and modernization decisions in accordance with the capabilities of our middleweight force construct, defining unit-level

mission essential tasks and equipment requirements to support the range of military operations, and equips to core capabilities for immediate crisis response deployment and building strategic depth. We have issued disposition instructions on 8,400 principal items associated with the initial draw-down of forces that will occur this fall. In Afghanistan, 35 percent of that equipment has entered the redeployment and retrograde pipeline. Initial shipments of equipment have arrived at home stations and depots, and are being entered into the maintenance cycle. We currently expect divestment of approximately 21 percent of the total Afghanistan equipment density list as obsolete, combat loss or otherwise beyond economical repair. These are combat capability items that must be replaced.

The reset of our equipment after more than a decade of combat requires an unprecedented level of effort. Our Marine Corps depots will be asked to do more once again; they stand ready to do so. As our Nation looks to efficiencies in its Armed Forces, we must maintain a keen awareness of the role that depots play in keeping our country strong. The continued availability of our depot capacity both at Barstow, CA, and Albany, GA, is essential to our ability to self-generate readiness and to respond when we must surge in response to wartime demand. Acknowledging fiscal realities, I directed, with the Secretary of the Navy's approval, the consolidation of the two Marine Corps depots under a single command with two operating plant locations. Consolidating our depots under a single commander is the right balance between fiscal efficiency and meeting the unique requirements of the Marine Corps. This consolidation will reduce costs, standardize processes between industrial plants and increase efficiency.

#### *Modernization*

In conjunction with our reset efforts, we are undertaking several initiatives to conduct only essential modernization of the Marine Corps Total Force. This will place us on a sustainable course to achieve institutional balance. We are doing so by judiciously developing and procuring the right equipment needed for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. As such, I ask for continued congressional support to modernize equipment and maintain a high state of readiness that will place us on solid footing in a post-Afghanistan security environment. While budgetary pressures will likely constrain modernization initiatives, we will mitigate pressure by continuing to prioritize and sequence both our modernization and sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. Modernization programs that require significant additional funding above current levels will be evaluated for continued operational requirement and capability/capacity modification.

We recognize that our planned, force structure reduction following our commitment in Afghanistan will accommodate a level of decreased modernization investment due to a requirement for a smaller quantity of modernized equipment. However, any qualitative modernization reductions will impact our ability to respond to future adversaries and threats. The current baseline budget allows for equipment modernization on a reasonable timeline across the FYDP. Possible future reductions in the baseline budget will result in delays, modification or elimination of key modernization programs. Modernization in the following areas is critical to maintaining operational capabilities and readiness:

- Ground Combat Tactical Vehicles
- Aviation
- Preparing for Future Battlefields
- Amphibious and Pre-positioning Ships
- Expeditionary Energy
- Intelligence, Surveillance and Reconnaissance.

#### *Ground Combat Tactical Vehicle Strategy*

The programmatic priority for our ground forces is the seamless maneuver of marines from the sea to conduct operations ashore whether for training, humanitarian assistance or combat. Our Ground Combat Tactical Vehicle (GCTV) Strategy is focused on achieving the right mix of assets, while balancing performance, payload, survivability, fuel efficiency, transportability and cost. Vehicles comprising our GCTV strategy include our entire inventory of wheeled and tracked vehicles and planned future capabilities including the Joint Light Tactical Vehicle (JLTV), Amphibious Combat Vehicle (ACV) and the Marine Personnel Carrier (MPC). Throughout 2011 and informed by cost, we conducted a comprehensive systems engineering review of amphibious vehicle operational requirements. The review evaluated the requirements for water mobility, land mobility, lethality and force protection of the future environment. The identification of essential requirements helped to drive

down both the production and the sustainment costs for the amphibious vehicles of the future.

We are conducting an Analysis of Alternatives on six ACV options, the results of which will help to inform the direction and scope of the ACV program. The MPC program is maturing as a wheeled armored personnel carrier and complements the ACV as a possible solution to the general support lift capacity requirements of Marine forces operating in the littorals.

We are firmly partnered with the U.S. Army in fielding a JLTV to replace a portion of our legacy medium lift utility vehicles. Our long-term participation in this program remains predicated on development of a cost-effective vehicle, whose payload integrates seamlessly with our expeditionary operations and likely amphibious and strategic lift profiles.<sup>12</sup> The Joint Requirements Oversight Council has approved the JLTV Capability Development Document, and our Combat Development Command in Quantico is leading the Army and Marine Corps effort to establish a program of record at Milestone B in the third quarter of fiscal year 2012. Our approach to JLTV is as an incremental acquisition, and our objective for Increment I currently stands at more than 5,000 vehicles. Factoring all the above considerations, the current pathway for our GCTV Strategy includes the following actions:

- Develop a modern ACV.
- Develop and procure JLTV.
- Sustain High Mobility Multipurpose Wheeled Vehicles (HMMWVs) through 2030 by utilizing an Inspect and Repair Only As Necessary Depot Maintenance Program and a HMMWV Modification Line.<sup>13</sup>
- Initiate a legacy Amphibious Assault Vehicle upgrade as a bridge to ACV
- Continue research and development in MPC through fiscal year 2014 to identify the most effective portfolio mix of vehicles.
- Limit procurement of vehicles to reduced Approved Acquisition Objective estimates as identified.

#### *Marine Corps Aviation*

Marine Corps Aviation is proud to celebrate its centennial of service to our Nation this year. Our priority for aviation is support of marines in Afghanistan and wherever marines are deployed. On average, more than 40 percent of our aviation force is deployed at any time, with an additional 25 percent preparing to deploy. All told, this equates to two-thirds of Marine Aviation forces currently deployed or preparing to deploy. We are continuing a modernization effort that began more than a decade ago. Today, the Marine Corps is challenged to replace aging platforms that have reached the end of their service lives or suffered accelerated wear in harsh operating environments, thus reducing service life and resulting in the loss of critical warfighting capabilities. Our Aviation Plan is a phased multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements.

In an era of budgetary constraint and amidst calls for reductions in the collective aviation assets within DOD, it is important to understand that Marine Air is not redundant with other services' capabilities. The U.S. Air Force is not designed to operate from the sea, nor are most of its aircraft suited for operations in the types of austere environments often associated with expeditionary missions. The Navy currently does not possess sufficient capability to operate their aircraft ashore once deployed forward on carriers—and yet history has shown that our Nation often needs an expeditionary aviation capability in support of both naval and land campaigns. The following programs form the backbone of our aviation modernization effort:

- F-35B: As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical aircraft possesses. The ability to employ a fifth-generation aircraft from am-

<sup>12</sup>For two axle combat vehicles, this equates to combat weights in the 18,000 to 19,000 lbs range, translating to empty vehicle weights in the range of 12,000 to 13,000 lbs.

<sup>13</sup>HMMWV recapitalization does not meet Marine Corps requirements for those light vehicles with the most demanding missions. They cannot deliver reliability, payload, service life, mobility, the ability to fit on MPF shipping and growth potential. The JLTV is the most cost-effective program to meet capability gaps for those light combat vehicles with the most demanding missions.



phibious ships doubles the number of “carriers”—11 CVN and 11 LHD/LHAs—from which the United States can employ fixed wing aviation. Once fully fielded, the F-35B will replace three legacy aircraft—F/A-18, EA-6B and AV-8B—saving the DOD approximately \$1 billion in legacy operations and maintenance costs.

The F-35B program has been a success story over the past year. Due to the performance of F-35B prototypes in 2011, the program was recently removed 12 months early from a fixed period of scrutiny. The F-35B completed all planned test points, made a total of 260 vertical landings (versus 10 total in 2010) and successfully completed initial ship trials on USS *Wasp*. Delivery is still on track; the first three F-35Bs arrived at Eglin Air Force Base in January of this year. Continued funding and support from Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to “sundown” three different legacy platforms.

- MV-22B: The MV-22B Osprey has performed exceedingly well for the Corps and the Joint Force. To date, this revolutionary tiltrotor aircraft has changed the way marines operate on the battlefield, giving American and Coalition forces the maneuver advantage and operational reach unmatched by any other tactical aircraft. Since achieving Initial Operating Capability (IOC) in 2008, the MV-22B has flown more than 18,000 hours in combat and carried more than 129,000 personnel and 5.7 million pounds of cargo. The MV-22B has made multiple combat deployments to Iraq, four deployments with MEUs at sea, and it is currently on its fifth deployment to Afghanistan. Our squadron fielding plan is well underway as we continue to replace our 44 year old, Vietnam-era CH-46 helicopters. We must procure all required quantities of the MV-22B in accordance with the program of record. Continued calls for cancellation of this program are ill-informed and rooted in anachronisms when measured against the proven record of performance and safety this force multiplier brings to today’s battlefields in support of marines and the Joint Force.
- CH-53K: We are transitioning our rotary-wing assets for the future. The CH-53K is a new build heavy lift helicopter that evolves the legacy CH-53E design to improve operational capability, reliability, maintainability, survivability and cost. The CH-53K will be capable of transporting 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH-53E. It is the only marinized rotorcraft<sup>14</sup> able to lift 100 percent of Marine Corps air-transportable equipment from amphibious shipping (MPF included). Our Force Structure Review validated the need for a CH-53K Program of Record of nine CH-53K squadrons.
- UH-1/AH-1: The H-1 program, comprised of the UH-1Y utility helicopter and the AH-1Z attack helicopter, is a single acquisition program that leverages 84 percent commonality of major components, thereby enhancing deployability and maintainability, while reducing training requirements and logistical footprints. Both aircraft are in full rate production. The H-1 procurement objective is 160 UH-1Ys and 189 AH-1Zs for a total of 349 aircraft. Currently, 131 H-1 aircraft are on contract, with 51 UH-1Ys and 21 AH-1Zs delivered to date. The UH-1Y has already deployed with the 13th MEU and has supported sustained combat operations in OEF since November 2009. The AH-1Z achieved IOC in February 2011 and saw its first deployment alongside the UH-1Y in November 2011 as part of the 11th MEU. The continued procurement and rapid transition to these two platforms from legacy UH-1N and AH-1W assets in our rotary-wing squadrons remains a priority.
- KC-130J: The new KC-130J Hercules has been fielded throughout our active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine Air Ground Task Force. Using the Harvest HAWK weapon mission kit, the KC-130J is providing extended endurance close air support to our marines in harm’s way. Currently, we have procured 47 KC-130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our Active and Reserve Force with this unique, multi-mission assault support platform.

<sup>14</sup>The term “marinized” indicates that an aircraft meets naval aviation requirements for use and storage in a maritime environment. Aviation platforms used by the Navy and Marine Corps require special outfitting unique for use on and from naval vessels.

*Preparing for Tomorrow's Fight*

The irregular battlefields of today, and those of tomorrow, dictate that operations be more distributed, command and control be decentralized and forces be more dispersed. Using our Force Structure Review as a guide, we are continuing to build the right capacity and capability to enable marines operate rapidly as befits the tempo of our role as a crisis response force. Several important areas to enable our operations are:

- **Cyber:** The Defense Strategic Guidance rightly informs that “modern armed forces cannot conduct high-tempo, effective operations without reliable information and communications networks and assured access to cyberspace and space.”<sup>15</sup> Marines have been conducting cyber operations for more than a decade, and we are in a multi-year effort to expand our capacity via U.S. Marine Corps Forces Cyber Command as we increase our cyber force by approximately 700 marines through fiscal year 2016. Given the fiscally constrained environment and complexity of cyberspace, our approach is strategically focused on ensuring efficiency in operations and quality of service. The Marine Corps will aggressively operate and defend its networks in order to enable critical command and control systems for marines forward deployed around the world. Recent cyber accreditations and readiness inspections validate our network operations command and control processes and procedures. As we transition to a Government Owned/Operated network environment, the Marine Corps will pursue efficiencies through automation, consolidation and standardization to ensure availability, reliability and security of cyber assets.
- **SOF:** As the Marine Corps contribution to SOCOM, Marine Special Operations Command (MARSOC) maintains a shared heritage and correspondingly strong bond with its parent Service as “soldiers from the sea.” MARSOC will provide a total of 32 employable Marine Special Operations Teams in fiscal year 2013 while establishing the staff of the Marine Special Operations School, maintaining a targeted dwell ratio and continuing creation of a robust language capability. Based on our Force Structure Review of last year and a programmed end strength of 182,100 marines, I have authorized an increase of 821 marines in MARSOC.
- **Command & Control (C2):** Technology and network-based forces are an essential part of modern operations. Our C2 modernization efforts for the future build upon lessons learned during combat operations in Afghanistan and Iraq. Recent operations have shown that moving data to lower levels (i.e. the digital divide) increases operational effectiveness. We are mitigating the decision to cancel the Ground Mobile Radio by building on investments already made in tactical communications modernization. We will continue efforts to ensure C2 Situational Awareness convergence and interoperability with the Joint Force.
- **Advisers and Trainers:** In recognition that preventing conflict may be easier than responding to it and that we can prevent it through selective engagement and employment of advisers/trainers, we have invested in a new organization called Marine Corps Security Cooperation Group that consolidates advisers skills, training and assessment expertise focused on building partnership capacity. We are investigating how we can regionally focus the expertise of this organization.

*Amphibious Warships and Maritime Prepositioning Shipping*

Our Service level requirement to deploy globally, respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious warships, maritime prepositioning shipping, organic tactical aviation, and strategic airlift. Significant contributions to U.S. security are made by our rotational forces embarked aboard amphibious warships. These forces combine the advantages of an immediate, yet temporary presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational Amphibious Ready Groups and Marine Expeditionary Units form together to provide forward deployed naval forces in four geographic combatant command areas of responsibility. Not only do they provide the capability for crisis response, but they also present a means for day-to-day engagement with partner nations and a deterrent to conflict in key trouble spots.

We maintain the requirement for an amphibious warship fleet for contingencies requiring our role in joint operational access. One Marine Expeditionary Brigade

<sup>15</sup>Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, January 2012, pg. 5.

(MEB) assault echelon requires 17 operationally available amphibious warships. The Nation's forcible entry requirement includes two simultaneously-employed MEBs supported by one or more Maritime Prepositioning Force (MPF)-MEB to fight as a Marine Expeditionary Force from a sea base.

Amphibious warships and the requisite number of ship-to-shore connectors provides the base-line needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea-based power projection capability for full spectrum amphibious operations. As of January 2012, there were 29 ships in the Navy's amphibious fleet, with 3 scheduled for decommissioning and 4 new ships under construction in the yards. Within the coming FYDP, the inventory will decline in fiscal year 2014 before rising to an average of 30 amphibious warships over the next 30 years. The lack of amphibious warship lift capacity translates to risk for the Nation, particularly as it reorients to the Pacific.

The continued procurement of scheduled amphibious warships and planning for MPF shipping is essential to ensure greater levels of risk are not incurred in coming years.

- *San Antonio*-class LPD: The *San Antonio*-class LPDs continue to gain stability with overall warship performance improving. Through the generosity of Congress, the final two warships in this program are fully funded, and we expect delivery of all 11 planned warships by fiscal year 2017.
- *America*-class LHA(R): A growing maritime threat coupled with aircraft/ground combat equipment modernization dictates the need for continued optimization of the LHA-6 hull form, which is now 60 percent complete. As stated last year, delivery of this amphibious assault warship is scheduled for fiscal year 2014. The earliest reasonable deployment after allowing time for sea trials, crew training and other factors would be in fiscal year 2017. Construction of LHA-7 is scheduled to commence in early fiscal year 2013, but is not yet under contract. The Marine Corps is grateful for and firmly supports the Navy's plan to reintroduce a well deck in our large deck amphibious assault ships, beginning with LHA-8 in fiscal year 2017 and fiscal year 2018 timeframe.
- 2 x Maritime Prepositioned Squadrons (MPSRON): Providing a significant contribution to global coverage, forward presence and crisis response, the Maritime Prepositioning Force (MPF) program exists to enable the rapid deployment and engagement of a MAGTF anywhere in the world in support of our National Military Strategy. This strategic capability combines the capacity and endurance of sealift with the speed of airlift. The current MPF program is comprised of 15 ships divided into three MPSRONs located in the Mediterranean Sea, Indian Ocean (Diego Garcia) and Pacific Ocean (Guam and Saipan). In fiscal year 2013, the DoN plans to eliminate one of these squadrons as an efficiency measure. We are currently reviewing options to develop a balanced MPF posture and MPSRON composition that supports geographic combatant commander requirements, achieves approximately \$125 million in savings across the FYDP, attains a higher lift capacity of the MEB requirement per MPSRON and retains critical sea-basing enabling capabilities. The continued support of Congress for the vital capabilities inherent in our MPF program is essential to the overall warfighting readiness of the Corps.

#### *Expeditionary Energy*

For marines, the term "expeditionary" is a mindset that determines how we man, train and equip our force. We know that resource efficiency aids in combat effectiveness, and that our investments in reset and modernization will provide a force that operates lighter, faster and at reduced risk. Likewise, our force will be more energy efficient to support the type of operations expected of us in the future. To do this, we are changing the way we think about, and use energy.

Over the last 10 years of near continuous combat operations, our need for fuel and batteries on the battlefield has grown exponentially. Since 2001, we have increased the number of radios our infantry battalions use by 250 percent and the number of computers/information technology equipment by 300 percent. The number of vehicles has risen by 200 percent, with their associated weight increasing more than 75 percent as a result of force protection requirements. In the end, our force today is more lethal, but we have become critically dependent on fuel and batteries, which has increased the risk to our logistics trains. Moreover, a 2010 study found that one Marine is wounded for every 50 fuel and water convoys.

To reduce our risk and increase our combat effectiveness, in March 2011, I issued the "Marine Corps Expeditionary Energy Strategy and Implementation Plan" to change the way we think about and value energy. This is a "bases-to-battlefield"

strategy, which means all marines will be trained to understand the relationship between resource efficiency and combat effectiveness. We will consider energy performance in all our requirements and acquisitions decisions. We are creating the tools to provide commanders the information necessary to understand their energy consumption in real-time.

Over the FYDP, I have directed \$350 million to “Expeditionary Energy” initiatives. Fifty-eight percent of this investment is directed towards procuring renewable and energy efficient equipment. Some of this gear has already demonstrated effectiveness on the battlefield in Helmand Province. Twenty-one percent of this investment is directed towards research and development of new capabilities and the remaining investment is to support operations and maintenance. We expect this investment to improve the energy efficiency of our MEBs by 9 percent. As such, we will enable ourselves to sustain longer and go further, incurring less risk. The MEB of 2017 will be able to operate 1 month longer on the same amount of fuel that we plan to use today, and it will need 208 fewer fuel trucks, thereby saving seven million gallons of fuel per year. This translates to a lighter, more agile and more capable Marine Corps.

#### PROVIDING CAPABLE BASES, STATIONS, AND SUPPORT FACILITIES

##### *Fiscal Year 2013 Military Construction*

The Marine Corps maintains a commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to sustain our force structure and maintaining readiness. This fiscal year we are proposing a \$761 million Military Construction (MILCON) program to support warfighting, family housing and infrastructure improvements. The focus of our efforts this fiscal year is the construction of Joint Strike Fighter and MV-22B support facilities, infrastructure improvements, and training and education facility improvements. Additionally, this budget request includes replacement of inadequate and obsolete facilities at various locations.

Through the support of Congress, between fiscal year 2008 and fiscal year 2012, we programmed 70 bachelor enlisted quarters (BEQ) projects resulting in 149 barracks buildings primarily located at Camp Lejeune, NC; Camp Pendleton and Twentynine Palms, CA; and Marine Corps Base, HI. These BEQ projects were typically completed in 2 years, with most at or below cost. These facilities, that incorporated energy efficiency measures, have significantly improved the quality of life of our single marines, who for many years, lived in substandard, World War II era barracks. Our fiscal year 2013 MILCON program includes a \$49 million request for barracks, a motor pool and other facilities to support the consolidation of Marine Corps Security Force Regiment assets at Naval Weapons Station, Yorktown, VA. This project was not a part of our original BEQ initiative, but is necessary as the current facilities used by the Regiment at Naval Station Norfolk have been condemned.

##### *Infrastructure Sustainment*

As resources and military construction funds become more constrained, the Marine Corps will continue to rely on the sound stewardship of existing facilities and infrastructure to support our needs. In fiscal year 2013, the Marine Corps will again program facilities sustainment funding at 90 percent of the DOD Facilities Sustainment Model, resulting in a facilities sustainment budget of \$653 million.

##### *Installation Energy Initiatives*

The fiscal year 2013 budget provides \$164 million in Operations & Maintenance funding to continue progress in achieving mandated energy goals by 2015. This funding will target energy efficiency goals established by the Energy Independence & Security Act of 2007 aimed at reducing energy intensity by 30 percent from a 2003 baseline. This progress will be made by replacing older heating, cooling, lighting and other energy-consuming building components with more efficient technologies. We will use this funding to achieve renewable energy goals established by the National Defense Authorization Act of 2007. Overall, the planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities.

#### INVESTING IN THE EDUCATION & TRAINING OF OUR MARINES

##### *Courses and Facilities*

A broadly-capable middleweight force will meet future requirements through the integration of newly acquired and traditional operational competencies. To remain America’s Expeditionary Force in Readiness, the Marine Corps requires balanced,

high-quality training and education at all levels. As history has repeatedly shown, wars are won by the better-trained force, not necessarily the larger one. In the midst of ongoing combat operations, we are realigning our education and training efforts to enable our marines and sailors to succeed in conducting distributed operations in increasingly complex environments against any threat. Training and education, with an emphasis on experimentation and innovation, will help our Nation maintain global relevance by developing solutions that continue to outpace emerging threats. These efforts include continued emphasis on our core values of honor, courage and commitment, and on building principled warriors who understand the value of being an ethical warrior. Moreover, in the post-Afghanistan security environment of reduced defense dollars, we will need to offset reductions in end strength with better educated and more capable marines and Marine units. The current and future fiscal environment requires a selective, strategic investment in training and education ... put another way, "When you're low on money, it's a good time to think."

#### *Training*

Our current training is focused on preparing Marine units for combat, counterinsurgency and stability operations in support of OEF. If anything, the past 10 years of combat have demonstrated that there is a positive correlation between quality training and education and individual/unit readiness; both directly translate to operational success. Therefore, as we draw-down from Afghanistan, our training will rebalance to support the execution of a wider range of operational capabilities. We will achieve this balance by leveraging competencies in entry-level and skills progression training and by re-emphasizing core competencies in combined arms and amphibious operations, to include MEB level core capabilities. Training will also feature significant attention to irregular warfare, humanitarian assistance, and inter-agency coordination. All our training programs will provide standardized, mission essential task based training that directly supports unit readiness in a cost-effective manner.

Specifically, future training will center on the MAGTF Training Program. Through a standardized training approach, the MAGTF Training Program will develop the essential unit capabilities necessary to conduct integrated MAGTF operations. Building on lessons learned over the past 10 years, this approach includes focused battle staff training and a service assessment exercise modeled on the current exercise, Enhanced Mojave Viper. Additionally, we will continue conducting large scale exercises that integrate training and assessment of the MAGTF as a whole. The MAGTF Training Program facilitates the Marine Corps' ability to provide multi-capable MAGTFs prepared for operations in complex, joint and multi-national environments against hybrid threats.

#### *Education*

We are making steady progress in implementing the recommendations of the 2006 Officer Professional Military Education (PME) Study (The Wilhelm Report) to transform the Marine Corps University (MCU) into a "World Class Institution." There are two primary resource components in doing so—funding for military construction, and for faculty and staff. These two components are not mutually exclusive. New facilities coupled with increases in resident student through-put require additional faculty and staff. We will remain engaged with Congress over the coming years on the approximately \$330 million in necessary funding for facilities, faculty and staff as we continue the transformation of the MCU. This is a high priority for me. This year, I committed \$125 million to get this initiative moving.

We are widening opportunities for resident professional education by doubling available school seats in courses such as the Marine Corps Command and Staff College beginning in the academic year 2014. We are making adjustments to triple through-put at the Expeditionary Warfare School for our company grade officers. We are increasing enlisted resident PME courses as well, and are adding more distance education learning opportunities and requirements, especially at the junior enlisted and non-commissioned officer level.

As we look to "whole-of-government approaches" and the goal of improved integration in joint and combined operations, we are adding fellowships to allow more marines the opportunity to benefit from nontraditional education outside DOD institutions. In the past year, we have increased our number of marines assigned to the Department of State and the U.S. Agency for International Development through fellowships and the State-Defense Exchange Memorandum of Understanding. Later this year, we are adding fellowships at the Departments of Justice, Homeland Security, and Treasury, as well as at Yale University. We are expanding the scope of training at existing institutions like the Marine Corps Center for Advanced Oper-

ational Culture Learning and the Center for Irregular Warfare Integration Division that focus on readying marines for engagement, security cooperation and partner capacity building missions. Our goal is to develop a Corps of Marines that have the skills needed to operate and engage effectively in culturally-complex environments.

Our education and training programs benefit from our relationships with allies and partners in the international community. Each year, hundreds of international military students attend Marine Corps training and education venues ranging from Marine Corps Command & Staff College to military occupation specialty producing schools. The International Military Education and Training (IMET) program and similar security assistance opportunities promote regional stability, maintain U.S. defense partnerships, and promote civilian control of the military in student home countries. Many military leaders from around the world have benefited from the IMET program. To better support DOD's goal of providing PME to international military students, we have created a blended seminar program where foreign officers participate in Marine Corps PME through a mix of non-resident online courses and resident instruction in the United States.

#### *Training Enablers*

In order to fully realize these training and education enhancements, we will keep investing in the resources, technologies and innovations that enable them. This investment includes modernizing our training ranges, training devices, and infrastructure to ensure quality resources are available to support the training of marines, individual to MAGTF. We will also leverage advanced technologies and simulation systems to create realistic, fully-immersive training environments.

### KEEPING FAITH WITH MARINES, SAILORS, AND THEIR FAMILIES

#### *Mission First, Marines Always*

We expect and require extraordinary loyalty from our marines and sailors—loyalty to country, family, and Corps. Our Nation has been at war more than a decade, placing unprecedented burdens on marines, sailors, families, wounded warriors, and the families of the fallen. They have all made tremendous sacrifices, many in the face of danger; we owe our complete loyalty back to them all.

We will work to ensure the critical needs of our families are met during times of deployment and in garrison by providing the services, facilities and programs to develop the strength and skills needed to thrive while facing the challenges of operational tempo. If wounded, injured or ill (WII), we will seek out every available resource to restore marines to health. We will enable the return to active duty for those seeking it. For those unable to do so, we will responsibly transition them to civilian life. We will support and protect the spouses and families of our wounded and those of our fallen marines. There are several areas and programs central to our tenet of “keeping faith with marines, sailors, and their families.”

#### *Recruiting and Retention*

As first stated, the individual marine is our greatest asset; we will continue to recruit and retain the best and brightest of America's sons and daughters. Recruiting is the lifeblood of our Corps, and is our bedrock to “Make Marines, Win Battles, and Return Quality Citizens;” citizens who, once transformed, will be marines for life. To operate and succeed in potentially volatile times, marines must be physically fit, morally strong, intelligent, and capable of operating advanced weapon systems using the latest technology. We will not compromise on these standards. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the Operating Forces. We need your continued support in maintaining quality accessions.

Our officer accessions mission has continued to decline over the past 2 years in light of a planned draw-down of forces. Our fiscal year 2013 accession officer mission is 1,500 Active Duty and 125 Reserve officers. For enlisted marines, the accession figures include 28,500 regular (Active component) and 5,700 reservists. We traditionally achieve 100–103 percent of our total accession goals, and expect to do so again in fiscal year 2013. We have continued to achieve unprecedented levels of enlisted and officer retention. This effort is critical to the proper grade shaping of the Marine Corps, regardless of force size. Combined officer, enlisted and Reserve retention efforts ensure the Marine Corps maintains essential operational experience and leadership. Although overall retention is excellent, shortages do exist in certain grades and skills within the officer and enlisted ranks, requiring careful management and innovative solutions. At a minimum, sustained congressional funding to incentivize retention is necessary to maintaining quality personnel in these critical skill sets.

### *Diversity*

Diversity, in both representation and assignment of marines, remains a strategic issue. The Marine Corps diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of all the American people, but to raise total capability through leveraging the strengths and talents of all marines. We are near completion of a new comprehensive campaign plan to focus our diversity effort in areas where improvement is most needed and anticipate release of this roadmap this year. The accession and retention of minority officers is an enduring challenge for our Corps. Mentoring and career development of all minority officers has become increasingly important in order to change officer profile projections. Since 2010, we have conducted leadership seminars, introducing diverse college undergraduates to Marine leadership traits and leadership opportunities in the Marine Corps, at various locations throughout our country, and are actively seeking out new communities within which to continue this effort. Overall, we seek to communicate the Marine Corps diversity mission through community outreach and recruit marketing; to ensure continued opportunities for merit based development and advancement; and to optimize training and education to increase the understanding for all marines of the value that diversity brings to the Total Force.

### *Wounded Warrior Outreach Programs*

Through the Wounded Warrior Regiment (WWR) and our ever-expanding outreach programs, the Marine Corps keeps faith with wounded, ill, and injured (WII) marines and their families. This enduring commitment includes full spectrum care and support for WII marines from point of injury or illness through return to duty or reintegration to the civilian community. The WWR continues to enhance its capabilities to provide added care and support to WII marines. Whether WII marines are joined to the WWR or remain with their parent commands, they are provided non-medical support through the recovery phases. Congressional funding for our WII marines allows us to provide robust, interconnected support in the following areas: Administrative Support, Recovery Care Coordination, Transition Assistance, Warrior Athlete Reconditioning Programs, Integrated Disability Evaluation System Support, the Sergeant Merlin German Wounded Warrior 24/7 Call Center and our Hope and Care Centers.

The challenging nature of the terrain in Afghanistan requires a greater level of dismounted operations than was the case in Iraq. This fact coupled with the prevalence of improvised explosive devices has caused a growing class of marines and soldiers to suffer catastrophic injuries—injuries involving multiple amputations that present significant quality of life challenges. Our Corps, the DoN, DOD, the Department of Veterans Affairs (VA) and Congress are concerned about this special group of Wounded Warriors must remain committed to supporting this special group of Wounded Warriors. To help the catastrophically injured (those who will likely transition to veteran status) and their families successfully meet these challenges, we must continue engaging in a high level of care coordination between our WWR advocates, the VA's Federal Recovery Coordinators, VA Liaisons for Healthcare stationed at DOD Military Treatment Facilities (MTFs), Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn Case Managers and medical providers to ensure all of our wounded marines' needs are met. This includes arranging for assistive technologies, adaptive housing, and all available health care and benefits (DOD and VA) they have earned. Additionally, WWR's Marine Corp Liaison assigned at the VA collaborates closely with VA Care Management team to resolve Marine Corp issues or care management needs.

### *Combat Health & Resiliency of the Force*

Marines, sailors, and their families have experienced significant stress from multiple deployment cycles, the rigors of combat, high operational tempos, the anxieties of separation and countless other sources from a decade at war. We remain engaged in developing ways to reduce the traditional stigmas associated with seeking mental health care, but perhaps more importantly, we continue to add resources and access to care to meet the mental health needs of marines, sailors, and their families.

Post-traumatic stress (PTS) will be a long-term issue for all DOD leadership, requiring close attention and early identification of those affected in every Service. PTS is diagnosed as a disorder (PTSD) once the symptoms become distressful to a marine and his or her ability to function in the military environment is impacted.<sup>16</sup>

<sup>16</sup>The current yearly rate of PTS diagnosis in Active Duty marines is less than 2 percent as compared to 3.5 percent in the civilian population. The percentage of marines who will be diag-

Although most marines with PTS symptoms will not develop PTSD, our leaders require the skills and training to identify and intervene earlier for those at the highest risk of developing PTSD, especially given that often there are long delays in the development of this condition. As such, we are empowering leaders to identify and intervene earlier through increased training and awareness using programs like our Marine Corps Combat Operational Stress Control Program and embedded Operational Stress Control and Readiness teams in our ground units. We are employing better screening practices in our standard health assessments, establishing deployment health clinics (i.e. facilities not labeled as mental health clinics nor associated with a Military Treatment Facility in an overall effort to reduce stigma) and tracking those with significant injuries often leading to PTSD via our Wounded Warrior Regiment.

We are engaged on multiple fronts to diagnose and treat those with a traumatic brain injury (TBI) including prevention, education, early identification, treatment, rehabilitation and reintegration. We are actively implementing the requirements of DOD Directive Type Memorandum 09-033 regarding mild TBI/concussion. Moreover, the Marine Corps, with Navy support, has established a Concussion and Musculoskeletal Restoration Care Center in-theater. This center provides front-line care to patients with mild TBI/concussion and has dramatically improved identification, diagnosis, treatment, outcomes and return to duty rates. In concert with Navy Medicine, we are fielding a TBI module within the Medical Readiness Reporting System to track TBI exposures and diagnoses.

#### *Suicide Prevention in the Force*

We continue to report a positive, steady decrease in the number of suicides within the Corps from high levels seen in 2009. While we cannot yet draw a conclusion between our prevention efforts and the reduced suicide rate, we are cautiously optimistic our programs are having a positive effect. However, reported suicide attempts have continued to increase. We suspect this increase in attempts may be due to improved surveillance—fellow marines recognizing the signs of suicide and intervening to stop attempts, and more marines reporting past attempts when coming forward for help.<sup>17</sup> Regardless, we still need to do better because one suicide completed is one too many.

Suicide is a preventable loss of life that diminishes readiness and deeply affects our Marine Corps family. We believe that suicide is preventable through engaged leadership, focused on efforts aimed at the total fitness of each marine to include physical, social, spiritual and psychological dimensions. The Marine Corps is involved with five major studies to better understand suicide risk among servicemembers, contributing factors and ways at prevention. This past year, we expanded our “Never Leave a Marine Behind” suicide prevention program for non-commissioned officers (NCO) and junior marines to the staff noncommissioned officer and commissioned officer ranks. Our DSTRESS hotline and website, implemented last year on the west coast as a pilot program, will be expanded to serve those across the Corps. We will remain engaged on multiple fronts to combat suicide in our ranks.

#### *Sexual Assault Prevention & Response*

The key to preventing sexual assault is ensuring everyone understands his or her role and responsibilities in preventing it. A consistent, vigorous training and education element are crucial. Bystander intervention has been identified as a best practice for engaging marines in their role to prevent sexual assault and is being incorporated into our Sexual Assault Prevention and Response (SAPR) training. In January 2012, we launched the video-based NCO Bystander Intervention course, called “Take A Stand.” This course was modeled after our successful, award-winning Suicide Prevention Program awareness campaign entitled “Never Leave A Marine Behind.”

We have initiated aggressive actions to elevate and highlight the importance of our SAPR program. Our victim-centric SAPR program focuses on: preventing sexual assault, improving a victim’s access to services, increasing the frequency and quality of information provided to the victim regarding all aspects of his or her case and expediting the proper handling and resolution of a sexual assault case. We are credentialing our Sexual Assault Response Coordinators and Victim Advocates on victim advocacy. We have standardized training protocols for our 24/7 hotline, in use

nosed over their lifetime with PTS is estimated to be 10–18 percent while the civilian population lifetime diagnosis is estimated to be 6.8 percent.

<sup>17</sup>There were 33 confirmed suicides and 175 attempts in the Marine Corps during calendar year 2011.



at all major bases and stations to provide information, resources and advocacy of sexual assault. We have increased SAPR training at all levels for our judge advocates (JA). This year, mobile training teams from our Trial Counsel Assistance Program will continue to instruct Navy Criminal Investigative Service agents and JAs on sexual assault investigation and best practices at bases and stations in Japan, Hawaii, and on the east and west coasts.

#### *Veteran Marines*

The concept of keeping faith also applies to our Veteran Marines. In 2011, the Marine Corps launched a comprehensive effort to anchor the legacy of our Montford Point Marines—20,000 African American men who underwent segregated training from 1942–1949 and ultimately integrated the Corps—into our training and education curricula. The Montford Point Marine legacy will be used to educate and inspire all men and women who enter the Marine Corps today regardless of race, religion or creed. We will teach the importance of varying perspectives, compassion, courage, perseverance and self sacrifice through the Montford Point Marine history. We are thankful to Congress for recently conferring the Congressional Gold Medal on the Montford Point Marines, a fitting tribute to a pioneering group of marines who fought valiantly in some of the bloodiest battles of the Pacific and later went on to serve in Korea and Vietnam.

#### *Family Readiness Programs*

As directed in my Planning Guidance issued to the Corps in October 2010, we are in the final stages of a review of all family readiness programs to identify ways we can better assist and provide services to our families. Over the past year, Marine Corps Community Services conducted dozens of focus groups at bases and stations throughout the Marine Corps with Active and Reserve component marines, commanders, senior enlisted advisers, and spouses. The focus groups, survey and prioritization results found that the top-rated programs conformed to the Commandant's Planning Guidance priorities or congressional mandates. These assessments revealed opportunities to increase program success in three areas: (1) defining future capabilities and sustainability standards that correlate to the Commandant's Planning Guidance priorities but also recognized unique installation or command missions, locations or market conditions; (2) balancing available resources to support priorities and defined capabilities; and (3) developing accountability and inspection processes to support capability sustainment. Efforts are currently underway to apply these results and develop actionable program plans and supporting resource requirements to provide and maintain capabilities at the appropriate level for the right duration.

With at least 50 percent of our Corps composed of unmarried men and women, this year we mandated that every battalion and squadron have a representative from the Single Marine Program serving on its unit family readiness command team. This will provide an advocate on behalf of single marines to ensure information, normally communicated solely from leadership to Marine spouses and families, is shared with their parents and siblings.

#### *Transition Assistance*

There are three things the Marine Corps does for our Nation: make marines; win our Nation's battles; and return quality citizens. We are conducting a wholesale revision of our Transition Assistance Management Program (TAMP) to better meet the needs of our transitioning marines in support of returning quality citizens. We are integrating TAMP, as part of the Professional and Personal Development Program, into the life-cycle of a marine from recruitment, through separation or retirement, and through Veteran Marine status.

We have transformed our Transition Readiness Seminar from a mass training event, in need of great improvement, into an individualized and practical learning experience with specific transition readiness standards that are effective and beneficial to marines. In January 2012, we began holding a revised and improved Transition Readiness Seminar Pilot Program at four separate installations with full implementation scheduled for March 2012; early feedback on our pilot program has been very favorable. The revised 5-day Transition Readiness Seminar includes 2 days of mandatory standardized core curriculum with four well-defined military-civilian pathways:

- University/College
- Vocational/Technical training
- Employment
- Entrepreneurial Endeavors.

In this new system, a marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services related to each pathway. The enhanced TAMP program will support improved reach-back and outreach support for those who may require more localized support in their hometowns with information, opportunities or other specific needs. We are determined to make the Marine Corps TAMP program more value added for our departing marines.

#### *Compensation*

The President's budget acknowledges the reality that military pay, allowances, and health care consume roughly one-third of the defense budget. These costs cannot be ignored in a comprehensive effort to achieve savings. In my judgment, this budget achieves the appropriate balance in compensation, force structure, and modernization. It sustains the recruitment, retention, and readiness of the talented personnel that defend our Nation.

The proposed compensation reforms are sensible. Basic pay raises in fiscal years 2013 and 2014 will match increases in the private sector. We propose more modest raises in later years—but no reductions, no freezes. TRICARE enrollment fees and deductibles increase for retirees, but they are tiered based on retired pay and remain significantly below market rates. Pharmacy co-pays will trend towards market rates for retail purchases, but will be substantially lower for generic drugs and mail-order delivery.

These changes are not intended to alter care services currently provided to our active duty personnel and their families. Those who have been medically retired as a result of their service, particularly our Wounded Warriors, are also exempted. So are our Gold Star Families. It is the right thing to do for those who have given so much.

Finally, I endorse creating a commission to recommend reforms in retired pay. Any changes should grandfather benefits for those currently serving. We cannot break faith.

#### SUMMARY

History has shown that it is impossible to predict where, when and how America's interests will be threatened. What is known, however, is America cannot maintain a strong economy, cannot have a strong industrial base, cannot have access to overseas markets and cannot assure its allies without security ... at home and abroad. Looking ahead at the fiscal challenges we face as a Nation, our country will still need to respond to crisis and project power abroad, wherever and whenever needed. The optimum and most economical means to do so is through a multi-capable force afloat that can also come ashore rapidly.

The Navy and Marine Corps Team is the Nation's risk mitigator for an unknown future and the crisis response force that will be "the most ready when the Nation is least ready." There is a cost to maintaining this capability. But, with that cost, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts, to non-combatant evacuation operations, to the conduct of counter-piracy operations, raids or strikes. This same force can be reinforced quickly to contribute to assured access anywhere in the world in the event of a major contingency. It can be "dialed up or dialed down" like a rheostat to be relevant across the range of military operations. No other force possesses the flexibility to provide these capabilities, but yet can sustain itself logistically for significant periods of time, at a time and place of its choosing.

Through the fidelity and support of Congress, our marines and sailors in the fight have received everything necessary to ensure success over the past decade of near constant combat operations. Our combat forces' best interests and needs remain my number one focus until our national objectives in the Long War have been achieved. However, as we rightfully begin to transition to the challenges and opportunities of the post-OEF world and reorient to the Pacific under our new Defense Strategic Guidance, the Marine Corps must begin to rebalance and modernize for the future.

Through judicious choices, forward planning and wise investments—ever mindful of the economy in which we live—we have worked diligently to determine the right size our Corps needs to be and to identify the resources we will require to respond to crises around the world, regardless of clime or place. As we continue to work with Congress, the Navy and the DOD in maintaining the institutional pillars of our high state of readiness, you have my assurance that your Corps will be "ever faithful" in meeting our Nation's need for military crisis response.

Chairman LEVIN. Thank you so much, General.  
Let's start with a 7-minute round for questioning.

First let me ask each of you, starting with you, Mr. Secretary, then Admiral Greenert, and then General Amos. DOD created a new defense strategy to guide creation of the fiscal year 2013 defense budget request. Did each of you have an opportunity to provide input into the development of the new strategy and in your view does the budget request support the strategy, and do you support the budget request? Secretary Mabus.

Mr. MABUS. Senator, the answer to all three of your questions is yes.

Chairman LEVIN. Thank you.

Admiral Greenert?

Admiral GREENERT. Yes, sir, to all questions.

Chairman LEVIN. General Amos?

General AMOS. Yes, sir.

Chairman LEVIN. Now, in terms of the marines on Okinawa, Guam, and in the Asia-Pacific, I think you're very much aware of the issues there. Senators McCain, Webb, and I have been voicing concerns, and others have as well, about some of the issues that are involved there, including the roadmap realignment agreement, the buildup on Guam, and some of the changes that are being considered in the current plan.

The National Defense Authorization Act (NDAA) for Fiscal Year 2012 contains a statutory provision that would block the expenditure of funds for the buildup on Guam until a number of conditions are met. First would be submission to the committee of the Marine Corps Commandant's preferred force laydown and of a master plan for the construction of the facilities and infrastructure necessary to implement that preferred force laydown.

Another one of the requirements is that the Secretary of Defense submit an independent assessment of the force, of our force posture in East Asia and in the Pacific region.

Mr. Secretary, I assume you're familiar with that statutory requirement?

Mr. MABUS. Yes, I am.

Chairman LEVIN. Secretary Mabus, do you know if an independent entity has been selected yet to conduct that statutorily assessment?

Mr. MABUS. Senator, my understanding is that DOD has selected someone. I don't know if the contract has been signed to do that. But my understanding is that the final date required by the NDAA for submission to this committee, the plan is to have that report to you by that date.

Chairman LEVIN. If you could just let us know for the record if that contract has been signed and with whom, we'd appreciate it.

[The information referred to follows:]

A contract was awarded on March 23, 2012, to the Center for Strategic and International Studies to comply with the provisions of the 2012 National Defense Authorization Act, section 346. The Office of the Secretary of Defense (Policy) should be contacted if additional information is required.

Chairman LEVIN. General, as the United States and Japan reconsider the plan for the marines on Okinawa, are you comfortable with the new plans for the laydown and the composition of marines that are being considered for Guam and Okinawa?

General AMOS. Mr. Chairman, I am, as much as we know today. As you're aware, both our Government and the Government of Japan at the very highest levels are still working through some of the issues, and as much as I know today and what I've heard, I am comfortable, sir.

Chairman LEVIN. Thank you.

General, do you need any special authorities or legislation to ensure that the reductions which you talked about, when they're made, that we're able to take care of our people?

General AMOS. Mr. Chairman, are you talking about the draw-down?

Chairman LEVIN. I am.

General AMOS. Sir, I need your help.

Chairman LEVIN. Any special authorities that you need?

General AMOS. Not authorities, sir.

Chairman LEVIN. All right. Any help you may need, just let us know; would you?

General AMOS. Yes, sir, I will.

Chairman LEVIN. If you know right now and you want to comment on that, you can. But if not, just let us know.

General AMOS. Sir, I was just going to make a comment. When the budget was submitted, it dropped 20,000 marines in 1 year. As I said in my opening statement, as we look back on this thing and planned a year and a half ago how we would draw the Marine Corps down responsibly that number is executable at about 5,000 a year without some precipitous action and drop, with some significant impact on our families. It sends the wrong signal. So I'll need some help financially to continue to maintain that ramp at 5,000 a year.

Chairman LEVIN. All right. You just let us know as this proceeds as to how we can be helpful.

On the F-35B probation, Secretary Panetta removed the F-35B, the STOVL variant, from the probationary status a year earlier than was planned. I think both Senator McCain and I have indicated that we found that action troubling. The fixes to the problems that caused Secretary Gates to put the plane on probation in the first place; the testing has not been completed on those fixes.

General, I assume you urged the removal of the F-35B from the probation list. Is that accurate?

General AMOS. Mr. Chairman, I think urged would probably be the wrong adjective. I tracked this, starting a year ago this last December. I tracked it very, very carefully. I've watched the six major thresholds, to include the weight of the aircraft, very, very carefully over this last year. So I was able to provide my best military advice to the Secretary.

In light of those six major thresholds and looking at the program's progression, tests, and everything, I recommended that he consider removing it from probation.

Chairman LEVIN. All right.

Secretary Mabus, were you involved in that recommendation as well?

Mr. MABUS. Yes, Mr. Chairman, I was.

Chairman LEVIN. Did you recommend that it be removed from probation a year earlier, and if so why?

Mr. MABUS. I did, because of the things that General Amos just mentioned. General Amos has followed this very carefully. I went out with General Amos to the USS *Wasp* to watch the first on-board ship testing of the aircraft and, given the gains that had been made in weight reduction, given the progress that has been made on engineering fixes to some issues that had been found earlier, given the fact that the plane was now either meeting or exceeding test points, both in terms of number of test flights or number of test points in each flight, I thought that it was performing at the level it should be to be treated as a normal acquisition program and not one that was on probation.

Chairman LEVIN. Mr. Secretary, let me ask you a question about our Aegis ballistic missile defense (BMD) ships. BMD is still fairly new and it's a growing mission for the Navy. Much of the European Phased Adaptive Approach to missile defense is going to be based on the Aegis BMD capabilities, whether it's at sea or ashore.

I think in your prepared statement you note that, "over the past year, BMD ships took up position in the eastern Mediterranean to provide BMD for both Europe and Israel." Let me ask both you and the Admiral whether you are confident that the Navy's going to be able to continue providing the ships needed to fulfil missile defense missions such as the ones that you mentioned for Europe and Israel, given the situation with the ships and their ability to be present in the Eastern Mediterranean?

Mr. MABUS. Mr. Chairman, I do remain confident that we will be able to meet this BMD mission with our Aegis ships, for a couple of reasons. One is that we are making more ships BMD capable. We have today I believe 24 ships that are that way. By the end of the FYDP that number will be close to 40.

Second, as the CNO said in his remarks and also as he has said numerous times, by stationing four DDGs in Rota, Spain, we will be able to provide the coverage needed with far fewer ships than if those ships were stationed in the United States and had to transit back and forth.

Chairman LEVIN. Admiral, do you want to add anything to that?

Admiral GREENERT. Yes, sir. Our demand signal is 15 BMD-capable ships available by fiscal year 2015 for the European Phased Adaptive Approach. They have to have the right program with the right missile and proficient, and we are on that track with this budget submission.

Chairman LEVIN. Thank you so much.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Mr. Secretary, the reason why Senator Webb, Senator Levin, and I and others have been concerned about the issue of Guam is because the costs have escalated dramatically, at least in one area from \$6 billion to \$16 billion. There has been slow progress with the Japanese. So we decided, Senator Levin, Senator Webb, and others of us, that we needed some outside independent view of this situation.

We passed the National Defense Authorization Bill in December. It's now been 2½ months. How long does it take for a contract to get an independent assessment, Mr. Secretary?

Mr. MABUS. Senator, since this contract is not under my purview, since I don't let this contract—

Senator MCCAIN. I see, it's somebody else's responsibility. I want to tell you for sure that until we get that independent assessment there should be no concrete plans made by the Secretary of Defense or DOD until we have a chance to examine an independent assessment and then go through the authorization process for any expenditure of funds that need to be made in order to get this redeployment issue into some kind of sanity.

Believe me, we acted, as is our responsibility, because of our intense frustration about the lack of progress on this issue. Now, 2½ months go by and they haven't even let a contract get an independent assessment, and we wanted it to be completed by April 1, which obviously cannot happen. I'm not going to let you continue to slow-walk us on this issue.

Just to put things in perspective on the F-35 again, we started the program in 2001. The cost estimates for 2,456 aircraft were going to be \$238 billion. We've now had additional costs of \$150 billion, 150 additional billion dollars in costs. As I understand it—please correct me if I'm wrong, General AMOS—Block 4, 32 aircraft, which are approximately 50 percent complete, are now \$500 million over originally estimated cost.

Are those figures wrong?

General AMOS. Senator, I can't say whether the figures are wrong or not.

Senator MCCAIN. Do you know what the initial cost was supposed to be, General?

General AMOS. I do. I was the head of aviation.

Senator MCCAIN. Is that fact wrong?

General AMOS. That fact is pretty close, sir.

Senator MCCAIN. There's been a \$150 billion additional cost overrun; is that fact true?

General AMOS. Sir, I can't comment on that. I don't know.

Senator MCCAIN. You don't even know what the cost overrun has been?

General AMOS. Sir, this is not a single point in time. I've noticed the program go. I went through the technical baseline review last year.

Senator MCCAIN. Let me interrupt you again. Do you argue the fact that there's been \$150 billion additional cost to the aircraft since the original estimate of \$238 billion?

General AMOS. Sir, I can't comment on that. I can't tell you whether it's \$150 billion. I know it's significant.

Senator MCCAIN. So for the record, you don't know how much the cost overrun has been for the F-35?

General AMOS. Not precisely.

Senator MCCAIN. Roughly? Do you know roughly what the cost overrun has been?

General AMOS. Sir, I don't.

Senator MCCAIN. That's remarkable.

So we continue to have \$500 million cost overruns on the additional 32 aircraft that are 50 percent complete. Does that mean, Mr. Secretary, that we will have a billion dollar cost overrun since the aircraft are 50 percent complete on Block 4 aircraft?

Mr. MABUS. Senator, I don't know if you can make that extrapolation or not.

Senator MCCAIN. All I can say is that I have been watching this aircraft since 2001 and I've watched the cost overruns now, and I don't believe that it's inaccurate to state there's been roughly \$150 billion in additional costs. We are now still in the early stages of what was planned to be 2,456 aircraft.

What is your assessment, Mr. Secretary, of the situation as regards the F-35 now?

Mr. MABUS. The situation for the Navy and Marine Corps as regards the F-35 is, because of some of the issues that you've identified with concurrency and with the readiness of the aircraft, we have reduced the number of planes that we are going to buy over the FYDP, but we have remained constant in the number of total aircraft that we will buy in the program, 680 aircraft total for the Navy. That's 420 for the Marine Corps, including 360 Bs and 80 Cs for the marines; and the remainder C variant for the Navy.

It's a capability that we need. It's a capability that the Marine Corps does not have a backup plan for.

You correctly pointed out that we have bought the Harriers from the British when they retired their carrier. We did that to extend the life of the Harrier to make sure that we had the vertical takeoff and landing capabilities in place until the arrival in sufficient numbers of the F-35B.

Senator MCCAIN. Thank you.

Mr. Secretary, the USS *Gerald R. Ford* cost overruns are a billion dollars. I'm not sure how complete it is. Will the Navy be asking for legislative relief from the cost cap of \$600 million?

Mr. MABUS. Senator, not this year, but I'm certain we will be asking next year.

Senator MCCAIN. Is it accurate that there is at least \$1 billion cost overrun on the USS *Gerald R. Ford*?

Mr. MABUS. I think it's accurate that it's at least a billion dollars over the original estimate, and I think it's important to note what we've done to contain these costs. Since I've taken office, we have recovered back the fee almost completely from the shipbuilder that is building this carrier, so whatever money they get from now on will simply cover their cost.

Second, for some of the government-furnished equipment from other vendors we have capped the amounts that we're going to pay for those. The ship remains on track to be in the fleet in 2015.

But third and perhaps most importantly is one thing you mentioned in your opening statement. This is the lead ship of a class. You and I have discussed how much new technology was put on this previously and how the risk went up and how the down side of that risk came true. But the one thing that we are absolutely committed to and the one thing that we will not go forward with CVN-79 is that we will take the lessons learned here, we will have a firm price, and we will not come back to Congress to ask for raising the cost cap on the follow-on ship, the *John F. Kennedy*, CVN-79.

Senator MCCAIN. Mr. Secretary, you've pledged \$179 million as the Navy's share of a \$510 million effort to construct or retrofit biofuel refineries. Where's the authorization for that action?

Mr. MABUS. It comes from the Defense Production Act and from an appropriation made—

Senator MCCAIN. Authorization? You may get an appropriation. I'd be glad to know where it is in that Act.

By the way, if I could just mention, Mr. Chairman, in 2009 the Navy paid \$424 a gallon for 20,000 gallons of biodiesel made from algae, set a world record at the time for costs for fuel. According to the plan now, the Navy will need 330 million gallons per year of alternative fuels to meet the Secretary's stated goal of having 50 percent of the Navy's energy needs supplied from alternative sources by 2020 at no price, or cost there.

I don't believe it's the job of the Navy to be involved in building and involved in new technologies. Maybe this will be a Solyndra situation. I don't believe that it's the job of the Navy to do that. I believe it's the Department of Energy who should be doing that, and obviously I will seek to act on amendments on the floor to try to prevent this kind of waste of the taxpayers' dollars, where they paid \$424 a gallon for algae fuels. I don't think we can afford it.

Chairman LEVIN. Do you want to just take a moment to comment if you wish?

Mr. MABUS. Yes. The authority that's being used here is the Defense Production Act, which has been in place since the early 1950s, which says that if there is an industry that Defense needs but does not exist in the United States, that Defense not only can but should invest in that industry. Energy is specifically mentioned in the Defense Production Act as something that Defense should look at.

In terms of moving toward biofuels, the numbers that we bought, small test amounts, was high. It's come down dramatically since then, even with the small test amounts we've been buying. I think that we cannot afford not to do this. We can't afford to be dependent on foreign sources of fuel. We cannot afford to be dependent on a worldwide commodity that has the price spikes and the price shocks that we have.

As I said in my opening statement, the only place I have to go to get money when the price of fuel goes up is out of operations accounts. I don't think that is something we can afford.

Chairman LEVIN. Thank you.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to the three of you for your service and leadership. I want to ask a few contemporary questions before I get to the budget, particularly to you, General Amos, about the marines in Afghanistan.

The first is, we're going through a difficult time, beginning with some acts of violence by Afghan National Security Forces (ANSF) against our troops and now, obviously, we have had a couple bad situations involving our forces. Give us a sense, if you can, if what you're hearing from our marines in Afghanistan about their relationship with the ANSF and, if it's relevant, with the people of Afghanistan that they're interacting with? What kind of level of trust interaction do they have?

General AMOS. Senator, I can probably sum it up with just a recap of an email. I got two of them 2 days ago. We just turned



over the leadership of the marines in the Helmand Province. Major General John Tulin gave up command to Major General Mark Reganis.

"The night before was a large dinner hosted by the Provincial Governor Mangal and Major General Maloof," who is the 215th Corps commander. I'm confident that you've met him on your many visits in there. "At that dinner that night, with all the commanders and the leadership there, there was much discussion, almost to the point of tears, as General Maloof recanted the last 13 months of General Tulin's time in Afghanistan in the Helmand Province. They talked about how the marines saved the lives of his soldiers, how marines died saving the lives, trying to retrieve a drowning Afghan soldier."

We've not seen the level of violence in Helmand that we've seen in other places. My sense is that it's a result of strong relationships, a level of confidence. It doesn't mean there are not going to be things that are going to happen, Senator. You know this. But I will tell you that there is a great amount of confidence between the ANSF, the provincial governors, the district governors, the leadership, the Provincial Reconstruction Teams from the United Kingdom. There is a real sense of brotherhood and bonding there that gives me that sense of encouragement that I've talked to you about so many times.

Senator LIEBERMAN. Thanks, General. That has certainly been my impression. Obviously, when individuals on either side, Afghan or American—of course, we've been dealing with cumulatively hundreds of thousands of people in service in Afghanistan—go awry, that attracts the attention. But my impression is exactly what you've conveyed, that on the ground the relationship between the American and Afghan forces is deep, it's full of trust, and it should give us confidence as we go forward in our mission in Afghanistan and certainly discourage anybody from going into a panic mode about picking up and running.

I want to ask you another very contemporary question since you happen to be here. Yesterday or this morning in the news there's much been made about the fact that the marines who met with Secretary Panetta yesterday were asked to leave their arms outside of the meeting area. Frankly, I don't know whether the media in writing about that think that's a good thing or a bad thing. But I wonder if you could just put it in some context and explain that decision?

General AMOS. Senator, it's my understanding—and I don't have any more facts than what you have—not because of that issue, but on another matter, I wanted to talk to the commander yesterday on the ground and I was unable to connect with him. But we were exactly in the seam of the turnover. General Tulin had left. Secretary Panetta arrived. We have a brand new commander on the ground. He's probably been on the ground less than 24 hours. He has the Secretary of Defense there.

It's my understanding that the senior leadership, the sergeant major, made the decision. Okay, we don't have the Afghans in here with their weapons, so the marines can stack their arms. We don't typically do that. Sir, I wouldn't make any more out of it than that.

I think it was just a decision was made. I don't think anything should be read into it.

Senator LIEBERMAN. Good. That's good enough. Thank you.

Admiral Greenert, in your prepared testimony you have a part where you refer to the history which shows us that conflict is unlikely to appear in the form of the scenarios for which we traditionally plan, and you particularly make reference to the contemporary cases of Iran and North Korea. Then you say: "In our fiscal year 2013 budget submission, we shifted procurement, research and development, and reduction funds towards weapons systems, sensors, and tactical training that can be rapidly fielded to the fleet, including demonstrators and prototypes that can quickly improve our force's capability."

Since we're so focused on Iran and the potential threats represented by Iran, particularly in the maritime context, I wonder if you could tell us in a bit more detail what the Navy is asking this committee to authorize for fiscal year 2013 that will specifically increase our capability to defend against any Iranian action?

Admiral GREENERT. Sure, Senator. After I took the watch, 1 week into the job I went to Japan, Korea, and then I went to Bahrain to see my counterparts and to sit down in Bahrain and talk to Admiral Fox, and then I subsequently talked to General Mattis, and I assessed things to myself. I went through the Strait of Hormuz on the USS *Stennis*, and it was a nice clear day and I got a pretty nice view of Iranian naval units that come out and monitor it.

So between all of those, I came to the conclusion we could do better setting the theater. I wanted to be sure, as I've said in my testimony, that we are ready, that our folks are proficient, they are confident, and they're good at what they do, in case called upon, and I wanted to be sure the theater was set.

Having said that, I requested and we request to improve our mine warfare capabilities in the theater. We are moving four more minesweeps to the theater. That will make eight. We are moving airborne mine countermeasure helicopters. That will take us to eight in theater. Then those, working with the British minesweeps there, which we exercise with frequently, sets us up a little bit there.

I want to improve underwater unmanned vehicle mine neutralization. There are some systems that were available and had proven subsequently to be good. I want to be sure we have counter-swarm capability, so that's improving the Gatling guns and electro-optical and infrared systems, so that as we go through, go at night, go during the day, we can see and we have a really good view of that.

You go through the Strait of Hormuz with a carrier, you have like a hunting rifle and you also may need a sawed-off shotgun. Some people use that as a matter of context.

There's anti-submarine warfare improvements, torpedo improvements, and things of that nature. I'll roll it up to about \$250 million in fiscal year 2013 that I'm requesting, and it rotates out to about \$750 million across the FYDP.

Senator LIEBERMAN. Thanks. That's a very encouraging report.

My time is up. Since Senator McCain understandably and correctly questioned the panel about programs the Navy has that are over budget, just give me a quick response to one program I'm proud to say is not over budget, and that is the procurement of the *Virginia*-class attack submarines?

Admiral GREENERT. Yes, sir. We just took the *California* 3 months ago, 8 months early and about \$100 million under budget. That's the good partnership in my view, Senator, that we have with those two vendors.

Senator LIEBERMAN. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I wish I had had more time to calculate, getting into this thing that was brought up primarily by Senator McCain. On the mandated changes in your 50–50 program on the fuel that you would be purchasing, just a minute ago, Mr. Secretary, in your statement you said that every time the cost of a barrel of oil goes up a dollar it costs the Navy \$30 million in extra fuel costs.

Senator McCain mentioned the purchase of 20,000 gallons of the algae fuel that was \$424 a gallon. I assume that's all behind us now and we're not doing any more. That was an experiment and that's gone.

But what we are doing now is talking about the cost of the 50–50 blend. The 50–50 blend as I understand it—and I'm taking the figures from you guys—would be \$15 a gallon. Your JP5, as I know from my own purchases, is somewhere between \$4 and \$5 a gallon. You're talking about an increase of about \$10 for each gallon.

Is my math off here?

Mr. MABUS. No, sir. That's exactly correct. It's again a test amount. It's 450,000 gallons of biofuel that we bought to do a demonstration at the Rim of the Pacific exercise in July off the coast of Hawaii using surface ships and aircraft off our carrier there.

But the whole point of this is to establish a competitive industry, and the Navy will not be buying commercial quantities of biofuels or anything else that is not commercially competitive in price. But it takes a little while to get there, and one of the things the Navy can bring is a market for these fuels.

Senator INHOFE. But the figure that I've heard, I thought it was a quote from you, that eventually you'll need 330 million gallons per year of alternative fuels to meet your goal of 50 percent; is that correct?

Mr. MABUS. Yes, sir.

Senator INHOFE. All right. That means that that would be 50 percent, so you'd be talking about 660 million gallons. You apply your \$10 to that and this is a huge amount.

Mr. MABUS. I'm not going to apply the \$10 to that because when we get to that level the alternative fuel will have to be competitively priced with the fossil fuel that it's being blended with.

Senator INHOFE. Okay. I want not to get into that right now, but for the record I want you to send me what you just now said and show the documentation. That's not the way I read it. But that's all right. Will you do that?

Mr. MABUS. Yes, I'll be happy to do that.  
[The information referred to follows:]

When the Navy is buying alternative fuels at operational quantities they must be competitive with the fuels they are replacing.

The purchase of 450,000 gallons of neat biofuels, blended to 900,000 gallons of 50/50 drop-in marine diesel and jet fuel, was purchased for the 2012 Rim of the Pacific (RIMPAC) exercise, at a total cost \$11 million. \$11 million is less than the total annual cost of a \$0.01/gallon increase to our fuel and is roughly equivalent to a \$.40 increase in the price of a barrel of petroleum. The operational demonstration at RIMPAC will complete the Navy's testing and certification program of the hydrotreated esters or fatty acids alternative fuel pathway by allowing the fleet to utilize these fuels in operations such as UNREPs for our destroyers and refueling of helos and jets on the deck of our carrier.

Over the last 3 years we have witnessed the price of alternative fuels drop dramatically as research and development efforts and purchase volumes have increased. The final step for these fuels to reach cost competitiveness is production at commercial scale. To accelerate this process the Department of Navy has partnered with Department of Energy and the Department of Agriculture under the Defense Production Act Title III Advanced Drop-in Biofuels Production Project. This effort is dedicated to working with industry towards the construction or retrofit of multiple commercial scale drop-in biofuels plants capable of producing alternative fuels at a price competitive with petroleum.

Senator INHOFE. All right.

On TRICARE, we had the Army in here last week and I kind of pursued this a little bit. I look at some of the changes that are taking place. I know during the Bush administration they were talking about making incremental changes in copay at that time for 2007, 2008, 2009, and 2010. We put a hold on it in Congress. Maybe we shouldn't have done that, because I know that the costs of health care have doubled since 2001.

The budget that we're talking about right now seeks to save \$1.8 billion in 2013 and \$12.9 billion over the period of the FYDP. When you calculate this it's my understanding that the enrollment fees are going to be increased, depending on what rank you are, somewhere between 94 percent and 345 percent. I had sent some stuff in for the record when the Army was in here. The administration officials said that one goal of the increased fees is to force military retirees to reduce their involvement in TRICARE and eventually opt out of the program in favor of alternatives established by the 2010 Patients Protection and Affordable Care Act.

Do you want to comment about that? Do you think that's somebody's goal here?

Mr. MABUS. I will comment about what we've requested in the budget. As you correctly pointed out, health care costs are going up dramatically. Personnel costs are the fastest growing part of our budget. Something had to be done to get that under control.

The item that's been recommended in terms of TRICARE is that for working age retirees from the military that their premiums for TRICARE do go up, because in most cases they have access to other health care. But even if they want to keep on TRICARE, the largest increase, which would be for senior officers, would go up to about \$2,400 a year for health care. That represents less than half of what you would pay as a Federal employee or as a civilian out in the workforce for health care. So TRICARE would still be significantly less expensive than a competing commercial policy.

Senator INHOFE. Have you done any kind of a study—and answer this for the record because it would be a long answer—as to the

number of people who are retiring who might not be able to afford this? Because that range that I mentioned I think is still accurate. [The information referred to follows:]

The Department of the Navy has not conducted a study on how many beneficiaries will no longer be able to afford TRICARE in the out-years with the increased planned in the fiscal year 2013 proposal. I defer to Department of Defense for any associated analyses. With regards to total cost, TRICARE will still be much cheaper than commercial insurance. It should be noted, however, that when Congress passed TRICARE it was intended to be used only as a supplemental policy, not a primary one.

Senator INHOFE. I wanted to get to one other thing and that is what's happening right now over in AFRICOM. I got back recently from the Horn of Africa and I talked to Admiral Losee and several others. We're concerned about the activity over there. We know about the increased activity in Somalia and along the east coast, but we also know that more recently the activity is on the west coast. I know that at times you've had 64 incidents of piracy that were reported in 9 countries off the Gulf of Guinea. I was there and talking to some of the people, and they don't seem to have any resources over there.

I wonder how thin you're getting spread down there. Are you able to do all the stuff that you had not anticipated would happen 2 years ago?

Admiral GREENERT. We're able to do what we're asked to do in the global force management plan. What we need to do in the future to get better is we need to coordinate and synchronize with our partners. We had an international seapower symposium last October, we got together with the Nigerian navy, the Guinea navy, the French navy, and all those of us that operate in the Gulf of Guinea.

What's happening sometimes is we show up and there's two of us there, and then there's nobody there for a period of time. So I'm meeting in fact next week with the chief of the French navy and that's one of the things we're going to sit down and do, Senator. We need to synchronize what we're bringing forward.

For us as we move into the future, when we bring on the Joint High Speed Vessel (JHSV) and the LCS we will actually have a better opportunity to patrol in that area with a ship that resonates better.

Senator INHOFE. I'd direct this at both you and General Amos. I was in Liberia not long ago and met with the Navy and with the marines there, and a lot of what they're doing, the increased activity in the western part of Africa, the section 1206 and the train and equip programs have been very helpful. Would you comment as to that?

General AMOS. Senator, it's been about a year and a half since I was over there in the Liberia side. But we put that detachment in there to train those two infantry battalions. The previous contractor was unsatisfactory with the government. My sense in talking with the President, the American ambassador, there and the chief of defense was at that time they'd been very happy. All my reports have been very favorable.

Senator INHOFE. Admiral, do you agree with that?

Admiral GREENERT. I do agree. It's a very worthwhile fund.

Senator INHOFE. All right. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

General Amos, I just wanted to ask one question on the Camp Lejeune water situation. In a recent statement made immediately after the airing of the *Semper Fi, Always Faithful*, documentary about the water contamination issue at Camp Lejeune, Major General Kessler, the Commander of the Marine Corps Installations Command, stated that, "We are committed to finding a responsible solution to this challenging and complex situation."

I understand that the Agency for Toxic Substance and Disease Registry (ATSDR) has the lead in studying the contamination issues at Camp Lejeune. Is there anything that Congress can do to expedite the care for the servicemembers and their families that may have been affected by the contaminated water? I know we have the bill that hasn't come forward yet. So that's just one question.

Also, can you just talk a little bit about the progress the Marine Corps has made to find and notify those who have lived on the base during that period?

General AMOS. Senator, I read the same comment from General Kessler, and I agree with him. Since 1991, we have spent \$30 million in an effort to try to bring science into this. There are allegations out there. I've read them. We've spent an awful lot of time and effort. I'm committed as the Commandant of the Marine Corps to be faithful, to take care of my marines, and that means all the marines. That's not just the ones on Active Duty; all those that have gone before.

The truth of the matter is today science has not proven precisely yea or nay with regards to the Camp Lejeune water and its affiliation with cancer. That's the job of the ATSDR and that's the job of the National Academy of Sciences.

We have gone out and we've spent \$30 million. We have a web site that I know you're familiar with. The Secretary of the Navy and I just published a new book and did put it back on the web site with facts and communication tips. We just in the last 3 years have added another 25,000 people to the registry. We're sitting at about 179,000 folks that have registered now that we provide information to and that they can get it off the web site.

The key is to give them as much information as soon as we know scientifically what the relationship is. We're committed to that, Senator. Short of Congress specifically going to a marine or a marine family and authorizing on a unique basis care for that individual, I can't think of anything else short of waiting for the science.

Senator HAGAN. I appreciate the efforts that you and Secretary Mabus are putting towards this.

I also wanted to ask, General Amos, about the JSF, which we know is essential to the Marine Corps's ability to operate and move seamlessly from the sea ashore and in the air. I know I don't need to tell you about the aircraft capability of STOVL, because we know that that is key to preserving the strategic value of the amphibious capabilities.

I'm pleased that Secretary Panetta has removed the JSF from probationary status. The F-35B is scheduled to replace three aircraft currently in use by the Marine Corps, which I understand is going to save approximately \$1 billion in operations and maintenance costs. Additionally, the timely fielding of the F-35B will preserve the number of ships from which the United States can launch strike aircraft.

Does the current production rate for the F-35 sufficiently address the projected strike fighter shortfall, and have the Navy and Marine Corps adequately addressed the issues relating to the tactical air (TACAIR) integration?

General AMOS. Senator, the very last point on TACAIR integration, I am a fan of it. The Secretary, the CNO, and I signed an agreement just a year and a half ago. Not that we needed to sign an agreement, but to show our Services and DOD the level of commitment between DOD and the two Services. I'm committed to it. I'm a fan of Marine Corps squadrons on Navy carriers and will continue to be that way.

The amount of the production rate of six per year of my variant for the next 3 years is satisfactory to maintain, and we can maintain the strike fighter shortfall, we can maintain that at that production rate. If the production rates stay shallow beyond the next 3 years, then we'll probably have to go back to revisit and take a hard look at the strike fighter shortfall. We're managing it right now. It is manageable through just careful flying and management of the airplanes. The numbers are down well below 100 at this point. Anything below that is manageable.

I'm convinced that we are probably in a good position right now.

Senator HAGAN. Thank you.

I wanted to move to sexual assault. Both veterans and Active Duty servicemembers have cited that the Pentagon and military commanders are not doing enough to prosecute sexual assault cases. If it's true, the failure to provide just this basic guarantee of safety to women, who now represent over 15 percent of our armed forces, is not just a moral issue but a defining statement about the condition and approach of our military. In the Navy and the Marine Corps today, what challenges do you face and how do you plan to overcome those challenges to create a culture where we can put sexual assault in the past? What further steps need to be taken to hold more of the perpetrators of these heinous crimes accountable for their actions?

Mr. MABUS. Senator, you described what happens very accurately. It's a crime. It's an assault. It's an attack on a servicemember. The people who join the Navy and the Marine Corps swear to not only protect the United States, but also their fellow sailors and marines. This is an attack on one of their shipmates, and any amount of sexual assault is unacceptable.

We've done a lot and we're continuing to do a lot. First, I established an Office of Sexual Assault Prevention in my office. It reports directly to me. I see the person in charge of that office on a very routine basis. As a result of that, we've undertaken a lot of programs, particularly in the most at-risk elements, the young sailors and marines, ages 18 to about 25.

We have one program now that we require of every servicemember when they come out of boot camp and they go into their A school in the Navy, and every single one does, they have three 90-minute sessions on this. We have found that at Great Lakes, where boot camp and the A schools are, that sexual assaults have declined pretty dramatically when we started this program.

Second, I announced last week that we're undertaking an initiative called 21st Century Sailor and Marine, to make sure that the Navy and Marine Corps and the sailors and marines that comprise it have the tools to be resilient. One of the things that we have found is not just in sexual assault, but also in domestic violence, in driving under the influence (DUI), in fitness, in child abuse, and in suicides, is the presence of alcohol. So we are undertaking programs to try to make sure that we catch a problem before it creates a life-altering or life-ending or career-altering or career-ending event for somebody.

We have run two pilot programs on this, one with the Pacific submarine fleet in Washington State, one at the Naval Academy, where we have tested for alcohol, and all forms—domestic violence, sexual assault, suicide, DUIs, fitness—all the issues have gone down between 40 and 50 percent as a result of this program. We're seeing some programs that work. They require very active command involvement. They require active leadership by the commanding officers, the sergeant majors, and the command master chiefs. But we are going to change the culture and make sure that these attacks cannot be perpetrated, and it's better to prevent one than it is to prosecute one, but if one occurs we will hold people accountable to the maximum extent we possibly can.

Senator HAGAN. I certainly do appreciate your efforts in this and the ongoing programs. I'm pleased to hear that.

I also want to tell you that I'm pleased with the efforts that you're undertaking from the renewable energy source for the Navy.

Thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator SESSIONS.

Senator SESSIONS. Thank you very much, and thank you all, gentlemen, for being here.

As a member of the Budget Committee, I know that the cuts you're already undertaking are very significant, and I know that the sequester would be catastrophic to DOD. But it remains the law. The sequester is in law and will take effect unless Congress takes action.

I don't know that it would be that easy to fix it. I just want to tell you, I think the President and the White House team and the DOD team need to be thinking about what we can do, because I for one do not intend to eliminate the sequester totally, as the President's budget basically does. I think we'll have to find cuts in other programs in the remaining 60-plus percent of the budget that's been protected from any cuts. That's where we need to find some savings, too. It can't all come from DOD.

That's a complex matter, but I just would warn you that we're heading to that time and it could be a problem if we don't have a real solid plan to get out of it.



With regard to Navy shipbuilding, you have a force structure assessment coming up, I believe, Mr. Secretary, and you've stated you intend to reach an inventory of 300 ships by 2019. With this force structure assessment, how confident are you that it will maintain that as a goal, based on the budget and other things? Do you expect that the assessment group could come back and recommend even less than 300 ships?

Mr. MABUS. I don't know what the force structure assessment's going to come back at, Senator. But I feel confident that having a fleet of around 300 ships will meet whatever force structure assessment or whatever strategy that drives that force structure assessment.

We do have that plan, as you pointed out, to get to 300 ships by 2019.

Senator SESSIONS. One thing about it, I may not be here and you may not be here in 2019. So plans when they get out too far don't have much reality to them, and that's what worries me. We had a plan to have 316 ships and did have that many in 2001. When you took office it had dropped to 283. As you noted from your remarks, we had gone down 49,000 sailors. Some of that is because we use better equipment, better ships that need fewer people to man them, and I give the Navy credit for that, Admiral. We have to, like everyone else, see how we can do these things better.

With regard to the LCS, I'm concerned about the overall reductions in that budget in the FYDP. I understand it still remains a top Navy priority to have 55 ships produced through that program. Where are we in terms of cost and schedule for the LCS, Mr. Secretary or Admiral? How does the current contract, the execution of the program, compare with the initial purchase of the first ship in that program? How do you see that program developing?

Mr. MABUS. Senator, I'm very proud of the LCS program. The first ships of both variants came in, as lead ships do, very expensive and very high priced.

Senator SESSIONS. First in class is always more expensive.

Mr. MABUS. First in class, it is.

Senator SESSIONS. What does it look like now?

Mr. MABUS. The price has come down from the bids on ships 5, 6, and 7; the initial bids, the price has come down from that by 40 percent. The price is coming down for every ship in this contract. We have a block buy of 10 ships from each vendor, so a total of 20 ships. The 10th ship of each one will be significantly less expensive than the first ship.

These are all fixed price contracts, so we're certain that we will reap these savings. We were able to get 20 ships instead of 19 as originally planned, and save \$2.9 billion.

Both shipyards are performing very well. The ships themselves, as the CNO has mentioned, are going to be one of the very important parts of the Navy going forward. We're planning to forward deploy LCSs to Singapore, the first one next year in a proof of concept and then on a more regular and permanent basis in the 2015 timeframe.

So we remain absolutely committed, not only to the platform, but to buying out the entire 55. For purely budgetary reasons, we had to slide two at the end of this 5-year plan to make the budget. But

we remain committed to buying the entire class of 55 ships as quickly as we can.

Senator SESSIONS. Briefly, General Amos, does the LCS provide benefits for the Marine Corps?

General AMOS. Senator, it could. There's been discussion between the CNO and I about what we call a Marine Corps module. We have not done anything with that, but I think the possibilities are there, absolutely.

Senator SESSIONS. Admiral Greenert, do you have any comments on that ship line?

Admiral GREENERT. Combined with the mission module, it will be a quantum leap in something like mine countermeasures. Now we kind of mow the grass, finding mines, locating them, and neutralizing them. What we'll be able to do with this is at the same time find them, localize them, and neutralize them with unmanned vehicles, and the volume will be three times the volume that we have today.

So as we look at the challenges that we consider in the world today, the Strait of Hormuz and otherwise, imagine the capability enhancement.

Senator SESSIONS. I know we're facing a lot of challenges with regard to the Navy plans and the DOD plans. Less Air Force planes, less prepositioning squadrons for the marines, and also less JHSVs. The JHSV has been a very popular ship, has it not, Admiral Greenert, by the commanders who've benefited from it?

Admiral GREENERT. It has, yes. The Westpac Express, which is what it's kind of based on, has been successful. There's great anticipation by the combatant commanders for the JHSV.

Senator SESSIONS. It is being reduced, and maybe we can examine that. What are your thoughts about that?

Admiral GREENERT. We looked at that and said, I think we need 21, and we said, well, what if we crew it with Maritime Sealift Command people, because they operate at 270 days a year, instead of sailors, 180. With that, it becomes a requirement of 16 ships to provide the same presence.

We said, if we forward-station them, they're there. If we can do that, we can get by with 10. We did a study on that and that's where the 10 comes from, and that's how that worked its way in that direction.

Subject to change in the world and to strategy, we think we're good with ten, and so do the combatant commanders, sir.

Senator SESSIONS. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Sessions.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

Gentlemen, thank you for your service to the Nation and to the Naval Services.

Secretary Mabus and Admiral Greenert, your budget includes a proposed delay of the *Ohio* replacement class submarine, the SSBNX, by 2 years. Last year the Navy testified that they needed the original schedule to maintain strategic deterrence patrol requirements, which begs the question: If this postponement is in effect, can you maintain the level of strategic systems patrolling dur-

ing the transition from the *Ohio*-class to the new class? Admiral Greenert?

Admiral GREENERT. Today, Senator, we have 14 *Ohio*-class submarines. Two are in overhaul, so that leaves us with 12 really operational. With that, there are 10 or 9 available at any given time for U.S. Strategic Command.

We feel due to this delay we will ride a period where we'll have 10 operational, sometimes 9. So we'll have a similar risk there. We have to watch it very closely because at that timeframe in that future—I'm talking about the late 20s and the 30s—we'll have older *Ohios*. So we'll have to watch it very carefully. But right now we think that we can mitigate that risk.

Senator REED. In thinking forward, what assumptions are you making? Because frankly, you pointed out with the age of the fleet, if you're assuming sort of standard operational availability that assumption might not be a very good one. So are you making any heroic assumptions that fill the gap on paper?

Admiral GREENERT. Being Navy nukes, we don't try to be heroic. We're engineers. You know us, Senator.

Senator REED. I disagree. You're heroes.

Admiral GREENERT. But the long-term maintenance will be complete on the class at that time, so we were comfortable about that, that we'll have shaken all that down. So far the returns on the extension of the *Ohio*-class, because that's what we're talking about in that timeframe, are good. We have to pay attention to the sea water systems, the hull measurements, and the reactor plant components, which were subjected to neutron irradiation.

We've done this before, that is the process, but not on this class of ship. The returns are good so far. We must be vigilant.

Senator REED. Let me ask another related question, and this we've touched upon in some private meetings, the *Ohio* replacement is part of the broader issue of the nuclear triad, which for both strategic reasons and for economic reasons is going to have to go under significant reevaluation. It seems to me, as I've said before, that, given the historic relative invulnerability of missile submarines, and given the fact that this is really the only new strategic system that is being planned actively and funding being afforded to it, delaying it might have implications for the overall triad in terms of how do we maintain it, particularly if we find ourselves on the air and land side with not enough assets.

So this raises a huge question. I don't know if you have any comments today on that topic.

Admiral GREENERT. That's a good question. We looked at the nuclear strategic force structure, intercontinental ballistic missiles, bombers, and the submarines. We're comfortable with the 2-year delay in the Navy, with what we have to deliver as it stands today. There's a study underway, nuclear posture, post-nuclear posture review study. Pending the results of that, we're comfortable.

But we need to bring the *Ohio* replacement in. It's important. It is the survivable piece of the triad, as you said. The Department's been pretty clear on that to us in general.

Senator REED. Changing subjects from ballistic missile submarines to attack submarines, with a constant theme, the *Virginia*-class within your budget we're doing two a year, and I thank you

gentlemen and your predecessors for working that. It took many years. But we're slipping one of the boats, and that causes problems. It causes problems, I think, in the overall cost of the program. Let me ask either the Secretary or the CNO whether you would concur that would add additional costs to the program over time? Then what steps you might take to mitigate? For example, if we could include an additional ship in the multi-year contract, allowing long-term purchases, that might be the most effective way to deal with that?

Admiral GREENERT. There's an operational cost that I'll quickly allude to. There's SSN years, the requirements of the global combatant commanders, and we have a deficit in the 20s and 30s. This will exacerbate that by moving the boat from 2014 to 2018, and that's regrettable. The year 2014 will be hard for us. We will retire ships early in that year more than any other year in the FYDP.

If we could work a procurement process using a fiscal arrangement, and we will ask for a multi-year procurement in that class, as was stated earlier. We would ask for a block buy. We have good data on our block buy, where we have saved substantial amounts of moneys. It's most efficient. As you alluded to, the workforce learning curve is high, the vendors are good. Everything comes about. We're getting these submarines in early.

If we could find a way to incrementally fund this, we are confident there are substantial savings and we would get a 10th boat for less than the notional cost.

Senator REED. So there would be a cost savings in terms of doing this contractual rearrangement. Then there's also the operational costs you'll have to bear because you just don't have enough ships capable to go to sea. So there are two costs that can be mitigated by this process; is that accurate?

Admiral GREENERT. Yes, sir. There's a capability, a capacity, and a cost factor in these.

Senator REED. I presume that industry is seriously engaged with you to try to find a reasonable way to get this done.

Mr. Secretary, do you want to comment?

Mr. MABUS. Yes. We're working with industry. We're working to try to find innovative ways to fund this so that we can meet the mitigation that you and the CNO have talked about.

Senator REED. Thank you, Mr. Secretary.

My time has expired. General Amos, you look great. I wish I looked that good even without an operation. So keep it up. Tell those marines to keep going. Thank you, sir.

Chairman LEVIN. Thank you, Senator Reed.

Senator WICKER.

Senator WICKER. Thank you very much.

Mr. Secretary, I was very pleased to receive word the other day that a memorandum of agreement had been signed for the LHA-7 *America*-class amphibious ship that's very important for our future freedom of the seas. As we draw down forces in some areas of the world and focus on the Asia-Pacific region, this will be a linchpin in the American force.

I assume we will see that final contract concluded within a matter of weeks?

Mr. MABUS. Senator, we anticipate that final contract before the end of April.

Senator WICKER. Excellent. Thank you very much.

Let me ask you then, both of you, Secretary Mabus and Admiral Greenert, about the shipbuilding industrial base. Of course, your main concern is getting the job done, but we also have to be concerned about the employment peaks and valleys that we may see. I noticed in your testimony, Secretary Mabus, we're not going to be back to 300 ships until 2019.

The current FYDP says we'll have new construction of 41 ships. This is a decrease of some 17 ships from the previous FYDP. Considering that and the fact that we're not going to even get within 13 ships of our requirement until 2019, what is that going to do to the so-called employment valleys, where employment at the shipyards is here and then it dips down and then we're expecting it to be able to come back and have the capacity to go up to a previous level? How is that going to play out?

Mr. MABUS. You're absolutely correct that the industrial base is one of the things, particularly in shipbuilding, that we have to protect. Once you lose those unique skills, it's very hard to get them back when you need them.

In terms of that, we want to make sure that we have an industrial base that provides as much competition as possible, so that we not only protect the industrial base, but we also protect the taxpayers in terms of how much money we pay for ships. Today we have 37 ships under contract, which I believe will keep all of our shipyards at a fairly steady manning pace.

For Pascagoula, for example, they have a DDG-51, they have the LHA-7 that you pointed out, they have LPD-26, and we're in negotiations over LPD-27. If you take all those and you project them forward, there's still going to be at any time in an industry like that some peaks and valleys, but we think we've smoothed it out to the maximum extent that we can.

In terms of our other shipbuilders, we only have one yard that builds auxiliaries. They now have in the current shipbuilding plan and in the FYDP a request for about one ship per year, which will keep them stable.

But we keep a close eye on the industrial base and on the competition inside the industrial base, because sometimes one of the things that causes these peaks and valleys is not the welder out there, it's the overhead. It's the amount of money that the shipbuilder decides is necessary in terms of the support services. We keep a close eye on this and we expect the shipbuilders to do the same.

But you're absolutely correct in your concern for the industrial base and we certainly share that concern.

Senator WICKER. Admiral, if sequestration kicks in what's it going to do to what Secretary Mabus was just talking about? Then, Mr. Secretary, I'll let you answer that question also.

Admiral GREENERT. In this strategy, one of the things we talk about is reversibility. That's the ability to ramp up if need be. But you have to have an industrial base to do that. In my view, if sequestration kicks in we will lose the abilities that Secretary Mabus referred to in some shipyards. When I do rough math, I'm looking

at not 285 ships in a given year, I'm looking at 230 ships. We don't have enough force structure to accrue that kind of savings without reducing procurement.

I'm very concerned about an industrial base that would be able to adjust from sequestration. It would be very difficult to keep a shipbuilder that could be efficient in the types of ships we need.

Senator WICKER. Say that again about 230 ships.

Admiral GREENERT. We have 285 ships today. You do rough math, you look at the kind of numbers we talk about, and where I am today, it's just simple, straight application of math from where we are today. We could be around 235 ships.

Senator WICKER. Mr. Secretary?

Mr. MABUS. Sequestration has two big problems that there's been a lot of conversation about, and a lot of testimony before you. One is the amount, but second is how it is implemented, without regard for strategy, without regard for priorities, and you simply have to take a certain percentage out of every account.

It would be a big issue for shipyards, like the CNO said. It would also be a big issue because if we have to take a certain amount out of every single program line, there are some contracts that we already have out there that we would have to take money from. So for both reasons, the amount that is being reduced and the way that they're being reduced, I believe that Secretary Panetta described the effects as catastrophic.

Senator WICKER. Thank you.

Chairman LEVIN. Thank you, Senator Wicker.

We're going to take a 10-minute break. [Recess.]

The committee will come back to order.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to add my welcome and aloha to our panelists, who are considered distinguished leaders of our country. I want to thank you very much for your tireless efforts in leading the men and women of our Navy and Marine Corps for our country. I also want to recognize and thank the military members and their families for their outstanding service.

Mr. Secretary, it's always good to see you and speak with you. I always wish you well. In your written testimony, Mr. Secretary, you indicate the Naval Academy received nearly 7,000 minority applications for the 2014 class, and it's double the number for the class of 2010. Can you discuss what the Navy's doing to achieve these significant gains, as well as the benefits of a larger pipeline of qualified minority officers for the Navy and Marine Corps?

Mr. MABUS. Thank you, Senator. I will return the good wishes, and it's very good to see you.

The Naval Academy has had an outreach program going now for several years to make sure that we get as diverse an applicant pool as is possible. Everybody should be accorded the honor of defending this country through military service.

As you pointed out, the number of minority not only applicants, but also acceptances, has gone up dramatically. We have outside the Academy taken action to make sure for both the Navy and the Marine Corps that we are gathering in highly qualified, diverse background Americans, not just diversity in ethnicity or national

origin, but also in terms of geography, in terms of backgrounds, and in terms of educational experiences, because we believe that we will be a better fighting force having that diversity of points of view that we bring to bear on any issue.

We have also expanded Naval Reserve Officer Training Corps (ROTC), returning it to some schools, such as Harvard, Yale, and Columbia, where it had historically been, but where it had been absent for almost 40 years. We are bringing Naval ROTC to other schools, like Arizona State and Rutgers, to make sure that we do reach the widest population possible.

Finally, the other thing that we have to do in the military is not only get these young, diverse Americans to sign up, but also to remain and make the Navy and Marine Corps a career, so that the diversity at our higher ranks will mirror the ones at our lower ranks.

Senator AKAKA. Thank you very much, Mr. Secretary.

Admiral, good to see you, too. First, I applaud the decision to fully fund ship and depot maintenance accounts. The Navy is taking steps to improve maintenance work on its surface ships so as to mitigate problems in material readiness that have come to light in recent years. Admiral, can you talk about some of these improvements? How will these steps affect ship maintenance work? Talk particularly, if you can, about Pearl Harbor and other shipyards as well.

Admiral GREENERT. Aloha, Senator.

The biggest change is called the Surface Management Engineering Program. We have this in the submarine program and the carrier program. Actually, we reinstituted it into the surface program. It's laying out the key and critical maintenance procedures that need to take place when we bring a surface ship in for maintenance, to ensure that it gets to its expected service life.

It involves going into the tanks, looking at the turbines, the shafts, the shaft seals, those long-term items that you might be tempted not to look at and that we didn't look at in the past, where we started finding emergent problems coming up. That's the biggest change.

Then it's to have the discipline to see to it that when we bring the ship in for maintenance that we get that work done. We have to man the shipyards, such as Pearl Harbor, so we have the right planners that can lay out what needs to take place so we're efficient when we bring the ship in.

Senator AKAKA. Thank you very much.

General Amos, I understand that you recently signed a revision to a 15-year-old policy addressing hazing. You also ordered the Service to begin tracking all hazing allegations and investigations, and called on leadership to get more aggressive in confronting claims of abuse, and instituted new protections for victims and whistleblowers.

General, I really applaud your attention to this very serious matter. Can you discuss some of these new protections for victims and whistleblowers?

General AMOS. Senator, it's true I signed a new order out. I was a bit surprised to find out it was as antiquated as it was. So we

did do that. It did put my fingerprints as the Commandant of the Marine Corps on the entire matter.

I've required all leadership, all my general officers, all my commanding officers, to immediately put their attention and their leadership fingerprints on the matter of hazing and to eradicate it. It is like a cancer that is treated and gets beat back and you begin to feel good about it, but if you don't keep persistent attention on the matter across the Marine Corps, all 202,000 marines, then it begins to show again, and then you have to treat it again.

This is a leadership issue, Senator. Clearly I'm not happy with it. I have not set anything in motion with regards to whistleblowers specifically, but the Marine Corps understands, they've gotten the message loud and clear, that, number one, this is a leadership issue; number two, it's their responsibility; and number three, it's absolutely without exception unacceptable behavior, and if found out then it's my full intention to prosecute it in every case.

Senator AKAKA. Thank you very much for your efforts.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Admiral, Mr. Secretary, and General, for being here today. I appreciate it, and your service to our country.

Admiral Greenert, Admiral Locklear has described the *Virginia*-class submarine as the backbone of our attack submarine force. Based on the line of questioning you just had with Senator Reed, you said that the slipping of the *Virginia*-class production will exacerbate the shortfall that we're going to see going forward.

I have a couple of questions for you. First of all, let me say that I'm very proud of the maintenance done at the Portsmouth Naval Shipyard, the excellent work done there on the *Virginia*-class submarine, and the importance of that work when we think about the role of the *Virginia*-class submarine as the backbone of our attack submarine force.

But it's my understanding—this is obviously a very important issue for us—that the Navy was only able to support 61 percent of the combatant commanders' requirements for attack submarines in 2011; isn't that right?

Admiral GREENERT. That's right.

Senator AYOTTE. So we're only currently in 2011, when the combatant commanders asked for support of attack submarines, meeting essentially 6 out of 10 requests?

Admiral GREENERT. That's right, ma'am. They provide their requests, they're adjudicated within the Joint Staff, and then we get our distribution for providing worldwide presence.

Senator AYOTTE. The Navy has a requirement for 48 attack submarines?

Admiral GREENERT. That's correct, Senator.

Senator AYOTTE. Based on where we are, and when we look at the build rates that are proposed, is it correct to say that the Navy will only have 39 attack submarines if we look forward to 2030?

Admiral GREENERT. That will be the low point, yes, ma'am.



Senator AYOTTE. So we'll have a nine-submarine shortfall in 2030 if we continue with the proposed build rate that we have in this budget?

Admiral GREENERT. Yes, ma'am. That's the depth, and there's a breadth to that, too, of course. Any time you go below 48, there's the divot, so it's also the width of that as well.

Senator AYOTTE. Right. So this is a real concern, and what it also results in, as I understand it, is a 43-percent reduction in forward presence and a 60-percent reduction in undersea strike volume if we allow our submarine force to go below this level, down to the 39?

Admiral GREENERT. I can't validate the numbers themselves, but you're in the rough order of magnitude. It would be dramatic. It's very important.

Senator AYOTTE. This is at a time, obviously, where we're shifting our focus to the Asia-Pacific region, and of course this is an important capability to have in that region, but not only in that region. We've talked about the importance in the Middle East and other areas around the world.

Admiral GREENERT. Yes, Senator. With the submarines we have, the Asia-Pacific would get the attention. So it's the rest of the world we also have to pay particular attention to.

Senator AYOTTE. We have other hot areas that we would want to be able to do, not only focus on the Asia-Pacific, but of course the Middle East and other areas around the world, our own homeland as well. Isn't that right, Admiral?

Admiral GREENERT. That's right, Senator.

Senator AYOTTE. I'm very concerned about the proposal in the fiscal year 2013 budget of where this will bring our production rate. I think that's something that we have to look at very carefully in this committee.

I have to ask you an important question. Would you be proposing this production rate but for us handing you a number in the Budget Control Act?

Admiral GREENERT. This was a budgetary process. It was all about not having enough money in 2014, our toughest year.

Senator AYOTTE. It was about just the number we handed you and nothing to do in terms of what we would need for capacity to protect, to have a full, robust force where we would want to be as we look forward; isn't that right?

Admiral GREENERT. That is correct, Senator.

Senator AYOTTE. That's a real concern to me, because we can't drive our national security interests, particularly on something so important as our attack submarine fleet, and also the overall size of our fleet, by just being handed a number by Congress.

Are we taking on additional risk by doing this?

Admiral GREENERT. There is risk. As you mentioned, capacity is the primary. These are very capable submarines. It's the SSN capacity around the world.

Senator AYOTTE. I think that's something that this committee has to look at and address as we look at the authorization and further consider the proposal for fiscal year 2013.

I wanted to ask all of you gentlemen, in particular General Amos. Last year the Navy announced the plans to place 6 of the

16 ships from the 3-squadron Maritime Prepositioned Forces for the Marine Corps into reduced operating status. This proposal was made at a time before the Arab Spring, before we've seen some of the unrest in the Middle East that has come forward.

I was concerned about that reduced operating status at the time. In fact, General Panter came before the committee and said that it required additional analysis before we went on reduced operating status.

But let's push forward to where we are today. We have three prepositioned forces. As I understand the fiscal year 2013 proposal, we're going to go from three to two. In the area that we're going to take out one of the prepositioned forces is in the Mediterranean. Just so people understand what areas that allows us for faster response time because we have the prepositioned forces ready to go there in terms of the equipment needed if we have to respond, that's the area of Syria, Egypt, Israel, Lebanon, Tunisia, Libya, and the entire west coast of Africa. There's nothing happening in that area of the world at all that we might want to keep a focus on at the moment?

My question first to General Amos would be was it the Marine Corps' proposal to eliminate one of these prepositioned squadrons?

General AMOS. Senator, discussion came about the time I became the Commandant, so just about 18 months ago, as we were looking. This was before the Budget Control Act and where we are today, so I want to put it in context. But I looked at this thing, having looked at Maritime Prepositioning Ship Squadrons (MPSRON) for many, many years, and said, okay, what do we really need as a Nation?

My instinct at that time was probably two squadrons. So then the discussion began 18 months ago, do we need three or do we need two? But how do we do this thing? I'm a believer that two is sufficient, Senator. I think we make adjustments on some of the areas that you just talked about and we're going to end up having to be more flexible, there's no question about it.

But my concern with the MPSRONS going to two was that once we made that decision, let's build them correctly, let's make sure that the two MPSRONS themselves are what I would call enhanced. In other words, they have some of the newer ships that are available, with greater capabilities, and they have the ability to off-load, use these things, and not only for training but also for contingencies.

That's where I am. I'm very comfortable with two. I was briefed last night that it hasn't come to the Secretary of the Navy for his final decision yet, but among the two Services they've worked the details out where they have a pretty good plan with 13 ships out of the two. So that's where I know it as of today, Senator. I'm comfortable with two; I just want to make sure that they are the right makeup.

Senator AYOTTE. In last year's defense authorization I included asking for a certification for the readiness posture of reducing the status of one of the forces from yourself, Commandant, as well as obviously from the CNO and the Secretary of the Navy, and then to have the Secretary of Defense make a certification to Congress

that he felt that acceptable readiness posture would still be available.

I'm going to ask that the same type of certification be done if we're going to reduce this, because we're not only going from a reduction, but an elimination. We need to understand what additional risk we're taking on with that and whether in all of your esteemed opinions that this is sufficient in terms of our readiness in a critical area of the world.

Mr. MABUS. Senator, we are treating the requirement that is in the current NDAA about reduced operating status to also apply to the removal of one squadron, and that was the report that General Amos referenced that the certifications will be coming.

Senator AYOTTE. Very good. I appreciate that.

My time is up. I can't leave, though, without saying that I'm deeply troubled, Admiral, when you tell me that if we allow, this Congress, sequestration to go forward that our fleet could be in a position where it would go from 285 capacity to 235, when we know just last year the CNO, your predecessor, had told us that the ideal capacity for our fleet to meet all of our needs is actually 313.

So I hope that we will act immediately on a bipartisan basis in Congress to stop the sequestration, because when you think about our fleet going down to 235 that is an unacceptable risk to our country and our allies. I thank you for your testimony today and I hope we work immediately so that this is not hanging over the head of DOD for you to have to worry about and for our military men and women to know that we are behind them and we're not going to allow this to happen.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Begich.

Senator BEGICH. Thank you very much, Mr. Chairman.

Thank you all for being here. Thank you for being so patient. I think I'm the last man standing, or the second to the last man standing, so I'll try to walk through a couple issues.

Let me say I want to talk a little bit about the Arctic, as you can imagine. But first I want to comment on the very early stages of this discussion about your research and your development with regards to energy. I will tell you I'm going to be a huge supporter of your efforts of DOD. I may have some questions about some of the efforts that you're doing, but if we go back to the 60s in Defense Advanced Research Projects Agency, a lot of people forget that they decided to do some simple things. They just wanted to communicate between some of the different facilities and, lo and behold, today we have the Internet.

Now, you took an initiative. You actually hired someone out of the private sector because you thought it was such an important thing. The military has been the lead in many areas that have advanced this economy in many ways. I use that as an example, the 1960s, when the military saw the high value of communication and connectivity, and most people didn't even know what the heck we were talking about, but DOD spent money, probably a lot of money in those early days, which was probably criticized. I'm sure there was some criticism back then. But today what would we do without it?

So I think what you're doing in alternative and renewable energy, even though I will have some questions on some of the expenditures and taking the lead in some of these areas, it is critical for our long-term national and economic security.

I was just in Afghanistan, General, and I saw, I think it was at Boldak and a forward operating base, the power of the solar panels and the change that has occurred through on-the-ground testing. As the marines tell me all the time: We don't want to carry a lot of junk; we want to carry what we need to do our job. When you can knock a lot of pounds off the weight and transfer it off the backs of the marines and then they can do their job because they have better energy sources, like solar panels and the utilization of the battery systems, that's powerful. That gives us tactical advantage, at least from my perspective.

So I want you to know, from a person from a State that produces a lot of oil and gas, we like what you're doing around renewable and alternative energy and research to help this country be more economically secure from a national security perspective. I hear this debate out there because people wonder why you're in the business. Well, because you're in the business of saving lives. Part of the work you do in the military is try to look at risk analysis, and you have high risk when you move those convoys of diesel. If you can reduce the risk you save lives, and that's how I look at it.

That's not necessarily a comment. I just get very frustrated when I start hearing the noise out there on what's going on.

So again, I'll pause and just say thank you for the work you're doing on the ground. I was impressed by the technology. The marines were excited at what they were producing and how they could do things that they couldn't do before in 2- and 3-day increments with energy sources with self-sufficiency.

So let me pause there. But let me get to the larger question if I can: The United Nations Convention on the Law of the Sea (UNCLOS), do you support it?

Mr. MABUS. Yes, strongly.

Admiral GREENERT. Yes, sir, I do.

Senator BEGICH. Thank you.

Let me also say, we had General Jacoby here of U.S. Northern Command (NORTHCOM). He was talking about the importance and the evolution of Arctic, and one of the agreements they're working on—I think he was doing it that day, as a matter of fact—between NORTHCOM and the Coast Guard is a gap analysis process of what we may need. Today you probably saw, or maybe not, because you've been stuck here, the Snow Dragon, which is an ice-breaker from China.

They're moving up to the Arctic. They're not messing around. They see that as an opportunity economically and militarily.

Can you give me your thoughts, Mr. Secretary and then Admiral, how you view the Arctic? Are we prepared? I know you did a study on the Arctic roadmap, which was released by the Navy through your Task Force Climate Change. Are we prepared? If not, what do we need to do?

Mr. MABUS. Senator, you accurately pointed out we've released the Arctic roadmap in 2009, and we are following that roadmap. Both the CNO and I have recently been to Canada to talk to our

Canadian allies about what they are doing in the Arctic, what we are doing in the Arctic, and how we can better coordinate.

The question you asked immediately before that. One of the things that would help us the most is by approving the UNCLOS. It would help us in terms of the rights of freedom of navigation. It would also help us as a Nation establish our claims in the outer continental shelf and the Arctic. As you are far better aware than I am, we have different nations competing for the same resources in an Arctic that is going to be increasingly ice-free in the summer, so that you can not only have navigation through there, and you're already beginning to see that, but also extraction of seabed resources.

I think the first thing we could do is become a signatory to the UNCLOS conference. Second, we are actively doing things like Ice Exercise (ICEX), where I went last year. We operate with the Canadians in their Operation Nanook. But I think that our plan is to become more capable in the Arctic as the Arctic becomes more accessible over time.

Senator BEGICH. Admiral?

Admiral GREENERT. I back everything the Secretary just said. I'm completely in line with that. I would add that as we organize, train, and equip, operations in the Arctic have to be a bullet, a factor, a principle, just like operating in the Gulf, which unfortunately we didn't do right the first time, so we had problems with warm water, sand, and grit.

Likewise, we need to continue to do the Nanook exercises with the Canadians and the Norwegians, keep those deliberations and collaboration going on, continue with ICEX, so we're comfortable operating in that domain. That includes critical infrastructure, making sure our command and control can be supported in that area of the world. Just as we prepare our Navy, the Arctic operations have to be a factor in that.

Senator BEGICH. One of the things I know and I'm hoping for, and maybe we could get this at a later time from you, maybe as you lay the Arctic roadmap out, tell us where you think you are time-wise on resources and how you're doing, because when I see the map, I love this map. I just want to have more numbers up here, because I see China and what they're doing. They're not messing around. They see us as incapable because we don't have enough ice-capable vessels, so they're taking advantage of that. We need to equalize our opportunities up there.

I would like at some point, a determination of here's where we are, here's where we think we're going, and here are some gaps that we need to fill; if that's possible to do in a written statement.

[The information referred to follows:]

*Where we are:*

The Navy has made significant progress and completed several major action items in the Arctic Roadmap to include the Arctic Mission Analysis, two Capabilities Based Assessments and the Fleet Arctic Readiness Assessment. These documents provide the foundation and justification for future efforts and identify the most likely Navy missions and capability needs in the region. We have also made great strides in strengthening existing and fostering new cooperative relationships in the region. The principle international example of this is the Arctic Security Forces Roundtable effort, which is designed to promote regional understanding, dialogue and cooperation among Arctic Security Forces, enhance multilateral Arctic security

and safety operations, and adapt to the changing environment and emerging missions. It is co-sponsored by U.S. European Command and the Norwegian Defense Staff, but much of the work behind the design and execution has come from the efforts of Task Force Climate Change and the Arctic Roadmap.

*Where we are going:*

To facilitate the way ahead on the Navy's plan for the Arctic, we are co-sponsoring an Arctic Symposium at the Naval War College with the U.S. Coast Guard. This symposium will examine maritime challenges in the Arctic region and will develop a risk-based investment and policy strategy that identifies and prioritizes near-term (within the next 5 years) Arctic capability needs. It will include a timeline for addressing these capabilities and identify either an existing forum or propose a new forum through which we can leverage federal investments to avoid overlap and redundancies in addressing mid- and long-term Arctic capability needs. The capability recommendations identified in the Symposium will be incorporated into the budget process, enabling the final phase of the Arctic Roadmap that includes execution of Navy budget initiatives to address Arctic requirements.

*Gaps that we need to fill or potentially fill:*

As identified in the Department of Defense Arctic Report to Congress in May 2011 and supported by the Navy's Capabilities Based Assessments, there are three capability gaps that have the potential to hamper Arctic operations over the next three decades. The first gap is in Arctic communications, and the second is in navigation, to include accurate charting of the sea floor, sea ice and weather observation and forecasting capabilities. The final gap is in the ability to obtain and sustain awareness across all domains in the Arctic region. Specifically, there is a significant gap in the area of maritime domain awareness, which was identified as a key area for improvement in the U.S. Arctic Policy (NSPD-66/HSPD-25).

Senator BEGICH. My time is up, but one other piece I'd say is we should have further discussion on the need for a U.S.-controlled deepwater port in the Arctic. We can have further discussion. Not only for military activity, but all the other activity that's going on up there, we are just at a lack of facility up there.

But again, thank you all very much. I didn't mean to get into my rant there about alternative and renewable energy, but just a last data point: Alaska by 2025 will be run on 50 percent renewable energy. We understand the value of it, so I'm glad you guys do, too.

Thank you very much.

Chairman LEVIN. Thank you, Senator Begich.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you to all three of you for your extraordinary and distinguished service to our Nation, and particularly, General Amos, thank you for your endurance and tolerance with us. I know your back must be reaching a point of some pain anyway. But I'm glad to see you here, as Senator Reed said, looking like all of us would like to look with or without that kind of surgery.

Let me begin by saying also how much I admire and respect the success—and I underscore the word success—of our marines and our soldiers in Afghanistan, where I have recently visited, despite all of what we see and all of what's been emphasized at the ground level, in targeting high-level leadership of the Taliban, the insurgents, and the work done in terms of training and transition. I think the work has been very, very impressive, and I know you've testified already to that effect, but I would just underscore it now.

I gather that improvised explosive devices (IED), the roadside bombs, continue to be a problem there, and I wonder whether you feel that we are making any progress in that area?

General AMOS. Senator, they continue to be the low-grade, low-expense, highly effective weapon of the enemy, especially in the

counterinsurgency environment. They're cheaply made. A little bit of fertilizer and technical know-how, and you can make something that becomes pretty catastrophic.

We have made progress. We have put a lot of money into trying to find these things under the ground. Interestingly enough, what we found to be the most successful has been often the human eyeball, teaching observation skills to our marines, who've kind of gone back to the way we have done business in the past.

So we use some of those things. We use ancient things like a bamboo pole that's about 12 or 15 feet with a small hook on it, and you kind of drag the ground in front of you looking for a command wire. It doesn't cost anything, but saves lives. Dogs. We've tried everything from ground-penetrating radar to mine rollers. Mine rollers continue to be very successful. They're made in Panama City for the most part. We repair those. They find the pressure-plated mines on the roads that our vehicles go on.

The ones that get us the most are those ones that are off the road, on canal sides, along footpaths and off areas, where marines might patrol. Sir, we are mindful; we teach people how to look for IEDs and there's a series of ways we grow that experience. But nothing replaces the human eyeball.

It's still a high threat and you still see our great young heroes up at the new Walter Reed without their legs today because of IEDs.

Senator BLUMENTHAL. The Pakistanis have been of very little or insignificant help in interdicting the ammonium calcium nitrate fertilizer that flows across the border?

General AMOS. Sir, what I've read is that's absolutely correct. Fertilizer comes in. Of course, it's a big agricultural area where we are, Helmand. It's kind of the breadbasket of Afghanistan. So you need fertilizer. We don't need it to make IEDs.

Senator BLUMENTHAL. I want to ask a quick question about a program that you and I have discussed before, the transition assistance program that you have very, very commendably in my view emphasized for our marines, and hopefully will be expanded for our soldiers as well. Is that transition assistance skill training, counseling, expanding, and enhancing in the way that you have planned to do?

General AMOS. Senator, it's in its debut stages. We did our first two beta tests in the middle of January, and we're unveiling it both on the east coast and the west coast. We're unveiling it now to the rest of the Marine Corps over this spring and the beginning of the summer. In a nutshell, for all the members, that's taking the old transition program that I went through as Captain Amos years ago, which hadn't changed any, to completely new, let's get our veterans hired, how do we take that young marine that joined the Service and make him a marine for life, such that when he or she finishes their tour in 4 years, 8 years, they come out the other side and they have the greatest opportunity and chance to get a job, to go to school, to learn a trade, or to start a business.

Those are the four main pathways that we have set for our marines. It is a significant effort and we probably won't see the real benefits of this for another couple of years. I'm willing to wait, but we're on it right now, Senator. I'm very optimistic.

Senator BLUMENTHAL. That's very exciting and very promising. Thank you and the Marine Corps for that great work.

Secretary Mabus, in light of the Navy's need for strategic dispersal of undersea warfare assets and the commitment to keep 40 percent of the attack submarines on the east coast, please give us your assessment of the capacity and military value of the submarine base at New London.

Mr. MABUS. The submarine base at New London is one of the key components of the strategy in terms of what you pointed out, the fact that we will be keeping attack submarines in a 40-60 split, Atlantic-Pacific; what Admiral Greenert testified to a little bit earlier, that it's not just the Pacific where the capacity and the capability of these incredible warships are needed.

I also want to thank the State of Connecticut. They have invested about \$40 million into the sub base there to upgrade some facilities so that we can maintain that base at the high rate of operational readiness that it is, and that's very much appreciated and it's been very helpful.

Senator BLUMENTHAL. Thank you for those comments. I will say on behalf of the State of Connecticut, we've been proud to support that sub base because it performs such an important mission.

Would you agree also that with the increasing trend toward unmanned underwater vehicles and countermining warfare, the strategic importance of that base is only increasing?

Mr. MABUS. I will agree with that, Senator.

Senator BLUMENTHAL. Thank you.

My time is up, but again I want to thank all of you for your service and for your very helpful testimony today. Thank you.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman. Mr. Chairman, you and I probably are the only people here who would remember this, but I just have to say, listening to Senator Begich's questions about wanting a deepwater port in Alaska brought back fond memories of Senator Stevens, when I was Secretary of the Navy many years ago, under the strategic dispersal concept at that time he was pushing very hard for home ports in Alaska. Of course, at that time we had 568 ships in the Navy.

But also, Admiral, I take your comment about learning how to operate in the Persian Gulf, that really brought back a strong memory to me from when I was Secretary of the Navy. We had just started, actually, operating full-time in there. I remember visiting the USS *Stanley* in the Persian Gulf back in 1987. The first thing I would do when I would go aboard a ship, it came from my younger cruise at the Naval Academy when I worked in the engineering spaces with the snipes, was always to go down in the engineering spaces and ask them the last time their commanding officer had visited the engineering spaces. The railings on the ladder going down in the engineering spaces were so hot you couldn't hold onto them. So we've come a long way since then.

I remained almost to the end of this hearing because I was quite surprised, Secretary Mabus, to hear the response with respect to the questions from Chairman Levin and Senator McCain regarding this independent study for the layout on Okinawa and Guam that



we had mandated. Perhaps this is just a miscoordination, because I know it's not under the jurisdiction of the Navy, but I hope what you said is not right.

We mandated by law that there be an independent study and that they would report to the Secretary of Defense 90 days after the signing of the NDAA, which was December 31, which means that this independent study not only is supposed to have been contracted, but it's supposed to give its first report to the Secretary of Defense in about 2 weeks. Then the Secretary of Defense has up to 90 days after that to report to us.

This is not a small thing. We're not in any way up here attempting to kill this program. We're trying to unstick it. Administrations have been working on this issue for a little more than 15 years. I have had dozens of Japanese delegations visit my office just over the last year, including another one coming in this afternoon.

I have been saying to them over the last 3 months that there is an independent review that's going to take place in tandem with the reviews that are going on. I'm visiting Japan on April 1. I had assumed that there would be some sort of preliminary report in from the study. Then we're hearing that apparently there hasn't even been a contract let. I hope we can clarify this.

Admiral, maybe you can clarify this for me, that the Navy has halted potentially about \$3 billion worth of construction projects on Guam as we attempt to sort all this out. Is that correct?

Admiral GREENERT. I don't know that that number is correct. I'll have to go back and do the research on that. There are some on hold, but the specifics and what they're based on, I better check it out before I give you an answer.

[The information referred to follows:]

The Navy has not terminated any of its previously awarded military construction projects on Guam related to the U.S. Marine Corps relocation. Approximately \$474 million in construction is underway at Andersen Air Force Base, Naval Base Guam and on civilian roadways (funded through the Defense Access Roads program). However, the Department of the Navy has deferred award of approximately \$687 million in projects appropriated by the United States and the Government of Japan, pending the completion of new environmental studies and master planning related to the reduced Marine Corps laydown on Guam. That figure consists of: \$580 million for five construction projects funded by the Government of Japan, \$74 million for roadway improvements in northern Guam, and \$33 million for a cultural repository, mental health facilities and school vehicles and supplies.

Senator WEBB. We are in a freeze, and it's being misunderstood on Guam. The situation on Okinawa is one of probably the top two most volatile domestic political issues in Japan. We need to get this going. I know there are continuing talks. We follow them every day in my office.

This is a part of it. It's designed to get an independent set of eyes on this because there are so many turf battles over in DOD, quite frankly.

Admiral GREENERT. There are harbor projects, regardless of how many marines are on Guam, that are proceeding.

Senator WEBB. I know that. I came back from Guam a little more than 2 years ago and did everything I could to get the White House to put money into that from the Tiger funds. We follow this very closely.

But at the same time, you know and, General Amos, I know you know—you and I have had many talks about this—that one of the big questions on Guam was just exactly what the Marine Corps laydown would look like. I had my own questions about this when I first revisited Guam a couple of years ago because they were doing a laydown that included dependent personnel, family personnel, which was driving up infrastructure and the numbers, from 8,000 to potentially more than 20,000 people.

So we know that this needs to be redone. But I can't emphasize strongly enough how important it is that, first of all, the law be obeyed here and, second of all, that we reach an end point on this for the good of our strategic posture in that part of the world and also for our relations with the Japanese and the people of Guam.

No further response is required, but I just wanted to reemphasize what Chairman Levin and Senator McCain were saying.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Webb.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you, Secretary Mabus, General Amos, and Admiral Greenert, for being here this morning. Hopefully I am the last person that you have to hear from. I figure on this committee we always save the best for last.

I actually want to begin where some of my colleagues left off, particularly Senator Begich, and that is on the issue of energy. I want to thank you very specifically, Secretary Mabus, for coming to testify on Monday. The Water and Power Subcommittee of the Energy Committee in the Senate, which I chair, held a field hearing down at Norfolk on the USS *Kearsarge*. I want to compliment the great staff work in finding a ship that was named after a mountain in New Hampshire for us to hold the hearing on. It was a nice benefit to the hearing.

But it was an excellent hearing and it's one that I wish everybody on this committee could have gone to, to see very directly the difference that moving towards alternatives and energy efficiency is making for the efficiency and the capacity of our fighting men and women out in the field to do their jobs. Secretary Mabus, you made the point that national security in today's day and age is really about energy security, and if we don't have to be defending the Straits of Hormuz and deploying men and women around the world to defend foreign oil that comes to us, then we are in a much better position to defend the country.

I was also impressed at some of the statistics that you mentioned in your testimony and that we heard at the hearing. The Federal Government is the biggest energy user within America. DOD is the biggest energy user within the Federal Government; 93 percent of all energy used is used by DOD. As you so rightly point out, so much of that is fuel to power our vehicles.

I know that there was an exchange earlier around the cost of biofuels. I wonder if you could speak to the memorandum of understanding that you have with the Department of Agriculture and the Department of Energy to try and move forward to develop a biofuel that is drop-in, that will allow us to be more efficient and reduce the dependence on oil?

Mr. MABUS. Thank you, Senator. It was good to see you on the USS *Kearsarge*.

The memorandum of understanding that Energy, Agriculture, and Navy signed and that the President announced last August was in response to the direction of the Commander in Chief to our three departments to come up with a geographically dispersed, commercially viable, competitively priced biofuel industry for the country. Navy's contribution to that would come from the Defense Production Act, which, as I pointed out a little bit earlier, explicitly mentions energy as one of the things that the Defense Production Act could be used for.

I think it's important that the requirement is drop-in fuel. We're not going to change the engines on our ships or our aircraft. We have to have a fuel that will operate on the fleet we have today, with the aircraft we have today.

Second, that this be a geographically dispersed effort; and third, that it help this industry reach commercial viability. We have seen the cost of biofuels come down dramatically just in the small amounts that we have been buying so far. We bought biofuels to test and certify our aircraft on, including the Green Hornet; and the Blue Angels have flown on biofuels. We made, as I pointed out at the hearing, the largest purchase, we believe, in American history, 450,000 gallons for use in the Rim of the Pacific exercise this summer.

The cost has been cut in half in the last 2 years just in those test amounts. We are convinced that as the military brings a market here that the cost of biofuels will be competitive with existing fossil fuels.

Finally, one of the things that we got to talk about at the hearing is that this really is one of the core competencies of the U.S. Navy. We moved from sail to coal in the 1850s, from coal to oil in the early part of the 1900s, and we pioneered nuclear in the 1950s. Every single time there were concerns about was the Navy trading one form of very certain energy for another that was uncertain or more costly. Every single time, the change has proven to be correct.

So I appreciate your help, the opportunity to testify on the USS *Kearsarge*, which represents both the Navy and the Marine Corps in their efforts, but also the opportunity to talk about how we are planning to use these biofuels and the way that we believe the costs will come down.

Senator SHAHEEN. Thank you.

General Amos, we also saw a very impressive demonstration of some of the equipment that the marines are using out in the field in Afghanistan. I asked one of your Marine Corps colonels, Colonel Shurett, who was there, what had been the reaction to the marines out in the field when they were introduced to things like solar blankets and some of the smaller weight batteries and the generators that are now going into Humvees. He said, "Well, the first reaction wasn't so positive, but once they realized it could help them complete their mission easier and more effectively they're sold."

So I wonder if you could comment on that?

General AMOS. Senator, I'd be happy to. I'll tell you, marines are slow to change. We have 236 years of history unhindered by change and progress. But once we do, we get on it with reckless abandon.

Here's a case in point. Those marines—I remember in Operation Iraqi Freedom, after we crossed the border into Iraq, one of the things we worried about and struggled with were batteries. I mean, honest to goodness, I would sit at briefs with three- and four-star generals and we'd be talking about batteries. By the way, you couldn't get them, and then once you got them you had to carry them.

Here's a case in point where those solar panels, the ability to recharge your radio batteries while you're humping along a ridgeline in the Helmand Province, that's what sold it for the marines.

The other thing I'll tell you is that all of a sudden it went from being 120 degrees outside and in their shelters and now, just with a little bit of ingenuity and some of the energy initiatives, you can actually walk inside these things and it may be 87 degrees, you might as well be at the North Pole. That's what these kids feel like.

They really have gotten into it, and it's exciting. From my perspective, we're just on the cusp of it. I think there's so much more we can do when we're dedicated to doing it.

Senator SHAHEEN. Thank you very much.

My time is up, but as a final comment, you'll not be surprised to hear that I am also concerned about our four public shipyards and the fact that this year's military construction budget does not, again, contain much-needed dollars for the Portsmouth Naval Shipyard. We have a request for modernization report that we, Senators Collins, Ayotte, and I, included in the NDAA last year, and it's due back by September 1. I hope that that will be on time, and we will see what your commitment is to supporting our public shipyards.

Mr. MABUS. It will be on time.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Shaheen.

Do either of my colleagues have additional questions? Senator Blumenthal.

Senator BLUMENTHAL. Yes, Mr. Chairman. I appreciate the opportunity to ask one last question to really follow on Senator Ayotte's questions about the submarine force and about the possibility of going back to the two subs a year program for 2014, which I strongly support. I know we've talked about it a little bit.

I believe that going back to that program would be cost effective in the long run. I would just like, if you would, Admiral Greenert, to comment on the possibility of alternative plans and the possibilities for transitioning to that kind of 2014 two-sub option?

Admiral GREENERT. Yes, sir, Senator. Right now, of course, the submarine is in fiscal year 2018. We are requesting a block buy starting in fiscal year 2014 through 2018. We would request a multi-procurement authority. That gives us the opportunity to make what we call an economic order quantity buy, so you can buy the reactor vessels, turbines, the shafts, and all that at a much better price. The vendors are more efficient, the workload and the learning curve is more efficient. Everything is more efficient. We have experience in this, and that's partly the reason why these submarines are coming in under budget and on time.

What we're looking for is an opportunity, using fiscal processes, to be able to, if necessary, incrementally fund this such that the

savings we know we will accrue in the later years can be rolled forward and therefore applied to a second submarine in fiscal year 2014. Right now our budget request has one submarine. So we'd like to pursue that, and we appreciate your willingness to help us with that.

Senator BLUMENTHAL. I am eager to help you, and I thank you for that excellent answer. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Let me just close by commenting further on this energy issue, which I made reference to in my opening statement, commending you, Secretary Mabus, for the initiatives that you've shown in the Navy. By the way, the Army was here at its posture hearing not too many days ago with batteries, pointing out how much lighter the batteries are that they're now going to use with the troops and what a difference that makes in terms of weight and security for our people, as well as energy independence for the Nation.

So you're going to find a lot of support for the energy initiatives that you've taken on this committee. There may be opposition to it from some and questions probably from all of us. But basically I believe most of us will support, at least I hope most of us will support, the initiatives that you've taken and that the Army is now taking as well.

We've seen this before. We've gone through this whole business before when we've tried to take some action on energy alternatives. What we saw is the argument made: well, heck, they cost more in the short run. Well, of course they do, and that's why we can't just rely on the private sector to produce them, because the private sector has a different goal than our military does and our government does. Their goal, legitimately, is profit. Our goal is the Nation's security. Those are not always the same. Short-term profit is not always the same as planning for our Nation's security.

What you have done here is taken some initiatives which are the right way to go. They fill in a vacuum that exists in the private sector. They fill a vital need. We cannot rely on the marketplace to take these initiatives because there's a short-term loss. They're not as competitive in the short term. That's why you have to have these test samples run and a number of other short-term production activities.

I just want to add my voice at the end of the hearing, as I did at the beginning of the hearing, in support for these creative initiatives which are directly aimed at enhancing the security of our country.

If there are no further questions, we will adjourn again, with thanks to all of you, and good wishes for your continuing strong recovery, General Amos.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

##### AIRBORNE ELECTRONIC ATTACK

1. Senator McCASKILL. Secretary Mabus, electronic attack is a powerful capability that has proven its worth on the battlefields of Afghanistan and in the airspace above Libya. The Marine Corps is scheduled to begin decommissioning the aging EA-6B fleet in 2016. According to fiscal year 2013 budget justification documents, the procurement plan for the EA-18G, along with the F/A-18E/F, provide "a solid

transition to the Joint Strike Fighter (JSF).” However, reports indicate that the Navy may no longer be planning to use the JSF as an airborne electronic attack (AEA) platform. What capability gap for AEA will result from the decommissioning of the EA-6B?

Secretary MABUS. There will be no gap resulting from the decommissioning of the EA-6B. The Navy is replacing their EA-6Bs with EA-18G aircraft. Currently all three Active component Navy expeditionary squadrons and 3 of the 10 carrier air wing squadrons have completed transition to the EA-18G. Navy EA-18G squadrons have completed two expeditionary deployments including combat operations in support of Libya Operation New Dawn (OND), one carrier deployment and one squadron is forward deployed in Japan as part of the USS *George Washington* (CVN-73) Carrier Strike Group.

The Navy will complete its divestiture of the EA-6B by 2015. The Marine Corps will continue to fly the EA-6Bs through 2019. As the Marine Corps EA-6B fleet draws down, the Marine Corps will transition to a Marine Air Ground Task Force (MAGTF) Electronic Warfare (EW) ‘system of systems’ approach. This approach will provide the MAGTF commander with more capability and more capacity in EW by providing systems that are organic to the MAGTF which will reduce dependency on low-density/high-demand platforms such as the EA-6B. Podded EW systems that are platform agnostic, networked together and coordinated at a tactical level will be more integrated and more responsive than current Marine Corps EW solutions. Systems like Intrepid Tiger II and software defined jamming payloads will provide the warfighter with a more flexible and more responsive EW capability that is designed to be interoperable with the joint force.

2. Senator MCCASKILL. Secretary Mabus and Admiral Greenert, what affect will changes to the JSF program have on the Navy’s AEA capability?

Secretary MABUS and Admiral GREENERT. Changes to the JSF fleet have no impact on the Navy’s AEA capability. The Navy is transitioning its entire EA-6B fleet of aircraft to the EA-18G and will be completely divested of the EA-6B by end of fiscal year 2015.

3. Senator MCCASKILL. Admiral Greenert and General Amos, please describe the importance of controlling the electro-magnetic spectrum for your ability to conduct operations?

Admiral GREENERT. In the next 2 decades, we believe the electromagnetic environment will become an essential and primary warfighting domain. Programmatically, organizationally and conceptually (our CONOPS) we are making investments to fully “operationalize” this important area of warfighting. By 2025, the Navy will manage sensors, attacks, defense and communications, treating EW and Cyber environments as maneuver spaces on par with surface, undersea and air. We see EW, cyber, and spectrum management operations, to include AEA, as essential elements of controlling the electromagnetic spectrum (EMS) for global maritime operations and addressing the anti-access/area denial (A2/AD) strategies of potential adversaries. An example of this is the recent significant contribution of EA-18G aircraft conducting EW in support of U.S. and NATO forces during the conflict in Libya.

The Navy continues to sharpen its focus on the ability to fight and win in the EMS. As described in my Sailing Directions, Navy will “operationalize” cyberspace with capabilities that span the EMS—providing superior awareness and control when and where we need it. It is a key area of emphasis for our future force development. We have made significant commitments in this area that include standing up the Information Dominance Community—a workforce focused on this important area—as well as recapitalizing our assets that enable us to exploit the EMS for sensing and communication, while denying our adversaries accurate or effective information. From EA-18G “Growler” with planned Next Generation Jammer, to shipboard EW modernization with Shipboard EW Improvement Program and Ship Signal Exploitation Equipment, our Navy is committed to conducting sophisticated AEA as well as effectively operating in and controlling the EMS today and far into the future.

General AMOS. Controlling the EMS is equally as important as controlling the air, land, and sea domains in which we fight. However, we do not need to control this entire spectrum, all of the time. In order to operate decisively in a modern electromagnetic environment and meet mission objectives, it is essential that we achieve Spectrum Control at the time and place of our choosing.

The EMS is an increasingly congested and contested arena. Our success in any operation from disaster response to irregular warfare and major combat operations will be linked to our ability to communicate, pass data, collect signals intelligence,

control unmanned vehicles, guide our advanced weapons and utilize global positioning systems. Our adversaries, as well as users of commercial technology and the world's growing demand for the spectrum, will challenge the fundamentals of our operations. Thus, operational success will become increasingly dependent upon our ability to achieve control and affect maneuver within the EMS.

4. Senator MCCASKILL. Admiral Greenert and General Amos, operationally, how will the decommissioning of the EA-6B affect the Navy's and the Marine Corps' ability to supply AEA platforms to support the warfighter?

Admiral GREENERT. The Navy is transitioning its fleet of EA-6B to the EA-18G and will be completely divested of the EA-6B by the end of fiscal year 2015. By 2016, all 10 carrier air wings will have EA-18G squadrons attached to them. Currently all three Navy Active component EA-6B expeditionary squadrons have completed transition to the EA-18G and the Reserve component squadron will complete its transition in 2016.

General AMOS. Over the coming years as the EA-6B fleet draws down, the Marine Corps will transition to an EW 'system-of-systems' approach in support of our MAGTF. In time, this approach will provide the commander with more capability and capacity to conduct EW by providing systems that are organic to the MAGTF. This will reduce our dependency on low-density/high-demand platforms. Podded EW systems that are platform neutral, networked together and coordinated at a tactical level will be more integrated and more responsive than current EW solutions. The capabilities being designed into the F-35B, integrated with systems like Intrepid Tiger II and software-defined jamming payloads, will provide the warfighter with a more flexible and more responsive EW capability that is designed to be interoperable with the Joint Force.

5. Senator MCCASKILL. Admiral Greenert, will the Navy be able to meet the AEA requirements of the combatant commanders?

Admiral GREENERT. Yes. The Navy will continue to meet AEA requirements of combatant commanders. In PB 2011, Navy procured additional EA-18Gs to recapitalize Navy expeditionary squadrons. Navy has sustained operations and maintenance for Navy expeditionary AEA as well as carrier-based AEA missions. The EA-18G is replacing the EA-6B squadron-by-squadron and preventing a potential capacity shortfall in this mission area during the transition. Coupled with the Next Generation Jammer (NGJ), the EA-18G will provide full spectrum electronic attack against high-end threat systems and increased capability in Electronic Support and Communications.

6. Senator MCCASKILL. Secretary Mabus, the Future Years Defense Program (FYDP) contains no funding for EA-18G procurement after fiscal year 2013. Does the current EA-18G procurement plan account for changes to the JSF program and the effect those changes will have on the Navy's AEA capability?

Secretary MABUS. The U.S. Navy's EA-18G procurement program is a self contained electronic attack capability and is independent of the F-35 program. The EA-18G program fully recapitalizes the U.S. Navy's EA-6B electronic attack capability independent of JSF program changes. The Navy will complete procurement of the program of record (114 EA-18Gs) with the last 12 aircraft in fiscal year 2013. To date, all three U.S. Navy Active component expeditionary squadrons and three carrier based squadrons have completed transition from the EA-6B to the EA-18G. The remaining seven carrier based and one Reserve squadron will complete transition by 2016.

#### KANSAS CITY INFORMATION TECHNOLOGY CENTER

7. Senator MCCASKILL. Secretary Mabus and General Amos, the Marine Corps Enterprise Information Technology Services (MCEITS) program is currently located at the Kansas City Information Technology Center (KCITC). I understand that the Marine Corps has committed to staying at the KCITC through at least 2017 and is currently conducting a business case analysis (BCA) to help determine a final location for the MCEITS program. I have expressed to the Marine Corps on multiple occasions the clear advantages of keeping the MCEITS program in Kansas City due to, among other things, the duplicative costs to the U.S. taxpayers associated with moving the program's personnel and equipment. I am confident that, if done correctly, the Marine Corps BCA will demonstrate the cost-effectiveness of maintaining operations in Kansas City. Will the BCA consider only the costs to the Marine

Corps, or will the analysis provide a thorough review by taking into account all Federal funds associated with each scenario?

Secretary MABUS. The Marine Corps is conducting a BCA comparing the costs and relative benefits/challenges associated with establishing a consolidated IT Center to house MCEITS and similar functions in one of three potential locations after 2017. Factors that will be considered include costs (initial purchase or construction cost of facility, costs to upgrade existing facilities, long-term maintenance costs, and long-term operating costs), ability to attract and maintain a qualified workforce, Anti-Terrorism/Force Protection concerns, relocation costs and potential encroachment risks.

The possible locations were selected as a result of a Regional, Site and Facility Evaluation Study completed by the Marine Corps in October 2010. This study focused on the physical requirements for the proposed IT Center; the additional studies being performed include a secondary economic analysis that will focus on life-cycle costs over a 30-year period for each of the alternatives, and a BCA. The BCA, which will follow the Department of the Navy Enterprise IT Business Case Analysis Template (version 1.1, dated 15 July 2011), will identify the specific functions to be included in the IT Center, overall economic viability, ability of each alternative to satisfy the requirements for an Integrated IT Center, comparison of Mission and Operational Impacts, and a comparison of any risks associated with each alternative.

General AMOS. The Marine Corps is conducting a BCA comparing the costs and relative benefits/challenges associated with establishing a consolidated IT Center to house MCEITS and similar functions in one of three potential locations after 2017. Factors that will be considered include: costs (initial purchase or construction cost of facility, costs to upgrade existing facilities, long-term maintenance costs, long-term operating costs), ability to attract and maintain a qualified workforce, Anti-Terrorism/Force Protection concerns, relocation costs and potential encroachment or future Base Realignment and Closure risks.

The possible locations were selected as a result of a Regional, Site and Facility Evaluation Study completed by the Marine Corps in October 2010. This study focused on the physical requirements for the proposed IT Center; the additional studies being performed include a secondary economic analysis that will focus on life-cycle costs over a 30-year period for each of the alternatives, and a BCA. The BCA, which will follow the Department of the Navy Enterprise IT Business Case Analysis Template (version 1.1, dated 15 July 2011), will identify the specific functions to be included in the IT Center, overall economic viability, ability of each alternative to satisfy the requirements for an Integrated IT Center, comparison of Mission and Operational Impacts, and a comparison of any risks associated with each alternative.

8. Senator MCCASKILL. Secretary Mabus and General Amos, in August 2011, the assistant Secretary of the Navy for Energy, Installations, and Environment stated that the analysis was expected to be complete in spring 2012. However, on March 1, 2012, the Marine Corps informed me that the analysis will be complete in the fourth quarter of 2012. What accounts for the delay in the expected completion of the BCA?

Secretary MABUS and General AMOS. Completion of the BCA for the consolidated IT Center involves a number of steps, including a study of existing and proposed business relationships between computer platform managers, like the MCEITS program, and data users; and revalidation of requirements (personnel and square footage) anticipated post-2017, when the occupancy agreement at the Bannister Complex in Kansas City expires. Finalizing the scope of work for the BCA has required additional time, particularly as more organizations become interested in migrating to MCEITS. Our current projection is that the BCA will be complete by the end of August 2012 and certainly in time to support our decision schedule for a permanent location after 2017.

In the interim, the Marine Corps has informed GSA of our intent to renew the occupancy agreement on 256,000 square feet of space at Building 2306 in the Bannister Complex in Kansas City through 2017.

#### F-35 PROGRAM

9. Senator MCCASKILL. Secretary Mabus, for the third year in a row, the Department of Defense (DOD) has been forced to delay plans for full production of the F-35. Deputy Secretary of Defense Ash Carter has stated that the delay is not a budget issue, but rather a fundamental problem with the F-35 program. Frank Kendall,



Acting Under Secretary of Defense for Acquisition, Technology, and Logistics, has stated, "putting the F-35 into production years before the first test flight was acquisition malpractice."

While much attention has been given to the problems plaguing the Marine Corps F-35B variant, the F-35A and F-35C both suffer from significant design issues. For example, the F-35C has encountered a problem with its tailhook, a real and significant problem for an aircraft designed to land on an aircraft carrier deck. Last year, the Navy requested additional Super Hornets in order to mitigate delays in the JSF procurement schedule. Fiscal year 2013 marks the third delay in 3 years for the JSF program, but, under current plans, the F/A-18 production line will end in fiscal year 2014, well before the F-35C is projected to be combat ready. Ending a viable aircraft production line before the JSF program will be able to meet full combat capability inevitably assumes a level of risk to the Navy and to the military as a whole. What are the risks to the Navy's tactical air (TACAIR) inventory of continued delays to the F-35 program combined with the potential end of the F/A-18 production line?

Secretary MABUS. The PB-13 Strike Fighter shortfall will remain below a manageable 65 and is predicted to peak at 56 aircraft in 2025. The forecasted inventory is based on, among other factors, the SLEP of 150 legacy Hornets and the F-35 production levels as layed in with PB-13. Based on current conditions, The Department considers the shortfall manageable with acceptable risk.

10. Senator McCASKILL. Secretary Mabus, can the Navy determine with certainty that the current service life extension program (SLEP) for the F/A-18 will meet program goals?

Secretary MABUS. Risk is inherent to extending the service life of any aircraft. The service life assessment program (SLAP) has been completed. Based on the results of SLAP, the Department believes at least 150 of these aircraft can reach 10,000 flight hours. The F/A-18 A-D SLEP program is currently underway. We are continuing to design the kits and installations that will be required to extend the service life of these aircraft based on the assessment that was done during SLAP. The technical risk of developing the required modification kits is deemed low, however, changes in fleet usage and aircraft condition could dramatically change the technical risk evaluation. The cost and schedule risks are medium and known uncertainties at this phase of the program remain, therefore we are unable to say with certainty that the currently planned SLEP will meet program goals.

11. Senator McCASKILL. Secretary Mabus, if F-35 delays continue, will the Navy allow the F/A-18 line to close?

Secretary MABUS. The Department remains committed to the F-35 program. The Department of the Navy does not currently plan to keep the F/A-18 production line open beyond the final procurement of EA-18G aircraft in fiscal year 2013 and F/A-18E/F in fiscal year 2014; however, if further delays were discovered beyond the current F-35 program as presented in the fiscal year 2013 President's budget request, then depending on the character of the delays, the Department would consider all options, including procuring additional F/A-18 Super Hornets. Currently, the F/A-18 production line shut down begins with the key long lead suppliers in June 2012. With regard to the EA-18G unique parts, the final orders are being placed this summer to support the final fiscal year 2013 procurement.

12. Senator McCASKILL. General Amos, the Marine Corps F-35B variant has had a particularly troubled history. Former Secretary of Defense Gates placed the program on a 2-year probation, and while Secretary Panetta has chosen to lift that probation after only 1 year, the analysis for doing so remains in question. The Marine Corps has put the future of its tactical fighter capability in a program that has shown to be unreliable. In light of the many problems associated with the F-35B, has the Marine Corps considered procuring a mix of F/A-18s and F-35s in order to mitigate risks to the future fighter fleet?

General AMOS. The Marine Corps has no plans to procure the Super Hornet at this time. The F/A-18 E/F lacks a fifth generation capability that our MAGTF require to conduct missions across the range of military operations now and in future decades. With its expected service life and necessary survivability upgrades, this platform does not meet our vision for TACAIR recapitalization.

13. Senator McCASKILL. General Amos, how often does the Marine Corps reevaluate the decision to procure only F-35Bs?

General AMOS. The Marine Corps' JSF Program of Record is a mixed procurement of F-35B and F-35C aircraft. We review and revalidate our procurement quantity and mix on an annual basis in concert with the annual DOD Planning, Program-

ming, Budgeting and Execution System (PPBES) process. In addition, we periodically review our overall operational requirements and force structure to ensure we can meet the Nation's needs and our assigned missions in support of the geographic combatant commanders.

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QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

CVN-78 AND CVN-79 *FORD*-CLASS AIRCRAFT CARRIER

14. Senator MCCAIN. Secretary Mabus, the cost to complete construction of the USS *Gerald R. Ford* (CVN-78) aircraft carrier has overrun significantly. At this point, its cost is expected to grow over the original estimate by at least \$1 billion—bringing the cost to well over \$12 billion and exceeding the legislatively-provided cost cap by as much as \$600 million. What approaches that the Navy has not yet taken will the Navy take in the future to ensure that the *Ford*-class carriers' costs get under control?

Secretary MABUS. Few major programs carry greater importance or greater impact on national security, and no other major program comprises greater scale and complexity than the Navy's nuclear aircraft carrier program. Accordingly, successful execution of this program carries the highest priority within the Department of the Navy. The attached letter sent to Senator McCain, dated March 26, 2012, includes a detailed review and the steps we are taking to drive affordability into the remaining CVN-78 construction effort.

[See attached letter as follows:]



THE SECRETARY OF THE NAVY  
WASHINGTON DC 20350-1000

March 26, 2012

The Honorable John S. McCain  
United States Senate  
Washington, DC 20510-6050

Dear Senator McCain:

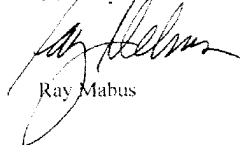
Thank you for your letter of March 21, 2012, regarding the first-of-class aircraft carrier, *GERALD R. FORD* (CVN 78). Few major programs carry greater importance or greater impact on national security, and no other major program comprises greater scale and complexity than the Navy's nuclear aircraft carrier program. Accordingly, successful execution of this program carries the highest priority within the Department of the Navy.

I have shared in the past my concern when I took office and learned the full magnitude of new technologies and design change being brought to the *FORD*. Requirements drawn up more than a decade prior for this capital ship drove development of a new reactor plant, propulsion system, electric plant and power distribution system, first of kind electromagnetic aircraft launching system, advanced arresting gear, integrated warfare system including a new radar and communications suite, air conditioning plant, weapons elevators, topside design, survivability improvements, and all new interior arrangements. CVN 78 is a near-total redesign of the *NIMITZ* Class she replaces. Further, these major developments, which were to be incrementally introduced in the program, were directed in 2002 to be integrated into CVN 78 in a single step. Today we are confronting the cost impacts of these decisions made more than a decade ago.

In my August 29, 2011 letter, I provided details regarding these cost impacts. At that time, I reported the current estimate for the Navy's share of the shipbuilder's construction overrun, \$690 million, and described that I had directed an end-to-end review to identify the changes necessary to improve cost for carrier design, material procurement, planning, build and test. The attached white paper provides the findings of that review and the steps we are taking to drive affordability into the remaining CVN 78 construction effort. Pending the results of these efforts, the Navy has included the 'fact of life' portion of the stated overrun in the Fiscal Year 2013 President's Budget request. The review also highlighted the compounding effects of applying traditional carrier build planning to a radically new design; the challenges inherent to low-rate, sole-source carrier procurement; and the impact of external economic factors accrued over 15 years of CVN 78 procurement - all within the framework of cost-plus contracts. The outlined approach for ensuring CVN 79 and follow ship affordability focuses equally upon tackling these issues while applying the many lessons learned in the course of CVN 78 procurement.

As always, if I may be of further assistance, please let me know.

Sincerely,



Ray Mabus

Attachment:

As stated

Copy to:

The Honorable Carl Levin  
Chairman

15. Senator MCCAIN. Secretary Mabus, will the Navy be asking for legislative relief from this cost cap this year or next year, and, if so, given how much costs are expected to increase, why should Congress provide the Navy with that relief?

Secretary MABUS. Coincident with the President's budget request for fiscal year 2014, the Navy will request an increase to the congressional cost cap for the aircraft carrier *Gerald R. Ford* (CVN-78). Beginning in fiscal year 2014, the estimated costs to complete CVN will exceed the congressional cost cap established by section 122 of the National Defense Authorization Act (NDAA) for 2007, Public Law 109-364, and later adjusted by the Secretary of the Navy pursuant to authority granted under section 122.

The Navy remains steadfast in its commitment to keeping aircraft carrier construction costs on the sustainable path laid out by former Secretary Gates in 2009, and with the shipbuilder, continues to work to improve cost performance on CVN-78 and to improve manufacturing and organizational performance for future aircraft carriers.

16. Senator MCCAIN. Secretary Mabus, will the Navy be requesting an above threshold reprogramming (ATR) request to cover cost growth for completing the construction of CVN-78, and, if so, please describe the source of funds for the ATR and why the funding is needed.

Secretary MABUS. The Department continues to review the execution of the CVN-78 construction program. Any shortfalls requiring a prior approval reprogramming action will be briefed to the committee after submission of the reprogramming request.

#### OTHER AIRCRAFT CARRIER MATTERS

17. Senator MCCAIN. Secretary Mabus, I understand that the Navy will be requesting to move \$18 million of unspent funds from the completed CVN-70 Refueling Complex Overhaul (RCOH) program via Special Transfer Authority (STA) to cover incurred costs on the CVN-71 RCOH currently in progress at Huntington Ingalls in Newport News, VA. Please explain the genesis of the funding and why it is needed on the CVN-71 RCOH.

Secretary MABUS. The Navy projects the CVN-71 RCOH to complete in June 2013, 4½ months after the original contract duration. The current estimate of total funding required to complete the CVN-71 RCOH is \$153 million. The \$135 million requested in the President's budget is intended to be applied against the projected \$153 million shortfall. The remaining funding required will be requested separately.

The CVN-71 RCOH has included more new work and has experienced more growth as compared to previous CVNs. In addition to incorporating the SRA package into the CVN-71 RCOH Execution Contract, an additional 134 new work items were added to the Authorized Work Package (AWP) early in the execution period. As a result, the growth work incurred on CVN-71 RCOH exceeded that experienced on the CVN-70 RCOH, specifically in the areas of aircraft launch and recovery equipment, shafting, tanks, emergency diesel generators (EDGs) and ventilation.

To reduce costs and schedule risk on the CVN-71 RCOH, the Program Office descope work from the CVN-71 RCOH as well as rescreened work from NNS to Government Alteration Installation Teams (AITs). Additionally, the Program Office has limited changes on CVN-71 RCOH to authorized mission critical growth work only.

To reduce future RCOH costs, the Program Office is implementing the following initiatives for CVN-72 and future RCOHs: improved planning, rates reduction, service reductions, supervision reductions, government furnished equipment (GFE) cost reductions, risk management programs, implementation of a rotatable pool of refurbished parts, condition based maintenance, and configuration control. Examples of improved planning include design reuse, improved baseline work package definition, more accurate/complete cost data sheets (estimates), and co-yard best practices. These actions resulted in a 4 percent labor hour reduction in the CVN-72 work package. Additionally, the CVN-72 RCOH will apply lessons learned from CVN-71 RCOH by integrating the SRA work into RCOH within the Carrier Continuous Maintenance Plan (CMP) with a focus on modernization, insertion and maximization of AIT efforts, proper utilization of NNS critical skills and resources, and development of an RCOH execution schedule for a notional 44 months.

18. Senator MCCAIN. Secretary Mabus, the Navy is requesting \$135 million to complete the CVN-71 RCOH.

Has there been unexpected cost growth in the CVN-71 RCOH, and, if so, please explain the reasons for this cost growth; the history of cost growth in this program; and what steps that have not yet been taken that will be taken in the future to reduce cost growth on CVN-71 RCOH and future RCOH programs.

Secretary MABUS. The Navy projects the CVN-71 RCOH to complete in June 2013, 4½ months after the original contract duration. The current estimate of total funding required to complete the CVN-71 RCOH is \$153 million. The \$135 million requested in the President's budget is intended to be applied against the projected \$153 million shortfall. The remaining funding required will be requested separately.

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19. Senator MCCAIN. Secretary Mabus, I understand that the Navy will be requesting a \$33.8 million ATR to cover increased research, development, test, and evaluation (RDT&E) costs on the Electromagnetic Aircraft Launch System (EMALS). Please explain the source of the funding and why the funding is needed on the EMALS.

Secretary MABUS. The Department of the Navy continues to review execution of the EMALS program. Based on the current status of the program, the department does not intend to request a reprogramming action this year.

## LITTORAL COMBAT SHIP

20. Senator McCAIN. Secretary Mabus, construction of the follow-on Littoral Combat Ship (LCS) seaframes (LCS-3 and -4) is almost finished—with their costs leveling out at about \$400 million each. How likely is it that the cost to build each LCS seaframe that the Navy intends to buy under its dual-award block-buy strategy will come in at less than the cost of completing the construction of LCS-3 and -4? In other words, how executable are these prices over the entire intended purchase?

Secretary MABUS. Beginning with the construction contracts for LCS-3 and LCS-4 which were awarded in 2009, the Navy transitioned to fixed-price type contracts, thus limiting the Navy's cost liability. Use of a fixed-price type contract was continued as part of the dual Block Buy. As execution of the dual Block Buy contracts continues, lower costs can be expected for follow ships as the design becomes more stable and minimal non-recurring engineering changes are required. LCS-3 and LCS-4 have experienced minimal design changes and are reflecting the results of the learning and investment by both builders as evidenced by the cost leveling at an average of about \$400 million each.

The pricing within the dual Block Buy also accounts for significant planned facility upgrades, funded by both public and private resources, to improve the production quality and efficiency of both shipyards. As a result, the Navy anticipates a continuation of the learning and production efficiencies experienced on LCS-3 and LCS-4 at each shipyard during the execution of the Block Buy contracts. Increased staffing levels for program management and on-site government oversight have both increased in recent years which will also contribute to ensuring the Industry teams success in meeting their cost and schedule objectives.

The average awarded cost of the 20 ships on the dual Block Buy contracts is \$357 million which is well below the projected \$400 million average cost of LCS-3 and LCS-4.

The Navy is confident that the development risks associated with new ship designs have been retired with the construction of the first four ships.

21. Senator McCAIN. Secretary Mabus, as you know, the LCS combat capability comes from the integration of three interchangeable types of mission modules into the seaframes—not the seaframes by themselves. At this point, what are the major challenges facing the Navy's development of these mission modules?

Secretary MABUS. While significant combat capabilities are added with the mission packages, the ship has inherent capabilities with its sophisticated sensors, gun and missile systems. The unique process by which mission modules are integrated with the ship provides LCS with combat capability that can be easily updated as technology matures. Navy has made and continues to make significant progress in the development and testing of the mission modules.

At this stage in mission module development, weight, performance, and integration continue to be on track. A robust testing phase is underway for all Mission Packages (MPs) to evaluate their performance and integration with the ships. As testing progresses, Navy is quantifying and validating the MP capabilities.

The Mine Countermeasures (MCM) MP recently completed Phase 2 of developmental testing (DT) on LCS-2 with the MCM MP detachment able to conclusively demonstrate the viability of using unmanned and airborne systems to detect and neutralize mines. Preparations for Surface Warfare MP DT are in progress for commencement later this year. Preliminary testing of Increment 2 Anti-Submarine (ASW) MP systems has begun on white shipping.

## PROPOSED EARLY RETIREMENTS OF CRUISERS AND AMPHIBIOUS SHIPS

22. Senator McCAIN. Admiral Greenert and General Amos, how does retiring seven *Ticonderoga*-class Aegis cruisers early and putting two LSD amphibious ships in reduced operating status reconcile with the Secretary of Defense's new strategic guidance, which puts renewed emphasis on the Asia-Pacific region?

Admiral GREENERT. The decision to decommission seven *Ticonderoga*-class cruisers and two amphibious ships was made to ensure sufficient resources were available for readiness while maintaining the proper mix of capability in the battle force in a fiscally constrained environment. The Navy selected ships for decommissioning based on an analysis of the costs required to sustain their material condition and update their combat capability. The selected ships had little or no previous modernization completed, were the oldest ships in their class and would become increasingly expensive to maintain, operate, and upgrade to remain relevant to evolving threats.

The Navy has certified to the Secretary of Defense that we will meet the fiscal year 2013 Global Force Management Allocation Plan and requirements in the Defense Strategic Guidance. From fiscal year 2013 through fiscal year 2020, the Navy ship inventory and extrapolated force presence will increase in the Asia-Pacific and Arabian Gulf regions.

General AMOS. The U.S. Pacific Command (PACOM) Area of Responsibility (AOR) is dominated by the ocean and so is ideally suited to naval and amphibious forces. As such, amphibious shipping is optimal for the movement, maneuver and employment of marines across the range of military operations. PACOM currently has four amphibious warships forward deployed that are critical to day-to-day operations in the AOR. Refocusing the national security strategy on the Pacific requires an increase in mobility. Emergent requirements, such as the Australia and Guam MAGTFs, will require additional amphibious shipping capacity. Other lift options, such as the Joint High Speed Vessel, somewhat mitigate the lack of mobility to conduct movement of forces, but do not replace all of the capabilities inherent in amphibious shipping that permit the maneuver of forces in response to crises. Decreasing the number of amphibious warships in the inventory reduces the number of vessels available to support an increased U.S. presence in the Asia-Pacific region and the rest of the world. Furthermore, it stresses the ability to support CENTCOM Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) rotation.

In 2009, the Department of the Navy identified a requirement for a 38 amphibious warship fleet to lift two Marine Expeditionary Brigade assault echelons in support of operational plans calling for a joint forcible entry operation. Compelled by fiscal realities, we accepted risk down to 33 warships, and the Navy has adjusted this inventory to 32 warships over the current Long Range Shipbuilding Strategy. Regardless of total inventory, we require 30 operationally available ships to support geographic combatant commander operational plans (with risk), day-to-day forward deployed and rotational requirements such as our ARG/MEU, and crisis response missions. When considering the term "operationally available", it is important to note that it implies a ship that is able to deploy immediately or on relatively short notice in order to meet operational plan response timelines. Factoring maintenance cycles and other prevailing conditions, the amphibious warship fleet typically requires an inventory above 30 vessels to meet day-to-day deployable threshold in support of the previously-mentioned, required mission profiles.

23. Senator MCCAIN. Admiral Greenert and General Amos, what is the Navy doing to enable it to reactivate at a later date the seven cruisers it plans to retire early?

Admiral GREENERT. The seven cruisers will be retained in the inactive ship inventory as retention assets identified as Out of Commission, in Reserve (OCIR) and will be held in reserve to support the Navy's future mobilization requirements. Ships in OCIR status are retained on the Naval Vessel Register and assigned Maintenance Category B. Category B ships receive a standard inactivation lay-up which determines the amount of maintenance and repair that will be performed prior to and during the inactivation. The ship and its equipment will be preserved in an "as-is" condition with the application of dehumidification and cathodic protection to minimize long-term degradation and maintain the ship's condition at decommissioning. All C-3/C-4 Casualty Report (CASREP) deficiencies will be corrected before decommissioning unless waived by the responsible Ship Resource/Platform Sponsor.

General AMOS. Given that cruisers are a Navy, not Marine Corps, equity/platform, I defer to Admiral Greenert's response.

24. Senator MCCAIN. Admiral Greenert and General Amos, what are the potential operational implications of these early retirements?

Admiral GREENERT. The fiscal year 2013 budget reflects the Navy's strategy to build ships better suited for current and future needs. The Navy is funding this effort, in part, by deactivating older, less capable ships that are increasingly expensive to maintain, operate, and upgrade to remain relevant. Keeping these ships in service would divert funding from other programs vital to the Navy's mission, including the modernization and procurement of ships critical to fleet needs.

Innovative approaches are being employed to mitigate the potential impacts to presence caused by early ship retirements. For example, relocating four Ballistic Missile Defense capable destroyers to Rota, Spain will provide presence and be a more efficient option to source European Command's Ballistic Missile Defense mission. Effectively, it frees up six surface combatants for other operations. The integration of Joint High Speed Vessel (JHSV) and LCS will allow cruisers, destroyers, and amphibious ships to shift to other missions by taking on security cooperation, humanitarian assistance and disaster response, and maritime security operations.

These new ship classes are also designed to spend 50 percent or more of their service life forward, significantly increasing the forward presence per hull. Navy will continue to explore new employment models to sustain our forward operations.

General AMOS. In terms of amphibious warships, the Marine Corps requires 30 operationally available vessels (10 LHA/D, 10 LPD, 10 LSD) at any given time in order to still be able to execute the 2.0 Marine Expeditionary Brigade Assault Echelon operational planning requirement in support of geographic combatant commander operational plans for joint forcible entry operations, respond to crisis, and to conduct rotational deployments such as our Amphibious Ready Group/Marine Expeditionary Units. When considering the term “operationally available”, it is important to note that it implies that a ship that is able to deploy immediately or on relatively short notice. Factoring maintenance cycles and other unforeseen conditions, an amphibious warship force structure typically requires an inventory above 30 vessels is necessary to meet day-to-day the daily deployable threshold in support of the previously-mentioned, required mission profiles. In as much as any early retirements of amphibious warships would cause the fleet to drop below this level, Marine forces would still be able to respond around the world, but the force will require more time to respond and the rate of response will be impacted. As such, projected early retirements of amphibious warships might necessitate that geographic combatant commanders review and revise their plans to account for potentially increased response times. In turn, these commanders may place a heavier demand on intelligence, surveillance, and reconnaissance (ISR), prepositioning, forward deployed forces, and strategic air and sealift to ensure forces are available in the timings required.

25. Senator McCAIN. General Amos, according to the Quadrennial Defense Review (QDR), the Marine Corps needs a minimum of 38 amphibious ships. Just last year, we heard testimony that the Marine Corps could accept the risk associated with 33 ships. Now, the Navy proposes a 32-ship amphibious fleet. What has changed?

General AMOS. Nothing has changed from a Marine Corps requirements perspective. The Marine Corps continues to require 30 operationally available amphibious ships (10 LHA/D, 10 LPD and 10 LSD) in order to meet 2.0 Marine Expeditionary Brigade assault echelon lift requirements and to provide global coverage, forward presence and crisis response.

In 2009, the Department of the Navy determined that the force structure requirement to support a 2.0 Marine Expeditionary Brigade (MEB) assault echelon (AE) lift for a joint forcible entry operation (JFEO) is 38 total amphibious assault ships. Understanding this requirement in light of fiscal constraints, the Department’s leadership agreed to sustain 33 total amphibious ships in the assault echelon. This agreement accepted risk in the arrival of some MEB AE combat support and combat service support elements. It determined that risk could be accepted by planning for 15 rather than 17 amphibious ships for each MEB AE, and thus the Department’s goal was to be able to deploy 30 operationally available amphibious warships (10 LHA/D, 10 LPD, 10 LSD) to meet 2.0 MEB AE operational planning requirements. The Department’s most recent Long Range Shipbuilding Strategy adjusted this requirement to 32 amphibious warships, reflecting plans for 11 LHAs/Ds, 11 LPDs and 10 LSDs in commission, plus a commitment to maintain two LSDs to be decommissioned in fiscal year 2013 in Category B mobilization status.

Regardless of total amphibious warship force structure inventory, the Marine Corps requires 30 operationally available ships to support geographic combatant commander operational plans (with risk) for JFEO, rotational deployments such as our ARG/MEU units at sea, and unforecasted crisis response missions. When considering the term “operationally available”, it is important to note that it implies a ship that is able to deploy immediately or on relatively short notice. Factoring maintenance cycles and other unforeseen conditions, the amphibious warship force structure requires an inventory above 30 vessels to meet a day-to-day daily deployable threshold in support of the previously-mentioned, required mission profiles.

The Secretary of the Navy, the Chief of Naval Operations (CNO) and I are committed to resourcing the President’s strategic guidance. I am concerned that the competition for defense dollars beyond the FYDP will force even more difficult choices within DOD and among many important Department of the Navy programs. The Secretary has had to make some tough calls in this regard, but both the CNO and I believe that the risks accepted in this FYDP will allow for many important programs to mature and compete successfully in future FYDPs. That said, it is critical to change the minimum requirement from 32 amphibious warships to 33 over the next year.



26. Senator McCAIN. General Amos, what are the risks with a 32-ship amphibious fleet and how will the Marine Corps manage these risks?

General AMOS. An amphibious warship inventory that does not maintain 30 operationally available warships (10 LHA/D, 10 LPD, 10 LSD) adversely affects our ability to conduct day-to-day deployments, meet necessary training standards, and surge forward in response to crises with a balanced combat capability. When considering the term “operationally available”, it is important to note that it implies a ship that is able to deploy immediately or on relatively short notice in order to meet operational plan response timelines. Factoring maintenance cycles and other prevailing conditions, the amphibious warship fleet typically requires an inventory of at least 33 ships to maintain an operational availability level of 30.

An amphibious warship fleet with fewer than 30 operationally available amphibious warships would increase risk associated with meeting day-to-day and wartime combatant command (COCOM) requirements. Marine forces would still be able to respond around the world, but the rate of response might vary. Shortfalls in these types of critical warships will require personnel, equipment and sustainment to close across strategic distances via TRANSCOM and will be subject to prioritization of limited assets to meet competing demands. Marine forces would still be able to respond around the world, but the rate of response might vary. Shortfalls in these types of critical warships will require personnel, equipment and sustainment to transit strategic distances via TRANSCOM and will be subject to prioritization of limited assets to meet competing demands. As a means to mitigate this risk, geographic combatant commanders may place a heavier demand on ISR, prepositioning and forward deployed forces to ensure forces are available in the timings required.

Shortfalls in amphibious lift remain a concern as we work with the Chief of Naval Operations and his staff to mitigate risk in meeting the amphibious lift requirement. We are aggressively reviewing our amphibious concepts, doctrine, and plans; and recently stood up the Ellis Group, a consortium of amphibious warfare experts that is partnered with the Navy to develop innovative solutions to overcome these challenges and look for new methods to operate given amphibious ship shortfalls.

27. Senator McCAIN. General Amos, how are the risks exacerbated by the planned retirement of one of the three Maritime Prepositioned Squadrons?

General AMOS. The Maritime Prepositioning Force (MPF) remains a key component of our Nation’s overall global response strategy and maritime expeditionary capability. As the Nation’s crisis response force, the Marine Corps must be prepared to rapidly respond to contingencies across the range of military operations. During fiscal year 2013 budget development, the MPF structure, capabilities, and associated capacity was thoroughly examined and assessed, and the Marine Corps position is reflected in the fiscal year 2013 President’s Budget Request. With an acceptable level of risk, the Marine Corps can meet existing operational requirements by maintaining two full, operationally enhanced, Maritime Prepositioning Ship Squadrons (MPSRON–Es) that support the geographic combatant commanders and retain critical sea-basing enabling capabilities. Specifically, the current three MPSRON set is capable of carrying 58 percent of a three MEB requirement. Two MPSRON–Es can carry 69 percent of a two MEB requirement. Based on the new strategic guidance, this risk is acceptable. Marine Corps and Navy leadership are closely coordinating to develop an enhanced two-MPSRON program that maximizes afloat capacity, provides operational relevance for combatant commanders for use not only during contingencies but for engagement as well, and mitigates the risk associated with the loss of MPSRON 1. Plans call for the remaining two MPSRONs to be enhanced by increasing the number and type of ships assigned to each MPSRON as well as by optimizing the equipment and load configuration for the ships.

The U.S. European Command and U.S. Africa Command are directly affected by the MPF reorganization. Both combatant commanders have stated that the associated risk is acceptable, recognizing potential capability gaps, timely force closure and crisis response time.

We have conducted a thorough review and assessment to preserve capabilities and ensure the enhancement of the remaining two squadrons of the MPF; this remains a national imperative. Achieving the appropriate ship mix and embarked equipment sets/density is ongoing to optimize operational capability and mitigate risk. Additional mitigation is provided by Marine Corps Prepositioning Program-Norway (MCPP–N): a task-organized equipment set forward deployed in the USEUCOM AOR. The Marine Corps is committed to maintaining a ready, relevant and responsive MPF posture consisting of two enhanced MPSRONs that best balances military risk with operational necessity.

## MARINE CORPS CUTS IN END STRENGTH AND FORCE STRUCTURE

28. Senator MCCAIN. General Amos, under DOD's plans, the Marine Corps will lose 20,000 Active Duty marines over the next 4 years and reduce six combat battalions and four TACAIR squadrons. I remain concerned about the impact of these cuts, which, in my view, reflect budgetary imperatives rather than the national security threats we face. Did this 20,000 proposed reduction result from a neutral requirements-based review?

General AMOS. Yes it did result from a neutral requirements-based review. In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment, we conducted a capabilities-based Force Structure Review beginning in the Fall of 2010 to identify ways we could rebalance and posture for the future. The Force Structure Review incorporated the lessons learned from 10 years of combat and addressed 21st century security challenges confronting our Nation and its Marine Corps. The review sought to provide the "best value" in terms of capability, cost and readiness relative to the operational requirements of our forward-engaged geographic combatant commanders. The results of that effort have been shared with Congress over the past year. While affirming this strategy-driven effort, we aligned our force based on the realities of constrained spending levels and the new Strategic Guidance.

During our comprehensive Force Structure Review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement and crisis response requirements of the geographic combatant commanders. The resulting force structure is intended to meet Title 10 responsibilities, broaden capabilities, enhance speed and response options and foster the partnerships necessary to execute the range of military operations while providing the "best value" to the Nation. This force structure also accounted for the addition of enabling assets (e.g. combat engineers, information operations specialists, civil affairs personnel, specialized intelligence marines, cyber operators, special operators, et cetera) necessary to meet the demands of the battlefields of today and tomorrow.

Our 182,100 Marine Active-Duty Force, planned to be in effect by the end of fiscal year 2016, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 marines to a force of approximately 182,100 marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. We intend to leverage the diverse depth and range of assets within our operational Reserve component both to mitigate risk and maximize opportunities where available.

Our planned end strength of 182,100 marines represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to September 11. However, it adds cyber operations capability, Marine special operators, wartime enablers and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

29. Senator MCCAIN. General Amos, what is the risk of these reductions to your ability to support the requirements of the combatant commanders, particularly in major conflicts in the Asia-Pacific or in the Middle East?

General AMOS. The primary risk involved with cuts to Marine Corps end strength and force structure entails our ability to respond to multiple, simultaneous large scale contingencies in support of the geographic combatant commanders. However, I have assessed this risk to be manageable. The Marine Corps intends to leverage the diverse depth and range of assets within our 39,600 strong operational Reserve component both to mitigate risk and maximize opportunities where available.

30. Senator MCCAIN. General Amos, have you developed a risk assessment to accompany the fiscal year 2013 budget?

General AMOS. Yes, in the development of our fiscal year 2013 budget, we did assess risk. Manpower is the single greatest area where the Marine Corps has taken some risk. Reduced end strength creates risk in warfighting capacity as operating force manning levels will go from 99 percent for both officer and enlisted ranks to 95 percent for officers and 97 percent for enlisted. However, this risk is manageable and provides an affordable solution that maintains a ready, capable and more senior force in support of the new strategic guidance. This enduring strength level and force structure ensure that the Marine Corps retains the necessary level of non-commissioned officer and field grade officer experience and warfighting enablers to sup-

port the future security environment and needs of the Nation after the drawdown in Afghanistan.

The Marine Corps maintains its operational forces at a high level of readiness. Any further reductions in funding to the operations and maintenance account will degrade Marine Corps training at every level, from small-unit to large scale MAGTF, and will reduce forward-deployed training with partner nations and allies. Other areas where the Marine Corps is taking some risk is in both the maintenance and modernization of equipment necessary after more than 10 years of war. While the current budget will allow for the reset and reconstitution of equipment on a reasonable timeline, any future reductions will result in delays, modification, or elimination of key maintenance and modernization programs. Lastly, any additional large-scale budget reductions in fiscal year 2013, such as those pending in the sequestration component of the Budget Control Act of 2011, will result in increased risk to the concept of maintaining a modernized and ready force, and could potentially impact the requirements of the new strategy and our ability to provide operational reach during times of crisis.

With that said, the fiscal year 2013 budget ensures the Marine Corps remains the Nation's expeditionary force in readiness, while simultaneously keeping faith with our marines, sailors, and their families. It funds a force that is fully capable of executing all assigned missions in the new Defense Strategic Guidance with capabilities optimized for forward-presence, engagement and rapid crisis response.

31. Senator MCCAIN. General Amos, have these reductions in end strength already been factored into the operational plans of the combatant commanders?

General AMOS. Our planned force reductions are being made with a full understanding of the demands the geographic combatant commanders have for Marine forces. The reductions in Marine Corps end strength should not impact current Operational Plans. The only category where risk is a factor is in cases where Marine forces would be called upon to respond to multiple, simultaneous large-scale contingencies. In such cases, we would be able to rely on the operational depth and flexibility resident in our Reserve component.

32. Senator MCCAIN. General Amos, do Marine Corps troop reductions introduce any risk to operations in Afghanistan?

General AMOS. No, they do not. While we are making some very measured reductions in the Marine Corps Active component before we completely transition from Afghanistan (~5,000 marines per year in fiscal year 2013 and fiscal year 2014)—we will retain enough of the right type of forces to continue to support all existing CENTCOM requirements for Operation Enduring Freedom. I am committed to ensuring we provide the best trained and equipped Marine units to Afghanistan. This remains my top priority.

#### REVERSIBILITY

33. Senator MCCAIN. Admiral Greenert, DOD has cited reversibility in connection with its new strategic guidance. What is the Navy doing to enable it to reactivate at a later date the seven cruisers it plans to retire early?

Admiral GREENERT. The seven cruisers will be retained in the inactive ship inventory as retention assets identified as Out of Commission, in Reserve (OCIR) and will be held in reserve to support the Navy's future mobilization requirements. Ships in OCIR status are retained on the Naval Vessel Register and assigned Maintenance Category B. Category B ships receive a standard inactivation lay-up which determines the amount of maintenance and repair that will be performed prior to and during the inactivation. The ship and its equipment will be preserved in an "as-is" condition with the application of dehumidification and cathodic protection to minimize long-term degradation and maintain the ship's condition at decommissioning. All C-3/C-4 CASREP deficiencies will be corrected before decommissioning unless waived by the responsible Ship Resource/Platform Sponsor.

34. Senator MCCAIN. General Amos, DOD has also cited reversibility with respect to personnel cuts. But, the force reductions the Marine Corps proposes may result in the loss of combat-experienced Marine Corps noncommissioned officers (NCO) and NCOs in-the-making. With regard to your proposed personnel cuts, what does reversibility mean?

General AMOS. We carefully designed our 182,100 Active-Duty Force to meet expected post-Operation Enduring Freedom operational commitments in support of the new Defense Strategic Guidance issued in January 2012. This force will contain suf-

ficiently experienced non-commissioned officers and provide both a grade and year of service mix appropriate to sustain the force in the future, and it will be complemented where necessary by our highly capable Reserve component of countless combat veterans. If operational requirements necessitate an increase in the size of the Marine Corps, we will be able to accommodate additional requirements for non-commissioned officers via retention and promotion.

35. Senator MCCAIN. General Amos, once you have discharged a combat-trained marine, how do you reverse that decision?

General AMOS. Approximately 75 percent of our first-term enlisted marines choose not to re-enlist in the Marine Corps beyond their first 4-year initial term. However, all marines (officer and enlisted) have an 8-year commitment upon signing a contract to serve. Thus, those marines who voluntarily separate prior to 8 years of active duty service, must complete their contractual obligation in a Reserve status, namely either the Select Marine Corps Reserve (SMCR) or the Individual Ready Reserve (IRR). Those marines who affiliate with the SMCR often fulfill their remaining obligated time in SMCR units. Our Marine Forces Reserve maintains contact with marines in the IRR and informs them of opportunities within a SMCR unit. Per provisions of Title 10, marines in the IRR are subject to Presidential Reserve Call-up Authority for limited periods of time in specific cases impacting national security. Once beyond the 8 year mark, those marines who do not remain affiliated with either the SMCR or IRR quickly lose their technical and tactical proficiency in their military occupational specialty, and more importantly, there is no contractual obligation remaining for their military service beyond that point.

#### NAVY AND MARINE CORPS STRIKE FIGHTER SHORTFALL

36. Senator MCCAIN. Admiral Greenert and General Amos, is there a projected strike fighter shortfall for the Navy and Marine Corps, and, if so, what is that number?

Admiral GREENERT. The PB-13 strike fighter shortfall will remain below 65 aircraft and is predicted to peak at 56 aircraft in 2025. The strike fighter shortfall today is zero aircraft.

General AMOS. The Navy and Marine Corps continue to carefully monitor strike fighter inventory requirements and projected availability. The currently projected fighter inventory peak shortfall estimate is 56 aircraft in 2023. This shortage results primarily from a decrease in the 5 year utilization rate history, accelerated Navy transition from legacy Hornets to Super Hornets, and changes in Marine Corps force structure. The shortfall will be seen predominantly in the Marine Corps through 2023 due to the concentration of the F/A-18A-D in our tactical aircraft inventory, and will continue to rely heavily on F-35 procurement rates. The U.S. Navy will possess the majority of the shortfall in the mid 2020's due to service life limits in the F/A-18 E/F Super Hornet.

37. Senator MCCAIN. Admiral Greenert and General Amos, in your opinion, what options would help mitigate the strike fighter shortfall?

Admiral GREENERT. The Navy will continue to ensure sufficient strike fighters for deploying air wings through the management and supply initiatives including the accelerated transition of legacy Hornet (F/A-18A-D) squadrons into Super Hornets (F/A-18E/F) and the service life extension of 150 legacy Hornets.

General AMOS. The Marine Corps continues to meticulously manage the flight hours and fatigue life of our legacy TACAIR. We have provided fleet users guidance and actions to optimize aircraft utilization rates while maximizing training and operational opportunities. The High Flight Hour and Service Life Extension Program (SLEP) efforts can effectively extend the F/A-18 A-D service life to 10,000 hours, thereby mitigating the impacts of the strike fighter shortfall. Continued investment in program related engineering and program related logistics funds within the Operations and Maintenance, Navy accounts is critical for sustaining the Navy's legacy platforms through the TACAIR transition. Additionally, any opportunity to increase the current F-35 procurement rates will enable the Marine Corps to transition out of legacy platforms, thereby reducing projected shortfall numbers.

#### CEASE AND DESIST LETTER

38. Senator MCCAIN. Secretary Mabus, will the Navy comply with the request made by me and the chairman in our letter of March 19, 2012, not to implement

any of its proposed force structure reductions in 2012 before Congress has authorized the Navy to do so?

Secretary MABUS. The Department of the Navy has not undertaken any efforts to “restrict Congress’ ability to consider and act on the fiscal year 2013 budget request” and certainly we have not taken any steps to “implement decisions that would be difficult or impossible to reverse”. However, we have made prudent fiscal decisions such as placing funds on withhold for proposed fiscal year 2013 program terminations (i.e. Joint Air-to-Ground Missile, Medium Range Maritime Unmanned Aerial System, and SPS), canceled ship depot maintenance availabilities (for ships planned for fiscal year 2013 cruiser decommissionings i.e. *Port Royal*), program delays (i.e. LSD(X)), and not backfilled some vacant positions (that are slated to be eliminated in fiscal year 2013). None of these actions are irreversible.

The Department will continue to exercise increased fiscal scrutiny of resource application in areas of potentially declining resources. There may be the need for future action based on emergent unforeseen execution issues (i.e. fuel (\$5 billion), COCOM demands (\$5 billion), ship maintenance (\$3 billion)) which cannot be covered by current mitigation efforts.

#### USE OF THE DEFENSE PRODUCTION ACT TO CONSTRUCT BIOFUEL REFINERIES

39. Senator McCAIN. Secretary Mabus, in March 2011, the President directed the Departments of Agriculture, Energy, and the Navy to assist the development of a sustainable commercial biofuels industry. The Navy has pledged taxpayers’ funds of \$170 million as its share of a \$510 million effort to construct or retrofit biofuel refineries in order to create a commercially viable market. With a range of alternatives to petroleum already commercially viable and in use, why should the Navy subsidize the development of biofuel refining capability over any other reasonable alternative energy solution?

Secretary MABUS. There are currently no commercially viable, in-use petroleum alternatives that are drop-in substitutes for JP-5, JP-8, or F-76. To be fit for Naval purposes, a drop-in alternative fuel must require no changes to infrastructure and its use must result in no degradation of performance—performing seamlessly to our ship and aircraft operators. First-generation biofuels do not have the energy density, long-term storage stability, cold flow properties, and ability to be used in seawater-compensated fuel tanks that the Navy requires. Since the Navy owns and operates ships and aircraft for many decades, it is more cost effective for the Navy to concentrate on an energy solution that works directly with the platforms that we already possess than one that requires new platforms or major platform overhauls. Advanced alternative fuels are the best way to address the Navy’s sole dependence on highly volatile global oil prices. In fiscal year 2012 alone the Navy faces more than \$1 billion in additional fuel costs due to the increased cost of petroleum. The Navy must find that money in the current year budget, and there are only a few accounts with funds that can be transferred to pay for the price spike; operations and procurement. If we transfer funds from operations, our planes and aviators spend less time in the air, our ships and sailors spend less time at sea, and our marines and sailors have less time to train. If we take money from procurement, we have fewer funds to purchase new platforms and other technology.

40. Senator McCAIN. Secretary Mabus, why should Congress believe that the Navy would be any better at doing this than the Department of Energy (DOE) and Solyndra?

Secretary MABUS. The advanced biofuel commercialization initiative being pursued by the Departments of Navy, Agriculture and Energy will utilize the authority of the Defense Production Act Title III (DPA). DPA is neither a loan guarantee nor a grant program and cannot accurately be compared to the DOE’s funding of Solyndra. The DPA authority dates back to 1950 and has been used to support the industrialization of defense critical domestic industries such as steel, aluminum, titanium, semiconductors, beryllium, and radiation hardened electronics. Under the authority the Federal Government participates as a co-investor for a prescribed period of time, generally 5–10 years, and requires at least a one-to-one cost share. This means that the Federal Government has the teeth of both day-to-day oversight as well as the ownership of specific assets. When utilizing the DPA authority DOD generally employs a multi-phased approach and the advanced biofuels effort will do the same. On March 29, a draft special notice was published that outlines this approach. In phase one, companies will complete rigorous technical, architectural/engineering, business case and financing deliverables. This data will be evaluated by both a team of government experts and a third party reviewer and only those com-

panies deemed competitive from this process will be eligible for funding in phase two.

41. Senator MCCAIN. Secretary Mabus, to your knowledge, has anyone in the Navy been contacted by a Member of Congress or staff with any instruction or guidance on the use of any part of the \$150 million added by Senate appropriators in the fiscal year 2012 Omnibus Appropriations Act to the account for the Defense Production Act to fund this initiative?

Secretary MABUS. Department of Navy representatives have met with and briefed both members and professional staff members from the DOD committees (Senate Armed Services Committee, the Senate Appropriations Committee, the House Armed Services Committee, and the House Appropriations Committee) as well as the Agriculture and Energy Committees on the U.S. Department of Agriculture (USDA)/Department of the Navy/DOE alternative fuels initiative and the applicability of DPA Title III.

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QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

TRICARE COST INCREASES

42. Senator INHOFE. Secretary Mabus, DOD's healthcare costs have doubled since fiscal year 2001, growing from around \$17 billion to over \$42 billion in fiscal year 2009. Healthcare is projected to consume 12 percent of DOD's budget in 2015, compared to 4.5 percent in 1990. During the Bush administration, attempts were made to raise TRICARE premiums, and Congress placed the premium increases on hold for fiscal year 2007, fiscal year 2008, fiscal year 2009, and fiscal year 2010. Our military's greatest asset is the people who have volunteered, and we cannot afford to lose those qualified career servicemembers because of poor benefits. The new Obama budget calls for military families and retirees to pay more for their healthcare, while leaving other Federal unionized workers alone. The budget seeks to save \$1.8 billion in fiscal year 2013 and \$12.9 billion over the FYDP.

For example, enrollment fees for TRICARE Prime in the fiscal year 2013 budget request would increase fees anywhere from 30 percent to 78 percent. Over 5 years, compared to current fees, the fiscal year 2013 proposal would increase the enrollment fee by 94 percent and up to 345 percent for some retirees. This plan also calls for pharmacy co-pays to double and then triple over the FYDP. There is no debating the fact that healthcare costs are absorbing large parts of DOD's budget. Programs are on unsustainable paths, and we do need to increase rates and co-pays as Congress did in fiscal year 2012. However, I am deeply concerned that the magnitude of the fiscal year 2013 increases will break faith with our servicemembers and their families. If costs rise 345 percent, as planned in the fiscal year 2013 proposal, will some Navy beneficiaries not be able to afford TRICARE?

Secretary MABUS. I appreciate your recognition that the rate of growth in our health care expenditures within DOD is not sustainable. I was pleased that Congress supported the TRICARE Prime fee increases last year and strongly believe that we must move forward with the proposed adjustments to enrollment fees and co-payments as identified in the DOD fiscal year 2013 budget request. Today, a TRICARE-eligible working age retiree's family of three contributes a lower percentage towards their total health care costs than they did in 1996. Despite health care costs doubling or tripling since the full implementation of TRICARE, out of pocket expenses, including enrollment fees, deductibles and cost shares, has only grown 20 to 30 percent. The proposals will bring beneficiary cost shares closer to the original levels mandated by Congress when the program was established.

In order to help ensure affordability and equity among our retired beneficiaries, the proposed increases to TRICARE Prime enrollment fees for working age retirees (under age 65) and the enrollment fee TRICARE for Life (TFL) beneficiaries will be phased-in over a 4-year period and will be tiered based on the amount of the beneficiary's military retirement fee. The retired pay tiers will also be indexed to ensure that beneficiaries are not pushed into a higher tier as a result of annual cost-of-living increases. This construct and tiering are consistent with the recommendations from the DOD's 2007 Task Force on the Future of Military Health Care.

Even with these proposed increases, our beneficiaries will continue to have access to one of the most comprehensive and affordable health benefits available—and deservedly so.

43. Senator INHOFE. Secretary Mabus, do you know how many beneficiaries will no longer be able to afford TRICARE in the out-years with the increases planned in the fiscal year 2013 proposal?

Secretary MABUS. The constructs for the proposed changes to TRICARE fees, including tiering the increases to the beneficiaries military retirement pay, are largely based on recommendations contained in the DOD's 2007 Task Force on the Future of Military Health Care. It is clear that our working age retirees are paying a lower out of pocket costs now than when TRICARE was fully implemented in 1996 so we need to move forward implementing a more equitable cost structure for our TRICARE retiree beneficiaries. While I do not have any specific projections about beneficiaries and would accordingly defer to DOD, I do believe our beneficiaries recognize the shared responsibilities for their health care benefits. The fiscal year 2013 budget proposals are reasonable in scope, appropriate in tiering, indexing and phasing, as well as necessary for the Department to deliver a long-term sustainable health benefit.

44. Senator INHOFE. Secretary Mabus, if beneficiaries no longer opt-in to TRICARE, will cost-driven attrition put TRICARE's sustainability at greater risk than healthcare costs?

Secretary MABUS. The proposed TRICARE enrollment fee increments only apply to retirees, not Active Duty personnel. Military retirees over age 65 have access to Medicare for their healthcare needs. Military retirees under age 65 may have access to other health insurance mechanisms such as employer sponsored health insurance programs.

45. Senator INHOFE. Secretary Mabus, are other options available for Navy beneficiaries that are driven out of TRICARE due to cost?

Secretary MABUS. We are committed to providing a high quality, affordable health care program to our retirees and their families. They have earned this benefit through years of dedicated service and sacrifice. While working age retirees may have access to employer-sponsored health insurance and our over 65 million beneficiaries will continue to be Medicare-eligible, I do not believe that the proposed fee increases will result in our beneficiaries being displaced from TRICARE and that is not the intent. These well-developed proposals will be tiered based on the beneficiary's retiree pay meaning those who receive higher retirement pay will pay higher enrollment fee than those who earn less. With this tiered system, TRICARE will still be far lower than other health care options. The construct for the fiscal year 2013 tiers are the same levels recommended by the DOD's 2007 Task Force on the Future of Military Health Care.

46. Senator INHOFE. Secretary Mabus, is the state exchange system being considered as a viable alternative to TRICARE for military beneficiaries?

Secretary MABUS. I am not in a position to offer perspectives about the proposed state exchange systems associated with the Patient Protection and Affordable Care Act of 2010. I will, however, reiterate my commitment to providing an outstanding health care benefit program to our retirees and their families. Even with this proposed adjustment to fees for our retiree beneficiaries, TRICARE will remain exceptionally affordable and one of the finest health care benefits available.

47. Senator INHOFE. Secretary Mabus, do you consider the proposed increases to be fair and appropriate given the time and the sacrifices of our military members and their families?

Secretary MABUS. The proposals are reasonable in scope, appropriate in tiering, indexing and phasing, as well as necessary for the Department to deliver long-term sustainable health benefits. It is important to recognize that these proposals are largely focused on the retired military population and, even with the proposed increases, the amount of beneficiary cost-sharing remains far below the levels experienced by retirees in the mid-1990s. The TRICARE fee proposals do not affect our active duty service members, and specifically exempt medically-retried service members and their families, as well as survivors of military members who died on active duty. Even with these proposed increases, our beneficiaries will continue to have access to one of the most comprehensive and exceptionally affordable health benefits available.

The Military Health System is not immune to the challenges of health care spending that our country is facing. Moving forward, we must balance controlling health care costs with maintaining an affordable benefit and this responsibility must be shared by all of us. These proposals are important to maintaining our obligations to beneficiaries and ensuring our commitment to improving the long-term fiscal sta-

bility of the Military Health System. Under the leadership of the Secretary of Defense, the Military Departments have worked carefully to develop these proposals. Furthermore, the Secretary of Defense has articulated the potential risks to other programs should these proposals not be authorized. We are at an important inflection point within our health benefit program and I believe our beneficiaries recognize these challenges.

#### U.S. NAVAL FORCES AFRICA

48. Senator INHOFE. Secretary Mabus and Admiral Greenert, U.S. Africa Command (AFRICOM) was created in February 2007. On October 1, 2008, AFRICOM took command of U.S. military operations in Africa. Last year, I visited Combined Joint Task Force–Horn of Africa (CJTF–HOA) and met with Admiral Losey, Commander, CJTF–HOA, their staffs, and the servicemembers deployed in support of CJTF–HOA. I am impressed with the number of operations being conducted by the Navy in and around the African continent to include combating the transit of extremists, counter-piracy, military-to-military engagements, and building maritime security capacity through the Africa Partnership Station (APS) program. I also understand the Navy is expanding its survey of ports in Africa in order to initiate more contact with African countries through port visits, continuing to build relationships with our African partners.

The Navy has done incredible work combating high-seas piracy in the Gulf of Aden. High-seas piracy is now becoming increasingly common on the west coast of Africa. In 2011, 64 incidents of piracy were reported in 9 countries off the Gulf of Guinea region, up from 45 incidents in 7 countries in 2010. These attacks seem to be a natural extension of the common practice of siphoning off crude oil from land-based pipelines done by Nigerian gangs.

Al Qaeda in the Islamic Maghreb (AQIM) has begun to form alliances with drug traffickers and other criminal syndicates in South America. The proceeds from drug trafficking are being used to fund terrorist activities in north and east Africa. On February 2, 2012, 10 defendants were arraigned in Mauritania's economic capital of Nouadhibou for possession of 2 tons of drugs. The defendants were directly connected to AQIM. Which, if any, African nations have the resources to assist with building a coalition to fight piracy off the West Coast of Africa and the Gulf of Guinea?

Secretary MABUS and Admiral GREENERT. No African nation is singularly capable of providing the adequate means or leadership to develop a regional coalition to combat piracy and other maritime illicit activities in the Gulf of Guinea (GoG) at this time. However, recent developments since 2010 among the member nations of the Economic Community of West African States (ECOWAS) and Economic Community of Central African States (ECCAS) show promise of growing collective and coordinated action within West and Central Africa and the GoG.

49. Senator INHOFE. Secretary Mabus and Admiral Greenert, what is the plan to help build the capacity of African nations in those regions to be able to combat piracy on their own, and what assistance do you need from Congress?

Secretary MABUS and Admiral GREENERT. The Navy, through the leadership of U.S. Naval Forces Africa and the U.S. Sixth Fleet, remains committed to building partnerships in Africa via innovative, low-cost, small-footprint efforts such as maritime exercises, operations, rotational training missions, and supporting Offices of Security Cooperation.

Africa Partnership Station (APS) and African Maritime Law Enforcement Program (AMLEP) continue to be the flagship maritime security cooperation events for AFRICOM executed by Naval Forces Africa (NAVAF). The strength of APS and AMLEP lies in their cooperative, multilateral, multiagency approach whereby U.S. maritime forces leverage the subject matter expertise of its international partners and the U.S. interagency to provide training and courses of instruction to strengthen African maritime security, capability, and capacity.

As part of the interagency, I would like to recognize the contributions of the U.S. Coast Guard. Their support to AMLEP operations has been instrumental in developing maritime security capabilities off the west coast of Africa to combat illegal fishing activities which cost the region up to \$1 billion in losses every year. They have also contributed to the reduction in illicit trafficking activities in the region. I would also note the important role the U.S. Coast Guard has played in assisting Liberia to reestablish its own Coast Guard.

Consistent with strategic guidance AFRICOM is expanding Offices of Security Cooperation with additional Foreign Area Officers (FAO) as a low-cost, small-footprint,



force multiplier to building partnership capacity and affinity for U.S. policies with partner African nations.

50. Senator INHOFE. Secretary Mabus and Admiral Greenert, do you see your engagements in Africa and AFRICOM increasing, decreasing, or staying the same in fiscal year 2013 and through the FYDP?

Secretary MABUS and Admiral GREENERT. Due to budget challenges and asset availability we anticipate a decrease in Navy ship presence around the continent. However, the Navy stands by to support the requirements of the combatant commander and we expect the number of our overall engagements to stay the same—although the nature of these engagements is evolving.

We anticipate further cooperation and integration with our Euro-Atlantic partners, who understand the value of engagement in Africa and appreciate the global challenges of African maritime security. For example, Africa Partnership Station (APS) will work with 12 different Euro-Atlantic partners this year including Brazil, Canada, Italy, Spain, Portugal, Germany, the United Kingdom, France, Denmark, Belgium, Norway, and the Netherlands. This work includes partner staff officer exchanges, training teams for ships, and maritime patrol aircraft operating in theater.

Additionally, we have seen an increase in participation by regional partners, and by the end of this year we'll have up to seven different African maritime forces providing training teams in the effort to build additional maritime capacity in the region. Our four regional exercises will be co-sponsored by African partners through regional organizations such as the Economic Community of West African States and the Economic Community of Central African States taking on a key role.

While we may see a reduced U.S. Navy footprint associated with our engagements in Africa, the desire is for the overall level of engagement in Africa to remain steady—or even increase slightly. We anticipate this trend in the changing nature of U.S. Navy engagement in Africa to continue next year and for the near future.

#### NAVY GREEN FLEET ALTERNATIVE FUEL PROGRAM

51. Senator INHOFE. Secretary Mabus and Admiral Greenert, as you know, I served as Chairman of the Environment and Public Works (EPW) Committee in the Senate for several years. I now serve as Ranking Member on the EPW Committee. The Navy plans to sail its green fleet, a strike group powered by alternative fuels, by 2016. The success of this green fleet is predicated upon biofuel, much of it algae-based, becoming practical and affordable. In 2009, the Navy paid \$424 per gallon for 20,000 gallons of biodiesel made from algae, which set a world record at the time for the cost of fuel. In December 2011, the Navy purchased 450,000 gallons of biofuel for \$12 million, about \$26 per gallon.

This purchase is part of a larger deal in which the Navy has pledged taxpayers' funds of \$170 million as their share of a \$510 million effort to construct or retrofit biofuel refineries in order to create a commercially viable market. This biofuel will be mixed with petroleum-based fuel in a 50/50 ratio to yield a blend that will cost roughly \$15 per gallon; nearly four times the market price of Jet Propellant-5 (JP-5). This, of course, is coming at a time where the Obama administration is cutting the defense budget by \$487 billion over the next 5 years and potentially another \$500 billion due to sequestration.

I have been a strong supporter of alternative energy solutions to include non-algae biofuels and natural gas. However, DOD pushed back on those efforts, specifically coal-to-liquid fuels, stating that DOD would not be used to prop up the alternative energy sector in the United States. Some of this technology and production capability has now moved to China. With the Navy and Marine Corps budgets already decreasing—forcing cuts to personnel, ships, and aircraft—what will be the impact of tripling or quadrupling your fuel costs?

Secretary MABUS and Admiral GREENERT. The referenced 2009 algae R&D program, which was funded through a congressional add, involved many labor hours conducting research on the algal pathway and the 20,055 gallons of fuel was the result of this rigorous R&D work. Therefore, it is inaccurate to divide the total project cost by the amount of fuel delivered to determine total fuel cost.

Since the volumes of biofuel required for testing are very small in comparison to overall petroleum use, the Navy does not anticipate a tripling or quadrupling of fuel costs from testing and certification efforts. Of the \$4 billion budget for liquid fuel in fiscal year 2012 and the additional \$1 billion we will pay due to the increase in the price of fossil fuel, just \$12 million (0.2 percent of the overall fuel bill) will be spent on biofuel to further Navy's on-going test and certification efforts. The Navy

has no plans to purchase alternative fuel for operational use until it is cost competitive with conventional fossil fuels.

There are a number of studies that state the case that biofuels will be cost competitive in the 2018–2025 timeframe without government investment. These studies are from LMI and Bloomberg New Energy Finance. Additionally, the Office of the Deputy Assistant Secretary of the Navy for Energy has met with over 80 alternative fuel companies, trade organizations, and venture capital and investment firms over the past 2 years. When directly asked about the potential for their product to be cost competitive with fossil fuels, the resounding reaction from numerous alternative fuel companies is that the costs for alternative fuel will be cost competitive in the future. Highlighted is the fact that from a long-term perspective, the cost of biofuels will continue to drop, while the price of fossil fuels is only expected to increase. For example the cost of biofuel purchase by the Navy has been cut by more than half over the last 3 years, even with the purchase of relatively small amounts.

52. Senator INHOFE. Secretary Mabus and Admiral Greenert, how many steaming or flying days did the Navy sacrifice in order to purchase biofuels?

Secretary MABUS and Admiral GREENERT. The Fleet executed all planned steaming days and flight hours. The fuels referenced were for testing and evaluation purposes and, thus, not part of the Navy's operational fuel purchase. Therefore there was no impact to the number of steaming and flying days associated with this purchase.

By continuing to rely on petroleum fuels, DOD is subject to price volatility in the global petroleum market and bears potential exposure to foreign supply disruptions. Last year after the Libyan crisis occurred, the price per barrel charged by the Defense Logistics Agency (DLA) Energy increased \$38 to \$165 per barrel. With this increase in the price of a barrel of oil, the Department of the Navy realized a \$1.1 billion increase in our fuel bill. These mid-year increases equate to less flying hours, less steaming hours, and less training, ultimately impacting readiness. Additionally, national security is threatened by the potential to be physically cut off from foreign sources of petroleum.

Currently, the Navy uses about 50 percent of its tactical fuels stateside, and 50 percent deployed overseas. The stateside portion is where most of our crucial training and readiness events take place. When petroleum prices exceed budget forecasts or supplies are constrained, the amount of training can get reduced. To ensure the Navy is ready to serve national interests, this training must not be subject to the vagaries of the petroleum market. Domestically sourced and produced advanced alternative fuels could provide energy security for training and readiness and more budgetary certainty as alternative fuel prices will not move directly with the petroleum prices.

53. Senator INHOFE. Secretary Mabus and Admiral Greenert, at what cost to the readiness of our naval and Marine Corps forces will you continue to advocate for defense funds on biofuels?

Secretary MABUS and Admiral GREENERT. The Navy's small investment in testing and certifying drop-in alternative fuels has no impact on readiness. While the recent \$12 million purchase of alternative fuels represents only 0.2 percent of Navy's overall annual fuel spend, the bigger challenge to the readiness of our naval forces is due to increased fuel price volatility of conventional fossil fuels. In fiscal year 2012 alone, this volatility resulted in an additional \$1 billion bill to Navy operational and maintenance accounts that we must resolve within our operating budget. Were the Navy to reconcile this bill exclusively by cutting flying hours and steaming hours, the additional \$1 billion in fiscal year 2012 would represent a 20 percent decrease in flying and steaming hours. More likely, in addition to cutting flying and steaming hours, the Navy will resolve the deficit by also reducing sustainment of our facilities, delaying new programs, and delaying new and ongoing procurements.

Navy is pursuing alternative fuels to achieve a less petroleum-dependent future but will not purchase alternative fuels for operational purposes unless the price is competitive with conventional fossil fuels. Given the increasingly volatile and challenging market and supply constraints associated with conventional fossil-fuel based petroleum, a robust advanced drop-in alternative fuels market is an essential element of our national energy security. Advanced drop-in domestically produced alternative fuels that use renewable feedstocks provide a secure, assured alternative that reduces the risks associated with petroleum dependence.

54. Senator INHOFE. Secretary Mabus and Admiral Greenert, since you'll eventually need 330 million gallons per year of alternative fuels to meet your goal of hav-

ing 50 percent of the Navy's energy needs supplied from alternative sources by 2020, what price are you willing to pay per gallon of biofuel to achieve this goal?

Secretary MABUS and Admiral GREENERT. When the Navy is buying alternative fuels at operational quantities they must be competitive with the fuels they are replacing.

To meet our 2020 goal, the Navy estimates that annually we will need 336 million gallons of neat advanced alternative fuels blended 50–50 with conventional petroleum-derived fuels. This estimated amount is after the Navy takes into account its achievements in energy efficiencies.

Advanced alternative fuels are the best way to address the Navy's sole dependence on highly volatile global oil prices. For every dollar rise in the price of a barrel of oil, the Navy's fuel bill rises by \$30 million. In fiscal year 2012 alone, increased price volatility has resulted in \$1 billion additional bill to the Navy and a more than \$3 billion additional bill to DOD. These increases in price must be paid for either out of the Department's operations which means we will steam less, fly less and train less or out of other procurements such as ships and planes. Conversely, the cost of biofuels has been cut by more than half over the last 3 years, even with the purchase of relatively small amounts.

55. Senator INHOFE. Secretary Mabus and Admiral Greenert, if this is a priority of yours, are you planning to make any additional purchases of alternate or synthetic fuels with defense funds this year or in fiscal year 2013?

Secretary MABUS and Admiral GREENERT. In fiscal year 2012 Navy is forecasted to spend nearly \$4 billion on liquid fuel. Of this, only \$12 million, or 0.3 percent of the total fiscal year 2012 fuel bill will be used to procure alternative fuel. This purchase price is roughly equivalent to a \$.40 increase in the price of a barrel of petroleum. In early fiscal year 2012, Navy purchased 450,000 barrels of alternative fuel for \$12 million to support the Green Strike Group demonstration at RIMPAC that will take place in July 2012. The exercise culminates our testing and certification program by allowing the fleet to utilize alternative fuels in operations such as UNREPs for our destroyers and refueling of helos and jets on the deck of our carrier. In addition, Navy has programmed \$16 million in fiscal year 2012 and just over \$11 million in fiscal year 2013 for the alternative fuels test and certification program. This funding supports the testing and certification of alternative fuels for use in Navy systems, and some portion of the funding goes to fuel purchases.

56. Senator INHOFE. Secretary Mabus and Admiral Greenert, is the continued use of nuclear power on Navy ships a part of your plan for a green fleet?

Secretary MABUS and Admiral GREENERT. Yes, nuclear powered aircraft carriers and submarines will continue to be an integral part of Navy's fleet, and are vital to Navy's ability to carry out its mission. Nuclear power provides the Navy with unique tactical and strategic benefits, and plays a key role in reaching the Secretary's goal of 50 percent use of alternative energy by 2020.

57. Senator INHOFE. Secretary Mabus and Admiral Greenert, why did you restrict the proposal to only fuels derived from plants or algae when other cheaper alternatives to petroleum already exist?

Secretary MABUS and Admiral GREENERT. There are currently no commercially viable, in-use petroleum alternatives that are drop-in substitutes for JP-5, JP-8, or F-76. To be fit for Naval purposes, a drop-in must require no changes to infrastructure and its use must result in no degradation of performance for our ships and aircraft. First-generation biofuels do not have the energy density, long-term storage stability, cold flow properties, and ability to be used in seawater-compensated fuel tanks that the Navy requires. Gas-to-liquid and coal-to-liquid technologies are not likely to meet the Energy Independence and Security Act (EISA) Section 526 regulations.

We have not issued a request for proposal (RFP) for fuels derived only from plants or algae. We have been feedstock agnostic as long as they meet EISA Section 526, and do not impact food production. Previous and future solicitations include plant material, algae, municipal solid waste, animal waste, animal products, municipal sewage sludge, food waste, yard waste, forest thinning, crop residue, and other vegetative waste. For a more expansive list of eligible feedstocks, contact USDA's Commodity Credit Corporation (CCC).

Fuel for the Green Strike Group in 2012 is primarily derived from animal fats (byproducts from the poultry industry). A small (10 percent) portion of the feedstock was derived from algae.

58. Senator INHOFE. Secretary Mabus and Admiral Greenert, what trade-offs in terms of operational capability are being made to fund the green fleet?

Secretary MABUS and Admiral GREENERT. Navy is not forgoing any operational capability to fund the Green Strike Group demonstration during RIMPAC 2012. On the contrary, Navy's investments in the testing and certification of alternative fuels for use in Navy's platforms will only increase Navy's future combat capability. Investing in future technologies, which the alternative fuel effort represents, is crucial to Navy's ability to remain the world's premier Navy and avoid detrimental operational effects of rising energy costs.

The need to find cost competitive alternative fuels has never been greater. In fiscal year 2011 alone, the price of petroleum went up by \$38/bbl, an increase of 30 percent, which equated to a \$1.1 billion increase, that was not included in the budget. This extreme price volatility and upward trend of fuel prices significantly impacts readiness in execution years and represents the real future opportunity cost of failing to position the Navy to use promising cost effective energy sources.

59. Senator INHOFE. Secretary Mabus and Admiral Greenert, is the Navy looking at all sources of domestic energy alternatives, to include biodiesel and liquid hydrocarbon fuels made from coal using the Fischer-Tropsch (FT) process?

Secretary MABUS and Admiral GREENERT. Biodiesel, by definition, is fatty acid methyl ester (FAME), and does not come from the Fischer Tropsch (FT) process or from coal. Biofuel produced by this process is not a suitable fuel for use in Navy ships and aircraft as it does not exhibit the energy density, cold flow properties, oxidative stability, and non-miscibility with water that the Navy requires.

We have looked at renewable diesel and synthetic paraffinic kerosene (SPK) yielded by the FT process and we have available data from the Air Force's extensive testing of FT-SPK. We believe that fuels created by the FT process, which can also use bio-derived feedstocks, can be made suitable for Naval use. However, coal-to-liquid fuels are not likely to meet the Energy Independence and Security Act Section 526 requirements without further development on carbon capture and sequestration technology that has yet to be demonstrated at a commercial scale in the United States.

#### F-35

60. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, the Navy strike fighter shortfall is assessed to be 65 aircraft in the 2018 to 2019 timeframe. The President's budget request cuts the F-35 budget by \$1.6 billion in fiscal year 2013 and \$15.1 billion over the FYDP. This fiscal year 2013 cut results in 179 fewer planes being procured over the FYDP. Fiscal year 2013 is the third straight President's budget that has scaled back F-35 orders. This delay will increase the overall cost of the program, is already negatively impacting our international partners in this program, could potentially reduce the total number of F-35s procured, and will require the Navy to extend the service life of the F/A-18. While the United States has not cut the total number of aircraft to be procured, our international partners are cutting and looking at alternatives to replace their fighter fleets by 2018—the year many of their legacy aircraft must be retired with no SLEP planned or budgeted.

These short-term cost savings are having immediate negative impacts on our long-term readiness, the readiness of our international partners, and the viability of the entire program. Affordable F-35 recapitalization is dependent on capturing economies of commonality and scale as quickly as possible. Yet, basic economics tell us that if you continue to reduce the number of aircraft, unit costs will not continue to come down. Increasing the production rate is the key to future affordability and the only path to replacing our aging Air Force, Navy, and Marine Corps fleets of multi-role fighters. In your opinion, what can be done in the near-term to help drive down costs and ensure an efficient ramp rate to make certain the F-35 program will be affordable in the long-term?

Secretary MABUS and Admiral GREENERT. DOD reduced low-rate initial production (LRIP) rates to reduce F-35 program concurrency until there is higher aircraft design maturity. Continuing at higher production rates at this stage of development would only result in higher numbers of aircraft that would have to be retrofitted in the future at an overall higher cost to the U.S. Government and the taxpayer. This production strategy decision was informed by the Office of the Secretary of Defense's (OSD) 'Quick Look Review' in the fall of 2011 that affirmed that DOD is still in the 'discovery' portion of F-35 testing with a design that is no more mature than other aircraft at an equivalent point. Towards balancing overall program cost and

risk, while implementing a strategy leading to long-term affordability and efficiency, DOD developed a production ramp to support the prime contractor and supplier base that leads to a projected full rate production decision in the fiscal year 2019/ fiscal year 2020 timeframe, following successful completion of Initial Operational Test and Evaluation.

General AMOS. A series of system reviews and cost control initiatives, overseen by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics with participation by all the services and managed by the JSF Program Office, have been instituted as part of the program restructure and Defense Acquisition Board decision in February 2012.

Affordability is the balance of cost and capabilities required to accomplish assigned missions. Since 2000, the Marine Corps has avoided the cost of new tactical aircraft procurement during a time where capabilities and service life of our legacy aircraft were sufficient to meet the missions assigned. The return on investment in capabilities of the F-35B outweighs the unavoidable legacy aircraft operations and sustainment cost increases we will incur with the F/A-18, AV-8B, and EA-6B. Optimizing this balance is, and will be, a continual process of refinement as the program development, production, and sustainment processes mature over the next few years.

61. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, recent delays in the F-35 program have required the Navy to procure an additional 41 F/A-18E/F aircraft and to extend the life of 150 F/A-18A, B, C, and D aircraft from 8,000 to 10,000 hours. Will the proposed fiscal year 2013 delay force the Navy to SLEP or procure more F/A-18s?

Secretary MABUS and Admiral GREENERT. The PB-13 Strike Fighter shortfall will remain below a manageable 65 and is predicted to peak at 56 aircraft in 2025. The Navy will continue to manage the Strike Fighter inventory through the implementation of management and supply initiatives, including the accelerated transition of legacy Hornet squadrons into Super Hornets and the service life extension of 150 legacy Hornets.

Change in strike fighter shortfall projection is mainly attributed to: A substantial decrease in Hornet 5 year utilization rates and the proposed Marine Corps TACAIR force structure end state of 20 squadrons (18 act/2 res), vice 24, in accordance with overall Marine Corps structure reductions.

The Navy does not plan to increase the F/A-18E/F POR of 565 aircraft or to SLEP more than 150 aircraft.

General AMOS. Current Marine Corps aircraft transition planning and implementation does not include the purchase of additional F/A-18s. If the JSF delivery profile remains unchanged, and the service life of 150 F/A-18A-D is extended to 10,000 flight hours (along with success in other mitigation efforts), the Department of the Navy will continue to assess the most recent shortfall projection as manageable. The Navy fiscal year 2013 funding fully supports this strategy. However, any further delay in the JSF delivery profile will have a negative effect on existing strategies and the projected strike fighter shortfall in both magnitude and duration. Expanded inventory management decisions (i.e. Service Life Extension Programs of additional legacy aircraft) are possible but depend greatly upon expected JSF availability, legacy aircraft utilization and attrition rates.

62. Senator INHOFE. General Amos, when does the Marine Corps plan to achieve F-35B initial operating capability (IOC)?

General AMOS. The Department of the Navy has not yet determined IOC for the F-35B and the F-35C. The Navy and Marine Corps require service-specific operational capabilities as defined in the F-35 Operational Requirements Document prior to considering declaration of IOC. Achieving these capabilities are event-driven and dependent upon the progress of the rebaselined JSF Program.

For F-35C IOC, the Navy requires the following:

- (1) One squadron of 10 F-35C aircraft.
- (2) Functional Autonomic Logistic Information System (ALIS) (including peripherals) and carrier integration modifications in place to support CVN deployments, airworthiness and flight deck certifications.
- (3) Trained aircrew, maintainers, and support personnel.
- (4) System Development and Demonstration/Operational Evaluation complete and Joint Program Office/F-35 contractor procedures, processes, and infrastructure capable of sustaining operations of the F-35C IOC squadron.

For F-35B IOC, the Marine Corps requires the following:

- (1) One squadron of 10 F-35B aircraft with required spares, ground support equipment, tools, technical publications and a functional ALIS (including peripherals).
- (2) One squadron manned with trained/certified personnel capable of conducting autonomous operations.
- (3) F-35B aircraft with the requisite performance envelope, mission systems, sensors and weapon clearances (Block 2B).
- (4) Home base supporting infrastructure and facilities ready and capable of supporting and sustaining operations.
- (5) Qualifications/certifications required for deploying on F-35B compatible ships and to austere expeditionary sites.
- (6) The ability to execute the tactical aircraft directed mission sets.
- (7) Joint Program Office/F-35 contractor procedures, processes, and infrastructure capable of sustaining operations of the IOC squadron.

63. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what has been the reaction of the allied partners on the restructured production plan for the F-35 program?

Secretary MABUS and Admiral GREENERT. Overall, partner nations remain very supportive of the F-35 program and the cooperative partnership established via the 2006 Joint Strike Fighter Production, Sustainment, and Follow-on Development (PSFD) Memorandum of Understanding (MOU). While all nations have expressed concern about F-35 progress, no partners have indicated any plans to leave the program due to the technical or programmatic challenges encountered in recent years. While Italy recently announced plans to reduce total procurement to 90 (vs. 131) aircraft, we understand this is due to national economic challenges vs. programmatic concerns. And while the potential exists for other partners to consider changes—no other nation has formally advised DOD of any modification to national procurement plans.

General AMOS. The F-35 Lightning II Program is a joint, multi-national program among the U.S. Air Force (USAF), U.S. Navy (USN), U.S. Marine Corps, and eight cooperative international partners: the United Kingdom (UK), Italy (IT), the Netherlands (NL), Turkey (TU), Canada (CA), Australia (AS), Denmark (DK), and Norway (NO). The International Partners as well as our U.S. Service partners are keenly interested and engaged in seeing the JSF enter into service as soon as practicable and affordable. The United States is obviously leading on test, development, production and sustainment of the aircraft and has assumed the highest risk in regards to the concurrency strategy of these efforts. Our partners sometimes can misinterpret our confidence in the F-35 program when we restructure it. However, from a Marine Corps perspective, we are continuously engaged with our international partners, particularly those procuring the F-35B and F-35C variants, in seeking out and planning for opportunities to collaborate in development, training, and long term sustainment of the JSF. Stability in procurement rates, infrastructure build-out, and meeting our development and test schedules demonstrate our commitment to the program and our international partners.

64. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, does DOD believe that the recent announcement will impact when or how many aircraft the international partners will ultimately buy?

Secretary MABUS and Admiral GREENERT. No. Overall, partner nations remain supportive of the F-35 program and the cooperative partnership established via the 2006 JSF PSFD MOU. While all nations have expressed concern about F-35 progress, no partners have indicated any plans to leave the program due to the technical or programmatic challenges encountered in recent years. While Italy recently announced plans to reduce total procurement to 90 (vs. 131) aircraft, we understand this is due to national economic challenges vs. programmatic concerns. And while the potential exists for other partners to consider changes—no other nation has formally advised DOD of any modification to national procurement plans.

General AMOS. Just as the United States has done in the past, our international partners in the JSF program will continue to make adjustments in their procurement plans based on the common factors of need, funding available, and affordability. In response to decreased U.S. procurement rates submitted in the fiscal year 2013 budget, it is anticipated the partners will adjust the timing of their procurements and possibly reduce their procurement targets. These adjustments will be coordinated with the Joint Program Office and be formally presented at the fall 2012 Joint Executive Steering Board that oversees international governance of the JSF Program.

65. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, is there a cost impact for the partner countries based on the changes DOD is implementing?

Secretary MABUS and Admiral GREENERT. We are continuing efforts to understand what cost impact will result for F-35 partner nations resulting from DOD PB13 quantity changes. Specific F-35 unit recurring flyaway costs changes will ultimately depend upon the outcome of contract negotiations with the prime contractor (Lockheed-Martin) for future LRIP annual procurement actions that combine U.S., Partner, and (as applicable) Foreign Military Sales purchases in any given LRIP contract.

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66. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what is the importance of international participation to controlling costs on the F-35 program?

Secretary MABUS and Admiral GREENERT. In addition to the important national security and coalition warfare benefits and synergies, international participation in the F-35 program is also important to DOD for the affordability benefits such participation enables. With additional international procurements, program costs can be shared over a higher production quantity base—thereby enabling lower overall costs to the U.S. Government as the Department moves down the aircraft cost curve. While higher quantities enable lower costs through production efficiencies, controlling overall program costs have many additional components, to include, productivity improvements, elimination of low-value added tasks contributing to program cost, and similar cost reduction initiatives that are also being implemented in the F-35 program.

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67. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what feedback are you getting from pilots and crew at Pax River on the aircraft performance and flight characteristics?

Secretary MABUS and Admiral GREENERT. The F-35 Integrated Test Force (ITF) test pilots conducting the developmental test of the F-35B/C aircraft at NAS Patuxent River have provided positive comments about the aircraft performance and handling characteristics within the current flight test envelope. The aircraft performance in many flight regimes is similar to legacy Marine Corps and Navy tactical fighter aircraft, and in other areas the F-35B/C variants provide performance and handling qualities that surpass the characteristics of prior tactical platforms. In particular, the test events executed last fall on the USS *Wasp* have indicated that the F-35B provides a significant increase in ease of operations in the shipboard environment.

General AMOS. Feedback from the aircrew and maintenance personnel at our primary test facility at Naval Air Station Patuxent River, MD, has been extremely positive and favorable. As demonstrated in 2011, flight test is proceeding in accordance with the plan and the results of testing are as expected for this stage of development.

68. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, how are these aircraft flying?

Secretary MABUS and Admiral GREENERT. The eight F-35 B and C variant aircraft assigned to the Patuxent River F-35 ITF are executing flight test in accordance with the revised baseline test plan established in 2011. Test point execution remains ahead of plan for calendar year 2012 for the B and C variants, and the

aircraft are flying routinely to execute developmental flight test, and executing ground-based tests as required to meet program goals.

General AMOS. Both the F-35C and F-35B variants are achieving developmental test points within the restructured program parameters.

69. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, you recently lifted the F-35B short takeoff/vertical landing (STOVL) variant from probation. Please discuss the reasons that led to this decision.

Secretary MABUS and Admiral GREENERT. Secretary Gates placed the F-35B on probationary status because it was experiencing significant unique technical issues (which will be discussed below). As a result of these issues, the Department of the Navy supported the decoupling of F-35B testing from the other two variants, allowing the program to increase focus on F-35B specific developmental issues, while testing on the other variants progressed. In 2011, the program office addressed all F-35B probationary risk areas, F-35B successfully completed more flights and more test points than planned, and overall, F-35B is currently demonstrating development, test, and production maturity comparable to, and not substantially different from, the other F-35 variants.

When F-35B was placed on probation, the following five F-35B-unique technical issues were identified as focused risk areas to be addressed during the probationary period: Bulkhead Cracks: Cracks developed in the F-35B flight station (FS) 496 bulkhead after 1,500 hours of fatigue testing. Auxiliary Air-Inlet Doors: Vortices rolled off the upper lift-fan door created loads on the auxiliary air-inlet doors in excess of design limits. Clutch Plate Heating: Higher-than-expected clutch heating was encountered intermittently during F-35B up and away flight. Drive Shaft Articulation: Higher-than-expected thermal growth of the F-35B airframe and engine exceeded the drive shaft articulation (horizontal movement) standards. Roll Control Nozzle Heating: The roll control nozzle was overheating during STOVL operations at low airspeeds (less than 60 knots).

These five technical risk areas have now been addressed in the following fashion: The FS 496 bulkhead has been redesigned for production, with additional fixes identified for retrofit of aircraft already delivered. Upper auxiliary air inlet door hardware has been redesigned and began flight test in December 2011. Analyses of test flight results to-date show the design corrected the anomaly. We have confirmed the source of the clutch-plate friction that was causing the heating condition and are correcting the design. While the new design is being qualified and produced, we have mitigated its potential impact on the current aircraft operations by adding a temperature sensor which alerts the pilot to modify the aircraft flight conditions to ensure clutch temperatures do not exceed design limits.

The vertical lift propulsion system drive shafts are being custom fitted with spacers to ensure the shaft can accommodate the airframe thermal expansion and contraction, ensuring their airworthiness. While "tuning" drive shafts to specific aircraft eliminates the probationary risk area, it also reduces commonality and may increase maintenance cost and complexity. As such, we do not believe this hardware resolution is an affordable fleet solution. To address commonality/affordability, we are designing a new driveshaft configuration to provide a common configuration and meet the aircraft's thermal requirements to permit faster maintenance change-outs and reduce the number of unique end-items. The probationary airworthiness risk associated with roll post nozzle actuator heating has been addressed by insulating the actuator with a thermal blanket. To reduce aircraft weight, however, we are designing a new actuator that will also eliminate the need for a thermal blanket. That actuator design completed its critical design review in January 2012.

The Secretary of Defense decision to lift probation will result in absolutely no reduction in Department of the Navy's F-35B oversight or the level of attention given by DOD to each of the F-35 variants going forward.

General AMOS. Based upon the current assessment of the F-35B STOVL and the requirements of the defined exit criterion, the Commandant of the Marine Corps and other Department leadership recommended the removal of F-35B from probationary status. The Secretary of Defense determined that the F-35B had made sufficient progress in development, test and production such that no uniquely distinguishing issues require more scrutiny than the other two variants of the F-35, and on January 20, 2012 he announced that F-35B was no longer in a probationary status.

Looking back to the 12 months of fixed scrutiny, the F-35B program made positive increases in flight test metrics, resolved technical issues, and met performance requirements. In October 2011, the F-35B satisfactorily executed a limited demonstration of ship suitability when two aircraft completed the initial sea trials on USS *Wasp*. Testing included flight envelope expansion, airborne and deck handling



qualities, and the aircraft effects on the shipboard environment. The sea trials were very successful. Flight deck heating and exhaust jet blast velocity demonstrated satisfactory results.

F-35B weight essentially has remained stable since January 2011. In addition, engine performance data collected has allowed credit for better lift performance and the Vertical Landing Bring Back) Key Performance Parameter has maintained a consistently positive margin. In 2011 the F-35B performed on or ahead of the test plan. Total flights planned versus actual were 293/333 and total test points planned versus actual were 2272/2636.

The FS 496 bulkhead has been redesigned for production, with fixes identified for retrofit as needed. F-35B fatigue test (also known as durability test) resumed January 19, 2012. This particular test had been halted for new bulkhead fabrication and instrumentation and test article reconstruction in November 2010. The redesigned upper auxiliary air inlet door hardware began flight test in December 2011. Analyses of the results from early test flights are promising; weather and pace of flights will determine when this is completed. Additionally, ordering of modification kits for aircraft retrofit began in parallel with this testing in order to gain clearance for fleet STOVL mode operation as soon as possible.

Airworthiness concerns with the lift fan clutch heating issue have been mitigated by the incorporation of a temperature sensor that alerts the pilot to take corrective action if the clutch exceeds acceptable temperatures. At the same time, a detailed root cause investigation for a permanent fix to eliminate clutch heating is underway. The airworthiness risk associated with roll post actuator heating has been mitigated by insulating the actuator with a thermal blanket. The critical design review for a new actuator design that will eliminate the need for a thermal blanket was conducted January 19–20, 2012.

The vertical lift propulsion system drive-shafts are being custom fitted with spacers to ensure the shaft can accommodate the airframe thermal expansion and contraction. While this is currently a maintenance burden, it eliminates the airworthiness concerns with the current driveshaft design. A new driveshaft that can meet the actual aircraft environmental requirements is in the early phases of the design process.

#### MISSILE DEFENSE—SM-3 AND AEGIS

70. Senator INHOFE. Secretary Mabus and Admiral Greenert, I continue to have concerns about our current missile defense plan. While the SM-3 Block IB (short/medium range) will be tested this year and hopefully fielded in 2015, the SM-3 Block IIA (short/medium/intermediate range) is in design with a 2018 projected fielding date and the SM-3 Block IIB (long range) is still a concept. Intelligence estimates state that Iran may have a long range ballistic capability by 2015. What is your current level of confidence in being able to deploy the SM-3 2A by 2018 and the SM-3 IIB by 2020?

Secretary MABUS and Admiral GREENERT. SM-3 block IIA and SM-3 block IIB are being developed by the Missile Defense Agency. Both programs are expected to begin deliveries in 2018 and 2020 respectively. Based on the close relationship that Navy shares with MDA in developing and proving Ballistic Missile Defense capabilities, Navy has confidence that MDA will execute the programs as planned.

71. Senator INHOFE. Secretary Mabus and Admiral Greenert, Aegis missions include maritime security, anti-submarine warfare, surface warfare, and missile defense. By the end of this year, 23 Aegis ships will be ballistic missile defense (BMD)-capable and 110 SM-3 interceptors will have been delivered. However, the 2010 Ballistic Missile Defense Review notes, “the demand for missile defense assets within each region over the next decade will exceed supply.” Do we have enough Aegis ships and missiles to meet the wartime requirements of all our combatant commanders?

Secretary MABUS and Admiral GREENERT. Demand for missile defense assets, to include multi-mission Aegis ships and missiles, continues to exceed supply within each region as stated in the 2010 Ballistic Missile Defense Review. While Navy is filling the most critical combatant commander demands for multi-mission Aegis ships, Navy is not able to meet the full demand without exceeding personnel and homeport tempo guidelines designed to sustain a capable force over time.

Combatant commander demands are reviewed periodically and adjudicated by the Secretary of Defense through the Global Force Management process to ensure the demands are prioritized based on overarching global defense priorities and that the Navy’s limited BMD capacity is applied to the most critical needs.

Navy is employing a number of material and non-material approaches to mitigate the capacity shortfall by moving forward with three coordinated efforts to increase the capability and capacity of its BMD-capable combatants. Navy will also forward deploy four BMD-capable destroyers to Rota, Spain, in order to source EUCOM demands more efficiently.

Navy continues to review force structure as a function of demand and fiscal conditions and shares the committee's concerns regarding our limited BMD capacity but is working within the constraints of the existing fiscal environment and therefore accepts risk.

The Missile Defense Agency (MDA), as the acquisition organization responsible for delivery of the SM-3 missile, is procuring SM-3 missiles to support Navy sourcing Global Force Management plans.

72. Senator INHOFE. Secretary Mabus and Admiral Greenert, is the demand for Aegis ships now and in the future outstripping supply?

Secretary MABUS and Admiral GREENERT. The Navy currently has sufficient surface combatants to meet the most critical demands for multi-mission warships. The Navy continues to review force structure as a function of demand and fiscal conditions and is currently conducting a force structure assessment in support of revised strategic guidance, which will further refine the large surface combatant requirement.

73. Senator INHOFE. Secretary Mabus and Admiral Greenert, are there Aegis readiness concerns, and, if so, how does the fiscal year 2013 budget address these concerns?

Secretary MABUS and Admiral GREENERT. As part of our normal process of improving system reliability and performance, Navy has established an Aegis Combat System Readiness Review board to provide a holistic assessment of continued Aegis readiness in terms of interoperability, maintainability, test & evaluation, manpower, training, and current development efforts. This effort continues to improve current readiness and enables Navy's Aegis Surface ships to meet current and future threats. The fiscal year 2013 budget provides \$249 million in fiscal year 2013 and \$552 million across the FYDP to address this process of improving reliability and performance. Specifically, we are addressing interoperability and computer software improvements, SPY readiness improvement actions such as increasing SPY transmitter reliability, increasing waterfront technical support and training, and including improvements based on Fleet feedback into current Aegis development.

#### DETAINEES AND GUANTANAMO BAY

74. Senator INHOFE. Secretary Mabus and Admiral Greenert, last year, terrorist Ahmed Abdulkadir Warsame was interrogated aboard a U.S. Navy ship. This move by the Obama administration seemed to be as, or more, focused on avoiding the use of the detention facility at Guantanamo Bay as properly interrogating Warsame and preparing him for trial. The interrogation aboard a Navy ship seems to have brought as much international backlash for the Obama administration as transferring Warsame to Guantanamo Bay would have. The administration was accused of violating the Geneva Convention by prolonging interrogation of Warsame on a ship. If Warsame had been transferred to Guantanamo Bay, he would have had the benefit of the Expeditionary Legal Complex and appropriate legal representation. I joined several other members of this committee in protesting the transfer of Warsame to Article III, civilian, courts in New York. I have long-supported the use of the world-class detention facility at Guantanamo Bay and the Expeditionary Legal Complex that is best-suited to hold, interrogate, prepare, and try detainees. Are you comfortable with the Obama administration's practice of prolonged detention on Navy ships instead of immediate transfer to a detention facility; the most appropriate of which is Guantanamo Bay?

Secretary MABUS and Admiral GREENERT. The Navy does not conduct long-term detentions, or internment, aboard naval vessels. The Navy does, when necessary, temporarily detain individuals aboard vessels for screening, as was the case with Ahmed Warsame, or for other lawful purposes. Temporary detention of al Qaeda detainees aboard U.S. Navy vessels provides a legal, humane, and operationally feasible alternative to conducting tactical screening and interrogation operations in land-based facilities, particularly when those facilities are thousands of miles removed from the point of capture. Congress has afforded the executive branch the critical legal authority to use "necessary and appropriate force" against al Qaeda and associated forces, which includes the authority to detain members wherever

they may be captured, pursuant and subject to the law of war. The execution of this detention authority may lawfully occur—temporarily—aboard U.S. Navy vessels. Such detentions fully comply with Common Article 3 of the Geneva Conventions, DOD Directive 2310.01E (the DOD Detainee Program), and the Detainee Treatment Act. Nothing in the law of armed conflict prohibits the temporary holding of detainees at sea for screening or other lawful purposes. Indeed, in cases of capture at sea—as was the case with Mr. Warsame—some period of detention at sea would be absolutely necessary.

75. Senator INHOFE. Secretary Mabus and Admiral Greenert, what are the risks associated with prolonged holding of detainees on Navy ships?

Secretary MABUS and Admiral GREENERT. No military operation can be conducted completely free from risk. As the Navy's Operational Risk Management Instruction (OPNAVINST 3500.39C) directs, it is incumbent on commanders and leaders at all levels to recognize and consider those risks and, through prudent planning, effective training, and sound execution, mitigate them to acceptable levels commensurate with the imperative of accomplishing the mission.

76. Senator INHOFE. Secretary Mabus and Admiral Greenert, what is your impression of the operations, quality of our personnel, and treatment of detainees at Guantanamo Bay?

Secretary MABUS and Admiral GREENERT. Detention operations at Guantanamo Bay are conducted under the command and control of a Joint Task Force. Those operations are conducted professionally and in full accordance with U.S. law and the law of war. The quality of U.S. military personnel at the base is outstanding. Detainees are treated humanely and in accordance with U.S. regulations and international law.

77. Senator INHOFE. Secretary Mabus and Admiral Greenert, have you changed any operations in preparation to close Guantanamo Bay in accordance with President Obama's Executive Order to close the facility?

Secretary MABUS and Admiral GREENERT. Detention operations at Guantanamo Bay are conducted under the command and control of a Joint Task Force and not the Department of the Navy. The Navy continues to support the Joint Task Force's detention operations. In the event that the President orders the termination of detention operations at Guantanamo Bay, the Navy is prepared to support the Joint Task Force in its efforts to terminate the mission.

#### MARINE CORPS END STRENGTH

78. Senator INHOFE. General Amos, there are over 34,000 marines deployed, with over 22,000 in Afghanistan. In 2007, the Marine Corps increased their end strength by 27,000 marines. The Marine Corps expects to achieve an end strength of 202,934 at the end of fiscal year 2012; 834 higher than its permanent authorized end strength of 202,100. Although end strength numbers are planned to remain relatively stable through fiscal year 2014, there is a planned reduction of 15,300 marines in fiscal year 2015 and fiscal year 2016. The Marine Corps continues to struggle to achieve its goal of 1 to 3 dwell time. What is the current dwell time ratio for the Marine Corps?

General AMOS. As of May 2012, there were more than 26,000 marines deployed around the world, 17,800 of which were in Afghanistan. We expect our overall force level in Afghanistan to continue decreasing throughout the remainder of this calendar year in accordance with prescribed DOD timelines and objectives. Pending final congressional approval of the fiscal year 2013 budget, the Marine Corps' active duty end strength is scheduled to be 197,300 marines by October 1, 2013. Over the FYDP, our end strength is slated for continued reductions with a final goal of 182,100 marines on active duty by the end of fiscal year 2016, thus equating to a measured and responsible rate of reduction of approximately 5,000 marines per year over the FYDP. There are no scheduled reductions in our Reserve component, which will remain at 39,600 marines.

During times of war, the deployment to dwell time (DEP:DWELL) goal for the Marine Corps continues to be 1:2 for our Active component combat units and 1:5 for Reserve component forces (See attached two slides depicting DEP:DWELL ratios of primary Marine Corps combat units for the past 9 years. Column 1 reflects combined ratios throughout operations ISO of both OIF/OND and OEF. Column 2 reflects support to OEF only). Given the drawdown of Marine forces in Afghanistan over the coming year, we anticipate the dwell time of our combat units to improve.

However, many units throughout the Marine Corps already have more favorable dwell times greater than 1:2. Moreover, through our force structure review conducted in 2010–2011, we addressed the manpower issues associated with marines in “high-demand/low-density” military occupational specialties (e.g. signals and geospatial intelligence, linguists, etc), resulting in improved dwell times among those in these fields. We continue to work actively to recruit, promote and retain the right number of marines in the right occupational specialties, thus promoting resiliency in our Total Force.

In a post Operation Enduring Freedom security environment (i.e. 2014 and beyond), we will strive for a 1:3 DEP:DWELL goal within our active duty combat units. We have revised our Marine Corps Service Campaign Plan to synchronize the mechanisms of our institution to facilitate and support these future goals.

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**Command/Ground Combat Element**  
(Deployment-to-Dwell)

Unit	Column 1 (1 Jan 03 – 1 May 12)	Column 2 (1 Jan 08 – 1 May 12)
Intel Bn	1:1.1	1:1.3
Radio Bn	1:2.2	1:2.5
Comm Bn	1:1.2	1:1.5
ANGLICO	1:2.6	1:3.2
Infantry Regt	1:1.9	1:2
Infantry Bn	1:1.3	1:1.6
Arty Btry	1:1.9	1:2.9
LAR Co	1:1.8	1:1.9
CEB Co	1:1.8	1:2
Tank Co	1:2	1:3
AAV Co	1:1.9	1:3
Recon Co	1:2.5	1:3.1
Truck Co	1:1.5	1:2.1

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**Aviation Combat/Logistics Combat Element**  
(Deployment-to-Dwell)

Unit	Column 1 (1 Jan 03 – 1 May 12)	Column 2 (1 Jan 08 – 1 May 12)
HMH Sqdn (53D)	1:1.7	1:1.7 (Sundown complete - Sep 12)
HMH Sqdn (53E)	1:1.9	1:2.2
HMM/VMM Sqdn	1:1.87	1:1.9
HMLA Sqdn	1:1.6	1:1.9
VMFA Sqdn	1:2.2	1:2.5
VMA Sqdn	1:2.3	1:3
VMGR Sqdn	1:2.3	1:2.2
VMAQ Sqdn	1:2	1:1.8
VMU Sqdn	1:1.1	1:1.4
MWSS	1:2.6	1:3.6
GS CLR	1:1.6	1:1.97
DS CLB	1:1.8	1:2
Engr Spt Bn	1:1.5	1:1.97
EOD Co	1:1.5	1:2.1

C-2

UNCLASSIFIED

79. Senator INHOFE. General Amos, what is the dwell time goal for the Marine Corps?

General AMOS. During times of war, the DEP:DWELL goal for the Marine Corps continues to be 1:2 for our Active component combat units and 1:5 for Reserve component forces. Given the drawdown of Marine forces in Afghanistan over the coming year, we anticipate the dwell time of our combat units to improve. However, many units throughout the Marine Corps already have more favorable dwell times greater than 1:2. Moreover, through our force structure review conducted in 2010–2011, we addressed the manpower issues associated with marines in “high-demand/low-density” military occupational specialties (e.g. signals and geospatial intelligence, linguists, etc) resulting in improved dwell times among those in these fields. We continue to work actively to recruit, promote and retain the right number of marines in the right occupational specialties, thus promoting resiliency in our Total Force.

In a post-Operation Enduring Freedom security environment (i.e. 2014 and beyond), we will strive for a 1:3 DEP:DWELL goal within our active duty combat units. We have revised our Marine Corps Service Campaign Plan to synchronize the mechanisms of our institution to facilitate and support these future goals.

80. Senator INHOFE. General Amos, what risks are associated with reducing the Marine Corps’ size?

General AMOS. As directed over the coming FYDP and pending congressional approval, we will draw down our force from its current end strength of 202,100 marines to 182,100 in a measured way beginning in fiscal year 2013 and concluding at the end of fiscal year 2016. As we reduce end strength, we must manage the rate carefully so we reduce the force responsibly. We will draw-down our end strength by approximately 5,000 marines per year. The pace of Active component drawdown will account for completion of our mission in Afghanistan, ensuring proper resiliency in the force relative to dwell times.

By the end of fiscal year 2016, the resulting 182,100 Active-Duty Force, supported by our operational Reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 marines to 182,100 marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. We intend to leverage the diverse depth and range of assets within our Reserve component both to mitigate risk and maximize opportunities where available.

81. Senator INHOFE. General Amos, what assurances do we have that we will not need a larger Marine Corps in the future?

General AMOS. I cannot assure you that we will not need a larger Marine Corps in the future. However, the 182,100 Active Duty Marine Corps force that we have designed through our Force Structure Review and in support of the new Defense Strategic Guidance issues in January 2012 can support the geographic combatant commanders’ demand for crisis response, forward presence and large scale amphibious operations as part of a joint campaign. This force, complemented where needed by our 39,600 Reserve component, will have enough flexibility to respond to the unknowns of the future security environment.

82. Senator INHOFE. General Amos, what is the primary driver behind the decision to reduce the size of the Marine Corps?

General AMOS. In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment following our commitment in Afghanistan, we conducted a capabilities-based Force Structure Review beginning in the fall of 2010 to identify ways we could rebalance and posture for the future. The Force Structure Review incorporated the lessons learned from 10 years of combat and addressed 21st century challenges confronting our Nation and its Marine Corps. The review sought to provide the “best value” in terms of capability, cost and readiness relative to the operational requirements of our forward-engaged geographic combatant commanders. The results of that effort have been shared with Congress over the past year. While affirming this strategy-driven effort, we have aligned our force based on the realities of constrained spending levels and new Defense Strategic Guidance issued in January of this year.

During our comprehensive Force Structure Review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement and crisis response requirements of the geographic combatant commanders. The resulting force structure is intended to meet title 10 responsibilities, broaden capabilities, enhance speed and response options and foster the partnerships necessary to execute the range of military operations while providing the “best value” to the Nation. This force structure also accounted for the addition of enabling assets (e.g. combat engineers, information operations specialists, civil af-

fairs personnel, specialized intelligence marines, cyber operators, special operators, etc.) necessary to meet the demands of the battlefields of today and tomorrow.

The resulting 182,100 Marine Active-Duty Force, supported by our operational Reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Our 182,100 Marine Corps represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to September 11. However, it adds cyber operations capability, Marine special operators, wartime enablers and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

#### UNITED NATIONS LAW OF THE SEA TREATY

83. Senator INHOFE. Secretary Mabus, one of the first things President Reagan did when he entered the White House in 1981 was to reject the United Nations (U.N.) Law of the Sea Treaty (UNCLOS). Despite the Clinton administration signing the treaty in 1994 and efforts by the George W. Bush administration, this Senate has refused to ratify it. U.S. accession to UNCLOS would harm U.S. national interests and jeopardize our sovereignty. UNCLOS gives the U.N. the power authority to regulate seven-tenths of the world's surface area, to levy international taxes, to regulate ocean research and exploration, to impose production quotas for deep-sea mining and oil production, or to create a multinational court system. UNCLOS will restrict intelligence gathering and mandate technology transfers and information-sharing with our allies and our enemies. UNCLOS will constrain U.S. naval activities and do nothing to resolve maritime territorial claims issues. UNCLOS would expose the United States to countless environmental lawsuits to include suits based on alleged U.S. contributions to global climate change. In the end, UNCLOS would expose the United States to lawsuits on virtually any maritime activity with any judgment rendered by the UNCLOS Tribunal being final, unappealable, and enforceable in U.S. territory. Are you comfortable with Article 298 that says a dispute over whether an activity is military would be decided by an international tribunal or other manner as prescribed by the treaty?

Secretary MABUS. Accession to UNCLOS will in no way impair U.S. military operations, including intelligence gathering operations. I am also comfortable with the dispute resolution procedures set forth in UNCLOS because the United States will be able to exempt all military activities. Furthermore, the U.S. will determine what constitutes a military activity. UNCLOS makes it clear that a State Party may completely reject all the dispute resolution procedures—on its own terms—for disputes involving maritime boundaries, military activities, and matters before the Security Council. Military officers serving on the delegation that negotiated the Convention ensured that the military activities exemption is ironclad. Accordingly, there are no processes or procedures available to an opposing State, court, or tribunal to attempt to review a State's determination that an activity is a military activity. Finally, to ensure that no one could mistake that the United States rejects dispute resolution for military activities, the proposed Senate Resolution of Advice and Consent could contain language conditioning accession to the Convention based on its understanding that under Article 298(1)(b) each State Party has the exclusive right to determine whether its activities are or were "military activities" and that such determinations are not subject to review.

Becoming a party to UNCLOS would not require any compromise to U.S. national security. The effect would be just the opposite. Becoming a party would significantly enhance U.S. national security. Twelve Chiefs of Naval Operations and five Secretaries of the Navy are on record supporting U.S. accession to UNCLOS. Every President since Ronald Reagan has supported its ratification and the Secretary of Defense, Chairman of the Joint Chiefs of Staff, Chief of Naval Operations, and I strongly support it as well.

84. Senator INHOFE. Secretary Mabus, can you foresee any requirements of the treaty forcing the United States to make a choice between national security and fulfilling the treaty requirements, and, if so, how would you go about addressing the conflict?

Secretary MABUS. No, becoming a party to the treaty would not require any compromise to U.S. national security. The effect would be just the opposite. Becoming a party would significantly enhance U.S. national security. Twelve Chiefs of Naval Operations and five Secretaries of the Navy are on record supporting U.S. accession

to the Law of the Sea Convention. Since the satisfactory resolution of the deep seabed mining provisions in 1994, all three Presidents have supported U.S. accession.

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QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

SSBN(X)

85. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, the Navy is designing the SSBN(X) with 16 submarine-launched ballistic missile (SLBM) tubes as opposed to the 24 currently on *Ohio*-class subs. This decision was made to reduce the procurement cost of boats 2 through 12 in the program to \$5.6 billion. With implementation of the New Strategic Arms Reduction Treaty (START), the Navy will inactivate 4 tubes per sub in current *Ohio*-class subs, so that only 20 missiles are aboard each SSBN. This brings the fleet capacity down to 240 SLBMs. The Navy in the *Ohio* replacement program, however, is planning a force of 12 SSBNs with 16 tubes, which will take our SLBM fleet even further down, from 336 missiles to 192 missiles. We can't predict with certainty the need for strategic deterrent forces out to the year 2080, when the final SSBN(X) is scheduled to leave service, and for that reason I believe we may be taking on significant additional risk with this decision. Is the plan to design the SSBN(X) with 16 tubes rather than 20 fully supported within all parts of DOD including STRATCOM?

Secretary MABUS and Admiral GREENERT. The *Ohio*-class SSBN shipfill requirement of 288 missiles is based on 12 operational *Ohio*-class SSBNs. The Navy maintains 14 *Ohio*-class SSBNs to support taking ships offline for an extended mid-life refueling. The *Ohio* Replacement will be built with a life-of-ship reactor which will eliminate the mid-life refueling and allow 12 *Ohio* Replacement SSBNs to provide the same at sea presence as 14 *Ohio*-class SSBNs.

OSD and U.S. Strategic Command concur with the Navy's plan to recapitalize the Nation's sea-based strategic deterrent with a class of 12 *Ohio* Replacement SSBNs, each hosting 16 missile tubes. While developing the *Ohio* Replacement Milestone A Service Cost Position, coincident with the submission of the New START implementation plan, the Navy conducted an in-depth, extensive review of the capability requirements for the *Ohio* Replacement SSBN. This analysis concluded that a force of 12 *Ohio* Replacement SSBNs with 16 missile tubes each can carry all the sea-based warheads and maintain sufficient excess capacity for the future, meeting the Nation's sea-based strategic requirements. A 20-tube variant would inappropriately sacrifice other shipbuilding requirements for excess capacity.

86. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, regarding procurement cost, how certain are you that reducing the number of tubes will have a significant impact on actually reducing procurement cost?

Secretary MABUS and Admiral GREENERT. The cost savings associated with a 16-Tube vs. a 20-Tube *Ohio* Replacement SSBN design is expected to be approximately \$3 billion across the total class. Reducing the design by four missile tubes (one quad pack) is estimated to save \$0.2 billion per ship (average follow ship hulls 2-12) and approximately \$0.5 billion of non-recurring engineering costs for the first ship. All costs are in fiscal year 2010 dollars.

87. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, with a growing threat of strategic nuclear advancement in countries such as Iran, and with SSBNs accounting for the most survivable leg of the triad, does this reduction in SLBMs make sense and how will it affect our ability to provide strategic deterrence for the United States and our allies?

Secretary MABUS and Admiral GREENERT. The plan to reduce deployed SLBMs is aligned with the April 2010 Nuclear Posture Review (NPR) and DOD policy objectives. While these reductions are necessary to meet the limits directed by the New START Treaty, they do not adversely impact our strategic deterrence against threats to the United States or our allies.

MARINE CORPS EQUIPMENT RESET/REGENERATION

88. Senator CHAMBLISS. General Amos, in your prepared statement you discuss the Marine Corps strategy for resetting your equipment based on nearly 11 years of war. You have also redeployed equipment from Iraq to Afghanistan which resulted in deferring previously planned reset actions. You state that the reset of equipment retrograded to home station from Iraq is complete; however, the equipment density list that supports combat operations in Afghanistan totals approxi-

mately 95,000 items. A large portion of that equipment is communications equipment and vehicles such as mine-resistant ambush-protected vehicles and all of your medium tactical vehicle fleet.

I am extremely impressed with what the Marine Corps has been able to accomplish—with both your people and your equipment. It is a testament to your leadership and can-do attitude and as you state, “your proud . . . reputation for frugality.” However, this bill is going to come due and—as you say in your statement—“while you have received a good portion of the required funding for reset . . . there is more to do at home stations [and depots to reset the forces].” Looking forward, and assuming you get the money you need to perform this reset and regeneration work, do you have the people and other resources you need to perform this work?

General AMOS. The Marine Corps’ \$3.2 billion strategic reset liability is an end-of-war estimate that is continuously assessed against a myriad of costing variables associated with transportation, labor, contracted logistics and other costs associated to the repair and replacement of the equipment needed to meet enduring force structure requirements. Separate and distinct from the strategic reset liability is our request for operational reset funding of \$1.1 billion in fiscal year 2013 to support/maintain ongoing operations in Afghanistan, stock rotation and in-theater reset actions. Strategic reset is executed as forces permanently retrograde from Afghanistan.

Marine Corps Logistics Command and the newly established Marine Corps Depot Maintenance Command are planning to hire the necessary workforce to meet our reset demands. We anticipate the workload within our organic depots to increase steadily through fiscal year 2015 and we project over 80 percent of our strategic reset dollars will be executed within these same depots.

As good stewards of the taxpayers’ dollars, we are continuously revalidating our strategic and operational reset requirements with the most current planning factors available. Accordingly, we expect to make minor adjustments to ensure we request only the resources needed to reset the force. The continued support of the Congress will ensure we meet our ground equipment reset objectives and remain America’s Expeditionary Force in Readiness.

#### NEW MARINE DEPOT MAINTENANCE COMMAND

89. Senator CHAMBLISS. General Amos, the Marine Corps recently activated Marine Depot Maintenance Command which combines Marine Corps Maintenance Centers at Albany, GA, and Barstow, CA, under a single headquarters with two operating plant locations. I understand that the purpose of the Marine Depot Maintenance Command is to provide innovative worldwide maintenance repairs and technical services for ground combat, combat support, and developmental projects. I know this command has only been operating for a short time, but I would appreciate any thoughts you have on how it is operating so far as well as any additional explanation you have regarding the efficiencies and improvements that the Marine Corps hopes to achieve through this new command.

General AMOS. The consolidation of our two maintenance centers under the single Marine Depot Maintenance Command was a strategic initiative to increase the efficiency and effectiveness of our organic depot maintenance program. Marine Depot Maintenance Command began operations during the first quarter of fiscal year 2012, and is aggressively working to achieve full capability by the fourth quarter of fiscal year 2013.

Under the new model, our two organic plants will provide maintenance and maintenance-related services, while the production planning, business operations, engineering, and material management will be performed at the single headquarters element. This initiative reduces the duplicative business overhead functions inherent with two separate commands.

Marine Depot Maintenance Command is expected to yield significant efficiencies and improvements in two key ways: cost savings and standardization of business and production processes. Beginning in March 2013, we anticipate a net annual savings of \$14 million to \$16 million and an overall net savings of \$65 million to the Department of the Navy Working Capital Fund across the FYDP. Further, the standardized business and production processes resulting from a consolidated command structure will lead to greatly reduced variability in end products and services.

90. Senator CHAMBLISS. Secretary Mabus, Admiral Greenert, and General Amos, affordability is the underlying premise of the F-35 program—yet this budget pro-



poses for the 4th year in a row a flat production rate of 30 aircraft per year. In your opinion, what can be done in the near-term to help drive down costs and ensure an efficient ramp rate to make certain the F-35 program will be affordable in the long-term?

Secretary MABUS and Admiral GREENERT. The reason we reduced LRIP rates is that we wish to reduce F-35 program concurrency until there is higher aircraft design maturity. Continuing at higher production rates at this stage of development would only result in higher numbers of aircraft that would have to be retrofitted in the future at an overall higher cost to the U.S. Government and the taxpayer. This production strategy decision was informed by the OSD's 'Quick Look Review' in the fall of 2011 that affirmed that DOD is still in the 'discovery' portion of F-35 testing with a design that is no more mature than other aircraft at an equivalent point. Towards balancing overall program cost and risk, while implementing a strategy leading to long-term affordability and efficiency, we developed a production ramp to support the prime contractor and supplier base that leads to a projected full rate production decision in the fiscal year 2019/fiscal year 2020 timeframe, following successful completion of Initial Operational Test and Evaluation.

General AMOS. An efficient JSF ramp rate as presented in the fiscal year 2013 budget submission represents an effective approach to controlling cost growth. Furthermore, it avoids concurrency costs associated with development and production occurring at the same time, yet retains a rational ramp rate that preserves industrial base investments made to date and leverages the capacity to optimize production growth when appropriate.

91. Senator CHAMBLISS. Secretary Mabus, Admiral Greenert, and General Amos, please speak to the importance of international participation to controlling costs on the F-35 program.

Secretary MABUS and Admiral GREENERT. In addition to the important national security and coalition warfare benefits and synergies, international participation in the F-35 program is also important to DOD for the affordability benefits such participation enables. With additional international procurements, program costs can be shared over a higher production quantity base—thereby enabling lower overall costs to the U.S. Government as the Department moves down the aircraft cost curve. While higher quantities enable lower costs through production efficiencies, controlling overall program costs have many additional components, to include, productivity improvements, elimination of low-value added tasks contributing to program cost, and similar cost reduction initiatives that are also being implemented in the F-35 program.

General AMOS. The international partners, to include the United States, are keenly engaged in seeing the JSF enter into service as soon as practicable and affordable. Adjustments based on affordability and need are the prerogative of each JSF partner. As such when and how many aircraft are procured affect the procurement cost of the aircraft in both the short and long term. The decisions of each partner, including the United States, directly affect the consortium of nations involved with this program. We can expect our fiscal year 2013 decisions to have an impact on procurement plans of our international partners.

92. Senator CHAMBLISS. General Amos, Secretary Panetta recently visited Naval Air Station (NAS) Patuxent River where he announced the removal of the F-35B STOVL from probationary status. I understand he also visited with some of the test pilots and other test program personnel during his visit. What feedback are you getting from pilots and crew on the F-35B performance and flight characteristics?

General AMOS. Feedback from the aircrew and maintenance personnel at our primary test facility at NAS Patuxent River, MD, has been extremely positive and favorable. As demonstrated in 2011, flight tests are proceeding in accordance with current planning and results are as expected for this stage of development.

#### COMMERCIAL ULTRA-HIGH FREQUENCY CAPACITY

93. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, I understand the existing satellite constellation providing ultra-high frequency (UHF) capacity for U.S. Government agencies is nearing the end of its lifespan, and the Mobile User Objective System (MUOS) satellite program includes legacy capacity which, in time, will ultimately replace the existing constellation. However, the initial MUOS satellite orbits are not projected to cover North and Latin America which creates a capability gap, especially if one of the aging satellites fails. How many of the existing

UHF follow-on (UFO) satellites, in percentage terms, are within 12 months of their nominal design life?

Secretary MABUS and Admiral GREENERT. Seventy-five percent (six of the eight) of UFO satellites currently on orbit are at or beyond their 14 year design life. The remaining two have been on orbit for 12.4 and 8.3 years. Despite projected losses in the UFO constellation, current predictions indicate that the UFO constellation augmented by the MUOS legacy payloads will likely provide the required legacy UHF capacity in all Areas of Responsibility (AORs) through at least 2018. MUOS wideband code division multiple access (WCDMA) terminals are projected to be available in 2013 and will start fielding in 2014. Extended availability of legacy capacity will allow the MUOS WCDMA-capable constellation to reach Full Operational Capability and the corresponding terminal programs to synchronize fielding timelines.

94. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, since the MUOS advanced waveform terminals are likely to be slow to roll out, even with the launch of MUOS-1, is it possible that our UHF systems might fail to deliver the currently stated requirement for UHF service?

Secretary MABUS and Admiral GREENERT. Statistical reliability analysis conducted by the Navy has shown that the launch schedule anticipated by the Navy for MUOS satellites (actual dates will be set by the Air Force Current Launch Schedule Review Board) will maintain the legacy UHF SATCOM requirements set by the JROC through 2018.

In an effort to reduce the risk of an unplanned loss of a UHF satellite to acceptable levels, the Navy has aggressively implemented several mitigation activities to extend the service life of the existing constellation and increase on-orbit capacity. As a result, the current legacy UHF SATCOM capacity provides the warfighter with approximately 459 more accesses (111 more channels) worldwide than required by the stated Chairman of the Joint Chiefs of Staff (CJCS) capacity requirement. This additional capacity is equivalent to three UFO satellites, provides a buffer against unplanned losses in the future, and minimizes the training and mission impact to a manageable level.

95. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, what is the status of the MUOS-1 advance waveform terminal program?

Secretary MABUS and Admiral GREENERT. The Joint Tactical Radio System (JTRS) Network Enterprise Domain (NED) program office is projecting Formal Qualification Testing (FQT) of the MUOS WCDMA waveform v3.1 (a.k.a. Red/Black Waveform) in August 2012. This waveform will then be ported on the Handheld Manpack and Small Form Fit (HMS) Manpack radio, via an appliqué to the existing form factor. The HMS Manpack will then be the first radio to have the MUOS capability. This would mean that an operationally representative user terminal would be available in time for the MUOS Developmental Testing (DT)/Operational Testing (OT) period in early fiscal year 2014.

96. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, when will these terminals be available for global deployment?

Secretary MABUS and Admiral GREENERT. The JTRS NED program office is projecting FQT of the MUOS Waveform v3.1 (a.k.a. Red/Black Waveform) in August 2012, which would enable it to be ported to the JTRS HMS Manpack radio by February 2013. This would mean that an operationally representative user terminal would be available in time for the MUOS Developmental Testing (DT)/Operational Testing (OT) period in early fiscal year 2014. The Navy currently intends to buy 202 JTRS HMS Manpack radios across the FYDP, including 50 radios in fiscal year 2013 to support MUOS testing, as part of an inventory objective of approximately 450. The Navy does not have the details of the current MUOS terminal fielding plan for the other services.

97. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, how long will DOD be reliant on legacy UHF satellite services?

Secretary MABUS and Admiral GREENERT. The Navy anticipates the legacy capability will meet and exceed the current requirement levels through 2018. Legacy capacity is expected to decline after 2018 due to the expiration of the UFO satellites, but the legacy payload on MUOS satellites, each of which provide legacy capacity equivalent to one UFO satellite, will continue to maintain legacy capability throughout the lifetime of the MUOS program.

The level of DOD reliance on legacy UHF satellite services depends on the fielding of MUOS capable terminals. The Navy currently intends to buy 202 JTRS HMS

Manpack radios across the FYDP, including 50 radios in fiscal year 2013 to support MUOS testing, as part of an inventory objective of approximately 450. The Navy does not have the details of the current MUOS terminal fielding plan for the other services.

98. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, will coalition forces also be adopting the advanced waveform?

Secretary MABUS and Admiral GREENERT. The National Security Agency currently restricts the MUOS WCDMA waveform from being released outside of the United States.

99. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, recent stories published in defense and aerospace professional journals describe a shortfall in existing UHF capacity, citing that only 10 to 20 percent of requests are filled. Today, there are commercial companies who are prepared to manufacture and launch UHF satellites at no cost to the U.S. Government, except in return to have the opportunity to sell capacity if it is needed via the Government Services Administration schedule. The United States made the decision in 2010 to partner with the Australians on a commercially-provided, UHF-hosted payload in the Indian Ocean region. Now that the private sector intends to launch an identical payload into the Atlantic Ocean region, what U.S. and allied plans are being made to take advantage of this capability?

Secretary MABUS and Admiral GREENERT. The DOD partnered with the Australian Minister of Defense (not the commercial provider) for access to 250 kHz of UHF narrowband satellite communications (SATCOM) on a commercial satellite payload that Australia is leasing over the Indian Ocean Region from 2012 to 2027. In exchange, the United States will provide the Australians access to 200 kHz of spectrum over the Pacific and 50kHz of spectrum globally from 2018–2033.

Since all DOD requirements for UHF SATCOM capacity are projected to be met over the Atlantic Ocean Region through 2018, the U.S. DOD is not planning to take advantage of this commercially-provided UHF hosted payload in the Atlantic Ocean region.

Through a combination of the implemented gap mitigation actions, commercial leases, international partnerships, and the MUOS legacy payloads, the DOD UHF SATCOM leadership is maximizing technical and fiduciary efficiencies to ensure the warfighter has access to legacy UHF SATCOM capacity that meets the CJCS requirements and provides a buffer against unplanned losses. Despite projected losses in the UFO constellation, current predictions indicate that the UFO constellation augmented by the MUOS legacy payloads will likely provide the required legacy UHF capacity in all AORs through at least 2018. MUOS WCDMA terminals are projected to be available in 2013 and will start fielding in 2014. Extended availability of legacy capacity will allow the MUOS WCDMA-capable constellation to reach Full Operational Capability and the corresponding terminal programs to synchronize fielding timelines. Because DOD requirements are met for the foreseeable future, the U.S. Navy is not pursuing any additional commercial UHF SATCOM capacity at this time. The Navy will continue to monitor the health of the current UHF SATCOM constellation for any signs that it is degrading more rapidly than currently projected. If it appears the level of legacy UHF SATCOM service will fall below CJCS requirements, the Navy will revisit all options, including commercial leases and hosted payloads, to maintain the current level of legacy service to the warfighter until the transition to the MUOS WCDMA capability is complete.

Additional details are available in the Report to the Senate Armed Services Committee on “Ultra High Frequency (UHF) Satellite Communications (SATCOM) Requirements and Options for Additional Capacity” submitted on March 19, 2012.

100. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, given that a commercial capability would not cost anything upon launch, wouldn't its augmentation and license to launch act as insurance should another UFO satellite reach a point of failure?

Secretary MABUS and Admiral GREENERT. UHF SATCOM payloads currently available on commercial satellites provide less than 3 percent of the capacity of a MUOS WCDMA payload due to the inherent limitations of their design and the UHF SATCOM spectrum. The Navy has evaluated the use of hosted UHF payloads on commercial satellites, is currently leasing capacity on two commercial satellites, and has access to additional commercial capacity through partnerships with foreign governments. The current military and leased commercial legacy UHF SATCOM capacity provides the warfighter with approximately 111 more channels worldwide than required by the CJCS capacity requirement, which is equivalent to three UFOs

and provides a buffer against unplanned losses in the future. Because DOD requirements are met for the foreseeable future, the U.S. Navy is not pursuing any additional commercial UHF SATCOM capacity at this time. The Navy will continue to monitor the health of the current UHF SATCOM constellation for any signs that it is degrading more rapidly than currently projected. If it appears the level of legacy UHF SATCOM service will fall below Chairmen Joint Chief of Staff requirements, the Navy will revisit all options, including commercial leases and hosted payloads, to maintain the current level of legacy service to the warfighter until the transition to the MUOS WCDMA capability is complete.

Navy does not approve or disapprove spectrum licensing requests. To obtain a license for any commercial UHF payload, the commercial vendor must formally submit the application to operate their UHF payload to the Federal Communications Commission (FCC). The FCC would forward the application to the National Telecommunications and Information Administration (NTIA). The NTIA would then request a formal response from the DOD. The DOD would evaluate the application and provide the NTIA with a formal response. The Navy is not currently aware of any pending UHF SATCOM licensing requests.

Additional details are available in the Report to the Senate Armed Services Committee on "Ultra High Frequency (UHF) Satellite Communications (SATCOM) Requirements and Options for Additional Capacity" submitted on March 19, 2012.

101. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, according to COCOMs and other Services, the demand for UHF SATCOM is very high and many requests are denied. Can you address this problem?

Secretary MABUS and Admiral GREENERT. Chairman, Joint Chief of Staff sets requirements for Narrowband MILSATCOM for all DOD users based on warfighter needs, and the Navy fills those as the DOD Acquisition Agent for Narrowband SATCOM. CJCS legacy UHF SATCOM requirements are met, and are projected to be met or exceeded through 2018. The follow on MUOS CJCS requirements are captured in the MUOS Capabilities Production Document dated 15 January 2008, and the MUOS program is on track to meet all key performance parameters given in that document. Increased capacity requirements, combined with inherent limitations of the military UHF SATCOM spectrum, drive the need to move beyond legacy UHF waveforms found in current military and commercial UHF SATCOM systems to the new WCDMA capability found in MUOS.

#### VIRTUALIZED NETWORKS

102. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, a promising and cost-effective new cybersecurity technology is that of virtualized networks which use virtual machines inserted between the operating system and the network interface to provide a capability analogous to spread-spectrum frequency-hopping radios for internet protocol (IP)-based networks and devices. This capability allows for a multitude of cybersecurity options, including: creation of stealthy networks; permitting multiple peers to relay traffic; isolating attacks and rerouting them for analysis and response; and allowing rapid changes to a device's network identity. In addition, multiple robust offensive options are also available. Please comment on any work the Naval Research Laboratory (NRL) is doing regarding assessing virtualized network technologies to reduce hardware requirements and costs.

Secretary MABUS and Admiral Greenert. As the Department of the Navy Corporate Laboratory, NRL continuously investigates all areas of information technology security to best leverage successful technologies for Naval use. NRL works closely with the authoritative cyber elements of the Navy, to include OPNAV N2/N6, Commander 10th Fleet, and Navy Cyber Defense Operations Command to help develop and select technologies to better defend our cyber assets. NRL has reviewed many concepts, including IP agility, and virtualization, and will continue to evaluate any new technology with respect to scaling and security concerns inherent to military architectures.

The fact of the matter is that commercial industry is driving the technology and capabilities for virtualized networks and virtual machines. With the assistance of NRL, the Navy has been and will continue to leverage this commercial industry investment to reduce our per-unit costs across the Navy's networking and computing enterprise. Specific initiatives to date include:

*Navy Marine Corps Intranet (NMCI)/Next Generation Network (NGEN)*

The Navy through the existing NMCI infrastructure and systems and the replacement services of NGEN have incorporated server virtualization on nearly all key IT services, eliminating over 2,000 servers and reducing its infrastructure footprint by

approximately 40 percent. This not only reduced per-unit costs but also improved the reliability and availability of the affected systems by approximately 30 percent. More recent efforts are now underway to bring these same virtualization capabilities to the NMCI/NGEN desktop computers to further expand these services improvements and efficiencies.

*OCONUS Navy Enterprise Network (ONE-NET)*

Technical refresh of all ONE-NET data center infrastructure is underway and has been completed in 5 of 11 data centers at the Local Network Service Centers (LNSC) and 2 of 3 of the Theater Network Operations Security Centers (TNOSC) data centers. This refresh provides reduction in physical server count and data center footprint by implementation of virtualization capabilities for core services as well as centralization of email services to the TNOSC. This has resulted in an average 30 percent reduction in physical servers at completed locations in addition to providing a flexible, scalable architecture to allow the platform to accommodate the OCONUS rapidly changing environment and provide a means for further consolidation of services.

*Consolidated Afloat Network And Enterprise Services*

The Navy recently awarded a contract to Northrop Grumman to replace our existing shipboard networks and computer systems with a system that uses virtual machines and virtual networks. This system will establish a standard computing environment across ship classes, reducing the number of hardware variants within the Navy's inventory. This enables the Navy to reduce both acquisition and life-cycle costs.

*Regarding virtualization related to consolidating equipment hardware for cost savings:*

CENTRIXS-Virtualization was recently implemented at the Pacific Regional Network Operating Center (NOC) during migration to the new P-173 facility. This resulted in significant operational cost-savings and a more dynamic, flexible architecture capable of supporting increased cyber-security through the use of rapid addition of virtual machines in the near future. As reference the original 77 servers supporting seven different networks were reduced to 21 servers now running almost 100 virtualized machines consistent with the DOD guidelines for distributed application. The P-173 implementation has become the accredited virtualized standard to be implemented at other Naval NOCs.

The major challenge for leveraging virtualization to reduce hardware requirements and cost is a policy issue—not a science and technology issue. Virtualization allows for the abstraction of software from hardware, turning hardware into a commodity that could be purchased Navy-wide. However, current programs of record are still buying dedicated hardware for their software, which defeats the cost savings potential of virtualization. The consolidation of hardware and rapid hardware refresh are policy issues that will need to be addressed. Furthermore, current policies (or at least their current interpretations) do not allow the certification and accreditation (C&A) of software divorced of a specific hardware implementation. C&A, as well as testing and evaluation, policies will need to be updated to enable software to be hosted on a wide range of hardware platforms and also ensure that software can be rapidly updated to deliver new capabilities.

103. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, would virtualized networking significantly and economically enhance the cyberwarfare capabilities of the Navy by simultaneously providing defensive and offensive capability?

Secretary MABUS and Admiral GREENERT. Yes, virtualization will enable the Navy to enhance our cyber warfare capabilities.

On the defensive side, the Navy currently employs multiple security products (both hardware and software) at each of our tactical Network Operating Centers. As part of our information dominance strategy, we are investigating migration to a common hardware environment that supports virtual network defense capabilities. Our goals include lowering infrastructure costs and providing a more robust platform to rapidly integrate emerging defense capabilities to counter both main-stream and advanced persistent cyber security threats to the Navy's networking and computing enterprise.

As stated in the National Institute of Standards and Technology's SP800-125: "Full virtualization has some negative security implications. Virtualization adds layers of technology, which can increase the security management burden by necessitating additional security controls. Also, combining many systems onto a single physical computer can cause a larger impact if a security compromise occurs. Fur-

ther, some virtualization systems make it easy to share information between the systems; this convenience can turn out to be an attack vector if it is not carefully controlled. In some cases, virtualized environments are quite dynamic, which makes creating and maintaining the necessary security boundaries more complex.” The benefits of virtualization need to be balanced against these challenges to assess its overall utility from a network defense perspective.

Pacific Fleet is actively engaged in the Computer Adaptive Network Defense in Depth (CANDID) Joint Capability Technology Demonstration (JCTD) to examine these issues and improve the overall security of the networks used to support operational forces.

On the offensive side any discussion of this topic needs to be addressed in a classified environment.

104. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, what is NRL doing with respect to virtualized networking to establish stealth and maneuver in the cyber arena?

Secretary MABUS and Admiral GREENERT. The Navy is aggressively assessing and investing in stealth and maneuver in the cyber arena from the perspective of mission assurance in a cyber contested environment that needs both a “fight tonight” and long-term enterprise strategy. The ability to defend and sustain our command and control at the tactical, operational and strategic tiers and supporting operations such as logistics is a key tenant to any warfighting operation which will be Joint and most likely an allied coalition effort. Virtual networks for the protection of critical functions through cryptographic isolation from broader enterprise network access is a part of a holistic approach that also encompasses terrestrial and space transport, sensors, and risk management mechanisms for access to information.

The Navy has several ongoing efforts that have the combined effect of creating “cyber terrain” for which principles of war in the physical space can be applied by the operational commander for defending and obfuscating critical infrastructure, deterrence by denying an adversary intelligence, and having a clear view of any adversary actions that can be used for situational assessment and future exploitation. These efforts include:

- The service lead for the fiscal year 2011 2-year CANDID JCTD for Joint Command and Control (C2) mission assurance in the PACOM area of responsibility that is providing the “fight tonight” solution for implementation of a C2 virtual secure enclave on existing service networks and data boundary sharing devices for COCOM risk managed access from the broader enterprise. CANDID is utilizing commercial internet protocol (IP) security strategies that have been validated by NSA, server virtualization and secure client access methods to the protected data services, such as CITRIXS, that can be used on existing services’ information technology (IT) infrastructure. This all provides the benefits of reduced cost, scalability to implement today on service networks and increased security.
- Investing in an aligned computer network defense approach for sensing and responding to network threats that attempt to disrupt, alter, or compromise our lines of communication.
- Employing new long haul DISA network transport services that are cryptographically separated from end-user networks to prevent denial of service threats.
- Investing in virtualization and cloud computing technologies that will inherently provide CANDID virtual networking capabilities in future enterprise networks ashore and at the tactical edge.

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#### QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

##### SHIPBUILDING

105. Senator WICKER. Secretary Mabus and Admiral Greenert, the current FYDP has the Navy investing an average of \$13 billion annually in shipbuilding over the next 5 years. This will result in the new construction of 41 ships, a decrease of 16 ships from 57 ships in last year’s FYDP. Moreover, the Navy’s Long-Term 30-Year Shipbuilding Plan indicates we will build ships at “minimum sustaining rates”. The relatively low orders for new ships proposed in this plan may jeopardize our ability to support our shipbuilding industrial base over the intermediate- to long-term. I am particularly concerned that the postponed construction of new ships will lead to job reductions. I am also concerned about the follow-on impacts on our supplier base that cannot be quickly resolved when new construction is initiated. This will raise

costs and make it difficult to realize desired shipbuilding cost efficiencies over the long-term. It is irresponsible to think one can lay off skilled workers/engineers and expect them to be immediately available when future contracts are awarded. Is the Navy concerned about the employment valleys that will emerge when ships are delayed in the budget?

Secretary MABUS and Admiral Greenert. Despite the constraints of the congressionally passed Budget Control Act, the Fleet will be at the same level at the end of FYDP as it is today, and will continue to grow outside the FYDP as the shipbuilding plan delivers three to four littoral combat ships, two to three destroyers and two to three submarines per years. Under this plan, Navy will reach 300 ships by 2019. It should be pointed out; however, that ship levels did shrink in the 8 years before I took office. The fleet stood at 316 on September 11, 2001, but dropped to 283 by 2008.

Over the past several years, the Navy has placed a priority on increasing shipbuilding rates and providing stability for the shipbuilding industrial base. Stability translates into retention of skilled labor, improved material purchasing and workforce planning, strong learning curve performance, and the ability for industry to invest in facility improvements, all resulting in more efficient ship construction and a more affordable shipbuilding program which will minimize the impact on employment when ships may be delayed in the budget.

106. Senator WICKER. Secretary Mabus and Admiral Greenert, what is the Navy's plan to help mitigate any such impacts on the industrial base?

Secretary MABUS and Admiral GREENERT. The Navy's fiscal year 2013 shipbuilding plan supports a stable shipbuilding industrial base. The Navy recognizes that level loading of ship procurement to help sustain minimum employment levels and skill retention promotes a healthy U.S. shipbuilding industrial base. Consequently the ship construction plan has been adjusted to reduce year-to-year budget fluctuations as much as possible while maintaining the best feasible procurement sequence to help stabilize shipyard loading.

The shipbuilding plan effectively accounts for and supports both the anticipated combatant commander demands and those of the national shipbuilding design and industrial base to build and sustain tomorrow's Navy. In the near-term the Navy has a good understanding of requirements, costs and capabilities and the construction plan is based on actual contract costs or, at the least, well founded cost estimates based on this understanding. The Navy's construction plan assesses those costs to the greatest extent possible to ensure the industrial base remains evenly loaded and the workforce levels can be sustained at profitable levels within the individual shipyards. New construction will be funded consistent with balanced investment profiles and expected future budgets.

#### AMPHIBIOUS SHIP GAP

107. Senator WICKER. Admiral Greenert, from an operational perspective, the Navy budget calls for a decrease in the number of deployable battle forces to 284 ships in fiscal year 2013, including 11 aircraft carriers and 31 large amphibious ships. Force structure changes will result in a Navy fleet size of more than 280 ships over the next 5 years. According to the Congressional Budget Office (CBO), the Navy's fiscal year 2012 30-Year Shipbuilding Plan's stated minimum number of amphibious warships available for deployment is 30, while the Marine Corps' objective is to have 34 amphibious warfare ships available for deployment. These reduced numbers of amphibious ships will pose challenges to fulfilling the amphibious force requirements, and give rise to a sea-lift capability gap and aviation-lift gap as early as 2015. Combatant commanders' requests for amphibious ships have increased over 80 percent over the last 5 years. How does the Navy's 30-Year Shipbuilding Plan address these combatant commanders' requests, given the fact that approximately 1 out of 10 amphibious ships are always in cycle for scheduled maintenance?

Admiral GREENERT. The Navy's PB2013 force structure and readiness investments will deliver forces to meet the fiscal year 2013 Global Force Management Allocation Plan (GFMALP). The GFMALP is the Secretary of Defense-approved plan for allocation of forces to the combatant commanders. The GFMALP addresses the most urgent combatant commander requirements and manages risk within the DOD's resource and force structure constraints. Navy supplies forces to combatant commanders using the Fleet Readiness and Training Process (FRTTP). The FRTTP ensures ships, aircraft, and their crews complete required training, maintenance, and certification prior to deployment. Amphibious ship maintenance is part of the FRTTP and is factored into the commitments for presence identified in the GFMALP. Going

forward, the shipbuilding program described in the 30-Year Shipbuilding Plan builds and maintains a battle force inventory of approximately 300 ships and achieves an inventory of 31 amphibious ships by 2020.

108. Senator WICKER. General Amos, with a pivot to the vast Asia-Pacific region and given the Navy's inability to meet its own requirement of 313 ships, currently at 284, how will this affect your ability to protect American security interests?

General AMOS. The Pacific Command (PACOM) Area of Responsibility (AOR) is dominated by the ocean and so is ideally suited to naval and amphibious forces. As such, amphibious shipping is optimal for the movement and employment of marines across the range of military operations. PACOM currently has four amphibious warships forward deployed, that are critical to day-to-day operations in the AOR. Refocusing the national security strategy on the Pacific requires an increase in mobility. Emergent requirements, such as the Australia Marine Air Ground Task Force, would benefit from additional amphibious shipping capacity. Other lift options, such as the Joint High Speed Vessel, somewhat mitigate the lack of mobility, but do not replace all of the capabilities inherent in amphibious shipping. Decreasing the number of amphibious warships in the inventory reduces the number of vessels available to support an increased U.S. presence in the Asia-Pacific region and elsewhere for that matter. Furthermore, it stresses the ability to support CENTCOM Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) rotation.

Within the Navy's total ship inventory, the Marine Corps has an enduring requirement for 30 (10 LHA/D, 10 LPD, 10 LSD) operationally available ships needed to execute geographic combatant commander operational plans requiring joint forcible entry, conduct rotational deployments (e.g. Marine Expeditionary Units at sea) and respond to crisis around the world. When considering the term "operationally available," it is important to note that it implies a ship that is able to deploy immediately or on relatively short notice. Factoring maintenance cycles and other prevailing conditions, the amphibious warship fleet typically requires an inventory above 30 vessels to meet a day-to-day deployable threshold in support of the previously mentioned, required mission profiles. If this inventory were to fall below 30 warships, Marine forces would still be able to respond around the world, but the rate of response might vary. As a means to mitigate this risk, the geographic combatant commanders may place a heavier demand on ISR, prepositioning, forward deployed forces, and strategic air and sea lift to ensure forces are available in the timings required. Shortfalls in these types of critical warships will require personnel, equipment and sustainment to transit strategic distances via TRANSCOM and will be subject to prioritization of limited assets to meet competing demands. Having 30 amphibious ships operationally available at the time and place needed by the geographic combatant commanders will significantly reduce these risks.

#### BOW DOMES

109. Senator WICKER. Admiral Greenert, as the ranking member of the Subcommittee on Seapower of the Senate Armed Services Committee, I closely monitor all facets of the Navy's shipbuilding plan. Specifically, with respect to the *Seawolf* program, what is the status of the *Seawolf* spare bow dome?

Admiral GREENERT. During the USS *Seawolf* (SSN-21) Depot Modernization Period at Puget Sound Naval Shipyard and Intermediate Maintenance Facility (PSNS&IMF), significant de-laminations were found in the SSN-21 bow dome which required repair. A repair was conducted on the de-laminations in March 2011 using a vacuum assisted resin transfer molding process.

Concurrent with repairs to the USS *Seawolf* bow dome, the spare *Seawolf*-class dome was shipped to PSNS&IMF to be available if needed. With all three *Seawolf*-class submarines homeported in the Pacific Northwest, PSNS&IMF is logistically the best location to store the *Seawolf* class spare bow dome.

During the transit along the northern coast of California, the shipment encountered high sea states and damage occurred to the bow dome and fixture. In the current state the spare *Seawolf* dome is not usable.

Navy experts are analyzing the damage to the spare dome and evaluating several options to repair or replace the spare bow dome.

110. Senator WICKER. Admiral Greenert, can the neoprene boot be removed from the *Seawolf* spare dome and reused?

Admiral GREENERT. While removing the neoprene boot may be possible, it has never been done before and there is a risk that the boot would be damaged to the point that it would be unusable as a result of such a procedure. Prior to considering



such a procedure, a rigorous technical evaluation would be required. NAVSEA is evaluating the damage and options to repair or replace the spare bow dome, no decision has been made at this time. If a decision is made to repair the spare bow dome, a technical evaluation of removing the boot will be considered at that time.

111. Senator WICKER. Admiral Greenert, does the Navy have plans to build additional spares if the current spare cannot be repaired?

Admiral GREENERT. No decision has been made at this time. Navy experts are analyzing the damage to the spare dome and evaluating several repair or replacement options. If the spare bow dome cannot be repaired, the Navy will weigh the cost and schedule for replacement options against the risks to determine if maintaining a risk mitigation spare bow dome is required.

112. Senator WICKER. Admiral Greenert, will there be a competitive solicitation for Block IV and beyond for *Virginia*-class bow domes?

Admiral GREENERT. Currently, there is a single vendor that provides *Virginia*-class bow domes and boots. Although the development of an alternate method and source for dome fabrication has been demonstrated, it does not yet include a process for installing a boot over the glass reinforced plastic dome. Until further development of the alternate method has been completed and technically approved, a competitive procurement is not planned. Currently the shipyard procures the bow domes.

113. Senator WICKER. Admiral Greenert, what is the time table for Block IV solicitations for bow domes?

Admiral GREENERT. The Request for Proposal to Electric Boat (EB) for the Block IV ships is planned to be released in August 2012. The bow dome is contractor furnished equipment so the exact time table for solicitations is not known, however it is anticipated EB will begin issuing Requests for Information (which are the basis for the shipbuilder proposal) to vendors starting in April 2013.

114. Senator WICKER. Admiral Greenert, the current autoclave infrastructure will only work on *Virginia*-class size domes and boots. What are the Navy's plans for building bow domes and boots for sizes larger than *Virginia*-class?

Admiral GREENERT. The *Ohio* Replacement SSBN will have a bow dome larger than the *Virginia*-class. The Navy has not made a decision on the type of bow dome that will be used.

#### NATURAL GAS

115. Senator WICKER. Secretary Mabus, in 2009, the Navy paid \$424 a gallon for 20,000 gallons of biodiesel fuel made from algae. The Navy now requires 330 million gallons per year of alternative fuels to meet the Secretary's stated goal of having 50 percent of the Navy's energy needs supplied from alternative sources by 2020. What efforts are ongoing or will start in fiscal year 2013 with DOE on developing new technologies for improving biodiesel fuel?

Secretary MABUS. The referenced algae R&D program, which was funded through a congressional add, involved many labor hours conducting research on the algal pathway and the 20,055 gallons of fuel was the result of this rigorous R&D work. Therefore, it is inaccurate to divide the total project cost by the amount of fuel delivered to determine total fuel cost.

Regarding the question on biodiesel, the term biodiesel applies strictly to FAME fuel, which is not suited for use on Navy platforms due to its inferior energy density, cold flow properties, oxidative stability, and the issues created when it is used in seawater-compensated fuel tanks. The Navy has been testing fuel from a different family of fuels known as hydrotreated esters or fatty acids (HEFA) that can serve as a drop-in replacements for Navy fuels. HEFA fuels do not have the performance issues of biodiesel, and are categorized into what industry calls "advanced drop-in biofuels," or fuels that function the same as the product they are intended to replace with no changes to infrastructure, engines, or performance.

The Navy will be working closely with the DOE (as well as USDA) in fiscal year 2013 on advanced drop-in biofuels as partners in the Defense Production Act Title III Advanced Drop-in Biofuels Production Project, to which each agency will eventually contribute \$170 million. This effort is dedicated to advancing the domestic drop-in biofuels industry to commercial maturity.

Various offices within the DOE, including Advanced Research Projects Agency-Energy, work in collaboration with the Office of Naval Research and the Navy Re-

search Lab on next generation advanced drop-in biofuels pathways, on subjects ranging from using seawater to produce syngas, to electrofuels.

116. Senator WICKER. Secretary Mabus, when will Congress be briefed on the results of the Navy's \$170 million portion of the \$510 million effort to construct or retrofit biofuel refineries?

Secretary MABUS. We will provide progress updates upon achieving major milestones in this effort. On March 29, the DPA title III executive agent issued a draft notice to industry and we anticipate Broad Agency Announcement for phase one this summer. When utilizing the DPA authority DOD generally employs a multi-phased approach and the advanced biofuels effort will do the same. In phase one, companies will complete rigorous technical, architectural/engineering, business case and financing deliverables. This data will be evaluated by both a team of government experts and a third party reviewer and only those companies deemed competitive from this process will be eligible for funding in phase two.

#### DOD GREEN BUILDING POLICY

117. Senator WICKER. Secretary Mabus, in December, Congress passed and the President signed the NDAA which directed DOD to produce a report on the cost of building certification under Leadership in Energy Environmental Design (LEED) and other green building rating systems. The enacted law also included a strict ban on the use of funds to obtain LEED Gold or Platinum certification for any DOD construction that would increase costs. Not long after Congress passed this ban, a Navy official claimed, as quoted by the Federal Times, that "the Navy is moving ahead with its plan to certify all of its buildings as LEED Gold by the end of fiscal year 2013." Can you give me an update on your plans to address the specific language we included in the NDAA bill last year?

Secretary MABUS. The Department of the Navy has taken steps to ensure full and immediate compliance with NDAA for Fiscal Year 2012 language pertaining to expenditure of funds for achieving LEED Gold or Platinum certification. In coordination with OSD and the other Services, the Navy is finalizing formal LEED policy reflecting the NDAA language and its limitations. As required by the NDAA, the Navy is reviewing energy-efficiency and sustainability standards. The results of that review will be consolidated into the OSD report due to the congressional defense committees later this year.

118. Senator WICKER. Secretary Mabus, are you moving forward with a LEED policy despite congressional direction to look at all green building rating systems and the ban on LEED Gold and Platinum certifications?

Secretary MABUS. The Navy has taken steps to ensure full and immediate compliance with the NDAA for Fiscal Year 2012 language pertaining to expenditure of funds for achieving LEED Gold or Platinum certification. In coordination with OSD and the other Services, the Navy is finalizing formal LEED policy reflecting the NDAA language and its limitations. As required by the NDAA, the Navy is reviewing energy-efficiency and sustainability standards. The results of that review will be consolidated into the OSD report due to the congressional defense committees later this year.

119. Senator WICKER. Secretary Mabus, are you considering other green building rating systems or alternative approaches to your green building policy?

Secretary MABUS. The report on cost-benefit, return on investment, and long-term payback of LEED and other green building rating systems affects all the Services. Office of the Deputy Under Secretary of Defense for Installations and Environment (DUSD I&E) is leading the services in evaluating green building rating systems including LEED.

120. Senator WICKER. Secretary Mabus, I understand that the Navy is under pressure to reduce costs. My State is a leader in the processing and availability of construction materials, which are recognized by several green building rating standards. I will also note that some rating standards (e.g. National Green Building Standard and Green Globes) equally recognize construction materials certified under the Sustainable Forestry Initiative, Forest Stewardship Council, American Tree Farm System, and Programme for the Endorsement of Forest Certification systems. Their recognition helps to promote sustainable forestry, protect jobs, and keep costs low. Do you have a plan to ensure that requests for proposal (RFP) for future con-

struction projects explicitly allow forestry certification standards to equally compete?

Secretary MABUS. It is the Department's understanding that the Forest Stewardship Council certification is an open industry certification standard, available to the entire timber industry, and there are many available timber sources complying with this standard.

The Department is changing the language in RFPs which currently mandate LEED Materials and Resources Credit 7 with the Federal mandate associated with this issue, Guiding Principle V. "Reduce Environmental Impact of Materials." The new language will effectively make the LEED Credit 7 "optional" for certification and allow the contractor to choose wood products from forests certified by other timber certifying agencies.

#### TRAINING COSTS AND SCHEDULE DELAYS

121. Senator WICKER. Secretary Mabus, the time between receiving a commission to when the servicemember reports for duty can often be a lengthy period, especially in the aviation community. My office has been working with OSD on determining cost and schedule delays for newly commissioned military officers. Given the current austere fiscal environment, how much money is being spent by the Navy on personnel between their post-commission and pre-specialty training?

Secretary MABUS. The majority of officer pipeline training "down time" occurs in the production of naval aviators and flight officers. The cost associated with officers Not Under Instruction (NUI) was \$52.1 million in fiscal year 2011, a 27 percent reduction from fiscal year 2010. This figure includes time spent Awaiting Instruction (AI), Awaiting Transfer (AT), on Medical Hold (HM), on Legal Hold (HL) and during Interruption of Instruction (II). Each is tracked and appropriate measures taken to minimize time lost in each category, which reduces total time NUI. It is far less costly for sailors to remain in an AI and AT status than to construct, operate, and maintain, new facilities along with instructor, simulator and labs that have large funding tails.

122. Senator WICKER. Secretary Mabus, additionally, what measures has the Navy implemented to reduce the amount of time and costs associated with this down time?

Secretary MABUS. Measures being implemented within the Navy Manpower, Personnel, Training and Education (MPT&E) Enterprise to reduce the amount of time and costs associated with this "down time" (i.e., time not under instruction (NUI)) include:

- Naval Aviation Schools Command coordinates directly with accession sources to smooth the flow of students following graduation by adjusting reporting dates on permanent change of station orders to minimize wait time.
- The 1-week Division Officers Leadership Training Continuum, previously conducted during other phases of aviation pipeline training, is now administered while student naval aviators await Aviation Preflight Indoctrination (API).
- We are maximizing available training seats to reduce or eliminate missed training opportunities (MTO), which represent a more significant risk than time spent awaiting instruction.
- We have increased focus on reducing time Awaiting Transfer (AT) following training since the investment is far greater later in the student training path.
- Local commanding officers assign some officers to collateral duties while awaiting instruction as specific needs arise.

#### MILITARY EDUCATION

123. Senator WICKER. Admiral Greenert, there is a growing trend within DOD to conduct joint military education. However, each military department has its own military academy and own war college. I continue to be concerned about redundancy and lack of efficiency with regard to our professional military education programs. What are the operating costs for the Navy War College (NWC) and the U.S. Naval Academy (USNA)?

Admiral GREENERT. NWC and USNA are unique education institutions that develop Navy's future maritime leaders for service in a seagoing, military organization. USNA sea-centric disciplines include naval architecture, ocean engineering, naval mechanical engineering, and oceanography. Its undergraduate education pre-

pares newly commissioned officers for fleet service as members of the submarine, surface, and aviation communities. NWC builds leaders and commanders who integrate maritime capabilities into joint and combined operations and plans. It develops leaders with attributes necessary to innovate, adapt and succeed in planning and delivering maritime warfighting and support capabilities to assure naval dominance on, under, and over the seas.

NWC operating costs were \$86.5 million in 2011. Operating costs for the USNA were \$328.0 million in 2011.

USNA operating cost includes Operation and Maintenance (O&M,N), Other Procurement (OPN) and facilities funding. It also includes Military Personnel (MP,N) for commands that exist solely for support to USNA.

Funding information in this response is not directly comparable to responses to similar questions that addressed only direct operating costs because this funding information includes facility costs for USNA and military personnel costs.

124. Senator WICKER. Admiral Greenert, what measures are being implemented to ensure efficiency and reduce redundancies among the Services with regard to undergraduate and postgraduate professional military education?

Admiral GREENERT. The Navy works to promote efficiency and eliminate redundancy both with our Service-specific education and within Joint Professional Military Education. Within the Navy, the USNA and the NWC are accredited institutions that efficiently develop Navy's future maritime leaders. In 2009, the Vice Chief of Naval Operations (VCNO) was appointed as Navy's Education Executive Agent to guide Navy's investment in education by providing the vision and direction to enable unity of effort through coordinated policy, validated requirements, prioritized resources, and standardized processes. The VCNO-chaired Advanced Education Review Board (AERB) was also established in 2009. The AERB meets semi-annually under the VCNO's personal direction to evaluate educational policies, goals, and practices of the USNA, NWC, and Naval Postgraduate School for effectiveness and efficiency. Additionally, the AERB ensures that advanced education policy, programs, long-range objectives and resource investments are in keeping with Chief of Naval Operations (CNO) guidance and implementation of A Cooperative Strategy for 21st Century Seapower.

There is a common core of Joint and Service professional military education requirements over an officer's military career. For the Navy, those requirements are expressed as learning outcomes designed for each level of professional military education.

The USNA offers an undergraduate curriculum accredited by the Middle States Commission on Higher Education that concentrates on both undergraduate academic education and undergraduate-level Professional Military Education (PME) appropriate to develop newly commissioned Navy and Marine Corps officers. Best practices and efficiencies are shared between the Service Academies annually on a formal basis.

For commissioned officers and warrant officers, the faculty at the Naval War College is responsible for developing and executing four levels of professional military education: Primary, Intermediate (with Joint Professional Military Education Phase I), Senior (with Joint Professional Military Education Phase II), and Flag-level. Using a single faculty to design and execute these programs ensures that the education is progressive and efficiently designed to build knowledge and skills over a career.

Likewise, the faculty at the Naval War College designs and executes all Service-wide Navy Professional Military Education for enlisted personnel through four levels of educational programs: Introductory, Basic, Primary (all distance learning delivered via Navy Knowledge Online), and the Senior Enlisted Academy (SEA). The Senior Enlisted Academy is an integral element of the Naval War College and the enlisted faculty there provides expertise and perspective necessary for developing enlisted education. Again, the single faculty working in a single geographic location helps ensure curricula are designed most efficiently.

The Chairman of the Joint Chiefs of Staff publishes two directives for joint professional military education: the Officer Professional Military Education Policy and the Enlisted Professional Military Education Policy. These directives contain common educational policies, standards and educational outcomes expressed in terms of learning areas and learning objectives. This common core of instruction taught in all service schools and colleges accredited by the Chairman of the Joint Chiefs of Staff provides focus and promotes efficiency of the joint education system. In addition, the CJCS issues annually a list of up to 10 special areas of emphasis to highlight the concerns of OSD, the Services, the combatant commands, and the Joint Staff regarding coverage of specific current joint subject matter.

The Chairman's directives on joint professional military education establish organizational structures, processes and venues described below to ensure joint education is delivered efficiently and is current and relevant to the needs of the joint force and the Nation.

- The Military Education Coordination Council (MECC) serves as an advisory body to the Director, Joint Staff on joint education issues and consists of the presidents, commandants, and directors of the joint and Service universities and colleges, heads of other accredited institutions, and the Joint Staff J7. The purpose of the MECC is to address key educational issues of interest to the joint education community, promote cooperation and collaboration among MECC members institution, improve efficiency, and coordinate joint education initiatives. The MECC meets at least once annually.
- The Joint Faculty Education Conference for officer joint professional military education meets twice annually. The purpose of these conferences is to present emerging concepts and other material relevant to maintaining curricula currency, assessing proposed special areas of emphasis, comparing curricula content/delivery and sharing best practices.
- Intermediate-level and Senior-level colleges accredited by the Chairman of the Joint Chiefs of Staff for delivery of congressionally-mandated Joint Professional Education Phases I and II periodically undergo an accreditation—the Process for Accreditation of Joint Education (PAJE). The accreditation serves three purposes: oversight, assessment, and improvement. This process is generally guided by accepted civilian accreditation standards and practices tailored to the needs of joint professional military education. Most members of the accrediting team are peers from sister professional military education institutions and their expertise assures quality and assists with program improvement. This accreditation mechanism also facilitates the identification of best practices, minimizing redundancy, and provides a forum for leveraging lessons learned and sharing effective and efficient means of curricula development and delivery.
- The Enlisted Military Education Review Council (EMERC) serves as an advisory body to the Deputy Director, Joint Staff, for Military Education on enlisted joint education issues and consists of the senior enlisted representatives from each Service or institution. The EMERC addresses key educational issues of interest to the joint education community and promotes cooperation and collaboration among EMERC member institutions and coordinates joint educational initiatives. The EMERC meets at least once annually.
- The Joint Faculty Education Conference for enlisted joint professional military education meets annually. Sponsored by the Joint Staff J-7, this conference presents emerging concepts and other material relevant to maintaining curricula currency, comparing curricula content/delivery and sharing best practices.

We believe the Navy's professional military education system for officers and enlisted personnel in both the service-specific and Joint PME arenas is efficient and effective. The system of collaboration and oversight mechanisms described above provides an array of opportunities to address redundancy and ensure efficiency in the design and delivery of Navy and Joint professional military education.

#### SEABEES

125. Senator WICKER. Admiral Greenert, for over 60 years Seabees have had a presence in Gulfport, MS, with four naval construction battalions based in Gulfport. Their skills will be in demand for future combat, humanitarian assistance, and partnership-building missions. What do you see as the current contribution of the Seabees?

Admiral GREENERT. Naval Construction Forces (NCF) continue to be forward deployed to critical areas throughout the world. They provide a full spectrum of contingency engineering capabilities, participate in critical theater engagement exercises and provide responsive military support for disaster preparation and recovery.

During the past 10 years, the NCF has been a key enabler in all phases of Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF). At the outset of OEF, Seabees deployed into Airbase Rhino with Task Force 58 in support of initial operations in Afghanistan while simultaneously providing support to Joint Special Operations Task Force-Philippines in the southern Philippines in 2001.

Navy Seabees supported both the Navy ashore at Kuwait Naval Base and the marines with the First Marine Expeditionary Force (IMEF) during initial operations

in OIF. Seabee engineering and construction teams have provided enduring support to the joint warfighting effort in OIF/OEF. In addition to supporting the joint fight in OIF/OEF, Seabees have answered the call from the Navy as part of its response to every major humanitarian assistance/disaster recovery mission during the same period, to include Hurricane Katrina relief, the 2009 Pakistan earthquake, 2010 Haiti earthquake, and most recently Operation Tomodachi following the Great East Japan earthquake in Japan.

126. Senator WICKER. Admiral Greenert, what role do you see the Seabees playing in your vision of the future of the Navy?

Admiral GREENERT. As a scalable, deployable force, the NCF provides command and control of expeditionary engineer forces in support of the Navy, Marine Corps, and the joint force across the full range of military operations. As a peacetime expeditionary force, the NCF will continue to be forward deployed to critical areas throughout the world including the Asia-Pacific and Horn of Africa. They will provide a full spectrum of contingency engineering capabilities, participate in critical theater engagement exercises and provide responsive military support for disaster preparation and recovery enhancing our global partnerships and aiding to maintain regional stability.

During wartime, military construction (MILCON) is a necessary component of the modern joint force and most military operations. The Seabees and NCF are mobile and self-sufficient, able to deploy quickly into harsh or unsecured environments and build what needs to be built while defending themselves. Their ability to build logistics bases, provide berthing for deployed troops, or construct needed roads, bridges and airfields in support of joint combat operations is a critical enabler of the modern joint force.

127. Senator WICKER. Admiral Greenert, do you see their role diminishing in the future or increasing in the future?

Admiral GREENERT. The NCF role in wartime operations will remain the same. Consistent with the Secretary of Defense's new strategic guidance, the Seabees are postured to transition from an emphasis on winning today's wars to preparing for future challenges, protecting the broad range of U.S. national security interests. This includes a peacetime role that increasingly emphasizes a focus on the Asia-Pacific region and continued ability to support stability and counterinsurgency operations, humanitarian assistance efforts, and disaster relief response around the globe.

128. Senator WICKER. Admiral Greenert, what impacts to the Seabees community will be felt from the fiscal year 2013 budget?

Admiral GREENERT. Navy Expeditionary Combat Command (NECC) forces, including the Naval Mobile Construction Battalions (NMCB), will continue to deliver Navy core capabilities integral to executing the new Defense Strategic Guidance. During fiscal year 2012, two active NMCBs will be decommissioned. Although smaller with reduced capacity, the remaining construction forces will still meet combatant commanders' warfighting and engagement requirements as described in wartime operational plans and the Secretary of Defense-approved Global Force Management Allocation Plan.

#### BROAD AREA MARITIME SURVEILLANCE

129. Senator WICKER. Admiral Greenert, the Broad Area Maritime Surveillance (BAMS) Unmanned Aerial System (UAS) is a DOD Acquisition Category 1D program that received approval from the Under Secretary of Defense for Acquisition, Technology, and Logistics to enter System Development and Demonstration (SDD) on April 18, 2008. Following a full and open competition, Northrop Grumman Corporation was selected as the best overall value solution to meet the Navy's persistent maritime ISR requirements. The BAMS UAS program successfully conducted its System Functional Review in June 2009 and is progressing toward future program milestones utilizing the Systems Engineering Technical Review process. SDD aircraft delivery is anticipated in 2012 with IOC planned for 2015. The MQ-4C BAMS program is on track to deliver IOC to the fleet by fiscal year 2015, including a scheduled first flight this year. BAMS will operate as an adjunct to the P-8A Poseidon and is a key piece of the overall replacement strategy for the P-3C Orion. Can you please describe the key mission of BAMS?

Admiral GREENERT. The BAMS UAS will complement the Navy's Maritime Patrol and Reconnaissance Force by providing persistent maritime ISR to supported com-

manders. BAMS will enhance battlespace awareness, deepen understanding of high-interest activity in the maritime/littoral environment, provide long dwell coverage in zones of interest, and contribute to indications and warning. BAMS will vastly increase situational awareness of operational commanders and provide surveillance coverage when and where no other naval or joint forces may be present. In a combat environment, BAMS will track adversary operations, shorten sensor-to-shooter kill chains, and provide battle damage assessment. BAMS has a secondary role as an airborne communications relay node. Navy currently plans on assigning five BAMS orbits (each comprised of four air vehicles, a ground station, and a support system). IOC is estimated to be December 2015.

130. Senator WICKER. Admiral Greenert, what is the Navy's plan for the development and procurement of BAMS?

Admiral GREENERT. The MQ-4C BAMS UAS is an Acquisition Category (ACAT) 1D program that entered SDD based on a Milestone B Acquisition Decision Memorandum issued on April 18, 2008. Following a full and open competition, an SDD contract was awarded to the Northrop Grumman Corporation on April 22, 2008 based on a best value source selection process.

BAMS UAS SDD test aircraft first flight is scheduled for fall 2012 and will commence flight test activities culminating in OPEVAL in fiscal year 2015, supporting initial operational capability in December, 2015. Navy plans to procure a total of 70 BAMS Unmanned Aerial Systems, with 2 being dedicated test assets and the remaining 68 supporting operational force structure requirements. BAMS UAS program of record assumes a 4-year ramp-up, followed by a 20-year program service life with 20 aircraft continuously deployed around the world in support of 5 orbits. The remaining procurement will provide replacement UASs for service life and attrition losses.

131. Senator WICKER. Admiral Greenert, what is the current status of the program?

Admiral GREENERT. The MQ-4C BAMS UAS program is executing within the Acquisition Program Baseline cost, schedule and performance parameters. First aircraft production has been underway since completion of the critical design review in February 2011. Two SDD test aircraft are in final production. Aircraft rollout is scheduled for June 14, 2012 at Northrop Grumman Palmdale, CA, facility. BAMS UAS first flight is scheduled for fall 2012, which will be followed by a 30-month integrated test plan culminating in OPEVAL in fiscal year 2015.

All major subsystems are currently undergoing component qualification testing. The BAMS UAS multi-function active sensor radar system has commenced testing on a surrogate aircraft. Long lead funding to produce three system demonstration test articles (formerly LRIP 1) has been awarded. These aircraft will initially support capstone developmental test events and initial operational test and evaluation before being transferred to the fleet to help establish the first BAMS UAS orbit in CENTCOM in the first quarter of fiscal year 2016 (at which time initial operational capability will be declared). Milestone C is on schedule to meet the APB threshold requirement. A successful Milestone C will support a full-rate procurement decision in December 2015.

132. Senator WICKER. Admiral Greenert, what are the specific requirements for the program?

Admiral GREENERT. The BAMS UAS provides a multiple-sensor, persistent maritime and littoral ISR data collection and dissemination system with a secondary capability to serve as an airborne communication relay. The mission sensors provide 360 degree radar, electro-optical/infrared, automatic identification system and electronic support measures with specific emitter identification coverage. The BAMS UAS program of record assumes a 20 year program service life with 20 aircraft continuously deployed around the world in support of 5 continuous orbits.

#### RAIL GUN

133. Senator WICKER. Admiral Greenert, has the Navy looked at the uses of a rail gun system that is less than 32 megajoules (MJ) that could be used for ship self-defense and a direct fire capability, and if so, what is the status of that system?

Admiral GREENERT. Yes. Navy's conceptual electro-magnetic railgun (EMRG) system will be capable of operating at muzzle energies up to 32 MJ. The EMRG would be multi-mission capable, including direct fire ship self-defense against surface craft and anti-ship cruise missiles and could also contribute to a layered anti-ship bal-

listic missile defense system. Systems operating at less than 20 MJ can provide support for a smaller subset of this mission set. Navy is examining the platform impact related to the installation of a small (3–7 MJ) railgun onboard LCS from a space, weight and power allocation perspective. This system size will be examined to determine potential operational missions and the business case for the system.

134. Senator WICKER. Admiral Greenert, the NDAA for Fiscal Year 2012 requires the Navy to report on a multi-mission rail gun system. Has the Navy consulted with industry on this system, and if not, why not?

Admiral GREENERT. The Navy continues to incorporate and rely heavily upon industry partners in all aspects of the EMRG effort. Industry provided valuable insights and system perspectives at the multi-mission workshops hosted at John's Hopkins University's Applied Physics Laboratory (JHU/APL) in 2010 and 2011. Industry partners also provided input into the final workshop report that was signed by Chief of Naval Research in 2011. The Navy has established integrated product teams with key industry team representation. Contracts with industry have been awarded for pulsed power and energy storage, launchers, and projectile development. One industry 32 MJ launcher prototype has been delivered to the Navy and is in testing at the Naval Surface Warfare Center, Dahlgren Division railgun facility. Another industry launcher is to be delivered and tested from May 2012–July 2012. These tests are a collaborative effort between Navy and Industry with all data openly exchanged within the program's information assurance guidelines.

135. Senator WICKER. Admiral Greenert, OSD is working on a study of point defenses for forward operating bases in the western Pacific. Has the Navy been consulted on that study?

Admiral GREENERT. Yes. The Navy is working with OSD on the point defense study by providing Railgun analysis. Members of the Navy staff meet twice a week with OSD to provide updates.

136. Senator WICKER. Admiral Greenert, is industry involved in that study as well?

Admiral GREENERT. Industry is aware of this ongoing study at OSD. Industry provided insights and technical options which are included in our analysis. This study currently centers on defining the system operational requirements based on an ongoing analysis of the threats and a range of sensitive engagement scenarios. The output of this effort will form the basis of system performance requirements. Due to the nature of this analysis, Johns Hopkins University/Applied Physics Lab, a University Affiliated Research Center, is currently the only outside government organization involved. We fully intend to integrate our railgun industry partners into the process as we approach the preliminary design phase of the prototype systems to meet the requirements to engage the threats of interest.

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#### QUESTIONS SUBMITTED BY SENATOR SCOTT P. BROWN

##### MARINE CORPS CUTS IN END STRENGTH

137. Senator BROWN. Secretary Mabus, how much risk does the Marine Corps inherit by reducing its Active Duty end strength by 20,000 marines and what is the Marine Corps' plan to come down responsibly without breaking faith with its marines and their families?

Secretary MABUS. The risk will be in our capacity to respond to multiple large scale crises. The Marine Corps will still have the capacity to respond to a single Major Combat Operation (MCO) with a swing force capability. We will also accept risk in sustained major combat operations, irregular warfare and capacity for forward engagement. As well, we will accept a small amount of incremental risk in the manning levels of our active duty units. In comparison to the pre-9/11 force there will be fewer battalions and squadrons.

In order to responsibly reduce the size of the Marine Corps, we will use a gradual 4-year drawdown ramp, making maximum use of voluntary measures to include natural attrition and early separation/retirement authorities. In order to maintain faith with our marines we do not plan on using a reduction-in-force and will minimize the use of involuntary separations. OCO funding will be required from fiscal year 2013 through fiscal year 2016 in order to enable a 4-year drawdown ramp that keeps faith with marines and enables reversibility. This plan will ensure personnel readiness to meet operational requirements; honor obligations to those who serve



and have served; and retain necessary noncommissioned officer and field grade officer experience to enable reversibility.

138. Senator BROWN. Secretary Mabus, has the Marine Corps considered increasing end strength in the Marine Corps Reserve component as a way to limit the number of Active Duty reductions, preserve readiness, and save money; and if not, please tell me why.

Secretary MABUS. During the Marine Corps' 2010 Force Structure Review a comprehensive assessment of the Marine Corps Total Force was reviewed to determine how the Marine Corps would meet its future wartime missions. As a result, the Marine Corps determined it did not need to increase the Reserve component end strength of 39,600, but did realign some capability from the active to the Reserve component as well increase current Reserve capability. These capabilities included civil affairs, counter-intelligence, unmanned aerial vehicles, amphibious assault vehicles, combat engineers, artillery/naval gunfire capability, as well as bridging capability.

#### SEXUAL ASSAULT

139. Senator BROWN. Secretary Mabus, please comment on the Navy's sexual assault prevention program.

Secretary MABUS. The Department of the Navy is committed to eliminating sexual assaults Department-wide and to ensuring compassionate support of sexual assault victims. We seek a culture of gender respect where sexual assault is never tolerated. The Department established the Navy Sexual Assault Prevention and Response Office (SAPRO), which reports directly to the Secretary of the Navy.

In addition to the SAPRO office, I have introduced the 21st century sailor and marine initiative. This comprehensive initiative consolidates objectives and policies to maximize sailor and marine personal readiness. One important portion of this initiative works to remove the stigma of reporting sexual assault incidents. This includes eliminating requirements to report post-assault counseling on some Federal security clearance forms, and improving victims' abilities to quickly transfer from a command. Since alcohol is shown to be a common factor in sexual assault and domestic violence, the Navy is instituting breathalyzer tests for sailors as they report for duty.

The Navy-level prevention strategy has three main components. The first involves the progressive dissemination of a clear, consistent, top-down leadership message that sexual assault is never acceptable anywhere in the Department of the Navy, and that all sailors and marines have a shared responsibility to protect each other from sexual assault. The second component involves the broad application of updated Service-level training tools across the Navy and Marine Corps respectively. Our goal is to effectively reach all sailors and marines with information that is current and relevant. Our third main strategy component involves pilot demonstration initiatives at selected sites to objectively assess additional new approaches to sexual assault prevention. Underlying the Department's concepts is our commitment to candid self-assessment.

The Department of the Navy is unique among the military departments in having created a dedicated Sexual Assault Prevention and Response Office (Navy-SAPRO), led by a senior civilian executive who reports directly to the Secretary. Since its beginnings in late 2009, Navy-SAPRO's activities have been broad-based and include the following:

- Conducted the first Department-wide prevention summit in 2010 for Navy and Marine Corps Sexual Assault Response Coordinators (SARCs); then expanded that format in 2011 to include installation commanders and regional military leaders; and this year is engaging operational leaders through mini-forums at force concentration areas worldwide.
- Visibly underscored our commitment to combating sexual assault through extensive world-wide site visits—each typically include senior leader briefings, meetings with SAPR program managers and other key stakeholders, and focus-group discussions with individual sailors and marines.
- Since 2010, Navy-SAPRO has applied data-driven insights in partnering with the Navy to pilot simultaneous prevention initiatives, including new formats of large-group and small-group training, at Training Support Center Great Lakes—a concentration of the Navy's youngest, most junior, and at-risk sailors. This rigorous approach uses anonymous surveys and careful tracking of reported cases to candidly assess efficacy in reducing the under-

lying incidence of sexual assault. Results are still preliminary, but exciting in suggesting positive impacts—documented nowhere else.

- Conducted a world-wide, anonymous, web-based, sexual assault survey to begin tracking in a standardized way the underlying incidence of sexual assault among sailors and marines. Over 115,000 active duty personnel participated. We plan to repeat this effort every 2–3 years to assess our progress.
- Published a 22-page Commander's Guide booklet with key background points, a summary of commanding officer core responsibilities in preventing and responding to sexual assaults, and additional detail on aspects of personal leadership, victim response, and offender accountability. The Guide has been well-received and widely distributed in a top-down manner by senior leaders of the Navy and Marine Corps to emphasize its importance.

In addition to these Department-level efforts, both the Navy and Marine Corps are engaged in coordinated Service-level activities. Both services operate extensive Sexual Assault Prevention and Response (SAPR) programs for victim support, both are actively reviewing their numerous levels of sexual assault prevention and response training curricula. Flag/general officer managers of the Service-level programs meet weekly with Navy-SAPRO to coordinate and share insights. Both Services have openly addressed sexual assault issues in special senior leader forums and various regional mini-summits and workshops. In these endeavors, both Services, along with Navy-SAPRO, have worked extensively with civilian subject matter experts. Some specific accomplishments include the following:

- Both Services have worked with the Naval Audit Service to track the responsiveness of first-contact SAPR phone lines used for victim support and assistance, resulting in dramatic improvements in service and reliability.
- The marines have begun Service-wide implantation of their new "Take a Stand" training that targets junior marines through interactive sessions facilitated by small-unit leaders, using professionally produced video segments.
- The Navy has implemented its own "Bystander Intervention" program at "A" Schools Navy-wide. This training utilizes local facilitators in a structured curriculum involving junior sailors in three sequential, interactive, small-group sessions.

#### FLEET MODERNIZATION

140. Senator BROWN. Secretary Mabus, rebuilding and modernizing the Navy's fleet is obviously one of your top priorities, and you've said the Navy must "carefully define program requirements, drive affordability, and pursue aggressive cost oversight and competition." I understand the Navy is leveraging the strategic weapons system on the current *Ohio*-class submarine as a cost efficient means to develop the strategic weapons system on the *Ohio*-class replacement. Please discuss this.

Secretary MABUS. To lower development costs and leverage the proven reliability of the Trident II (D5) strategic weapon system (SWS), the *Ohio*-replacement SSBN will enter service with the Trident II (D5) SWS and D5 life-extended missiles onboard. The Navy is extending the life of the Trident II (D5) SWS to match the *Ohio*-class submarine service life and to serve as the initial baseline mission payload for the *Ohio*-replacement submarine platform. These D5 life extended missiles will be shared with the existing *Ohio*-class submarine until the current *Ohio*-class retires. Maintaining one SWS during the transition to the *Ohio*-class replacement is beneficial from a cost, performance, and risk reduction standpoint.

#### COMMONALITY

141. Senator BROWN. Secretary Mabus, please discuss if and how the Navy is utilizing commonality in the acquisition process to drive down life cycle cost.

Secretary MABUS. Commonality is used to drive down life cycle cost in the development, production, and sustainment phases. For development, commonality reduces costs compared to each program developing unique solutions. In some cases, common subsystems already exist, which further reduces the development cost and risk. In the production phase, the main cost savings is achieved by the increased yearly production quantity, spreading the overhead costs across multiple customers and sharing engineering changes. Similar factors apply to the sustainment phase, with the addition of shared obsolescence and diminishing parts management.

Some examples of commonality include the main propulsion gas turbines where the LM 2500 is used among the LCS-2, DDG-51, CG-47, FFG-7 classes and the

former classes of DD-963, DDG-993 (173 vessels). The application of this common main propulsion turbine has supported acquisition, logistics, training and maintenance savings for the Navy. The Joint Mission Planning System (JMPS) is designated by a CNO memorandum dated 21 Feb 2006 as the Navy's sole aviation mission planning system to reduce redundancy and promote cost-sharing. Thirty type/model/series (T/M/S) aircraft (with 10 more T/M/S to be added by 2016) are supported by JMPS through government integration and logistics shared across the platforms. For tactical-wheeled vehicles, the Navy and Marine Corps utilize several common platforms, including the Medium Tactical Vehicle Replacement.

#### STRATEGIC GUIDANCE

142. Senator BROWN. Admiral Greenert, with respect to our forward posture in the Asia-Pacific region and the Middle East, you've prioritized readiness over capacity, which perhaps is a good thing. How does the Navy's acquisition plan for the LCS reflect the President's strategic guidance, specifically in these regions?

Admiral GREENERT. The LCS will fulfill broad mission requirements where the capabilities provided by high-end multi-mission ships are not required. LCSs meet warfighting demands in the areas of mine countermeasures, anti-submarine warfare, and surface warfare to counter adversary A2/AD efforts. These ships will also be called upon to conduct maritime interdiction operations; provide a stabilizing presence by building partner capacity, strengthening alliances and increasing U.S. influence; and conduct stability and counterinsurgency operations through security force assistance and other engagement missions. LCS will use the concepts of forward stationing and rotational crewing to maximize the presence provided by each ship. We continue to make necessary investments in LCS readiness to ensure each ship has the right maintenance, crew size, and crew training. We will deploy USS *Freedom* (LCS-1) to Southeast Asia in 2013 to evaluate the operational concept for LCS and refine its readiness requirements.

#### QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

##### SHIPBUILDING

143. Senator COLLINS. Secretary Mabus, in his testimony before the committee last month, Secretary Panetta expressed his unequivocal support for the multi-year procurement plan for the DDG-51 destroyer program. He said the plan is important for the size of the Navy's fleet of ships, the sustainment of the fragile industrial base, and to achieve cost savings for American taxpayers. In comparison to single-year procurement for the DDG-51, the Navy estimates that the multi-year procurement will result in cost savings of \$1.5 billion during the next 5 years, a net savings of 8.7 percent. Please describe how the Navy reached the estimated savings for the multi-year procurement request for the DDG-51 program.

Secretary MABUS. Savings are detailed below:

MYP Contract Savings		SAVINGS \$M	Savings:
		NAVY	
Ship Construction Contract		\$577	<ul style="list-style-type: none"> <li>• Shipbuilder savings: <ul style="list-style-type: none"> <li>—Material EOQ buys</li> <li>—Overhead engineering &amp; material attributable to stable workload base</li> <li>—CAPEX efficiencies</li> <li>—Optimized shipbuilder scheduling/planning</li> <li>—Reduced contracting/proposal cost</li> </ul> </li> <li>• GFE contract savings from AWS, VLS and CBSP</li> </ul>
GFE Hardware		\$151	
SUB TOTAL		\$728	
Additional MYP Savings		SAVINGS \$M	Stable Design Enables:
		NAVY	
Change Orders		\$162	<ul style="list-style-type: none"> <li>• Reduced change orders from 5% to 3%</li> <li>• Reduced ship construction engineering/design</li> <li>• Reduced GFE engineering/design</li> </ul>
Engineering / Design		\$140	
GFE Non-Hardware		\$508	
SUB TOTAL		\$810	
TOTAL SAVINGS		\$1,538	

AWS – Aegis Weapon System  
VLS – Vertical Launch System  
CBSP – Commercial Broadband Satellite Program

144. Senator COLLINS. Secretary Mabus, I want to thank you for the Navy's ongoing effort to reduce the \$3 billion backlog of sustainment, restoration, and modernization funding at its four public shipyards. Last week a \$38 million contract

award that is the first of four modernization contracts for projects at Portsmouth Naval Shipyard during fiscal year 2012 was awarded. With that award, the Navy has invested about \$440 million during the last 5 years to sustain, restore, and improve energy efficiency at Portsmouth Naval Shipyard. I want to note, however, that all of the new MILCON projects funded during the last 5 years were added by Congress. In the committee report accompanying last year's Military Construction/Veterans Affairs (VA) Appropriations Act, the Senate Appropriations Committee urged the Navy to evaluate and accelerate MILCON projects in the FYDP that could improve the safety, effectiveness, or efficiency of the work performed at the Navy's public shipyards. However, the only MILCON project at any naval shipyard I could identify in this year's budget request was a \$32 million project at Norfolk Naval Shipyard. Given the concern expressed by the Senate Appropriations Committee regarding MILCON at the shipyards, what review did DOD conduct to evaluate the acceleration of MILCON projects that could improve the safety or efficiency at our shipyards?

Secretary MABUS. As part of our fiscal year 2013 President's budget submission process, the Navy assessed all MILCON requirements to balance risk across the Navy and provide the most capability within fiscal constraints. This review evaluated each MILCON project for overall alignment with the Chief of Naval Operations' Guiding Principles to include mission support and quality of service (includes safety) and overall cost reduction (efficiency).

As a result of this review process, the Navy's PB13 submission accelerated a MILCON project, P286 Portsmouth Naval Shipyard Berth 11/13 Waterfront Support Facility (\$14.4 million), from outside the FYDP to fiscal year 2015. This project will improve the efficiency of processes for SSN-688 and -774 class depot availabilities.

The Navy remains committed to investing in the Naval Shipyard infrastructure within today's fiscally constrained environment through sustainment, restoration, and modernization, and MILCON. We will continue to assess all MILCON requirements to balance risk across the Navy and provide the most capability within fiscal constraints.

145. Senator COLLINS. Admiral Greenert, every one of your predecessors since 2006 has called 313 ships the minimum necessary to meet our national security requirements. We are now at 285 ships and under this budget request, the Navy fleet will remain constant during the next 5 years rather than increasing towards the 313-ship goal. The looming cruiser-destroyer gap, which remains the largest shortfall among any class of ships, will widen rather than shrink under this budget proposal. The Navy fleet currently consists of 84 large surface combatants when we were told by the Navy last year that 94 large surface combatants are necessary to meet BMD requirements. Excluding the proposal in the President's budget request to retire seven cruisers early, the Navy was on course to meet the requirement of 94 large surface combatants in only 7 of the 30 years covered by the 30-Year Shipbuilding Plan. How many ships short of the minimum large surface combatants do we need to be before we have crossed a red-line as it relates to our maritime national security interests?

Admiral GREENERT. The 94 large surface combatant requirement is a result of a previous force structure assessment which was superseded by the new Defense Strategic Guidance issued in January 2012. The Navy is currently conducting an updated force structure assessment that will address both peacetime and wartime requirements in support of the Defense Strategic Guidance. This assessment will include large surface combatants and the need to meet BMD requirements, and will guide our future shipbuilding plans.

We anticipate our shipbuilding plans will deliver enough surface combatants to meet our updated requirements until the 2030s, when *Arleigh Burke* destroyers begin to decommission in large numbers. We are evaluating a range of options to alleviate this anticipated shortfall. For example, forward deploying 4 DDGs to Rota, Spain, replaces the need for 10 rotational CONUS-based DDGs to meet Secretary of Defense-directed GFMAR requirements. This reduces the overall requirement for large surface combatants by six ships.

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QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

V-22

146. Senator CORNYN. Secretary Mabus, it is my understanding that the Navy is considering using at least some of the 48 V-22 Osprey tilt rotors in the current program of record to replace the aging C-2A Greyhound carrier on-board delivery air-

craft and has looked closely at the V-22 in their analysis of alternatives (AOA). What is the decision time-line for that replacement aircraft?

Secretary MABUS. The timeline for the decision is dependent on the results of the AoA Update which is expected to be completed in May 2012. The AOA Update could conclude that additional risk reduction or competitive strategies are appropriate which would impact the timing of the final decision on the replacement aircraft. Therefore, a definitive decision timeline for the C-2A replacement aircraft is not presently available.

147. Senator CORNYN. Secretary Mabus, how risky would interruptions in the production line be based on what you currently know about the Marine Corps multi-year negotiations for the V-22?

Secretary MABUS. An interruption in the V-22 production line is unlikely to occur. The Department is confident that it will be able to complete negotiations and award the follow-on multi-year contract in time to avoid interruptions to the production line.

#### SHIP RECYCLING

148. Senator CORNYN. Secretary Mabus, it took the Navy more than 18 months to award the contract to dispose of the USS *Saratoga*. What accounts for this delay?

Secretary MABUS. The length of time to contract for the disposal of ex-*Saratoga* by dismantling is governed by the Federal Acquisition Regulations and attracted significant competition, requiring a significant amount of time for each technical and price proposal received to be evaluated in accordance with the RFP. Additionally, weaknesses in all of the initial proposals received required the contracting officer to issue discussion questions to each offeror in the competitive range. Time was required for offerors to respond to the questions and for the Government to evaluate their responses. Upon completion of the evaluation of responses to discussion questions, the offerors in the competitive range were requested to submit final proposal revisions, which were then evaluated upon receipt. Following a best-value evaluation and determination of the "apparent awardee", an unsuccessful offeror protested the determination to the Government Accountability Office (GAO). In addition, two unsuccessful offerors submitted size protests to the Small Business Administration (SBA). Following resolution of the three protests—one with GAO and two with SBA, the current apparent awardee was designated. Additionally, a protest challenging the current apparent awardee's status as a small business was recently submitted and is awaiting a decision by SBA. The award of the contract is, therefore, awaiting both the SBA size protest decision and the apparent awardee's acquisition of the required security clearances from DSS.

A dismantling contract for ex-*Saratoga* (CV-60) has not yet been awarded. However, an "apparent awardee" was recently identified. As specified in the request for proposal (RFP) for ex-*Saratoga*, the successful offeror must have a facility security clearance at the confidential level at minimum, and key personnel must have personal security clearances at the confidential level as a minimum, prior to contract award. Therefore, NAVSEA has sponsored the "apparent awardee" to the Defense Security Services (DSS) to obtain the necessary security clearances.

149. Senator CORNYN. Secretary Mabus, what will the Navy do to expedite the award process of the USS *Forrestal* and the other aircraft carriers that are now decommissioned and ready to be recycled?

Secretary MABUS. On January 26, 2012, the Navy issued a pre-solicitation notice at <https://www.fbo.gov/index?s=opportunity&mode=form&id=ce6de50e17d6f1e16841b33603f8ee26&tab=core&—cview=0> announcing the intent to issue a solicitation for the dismantling of ex-*Forrestal* (AVT-59), ex-*Independence* (CV-62) and ex-*Constellation* (CV-64). While the solicitation of ex-*Saratoga* will result in a contract for that ship only, the follow-on CV dismantling solicitation anticipates the award of multiple 5-year indefinite-delivery, indefinite-quantity (IDIQ) contracts. Additional CV-59/63 class aircraft carriers may be solicited under the IDIQ contracts during the 5-year period if required. The RFP is expected to be released in May 2012.

150. Senator CORNYN. Secretary Mabus, each day the Navy maintains a decommissioned vessel represents a cost to U.S. taxpayers. How much does it cost per day to maintain an average decommissioned Navy vessel?

Secretary MABUS. The direct cost to maintain a stricken CV-59/63 class aircraft carrier in the Navy's inventory of inactive conventionally-powered ships is approximately \$411.00 dollars per day, less for a smaller vessel.

151. Senator CORNYN. Secretary Mabus, how much does it cost per day to maintain a decommissioned aircraft carrier?

Secretary MABUS. The direct cost to maintain a stricken CV-59/63 Class aircraft carrier in the Navy's inventory of inactive conventionally-powered ships is approximately \$411.00 per day.

152. Senator CORNYN. Secretary Mabus, how much could the Navy save each year by expediting the ship disposal process?

Secretary MABUS. The Navy is expediting the ship disposal process. For example, the Navy successfully reduced its inventory of inactive conventionally-powered ships from nearly 200 in 1997 to 57 ships as of April 26, 2012; only 15 of which were in the inventory in 1997. Further expediting is limited by the dispositions assigned to inactive ships and the need to remove equipment and material from ships designated for dismantling in order to support active Fleet requirement. Thus, savings from expediting the ship disposal process beyond what the Navy is already doing cannot be achieved without sacrificing other Navy policy objectives or losing the savings that are obtained by harvesting equipment and material from ships designated for dismantling before they are scrapped.

Of the 57 inactive ships in the inventory, 23 are designated for dismantling. The remaining 34 are retained for other policy objectives including ships in reserve for future reactivation, foreign military sale transfer, logistic support, donation as museums/memorials, and Fleet training use.

Before a ship can be solicited for dismantling, the Navy accomplishes disposal preparations on each ship, including environmental surveys and extensive equipment removals to support other Navy requirements. 10 of the 23 ships designated for dismantling are currently undergoing equipment removals. Another 3 ships designated for dismantling are subject to Environmental Assessment development in order to comply with the National Historic Preservation Act because they are eligible for listing in the National Register of Historic Places.

The following actions have been taken to expedite the disposal of the remaining 10 ships designated for dismantling that have completed pre-disposal preparations and equipment removals:

- *Ex-Saratoga* (CV-60) is pending contract award for dismantling upon the apparent awardee obtaining a facility security clearance at the confidential level from the Defense Security Service.
- On January 26, 2012, the Navy issued a pre-solicitation announcement for the dismantling of additional aircraft carriers, including *ex-Forrestal* (AVT-59) and *ex-Independence* (CV-62). A RFP is planned for issuance in May 2012.
- September 2011, the Navy executed a Memorandum of Agreement with the Maritime Administration (MARAD) for the scrap sale of Navy-owned merchant-type ships over 1,500 tons. MARAD solicited the *ex-Mount Baker* (T-AE 34) in February 2012 and contract award is pending. A bidders' inspection period is advertised for April 30 to May 11, 2012 for the scrap sale of four additional ships.
- The Navy is working with the DLA to develop a similar Memorandum of Agreement for the scrap sale of two frigates.

#### AIR-SEA BATTLE CONCEPT

153. Senator CORNYN. Secretary Mabus and Admiral Greenert, your prepared testimony highlights the importance of the Air-Sea Battle Concept, which seeks to improve integration of air, land, maritime, space, and cyberspace forces to combat growing A2/AD threats. Admiral Greenert, you note some of the new investments required to implement this concept include the LCS, as exemplified in the fiscal year 2013 budget, new weapons such as the Small Diameter Bomb, Joint Standoff Weapon, Mark-54 torpedo, and a focus on unmanned systems. Please detail the impact sequestration will have on the Navy's ability to make these investments.

Secretary MABUS and Admiral GREENERT. The Department has not begun planning for sequestration because any planning for sequestration would be a government-wide effort guided by OMB. If sequestration occurs, automatic percentage cuts are required to be applied without regard to strategy, importance, or priorities, resulting in adverse impact to almost every contract and operation within the Department. Sequestration would adversely impact the components of the Air-Sea Battle through contract cancellations, contract terminations, undetermined cost increases caused by inefficient contracting and schedule delays. A detailed review directed by

OMB would be required to determine specific impact to the Navy's Air-Sea Battle concept.

Assuming the Fiscal Year 2013 Defense Appropriations Act conference report contains sequester provisions similar to those in the Fiscal Year 2012 Act, the Department would be forced to reduce each line item within each appropriation by a percentage of the available funding. This percentage would be calculated based on the "budgetary resources", primarily the enacted 2013 appropriation and any unobligated balances carried forward at the end of fiscal year 2012. We currently estimate the reduction would be between 5 and 10 percent. Obvious examples of the problems this method causes are fractional cuts to major acquisition items like ships or aircraft, which could not be delivered with partial funding. With several thousand individual line items in our accounts, the Department could not fix all of these issues with the transfer authority which Congress typically provides. This would leave broken programs across all accounts and similarly impact the programs that apply the tenets of the Air-Sea Battle Concept.

154. Senator CORNYN. Secretary Mabus and Admiral Greenert, please comment on the importance of the F-35 to the Navy's implementation of the Air-Sea Battle Concept.

Secretary MABUS and Admiral GREENERT. The fifth generation F-35 is a key joint program with direct application within the Air-Sea Battle Concept—the integration of air and naval forces to counter and shape the A2/AD environment.

The Joint Strike Fighter represents unprecedented multi-service, allied and coalition cooperation. It is the first aircraft to be developed within the Department of Defense to meet the needs of three Services simultaneously and will replace three different legacy aircraft for the Air Force, Navy, and Marine Corps. In addition, the United Kingdom, Italy, the Netherlands, Australia, Canada, Denmark, Norway, Turkey, Israel, and Singapore are either partners or participants in the aircraft's development program and the Japanese Government recently announced it would purchase 42 of the fighters.

The F-35 provides fifth generation technology and capabilities, which are critical enablers for the joint force of the future that may be required to overcome access challenges in the global commons. Bringing maneuverability, survivability, advanced avionics and stealth technology to the battlespace, the aircraft is able to operate against adversaries across the spectrum of conflict, fighting air-to-air and air-to-ground missions. The aircraft's sensors improve and leverages many other, already existing systems and capabilities across the Services.

These capabilities, bonded jointly across all U.S. Military Services and with coalition and allied nations provide a key platform from which to maintain domain dominance and execute effective networked, integrated, attack in depth to disrupt, destroy and defeat adversaries' A2/AD threat capabilities—the central idea of the ASB Concept.

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#### QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

VAW-77

155. Senator VITTER. Admiral Greenert, under the proposed 2013 spending plan released by the Navy, the Navy Reserve's Carrier Airborne Early Warning Squadron 77 (VAW-77) would cease to exist September 30. The squadron was created in 1995 as a result of the United States escalating the war on illegal drug trafficking, and employs approximately 100 Active Duty and Reserve Navy aircrews, and about 55 civilian contractors. In the documents presented to my office, the Navy has stated that these choices were made within the limits of the resources available to the Navy due to the Budget Control Act to balance direct warfighting capability against missions like those assigned to VAW-77. However, earlier this week, the commanders of U.S. Southern Command (SOUTHCOM) and U.S. Northern Command testified to this committee that there is increased drug activity in the region, and that with the current resources, we are only capable of interdicting 30 percent of the material illegally transported into the United States. If the Navy remains committed to missions within the strategic reserve, including counternarcotics and human trafficking interdiction, does the Navy still have a need for the capability that these squadrons provide?

Admiral GREENERT. Although the programmed force structure does not meet all COCOM peacetime demands, the Navy remains committed to countering illicit trafficking. Our fiscal year 2013 budget submission meets the presence requirements in the Secretary of Defense-approved GFMAP, which includes forces for these missions.

156. Senator VITTER. Admiral Greenert, what will the Navy use to replace the VAW-77 to fulfill the ongoing need to combat increasing cartel activity and illegal drug trafficking?

Admiral GREENERT. Although the programmed force structure does not meet all COCOM peacetime demands, the Navy must balance risk in a fiscally confined environment informed by the new defense strategy. The Navy is not replacing VAW-77 for this mission, but will continue to counter illicit trafficking operations with ships, helicopters, and aircraft assigned to Naval Forces SOUTHCOM in accordance with the Secretary of Defense-approved Global Force Management Allocation Plan.

157. Senator VITTER. Admiral Greenert, in your opinion, does this decision limit U.S. capabilities beyond where they should be to adequately address the future challenges?

Admiral GREENERT. No. Although the current force structure does not meet all COCOM peacetime demands, the Navy continues to meet the requirements of the Secretary of Defense-approved Global Force Management Allocation Plan, which includes counter illicit trafficking operations.

[Whereupon, at 12:32 p.m., the committee adjourned.]



**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, MARCH 20, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**DEPARTMENT OF THE AIR FORCE**

The committee met, pursuant to notice, at 9:35 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Akaka, Nelson, Webb, Hagan, Begich, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Chambliss, Wicker, Brown, Portman, Ayotte, Graham, and Vitter.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Peter K. Levine, general counsel; and Michael J. Noblet, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, Minority Counsel.

Staff assistants present: Mariah K. McNamara, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Nick Ikeda, assistant to Senator Akaka; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brent Bombach, assistant to Senator Portman; Brad Bowman, assistant to Senator Ayotte; and Charles Brittingham, assistant to Senator Vitter.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. I want to welcome our witnesses, Secretary Donley and General Schwartz, back to the

committee this morning to testify on the plans and programs of the U.S. Air Force in our review of the fiscal year 2013 annual budget and Overseas Contingency Operations (OCO) request.

Mr. Secretary and General, please extend on behalf of our committee our gratitude to the men and women of the Air Force and their families for the many sacrifices that they have made on behalf of our Nation, and thanks to the both of you for your long careers of leadership and service.

The Defense Department's most recent defense strategic guidance issued in January refocuses the U.S. military on the Asia-Pacific. We will be interested to see how the refocusing has been reflected in the Air Force budget and plans.

Last year we saw how Air Force personnel and equipment could support national goals on short notice in Libya. Among those forces, we had: first, tankers supporting coalition air operations; second, strike aircraft providing strikes against important ground targets; and third, manned aircraft and unmanned aerial vehicles (UAVs) providing intelligence, surveillance, and reconnaissance (ISR) support.

Air Force assets also played a significant role in aiding the Japanese tsunami relief effort.

A number of ongoing critical issues confront the Air Force. We know the Air Force is providing forces to the Central Command war efforts in a number of traditional roles, but it's also providing airmen in support of land component tasks. We look forward to hearing this morning about how the Air Force is supporting these current operations while preparing its forces to deal with future demands.

This committee has sought to ensure that our combatant commanders have what they need to succeed in those conflicts, including advanced technologies for ISR. I would note that in particular the new budget will continue the expansion of air operations, or ISR support, within theater. The committee appreciates the fact that General Schwartz has been taking extra steps to accelerate that fielding by altering Air Force approaches to pilot training and accelerating production of Predator and Reaper UAVs.

The committee has also encouraged the Air Force to look at ways to buy space systems that reduce cost and technical risks in very complicated systems. The Air Force has developed and fielded one spacecraft in the Operationally Responsive Space (ORS) Program, that was developed in less than 3 years, for a fraction of the cost of normal imagery. In that regard, I have questions as to why the Air Force is proposing to cancel that program.

Another acquisition challenge facing the Department is the stretching out of production lines which delays modernization programs and increases unit costs.

Foremost among these is the Joint Strike Fighter (JSF) program. Given the continuing troubles and delays with the system design and demonstration phase of the JSF program, the Air Force will be extending the service lives for existing fighters, including the F-16 and F-15 fighter fleets.

One acquisition program that appears to be moving forward as planned is the strategic tanker modernization program. The Department of the Air Force announced a winner of the tanker com-

petition in late February last year. We find it concerning that the contractor has already announced that the contract for engineering and manufacturing development of the tanker will likely go to the ceiling price. We look forward to receiving more details on the Air Force's plans for executing that program.

Underlying all of these major acquisition concerns is an acquisition management issue. Secretary Donley, we look forward to hearing from you about your continuing efforts to bolster the quantity and the quality of the Air Force acquisition corps, how this effort is progressing and if it has been impacted by recent hiring and salary freezes.

In addition, the Weapons Systems Acquisition Reform Act (WSARA) of 2009 has required the Defense Department to make significant changes in its regulations and procedures governing the acquisition system and we look forward to hearing how the Department of the Air Force is proceeding to implement the provisions of the WSARA.

Now, the major Air Force budget issue this year is likely to be Air Force plans to downsize the current force and to make significant changes in almost every area of the force structure. A very troubling aspect of the budget proposal is that within these force structure changes the cuts in manpower and aircraft are falling disproportionately on the Air National Guard.

The Air Force is proposing to make major shifts in both strategic and tactical airlift programs, many of which hit the Air National Guard hard. Here are some examples:

- The Air Force wants to retire the remaining C-27A aircraft, which are all in the Guard and Reserves, and to lower the minimum number of strategic aircraft to 275 aircraft, down from the 301 level that we adopted just last year.
- The Air Force also wants to retire 65 older C-130 aircraft, mostly in the Guard and Reserves, leaving 318 aircraft to support tactical operations, roughly a 17 percent force reduction.
- Finally, the Air Guard wants to eliminate the planned 38-aircraft program for the C-27s, all of which were going to the Guard, and rely instead on the remaining C-130 fleet to provide direct support for Army operations.

In the fighter forces, the Air Force is planning a cut of almost one-third in the A-10 force, with that cut weighted heavily toward the Air National Guard. I have serious doubts and many questions about the wisdom of doing that and the disproportionate impact of these proposed cuts on the Air National Guard.

The Air Force is planning to increase the size of Active Duty A-10 training squadrons at a time when the overall force will be shrinking by almost one-third. That makes no sense to me.

The Air Force asserts that the cut to the A-10 force falls more heavily on the Air National Guard forces because the Air Force will need to keep more of the force in the Active component because of forward deployments and dwell time considerations. However, as general purpose ground forces are withdrawn from Afghanistan, there will be less and less demand for forward-deploying A-10 forces to provide close air support. The Guard has shown their ex-

treme capability and ability to deploy A-10 forces to provide that close air support, including in Afghanistan.

In airlift, we have similar questions. The Air Force budget would reduce strategic airlift forces, with no apparent plan for how such forces could be reconstituted if needed in the future.

Now look at the C-27s. The Air Force had established a requirement, validated by the Joint Requirements Oversight Council (JROC), for 38 C-27 aircraft to provide direct support to Army ground forces. Again, all of those aircraft were going to the Guard.

Nobody forced the Air Force to join with what was a joint program with the Army and then take sole ownership of it. No one forced the Air Force to testify that they needed to pursue the C-27 because the C-130s could not meet requirements when the committee questioned why the Air Force couldn't rely on the C-130 fleet and instead had to start the C-27 program. Now the Air Force says that the C-130 is perfectly fine for meeting the direct support mission.

In the area of ISR, the Air Force is proposing a couple of major changes: terminating the Global Hawk Block 30 program and retiring all Block 30 aircraft already in the force; and shifting all 37 operational MC-12 ISR aircraft to the Air National Guard. The Air Force rationale behind the shift of all MC-12s to the Air National Guard is that with the withdrawal of general purpose ground forces from Afghanistan the demand for the MC-12 ISR mission will be reduced so much that the Air National Guard will be able to support the ISR demand without breaking guidelines for dwell time. Now, that position ignores the facts that, unlike the A-10, Special Operations Forces (SOF) are relying heavily on the MC-12 to support their activities and, unlike general purpose ground forces, SOF are not leaving Afghanistan or other areas of the region where they are currently operating any time soon.

Just last June, Under Secretary Carter certified, as part of a Nunn-McCurdy breach in the Global Hawk program, that the Global Hawk Block 30 program was both essential to national security and there was no other alternative that would provide acceptable capability to meet the joint military requirement at less cost. If that were true, how could the situation change so rapidly that the Air Force now wants to drop the program?

So we will look forward to exploring these and other issues with our witnesses this morning. We again thank them for their attendance and their service, and I call upon Senator McCain.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Mr. Chairman, thank you. I join you in welcoming our witnesses to discuss the President's budget request for fiscal year 2013 for the Department of the Air Force. We all appreciate the outstanding service and sacrifice of all the men and women who are serving in the U.S. Air Force today.

Secretary Donley, I understand that the Department of Defense (DOD) may be preparing to implement force structure changes in 2012 that could restrict Congress' ability to consider and act on related proposals in the fiscal 2013 budget request. Chairman Levin and I have sent a letter to the Secretary of Defense, which I ask to be made part of the record, that requests the Department take



tion on this program last year and are executing a viable acquisition strategy. But integration of military software and hardware with a commercial derivative aircraft continues to be a significant risk. Our witnesses should address how the Air Force is addressing this aspect of the program.

The F-35 JSF program. As we all know, I've been frustrated by the fundamental disconnect between how many aircraft the Department signs up to buy and the program's slow progress in developmental testing. This has created excessive concurrency between testing and production that has resulted in incredibly costly, excessive design changes and retrofits in production. I hope that your decisions now to flatten out production, allowing the program to get heavy learning before committing to higher production rates, will work out.

The Air Force budget included \$16 billion to modernize its inter-theater airlift fleet of C-17s and C-5s. In addition, the Air Force plans to retire 27 older C-5As. Last year, at the Air Force's request, Congress approved the retirement of 14 C-5As, in part because the Department had 44 more C-17s than needed. These C-17s were earmarked by the Appropriations Committee without authorization and at a cost to the taxpayer of over \$13 billion. I would request that the witnesses comment on the right number and mix of large cargo aircraft based on the mobility capabilities requirements study for 2016 and a cost-benefit analysis.

The Government Accountability Office (GAO) recently found: "Space launch acquisition processes from the National Aeronautics and Space Administration (NASA) and DOD are not formally coordinated, duplicate one another, and may not fully leverage the government's investment because the government is not acting as a single buyer." The GAO also expressed concern recently regarding the adequacy of analysis supporting the Air Force's proposed block buy strategy for the Evolved Expendable Launch Vehicle program.

I recently wrote to Secretary Panetta requesting that he look at 16 areas of duplication in the DOD budget, including space launch. I look forward to hearing our witnesses' views on the costs of space launch and how they are facilitating competition to ensure continued affordable access to space.

Finally, on readiness, at about this time last year we first learned that the Department estimated that the cost of owning and operating JSFs could amount to as much as \$1 trillion over the program's life. I understand that the Department is trying to drive this cost down. However, this whole issue highlights the larger problem of whether the acquisition process is ensuring that new aircraft, weapons, and other systems are sufficiently reliable and don't become too expensive to operate.

I'd like to conclude with a comment on sequestration. Secretary of Defense Panetta has repeatedly stated that defense sequestration, required under the Budget Control Act, would be "catastrophic." I'd like for our witnesses to provide us with their assessment of just how severe across-the-board cuts would be to the U.S. Air Force.

I thank the witnesses and I thank you, Mr. Chairman.  
[The prepared statement of Senator McCain follows:]

## PREPARED STATEMENT BY SENATOR JOHN MCCAIN

Mr. Chairman, I join you in welcoming our witnesses to discuss the President's budget request for fiscal year 2013 for the Department of the Air Force. Our thoughts and prayers are with all our deployed airmen, particularly those who are currently engaged in combat operations in Afghanistan.

Secretary Donley, I understand that the Department of Defense (DOD) may be preparing to implement force structure changes in 2012 that could restrict Congress' ability to consider and act on related proposals in the fiscal year 2013 budget request. Chairman Levin and I have sent a letter to the Secretary of Defense that requests that the Department take no action that would be difficult or impossible to reverse if Congress disapproves a related proposal in the fiscal year 2013 request. I request that you also refrain from taking such actions.

Given the proposed reduction of nearly 10,000 airmen over the next 5 years, I ask that our witnesses address the capability and readiness risks the Air Force is prepared to accept as a result of these manpower reductions, and your plans to lessen any negative impacts on affected airmen and their families.

I have generally been pleased with the stewardship of our witnesses of the Air Force's acquisition portfolio, but I have a few questions regarding your largest procurement programs.

On the KC-46A aerial refueling tanker: I continue to closely monitor the multi-billion KC-46 aerial refueling tanker program, to ensure that it achieves intended results on cost, schedule and performance. The Air Force conducted a very sound competition on this program last year and, from all reports, is executing a viable acquisition strategy. But integration of military software and hardware with a commercial derivative aircraft continues to be a significant risk. Our witnesses should address how the Air Force is addressing this aspect of the program.

Next, the F-35 Joint Strike Fighter (JSF) program: For several years, I have been frustrated by the fundamental disconnect between how many F-35 jets the Department signs up to buy and the program's slow progress in developmental testing. This has created excessive 'concurrency' between testing and production, and has resulted in costly design changes and retrofits in production. I am pleased that the Department has now decided to 'flatten-out' production, allowing the program to get 'heavy learning' under its belt before committing to higher production rates. I fully support the Air Force's new acquisition strategy, starting with the sixth and seventh lots of early production, to link the number of production aircraft on contract with actual program performance.

On Air Mobility Programs: The Air Force budget request includes \$16 billion to modernize its inter-theater airlift fleet of C-17s and C-5s. In addition, the Air Force plans to retire 27 older C-5As. Last year, at the Air Force's request, Congress approved the retirement of 14 C-5As, in part because the Department had 44 more C-17s than needed. These C-17s were earmarked by the Appropriations Committees without authorization and at a cost to the taxpayer of over \$13 billion. I ask that the witnesses comment on the right number and mix of large cargo aircraft, based on the Mobility Capabilities Requirements Study 2016 and a cost-benefit analysis.

Next, on Space Policy: The Government Accountability Office (GAO) recently found that '[s]pace launch acquisition processes for the National Aeronautics and Space Administration and DOD are not formally coordinated, duplicate one another, and may not fully leverage the government's investment because the government is not acting as a single buyer.' GAO also expressed concern recently regarding the adequacy of analysis supporting the Air Force's proposed block-buy strategy for its Evolved Expendable Launch Vehicle program. I recently wrote to Secretary Panetta requesting that he look at 16 areas of duplication in the DOD budget, including space launch. I look forward to hearing our witnesses' views on the cost of space launch and how they are facilitating competition to ensure continued, affordable access to space.

Finally, on Readiness: At about this time last year, we first learned that the Department estimated that the cost of owning and operating JSFs could amount to as much as \$1 trillion over the program's life. I understand that the Department is actively trying to drive this cost down and that this estimate will change based on data from actually operating and sustaining these aircraft. This, however, highlights the larger issue of whether the acquisition process is ensuring that new aircraft, weapons, and other systems are sufficiently reliable and don't become too expensive to operate. I would like to hear from the witnesses how they intend to address this very important issue.

I will conclude with a comment on sequestration. Secretary of Defense Panetta has repeatedly stated that defense sequestration required under the Budget Control

Act would be 'catastrophic.' I ask our witnesses to provide us with their assessment of just how severe across-the-board cuts would be for the Air Force.

The Air Force faces many difficult challenges, but the leadership of today's witnesses has helped position the Air Force to deal with them effectively and decisively. I look forward to your testimony today.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.  
Mr. Secretary.

**STATEMENT OF HON. MICHAEL B. DONLEY, SECRETARY OF  
THE U.S. AIR FORCE**

Secretary DONLEY. Chairman Levin, Senator McCain, and members of the committee, it is a pleasure to be here today representing more than 690,000 Active Duty, Guard, Reserve, and civilian airmen. I'm also honored to be here with my teammate, the dean of the Joint Chiefs of Staff and one of America's finest public servants, General Norty Schwartz. We are joined today by the Director of the Air National Guard, Lieutenant General Harry M. "Bud" Wyatt, USAF, and the Chief of the Air Force Reserve, Lieutenant General Charles E. Stenner, Jr., USAF.

For fiscal year 2013, the U.S. Air Force requests \$110.1 billion in our baseline budget and \$11.5 billion in the OCO supplemental appropriation to support our work. This budget request represents the culmination of many hard decisions taken to align our fiscal year 2013 budget submission with the new strategic guidance and with the cuts required by the Budget Control Act over the next 10 years.

Finding the proper balance between force structure, readiness, and modernization has been our guiding principle. In short, we determined that the Air Force's best course of action is to trade size for quality. We will become smaller in order to protect a high quality and ready force, one that will continue to modernize and grow more capable in the future.

The capabilities resident in the Air Force mission set are fundamental to the priorities outlined in the new strategic guidance and in assessing how to adjust Air Force programs and budgets in the future. We've taken care to protect the distinctive capabilities we bring to the table: control of air, space, and cyber space; global ISR; rapid global mobility, and global strike, all enabled by effective command and control.

The Air Force and our Joint Interagency and Coalition teammates and partners rely on these capabilities and, though we will be smaller, we intend to be a superb force at any size, maintaining the agility and flexibility that is inherent in our air power capabilities and ready to engage a full range of contingencies and threats.

This budget protects the Air Force's top priorities. We protect the size of the bomber force. We are ramping up our remotely piloted aircraft (RPA) force to a goal of 65 combat air patrols (CAP), with the ability to surge to 85 CAPs. We protect our Special Operations Forces capabilities, largely protect space programs, and protect our cyber capabilities.

But as we get smaller, it is not possible to protect everything. Our proposed force structure changes include the reduction of 286 aircraft over the Future Years Defense Program (FYDP), including 123 fighters, 133 mobility aircraft, and 30 ISR platforms.



Many of these changes correspond to adjustments in the overall size of the Armed Forces, especially the Army and Marine Corps ground forces, which is the case for the proposed reduction in A-10s. Our smaller force structure has also led us to favor divesting smaller niche fleets, such as the C-27J, and emphasizing multi-role capabilities that will provide operational flexibility across the spectrum of conflict, demonstrated by our C-130s and by our choices in fighter force structure, which include a smaller A-10 fleet and plans for the F-16 service life extension.

We also emphasize common configurations, which can be seen in adjustments to C-5 and C-17 mobility fleets and in our ongoing efforts to seek common configuration within the F-22 and F-15C fleets.

Because force structure changes have a ripple effect on manpower needs, our budget proposal calls for a reduction of 9,900 Air Force military personnel. By component, this amounts to reductions of 3,900 Active Duty, 5,100 Air National Guard, and 900 Air Force Reserve personnel. Fighter, mobility, and other force structure changes have been strategy-driven based on changed requirements and consistent with that strategy, especially where the Air National Guard units have been affected, we have proposed to re-mission units where feasible. We've carefully balanced our Active and Reserve component changes to make sure we can meet the demanding operational tempos, including both surge and rotational requirements, that are part of the current and projected strategic environment.

As our force gets smaller, all of our components get smaller together and will become even more closely integrated. We remain fully committed to our total force capability and have proposed several initiatives to strengthen integration of effort, including increasing the number of Active/Reserve component associations from 100 to 115.

Our intention is to protect readiness at any force level because if we're going to be smaller we have to be prepared. To that end, we put funds in critical areas, such as flying hours and weapons systems sustainment. We also support the Air National Guard readiness reset, which balances manpower across the States from lower demand units to new, high demand ISR missions, and increases readiness in 39 units. We are committed to ensuring that our military forces do not go hollow and readiness bears close watching as we move forward.

Mr. Chairman, modernization is our most significant concern, especially as our fleets age and new technologies drive new investment needs. In this year's budget proposal, we slow modernization as we protect programs that are critical to future capabilities. We also restructure or terminate some major programs to protect key priorities. Protected modernization priorities include: the long-range strike bomber, the KC-46 refueling tanker, and key space programs, such as the Space-Based Infrared System and Advanced Extremely High Frequency Satellites, follow-On Global Positioning System work, and advanced ISR.

We remain fully committed to the F-35 JSF, which is the future of the fighter force. But we reduce the rate of procurement for a few years because in our judgment, Lockheed Martin is not ready

to ramp up to full-rate production. Due to recent delays in the F-35 program, we also proceed with an F-16 service life extension program.

Among the programs slated for termination are: the Global Hawk, RQ-4 Block 30 aircraft, because, among other reasons, we could not justify the cost to improve the Block 30's sensors to achieve capability that already exists in the U-2; and the Defense Weather Satellite System, a termination initiated by Congress, one we can accept for now because the program is early to need.

As noted earlier, we decided to divest the C-27J, but we have a good alternative to this aircraft with the multi-role capable C-130, which has demonstrated its ability to provide the direct support mission in Iraq and Afghanistan. We remain committed to providing this support to the Army.

In other cases, we eliminated programs that were judged to be non-essential in the current budget environment, such as the Light Mobility Aircraft and the Light Attack and Armed Reconnaissance Aircraft.

Through more disciplined use of resources, the Air Force continues to wring savings out of overhead, to squeeze discretionary spending, and find more efficient ways of doing business. In fiscal year 2012, we committed to \$33.3 billion in efficiencies across the FYDP. In this year's budget we identified about \$3.4 billion in efficiencies and another \$3.2 billion in programmatic adjustments to add on top of the original \$33.3 billion.

In keeping with our enduring obligation to take care of our people, we will keep faith with airmen and their families. Doing right by our servicemembers is key to our ability to recruit and retain a high quality force. Nevertheless, the impact of increasing personnel costs continues to be a serious concern. Therefore, we support the military compensation program reforms in the President's budget, which include a modest pay raise, proposals to control health care cost growth, and calls for a commission to recommend reforms in retired pay. We must continue to seek and develop reforms to ensure the long-term sustainability of the benefits our men and women in uniform have earned.

Identifying \$487 billion in defense cuts to comply with the current requirements of the Budget Control Act has been difficult. Our Air Force will get smaller, but we are confident that we can build and sustain a quality force that is ready for the contingencies ahead and that will improve in capability over time. However, further cuts through sequestration or other means will put at risk our ability to execute the new strategy. To get this far, we have made tough decisions to align, structure, and balance our forces in a way that can meet the new strategic guidance. If substantially more reductions are imposed on DOD, we will have to revisit the new strategy. We cannot afford the risk of a hollow force.

Mr. Chairman, General Schwartz and I feel deeply that our leadership team has inherited the finest Air Force in the world. It is our obligation to keep it that way so that our joint and coalition partners know that they can count on the U.S. Air Force to deliver the capabilities that we need to meet the security challenges ahead, and so that our future airmen remain confident, as we are today, that they are serving in the world's finest Air Force. That is our

obligation going forward and it is our intention to meet that obligation.

Mr. Chairman, we remain grateful for the continued support and service of this committee and we look forward to discussing our proposed budget. Thank you.

Chairman LEVIN. Thank you, Mr. Secretary.  
General Schwartz.

**STATEMENT OF GEN. NORTON A. SCHWARTZ, USAF, CHIEF OF  
STAFF OF THE U.S. AIR FORCE**

General SCHWARTZ. Thank you. Mr. Secretary, Mr. Chairman, Senator McCain, and members of the committee, I'm privileged to be here today with Secretary Donley once again representing the men and women of the U.S. Air Force. I begin by noting, as the Chairman did earlier, that a year and one day ago America's airmen commenced operations to help enforce the United Nations-sanctioned no-fly zone over Libya. Throughout the month of March 2011 and beyond, our airmen, along with their joint teammates, impressively conducted concurrent major operations ranging more than 5,500 miles apart and spanning the entire spectrum of operations, from ongoing combat operations in Iraq and Afghanistan, to surge operations in Japan to provide humanitarian disaster relief, to a third major front, a predominantly air-focused campaign in North Africa.

These simultaneous operations were most assuredly by not trivial. Indeed, they were to become yet another dramatic example of the professionalism and skill of America's airmen and their capacity to act and to shift focus on short notice, leveraging air power's unparalleled versatility and tailorability, all critical attributes that are emphasized by the new defense strategy guidance.

As we prepare for the future, we know that maintaining a ready force that exhibits these and other important attributes will remain vital to addressing potential similar scenarios and will continue to be extremely important to our Nation's broader success in the future security environment.

But in light of fiscal circumstances both presently and for the foreseeable future, helping to ensure America's success requires carefully calibrated choices by America's Air Force and our Armed Forces. This budget request therefore supports our airmen in our continuing efforts to structure the force for maximized versatility and minimized risk, in a sustainable tempo for all components across the full spectrum of operations.

Due to evolving geopolitical trends and anticipated security requirements, the new defense strategic guidance emphasizes Air Force capabilities as fundamental to its major priorities, such as defeating and deterring aggression, projecting power in anti-access and area denial environments, conducting space and cyber operations, and operating, maintaining, and securing two of the three legs of the Nation's nuclear deterrent.

As we balance our military forces toward a more air and maritime posture, our broader strategic partnership between the Nation's air and sea services, as articulated in the Air-Sea Battle concept, will be ever more important to our national interests. We must maintain the ability to project power in areas where bur-

geoning capabilities could increasingly threaten our access and freedom to operate, threats such as ballistic and cruise missiles, advanced submarines and fighters, electronic warfare systems, mines, and advanced air defense systems.

As innovative airmen, we remain committed to working with our Navy, Marine Corps, and Army teammates to develop highly integrated and tightly coordinated schemes of maneuver and to conceive cross-domain approaches to full-spectrum challenges. To achieve our goals, we continue to support joint strategies in all of the Air-Sea Battle's dimensions—institutional, conceptual, as well as material—enabling enhanced teaming of advanced air and naval assets, including important subsurface assets, to gain and exploit access, deter adversary preemption, and dissuade coercion of our partners—all contributing to increasing regional stability.

As Secretary Donley mentioned, the wide array of Air Force capabilities which remain vital to our Nation's diplomatic, economic, and military interests fall into four general categories of enduring and core contributions: air and space control, global ISR, rapid global mobility, and global strike, plus the Air Force's high-volume command and control of air, space, and cyber systems, integrating and harmonizing our four core contributions across multiple operating domains.

As part of the defense strategic guidance, we are structuring our force to be agile and responsive across these four areas even as we accept risks with a smaller force. While still maintaining quality, we will divest nearly 230 fighter, mobility, and ISR aircraft in fiscal year 2013, toward a total of 286 aircraft retirements and a projected savings of \$8.7 billion over the FYDP.

These savings can be applied to our modernization strategy, as Secretary Donley discussed, as well as to all important operations and sustainment accounts. We have no illusions about the road ahead being easy, but we do have confidence in our ability to execute and manage a \$487 billion cut in defense spending over the years. I must echo, however, Secretary Donley's concern that across-the-board cuts driven by sequestration would dramatically change the complexion of our thoroughly deliberated defense strategy. We effectively would be sent back to the drawing board because indiscriminate salami-slicing of the budget would nullify our carefully considered and responsible reductions that preserve our readiness and effectiveness notwithstanding fiscal constraints and a smaller force.

Finally, please allow me to make one comment concerning military compensation. I appeal to the committee to carefully consider those initiatives in our budget proposal that begin to tackle escalating personnel costs—compensation, health care, and retirement. Among all the other challenges facing us, the reality of fewer members of the Armed Forces costing increasingly more to recruit, train, and retain for promising careers is, I think, the monumental defense issue of our time. Our inability to address this issue properly will place other areas of the budget, including force structure and modernization, under yet more pressure, forcing out needed military capability at a time when we are already right-sized for the likely missions ahead.

Mr. Chairman, Senator McCain, members of the committee, the Air Force remains committed to providing global vigilance, reach, and power for America's needs today and for our aspirations and the challenges that the Nation will face tomorrow. We look forward to your questions, sir. Thank you.

[The joint prepared statement of Mr. Donley and General Schwartz follows:]

JOINT PREPARED STATEMENT BY HON. MICHAEL B. DONLEY AND GEN. NORTON A. SCHWARTZ, USAF

#### INTRODUCTION

Since the first clash of battle, warriors have relied on breaking through the lines to achieve victory. However, once the airplane was used over the battlefields of World War I, the battle itself was forever revolutionized. In the 65 years since the establishment of the United States Air Force as a separate Service, its technological, strategic, and tactical innovations have been elemental in shaping the way the United States engages in war, deters aggression, and maintains peace. Because America's airmen characteristically view defense challenges differently, our Air Force has pioneered advancements that have been essential in ensuring our Nation's security while reducing the overall casualty counts inflicted by war. As the Department of Defense (DOD) faces fiscal pressures and an evolving strategic environment, America will continue to depend on the Air Force to contribute innovative strategies and systems to conduct our most important military missions.

During the past decade, the United States has engaged in a prolonged war aimed at disrupting, dismantling and defeating al Qaeda and its network. A major part of this effort involved long-term and large-scale presence on the ground. The withdrawal of combat forces from Iraq and the drawdown in Afghanistan signal the beginning of a new chapter for America in which we will rely more heavily on airpower to complement innovative, lower-cost, lighter footprint approaches around the world. As the Nation sustains its global presence with a renewed emphasis on the Asia-Pacific region, in addition to continued focus on the Middle East, we must maintain the best military in the world—a force capable of deterring conflict, a force capable of projecting power, and a force capable of winning wars. We will preserve the capability and expertise in irregular warfare that we developed over the past decade and we will invest in fielding appropriate amounts of new and existing military capabilities in order to meet the national security challenges of today and the future.

Despite new challenges and fiscal stress, America is and will unquestionably remain the global leader. The strategic choices embodied in the proposed fiscal year 2013 budget reflect 21st century defense priorities and will enable your Air Force to play a critical role in sustaining that leadership. As DOD's recently released strategic guidance articulates, the Joint Force of the future must be smaller and leaner—but agile, flexible, ready, and technologically advanced. The Air Force will leverage the innovative ability and technological acumen of its airmen as we conduct the military missions that protect our core national interests: defeating al Qaeda and its affiliates and succeeding in current conflicts; deterring and defeating aggression, including those seeking to deny our power projection; countering weapons of mass destruction; operating effectively in cyberspace and across all domains; maintaining a safe and effective nuclear deterrent; and protecting the homeland. Air Force contributions to total Joint Force effectiveness make us indispensable in carrying out these missions and overcoming existing and emerging threats in this strategic environment.

#### STRATEGIC ENVIRONMENT

After 10 years of sustained large scale overseas operations, major changes in the strategic environment required a reshaping of defense strategy and priorities. Over the last several months, the Air Force, together with our joint partners, has reassessed our future military strategy and posture to determine how the Air Force will best contribute to achieving U.S. security objectives, including freedom of action in the global commons.

The major factors and trends of the strategic environment identified in the 2010 Quadrennial Defense Review (QDR) continue to affect the security environment and inform its trajectory. The rise of new powers, the growing influence of non-state actors, the proliferation of weapons of mass destruction (WMD), the proliferation of

conventional arms, and the transfer of other destructive enabling technologies are all trends that still require focused attention when considering how the Air Force will execute America's national security strategy.

Since the release of the QDR, however, we have witnessed events that further inform our strategy. The Arab Awakening in the Middle East and North Africa has brought about regime changes in some nations in the region and challenged the stability and security of others. The global economic crisis has made some nations reluctant to support international cooperative military efforts as they have shifted their focus towards domestic issues. The economic crisis continues to contribute to the economic and political shift toward the Asia-Pacific region; although we will continue to place a premium on U.S. and allied military presence in—and support for—partner nations in and around the Middle East. The demise of Osama bin Laden and other senior al Qaeda leaders has led to deterioration in the organization's leadership and impaired its strategic coherence, although the threat of extremism remains. We are also transitioning out of the post-Cold War world where our military could easily gain access to the battlefield and operate major systems unimpeded. Today, adversaries are developing ways to prevent our access to the battlefield and deny our freedom of action once there.

As a result of these factors, DOD undertook a comprehensive strategic review and recently released new strategic guidance, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*. The new guidance notes the importance of recalibrating Joint Force capabilities and investments to succeed in the following key military missions: counter terrorism and irregular warfare; deter and defeat aggression; project power despite anti-access/area denial (A2/AD) challenges; counter weapons of mass destruction; operate effectively in cyberspace and space; maintain a secure and effective nuclear deterrent; defend the homeland and provide support to civil authorities; provide a stabilizing presence; conduct stability and counterinsurgency operations; and conduct humanitarian, disaster relief, and other operations. In determining development of the force required to meet these missions, the Secretary of Defense has directed that we maintain a broad portfolio of capabilities that, in the aggregate, offer versatility across this range of missions. Other factors that are important to the implementation of the new strategy include understanding which investments must be made now and those that can be deferred, maintaining a ready and capable force, reducing "the cost of doing business," examining how the strategy will influence existing campaign and contingency plans so that more limited resources are better tuned to their requirements, determining the proper Active and Reserve component mix, retaining and building on key advances in networked warfare on which the Joint Force has become truly interdependent, and maintaining the industrial base and investment in promising science and technology.

Airpower—the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives—has been a necessary component of successful U.S. military operations for many decades, and a reasonable assessment of the strategic environment suggests an even greater role for those capabilities. Since the end of the Cold War, the Air Force's contributions to national security have evolved with the times. We have become not only more effective, but also increasingly intertwined with the successful operation of the Joint Force. We have now reached a point where no other Service operates independently of the Air Force; we are a necessary catalyst for effective U.S. and coalition military operations. As we realign our resources to support the new strategic guidance, the capabilities that underpin these contributions on which the Joint Force depends will be protected.

#### REALIGNMENT TO THE NEW DEFENSE STRATEGIC GUIDANCE

The Air Force has made the hard choices to closely align with the new strategic guidance by trading size for quality. We will be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

##### *New Concepts*

One way in which the Air Force is posturing itself for the future in light of the strategic guidance is through our pursuit of the Air-Sea Battle concept in partnership with our sister Services. The rise of near peer capabilities—such as fifth-generation fighters, air defense systems and ballistic missiles—evinces emerging A2/AD threats. The Air-Sea Battle concept will guide the Services as they work together to maintain a continued U.S. advantage against the global proliferation of advanced military technologies and A2/AD capabilities. Air-Sea Battle will leverage military and technological capabilities and is guiding us to develop a more permanent and

better-institutionalized relationship between the military departments that will ultimately shape our Service organizations, inform our operational concepts, and guide our materiel acquisitions.

#### *Enduring Air Force Contributions*

The Air Force will also continue to bring four enduring and distinctive contributions to the Nation's military portfolio to support the new strategic guidance: (1) air and space control; (2) global intelligence, surveillance, and reconnaissance (ISR); (3) global mobility; and (4) global strike. These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging A2/AD threats.

#### *Air and Space Control*

From the World War II Pacific island-hopping campaign, to the success of liberation forces in Libya, control of the air has been and remains an essential precondition for successful land and maritime operations. Today, control of the air and space, along with assured access to cyberspace, allows U.S. and coalition forces to take advantage of unique capabilities in mobility, strike, and ISR and permits surface forces freedom of action without the threat of adversarial attack from above. Whether friendly naval forces are helping to secure vital lines of communication and transit, marines are conducting amphibious operations, Special Operations Forces (SOF) are executing counterterrorism missions, or ground forces are engaged in combined-arms maneuvers, these operations all fundamentally depend on the Air Force to provide mission-essential control of air and space. In the coming decade, our ability to assert control in all domains will be increasingly at risk as sophisticated military technology proliferates. The new strategic guidance demands that we forge ahead and maintain the air and space power advantages that will enable our entire Joint Force to deter and defeat aggression, operate effectively in space and cyberspace, defend the homeland, and conduct stability operations.

#### *Global ISR*

Combat experience over the last decade has shown how important ISR capabilities are to the counterterrorism and irregular warfare missions, and has also made it increasingly clear that these capabilities will be required in contested environments in future conflicts and as we take an active approach to countering extremist threats. Through a mix of aircraft and satellite sensors and corresponding architecture for exploitation and dissemination, Air Force ISR affords U.S. leaders an unparalleled decisionmaking advantage on which commanders rely—from supporting national strategic decisionmaking to successful outcomes in life-and-death tactical situations. Moreover, airmen provide expert processing and exploitation of staggering volumes of raw data and timely dissemination of usable intelligence. In the past 10 years, Air Force ISR contributions have been ascendant, particularly from our space-enabled remotely-piloted systems. But power projection in the future strategic environment will require extending today's ISR capability into contested battle spaces. This demands significant and sustained attention to modernization of our ISR capabilities.

#### *Global Mobility*

The capability to get friendly forces to the fight and to extend the range of airborne strike platforms is a unique Air Force contribution that not only enhances Joint effectiveness, but also embodies the Nation's global reach and power. The military's ability to deter and defeat aggression, project power, provide a stabilizing presence, conduct stability operations, and conduct humanitarian and other relief operations depends on the airlift and in-flight aerial refueling that the Air Force provides. We ensure that joint and coalition assets get to the fight and remain in the fight, posing a potent threat to adversaries and a persuasive presence to allies. Our airlift fleet transports massive amounts of humanitarian-relief supplies and wartime materiel to distant locations around the world in impressively short time periods. Furthermore, in-flight aerial refueling is the linchpin to power projection at intercontinental distances. Global mobility also provides for persistent pressure and over-watch once we arrive, as demonstrated last year in the skies over Libya.

#### *Global Strike*

Finally, the Air Force's ability to conduct global strike—to hold any target on the globe at risk—will be of growing importance in the coming decade. Our conventional precision strike forces compose a significant portion of the Nation's deterrent capability, providing national leaders with a range of crisis response and escalation control options. Our nuclear deterrent forces provide two-thirds of the Nation's nuclear

triad, quietly and competently forming the foundation of global stability and underwriting our national security and that of our allies. However, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort exemplified by the long-range strike family of systems. A key element of this effort is the long-range strike bomber (LRS-B) which will strengthen both conventional and nuclear deterrence well into the future.

Collectively, these capabilities, and the Air Force's ability to command and control the air, space, and cyber systems, provide the Nation with the global vigilance, global reach, and global power necessary to implement the new strategic guidance.

#### ADAPTING TO CONSTRAINED RESOURCES

Although the contributions that the Air Force provides to the Joint Force have increased in relevance over time, there has not been a corresponding increase in resources. The Air Force has entered this era of fiscal austerity significantly smaller, with older equipment, and with a smaller budget share than any military Department in half a century. The Air Force has been continuously engaged in combat for over two decades and has taken on a range of new missions. Yet over that same time period, our aircraft inventory and end strength declined. Since 2001, we have reduced our inventory by over 500 aircraft and have added new missions, while end strength has come down by thousands of airmen, leaving us next year with the smallest force since our inception in 1947. Meanwhile, the average age of Air Force aircraft has risen dramatically: fighters stand at 22 years; bombers, 35 years; and tankers, 47 years. Reduced manpower, full-scale operations, and reduced training opportunities have pushed our readiness to the edge. The budget increases that have occurred in the last decade were primarily consumed by operational expenses, not procurement. There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come.

We are mindful, however, of the current fiscal situation and recognize that we must contribute to government-wide deficit reduction as a national security imperative. Our ability to make proper investments to modernize and sustain the capabilities of the Air Force is directly tied to the economic health of the United States. In addition, as respectful stewards of the American taxpayer's dollars, the Air Force is committed to achieving audit readiness and meeting Secretary Panetta's accelerated goal to achieve auditability of the Statement of Budgetary Resources by 2014. Over the last year, the Air Force has made real progress, receiving clean audit opinions on two important components of our budget and accounting processes from independent public accounting firms. In the coming year, the Air Force expects to have independent auditors examine the audit readiness of our military equipment inventories, our base-level funds distribution process, and our civilian pay process.

The Air Force fiscal year 2013 budget request reflects aggressive prioritization of limited resources, heavily informed by the new strategic guidance, with regard to both capability and capacity of our forces—that is, both what capabilities we should buy and how much of them. The budget brings together strategic guidance with fiscal constraint. Its guiding principle was balance. To retain critical core Air Force capabilities and the ability to rapidly respond to mission demands, the Air Force balanced risk across all mission areas.

Although we will be smaller and leaner, we will not sacrifice readiness. Selected reductions in force structure and modernization programs were based on careful assessments reflecting the requirements to address potential future conflict scenarios and to emphasize the Middle East and Asia-Pacific regions. Force and program development choices were also influenced by the need to protect our ability to regenerate capabilities to meet future, unforeseen demands. Our budget request seeks to leverage strong relationships with allies and partners, including the development of new partners. Finally, the fiscal year 2013 budget request honors and protects the high quality and battle-tested professionals of the All-Volunteer Force.

#### FORCE STRUCTURE

The fiscal reality and strategic direction mean that the Air Force will continue the long-term trend of accepting a smaller force to ensure high quality. In planning for a smaller force, our decisions favored retention of multi-role platforms over those with more narrowly focused capabilities—for example, F-16s over A-10s and F-15Cs, and C-130s over C-27s. Where feasible, we sought to divest smaller fleets with niche capabilities and stressed common configurations for key platforms in order to maximize operational flexibility and minimize sustainment costs.



*Aircraft*

In meeting the force sizing requirements of the new strategic guidance, and to remain within the constraints of the Budget Control Act, the Air Force made the difficult choice of divesting 227 aircraft from our combat and combat support aircraft fleets in the fiscal year 2013 budget request. Total divestitures rise to over 280 aircraft over the fiscal year 2013–2017 Future Years Defense Program (FYDP) period. These divestitures will result in \$8.7 billion in savings across the Active and Reserve components.

In order to balance current and future requirements in the Combat Air Forces (CAF), we are reducing the total number of combat-coded fighter squadrons from 60 to 54 (31 Active squadrons and 23 Reserve component squadrons). As part of a broader strategy to reshape the Air Force into a smaller, yet capable force, we divested 21 F–16 Block 30 aircraft in the Reserve component and 102 A–10s in the Reserve component from the total aircraft inventory. In making these difficult choices, we considered several factors: the relative operational value of weapon systems to counter capable adversaries in denied environments; fleet management principles, such as retiring older aircraft first and prioritizing multi-role aircraft; and operational flexibility, forward-basing, and host-nation commitments. The allocation of reductions between the Active and Reserve components took into consideration the Air Force's surge requirements as directed by the new strategic guidance, the expected future deployment tempo, the need to increase means to accumulate fighter pilot experience, and the imperative to ensure that the Reserve component remains relevant and engaged in both enduring and evolving missions.

In the Mobility Air Forces (MAF), we sized the fleet to a total of 275 strategic airlifters—52 C–5Ms and 223 C–17s. We will seek legislative approval to retire 27 C–5As across fiscal year 2013–2016, going below the National Defense Authorization Act for Fiscal Year 2012 strategic airlift floor of 301 aircraft. This will avert higher sustainment costs for aircraft with substantially less reliability than the C–17 or C–5M. For our intra-theater airlift, the fleet was sized to meet the airlift requirements of the new strategy, including our direct support requirements of ground forces. We will retire 65 C–130Hs across fiscal year 2013–2017 and are divesting the C–27J fleet. After these retirements, we will maintain a fleet of 318 C–130s (134 C–130Js and 184 C–130Hs). Our air refueling fleet is being reduced to 453 tankers after retiring 20 KC–135s. The development and procurement of the KC–46A is on-track for initial delivery in fiscal year 2016 with the strategic basing process underway.

In our ISR aircraft fleet, we plan to divest all 18 RQ–4 Global Hawk Block 30 aircraft and retain the U–2S Dragon Lady program. Due to the reduction in high altitude ISR combat air patrol (CAP) requirements, the need for RQ–4 upgrades to meet current U–2 sensor operational performance levels, and the high operational costs of the RQ–4, continued investment into the U–2 is both the fiscally and operationally responsible choice. Transferring the MC–12W Liberty from the Active component to the Air National Guard (ANG) reflects the assessment that the ANG is the appropriate place for long-term, scalable support of medium altitude ISR. The Active component will retain association with the ANG units. The MC–12W will also perform the mission of the divested RC–26 fleet. Finally, we will retire one E–8C Joint Surveillance Target Attack Radar System (JSTARS) aircraft that is damaged beyond economical repair.

Air Force leaders recognize that proposals to retire aircraft are often contentious and that Congress has at times written legislation blocking or delaying proposed retirements. We are committed to faithfully executing the law; however, we urge the congressional defense committees and Congress as a whole to be especially cautious about proposals to block or delay aircraft retirements that do not provide the additional human and financial resources needed to operate and maintain those airframes. Retaining large numbers of under-resourced aircraft in the fleet in today's fiscally constrained environment will significantly increase the risk of a hollow force. After the intense efforts to find efficiencies over the past few years, the Air Force has only a limited ability to reallocate resources and personnel to uncovered operations without creating major disruption in other critical activities.

*End Strength*

In correlation to the reductions in our aircraft force structure, we are also adjusting our end strength numbers. Since 2004, our Active, Guard, and Reserve end strength has decreased by over 48,000 personnel. By the end of fiscal year 2013, end strength will be reduced a further 9,900 from 510,900 to 501,000. This will result in a reduction in Active Duty military end strength from 332,800 to 328,900, Reserve military end strength will decrease by 900 to 70,500, and Air National Guard military end strength will decrease by 5,100 to 101,600. Although the reductions in

aircraft and personnel carry risk, we are committed to managing that risk and ensuring successful execution of the new strategic guidance.

#### *Reserve Component*

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring core capabilities to the joint warfighter. The Air National Guard (ANG) and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active component, and are invaluable partners in helping us meet our many and varied commitments. This will not change—we will rely on our Air Reserve Component (ARC) as both a strategic and operational reserve. A strategic reserve can be employed to mobilize significant numbers of airmen in the event of a significant national crisis while an operational reserve will still be used to augment day-to-day operations.

Maintaining the appropriate mix of forces between the Active and Reserve components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands within a smaller overall force. Over the years, we have adjusted the mix between Active and Reserve components to ensure we maintained a ready and sustainable force and could meet our surge and rotational requirements. The Air Force has successfully met the demand of increased operations tempo through a combination of volunteerism, selective mobilization, and the establishment of classic, Active, and ARC associations to better manage high activity rates. However, 2 decades of military end strength and force structure reductions in our Active component have shifted the ratio of Active to Reserve component forces. In 1990, the Reserve component represented 25 percent of Total Force end strength; today that percentage is at 35 percent. Reserve component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period.

The Total Air Force leadership carefully considered the ratio between the Active and Reserve components for the proposed force structure reductions in the 2013 budget request. The expected deployment tempo and the need to increase pilot seasoning drove the allocation of reductions between components. The proper ratio between components must be achieved to maintain acceptable operations tempo levels within each component and to preserve the ability of a smaller Air Force to meet continued overseas presence demands and the rapid deployment and rotational force requirements of the strategic guidance.

While the Air Force Reserve and ANG are significantly affected by the proposed 2013 Air Force budget request, they remain essential elements of our Total Force. Due to the magnitude of the budget decline, our programmed reductions are wide-ranging, directly impacting over 60 installations. Thirty-three States will be directly impacted, but all 54 States and territories will be affected in some way by the proposed aircraft and manpower reductions. Although some squadrons will actually grow larger, it is unlikely that there will be a 100 percent backfill of personnel or alternative mission for every location. Without the Total Force re-missioning actions we are proposing, these reductions would have significantly affected 24 units and left 8 installations without an Air Force presence.

In close coordination with our ANG and Air Force Reserve leaders, we have developed a detailed plan that will mitigate the impact by realigning missions to restore 14 of the 24 units. Nine of the remaining 10 units have existing missions, or the mission will transfer from the Air National Guard to the Air Force Reserve. Our plan also maintains an Air Force presence on seven of the eight affected installations. This plan will allow us to preserve an appropriate Active to Reserve component force mix ratio and minimizes the possibility of uncovered missions. The aircraft force structure changes also presented an opportunity for the ANG to realign manpower to ensure proper mission resourcing while simultaneously bolstering ANG readiness. The fiscal year 2013 adjustments in strategy, force structure, and resources allowed us to realign manpower within the ANG to properly source its growing MC-12W and MQ-1/9 missions.

After the proposed force reductions and mitigations, Reserve component end strength will make up 33 percent of Total Force military personnel, a reduction of 2 percent from the fiscal year 2012 numbers. Within the CAF, the Reserve component will have 38 percent of total aircraft which is 4 percent lower than fiscal year 2012. For the MAF, the Reserve component shares shifts from 51 percent to 46 percent. In order to maintain capability, the Air Force intends to grow the number of Total Force Integration associations from 100 to 115. This will enable the seasoning of our Active Duty personnel while improving the combat capacity of our Reserve component.

Readiness is comprised of complementary components, such as flying hours, weapon system sustainment, and facilities and installations. A good readiness posture depends on health in all of these key areas. In spite of aircraft divestments and reduction in personnel, we are committed to executing the defense strategy and will ensure America's Air Force remains ready to perform its mission every day. High operations tempo has had some detrimental effects on our overall readiness, particularly in the context of aging weapons systems and stress on our personnel. Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations Iraqi Freedom and New Dawn and more than 350,000 sorties in support of Operation Enduring Freedom. In 2011, our airmen averaged approximately 400 sorties every day, with December 17, 2011, marking the first day in 20 years that the Air Force did not fly an air tasking sortie in Iraq. Maintaining our ability to be ready across the full spectrum of operations has been challenging in recent years, especially for the CAF and certain limited-supply/high-demand units. We will continue to revise our readiness tracking systems to provide increasingly accurate assessments and mitigate readiness shortfalls. Preserving readiness and avoiding a hollow force was a non-negotiable priority for the Air Force and the DOD in developing the 2013 budget.

#### *Weapons System Sustainment*

During previous budget cycles, the overall Air Force weapons system sustainment (WSS) requirement increased each year due to sustainment strategy, the complexity of new aircraft, operations tempo, force structure changes, and growth in depot work packages for legacy aircraft. In fiscal year 2013, although the Air Force is retiring some combat, mobility, and ISR force structure, our overall weapon system sustainment requirements continue to increase. These cost increases, along with a reduction in the Service's Overseas Contingency Operations (OCO) request, resulted in a slight decrease in the percentage of weapons systems sustainment requirements funded from fiscal year 2012 to fiscal year 2013. WSS is funded at 79 percent of requirement in the fiscal year 2013 budget.

We maintained our readiness capability in the portfolio areas most directly affecting readiness such as aircraft, engines, and missiles, while taking some risk in areas that are less readiness related in the short-term such as technical orders, sustaining engineering, and software. Additionally, the Air Force continues to conduct requirements reviews and streamline organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapon system requirements growth. The goal of these efforts is to sustain fiscal year 2012 weapon system sustainment performance levels for fiscal year 2013.

#### *Facility Sustainment, Restoration, and Modernization*

The sustainment portion of facilities sustainment, restoration and modernization (FSRM) was funded just over 80 percent of the Office of the Secretary of Defense (OSD) facility sustainment model. Due to current fiscal realities the revised strategic guidance, the Air Force is also taking a deliberate pause in its military construction (MILCON) program, resulting in a nearly \$900 million reduction from fiscal year 2012 enacted levels. To manage the risk associated with these actions we continue civil engineering transformation to employ an enterprise-wide, centralized, asset management approach to installation resourcing which maximizes each facility dollar.

#### *Flying Hour Program*

The emphasis on readiness in the new strategic guidance reinforced Air Force focus on the importance of maintaining our flying hour program (FHP). The fiscal year 2013 budget removes flying hours where associated with the retirement of some of our oldest aircraft and divestiture of single-role mission weapon systems. In the remainder of the FHP, however, levels are consistent with fiscal year 2012 levels to prevent further erosion of readiness. The fiscal year 2013 baseline FHP remains optimized as we continue to fly a significant portion of our hours in the Central Command (CENTCOM) area of responsibility (AOR), but still poses a measured risk to our full spectrum training and readiness levels. As operations in the CENTCOM AOR decrease, these OCO hours will migrate back to our baseline program to ensure peacetime FHP requirements are met. We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC-OT) capability and capacity by funding improvements in our LVC-OT devices (e.g., simulators and virtual trainers) and networks.

Although the Air Force has no single rollout metric to measure FHP requirements, we are working toward a set of metrics that clearly articulate the training require-

ments needed to support desired readiness levels. Our challenge is that the diversity of our missions does not lend itself to yardsticks like “hours per crewmember per month.” The Air Force operates a wide variety of aircraft—including multi-role aircraft—that require differing training requirements in amount and type for each aircrew member. In addition, we have critical space and cyber units that involve no aircraft at all. As we develop FHP metrics, we will dovetail our efforts with the work being done at the Cost Assessment and Program Evaluation (CAPE) office at the Office of the Secretary of Defense to study the relationship between defense funding and military readiness and mature necessary metrics and assessment tools.

Even though the Air Force will be smaller in capacity, we will remain highly capable and lethal, as well as ready, agile, and deployable.

#### MODERNIZATION

Looking ahead, the Air Force faces two primary strategic challenges. In the face of declining budgets, we must still provide the essential force structure and capabilities on which the Joint Force depends. Historical and projected uses of U.S. military forces, and our inability to accurately predict the future, make the complete divestment of the capability to conduct any 1 of the 12 Air Force core functions imprudent. Yet, the new strategic guidance also requires continuing modernization of our aging force to address the proliferation of modern threats. Finding the right balance requires a long-range plan that begins with a strategic vision. Implementing across the board cuts will not produce the envisioned Joint Force of 2020.

Accordingly, we carefully scrutinized all our weapons systems and capabilities to determine which require investment today and those that can be deferred. We then made the tough choices to maximize our military effectiveness in a constrained resource environment. Combat and combat support aircraft force structure reductions, coupled with reduced development and procurement of preferred munitions and other key modernization programs, were essential to achieving the Air Force fiscal year 2013 budget targets.

In fiscal year 2013, we have programmed \$35.8 billion for modernization, approximately 33 percent of the Air Force total obligation authority. We are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high priority programs such as the F-35 Joint Strike Fighter, long-range strike bomber, KC-46A refueling tanker, service-life extension of the F-16, Space-Based Infrared and Advanced Extremely High Frequency Satellites (AEHF), and our space launch capability is critical to the Department's overall strategy. Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force, therefore the development of offensive and defensive cyber capabilities remains a top Air Force priority. Additionally, in coordination with the Navy, the Air Force will fund modern radars, precision munitions, and other priorities to support the Air-Sea Battle concept and ensure worldwide power projection despite increasing A2/AD challenges.

To continue funding these high priority investments, we made the hard choices to terminate or restructure programs with unaffordable cost growth or technical challenges such as the RQ-4 Block 30, B-2 Extremely High Frequency radio improvements, and the Family of Advanced Beyond Line of Sight Terminals. We eliminated expensive programs with more affordable alternatives that still accomplish the mission, such as the C-130 Avionics Modernization Program, the C-27J program, and Defense Weather Satellite System (DWSS). Likewise, we discontinued or deferred programs that are simply beyond our reach in the current fiscal environment, such as the Common Vertical Lift Support Platform, Light Mobility Aircraft, and Light Attack and Armed Reconnaissance aircraft. The fiscal year 2013 budget also accepts significant near-term risk in military construction for current mission facilities, limiting ourselves to projects required to support new aircraft bed downs and emerging missions.

Underpinning the Air Force's ability to leverage and field these crucial technologies is America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology and civil aerospace. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

#### MORE DISCIPLINED USE OF DEFENSE DOLLARS

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support, and other less mission-essential areas in an effort to identify \$100 billion in DOD savings for reinvestment. Our fiscal year 2013 budget continues to depend on successfully managing and delivering the \$33.3 billion in Air Force FYDP efficiencies associated with

the fiscal year 2012 PB submission. We are actively managing and reporting on these, as well as the Air Force portion of DOD-wide efficiencies. In light of the current budget constraints, the Air Force continues to seek out opportunities for additional efficiencies.

The fiscal year 2013 budget request includes additional savings of \$6.6 billion from our more disciplined use of defense dollars. This represents \$3.4 billion in new efficiency efforts as well as \$3.2 billion in programmatic adjustments. These reductions continue to focus on overhead cost reductions and spending constraints consistent with Executive Order 13589, "Promoting Efficient Spending," and specific Office of Management and Budget (OMB) spending guidance. Areas in which we are seeking major efficiencies and spending reductions in this budget submission include information technology, service contracts, travel, and inventory.

We are identifying and eliminating duplicate information technology applications across our business and mission system areas. Policies and better spending controls will be placed within modernization and legacy systems sustainment areas. We have committed to save \$100 million in fiscal year 2013 and \$1.1 billion across the FYDP in this area. We continue to put downward pressure on service support contract spending and are committing to an additional \$200 million reduction in fiscal year 2013 and \$1 billion across the FYDP. These efforts are consistent with Secretary of Defense-directed efficiencies across the DOD and OMB guidance to reduce spending by 30 percent from a 2010 baseline. Executive Order 13589 also directs reductions in travel across Departments. The Air Force budget for travel has steadily declined from actual spending of \$984 million in fiscal year 2010 to a budgeted-level of \$810 million in fiscal year 2012. Between Air Force budget reductions and DOD-directed travel reductions, the fiscal year 2013 PB reflects an additional \$116 million travel savings in fiscal year 2013 and \$583 million across the FYDP. Finally, a bottom-up review of base-level inventory is planned, with the intent of identifying consumable and repairable items that are excess, including Government Purchase Card-procured excess inventory. We estimate \$45 million savings in fiscal year 2013 and \$225 million across the FYDP.

#### TAKING CARE OF OUR PEOPLE

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our airmen. Nearly two decades of sustained combat, humanitarian, and stability operations have imposed extraordinary demands on our force. As we look to the future of reduced funding and fewer manpower positions, we are working hard to continue meeting the needs of a 21st century force. The Nation owes a debt of gratitude for the sacrifices made by our airmen and their families.

Despite the difficult budgetary environment, we are committed to our Air Force community. Therefore, quality of service programs must continue as one of our highest priorities. We are sustaining cost-effective services and programs to maintain balanced, healthy, and resilient airmen and families so that they are equipped to meet the demands of high operations tempo and persistent conflict. As our force changes, we must adapt our programs and services to ensure we meet the needs of today's airmen and their families. Developing our airmen will be a key focus as we continue efforts to reduce the "cost of doing business" and develop lighter-footprint approaches to achieving security objectives. We will do this by developing expertise in foreign language, regional, and cultural skills while also ensuring our educational programs focus on current and anticipated mission requirements.

Even as Air Force end strength continues to be reduced, requirements for some career fields—like special operations, ISR, and cyber—continue to grow. We will continue to size and shape the force through a series of voluntary and involuntary programs designed to retain the highest quality airmen with the right skills and capabilities. As we take steps to reduce our end strength, we will offer support programs to help separating airmen translate their military skills to the civilian workforce and facilitate the transition in a way that capitalizes on the tremendous experience in technical fields and leadership that they accrue while serving.

Although retention is at a record high, we must sustain accessions for the long-term and utilize a series of recruiting and retention bonuses to ensure the right balance of skills exist across the spectrum of the force. Enlistment bonuses are the most effective, responsive, and measurable tool for meeting requirements growth in emerging missions, while retention bonuses encourage airmen to remain in, or retrain into, career fields with high operational demands.

We recognize the unique demands of military service and want to ensure that our airmen are compensated in a way that honors that service. Accordingly, the Presi-

dent has announced a 1.7 percent increase in basic military pay for fiscal year 2013. The costs of military pay, allowances, and health care have risen significantly in the last decade. These costs have doubled DOD-wide since fiscal year 2001 while the number of full-time military personnel, including activated Reserves, has increased only 8 percent. As budgets decrease, we must find ways to achieve savings in this area to prevent overly large cuts in forces, readiness, and modernization. As part of a DOD-wide effort, we are looking at a gamut of proposals, including health care initiatives and retirement system changes, to meet deficit reduction targets and slow cost growth. Proposed health care changes will focus on working age retirees and the retirement commission will address potential future changes, with the current force grandfathered into the current system. As we consider these options, we must go forward with balanced set of reductions in the military budget that not only implements the strategic guidance, but also does our part to alleviate the Nation's economic difficulties. Any solutions to this problem will be deliberate, will recognize that the All-Volunteer Force is the core of our military, and will not break faith with the airmen and families who serve our Nation.

With this as a backdrop, the Air Force has approached its investment strategy in a way that seeks to apply our resources to the people, programs, and systems that will best contribute to the new DOD strategic guidance.

#### AIR FORCE CORE FUNCTIONS

The Air Force Core Functions provide a framework for balancing investments across Air Force capabilities and our enduring contributions as we align our resources to the new defense strategic guidance. However, none of these core functions should be viewed in isolation. There is inherent interdependence among these capabilities within the Air Force, the Joint Force, and in some cases, throughout the U.S. Government. The Air Force's budget request of \$110.1 billion reflects the difficult choices that had to be made as a result of Air Force fiscal limitations, while still providing an appropriate balance of investment across our core functions in a way that best supports key DOD military missions. Additional detailed information about each core function, including specific investment figures, can be found in the Budget Overview Book and in the detailed budget justification documents provided to Congress.

#### *Air Superiority*

U.S. forces must be able to deter and defeat adversaries in multiple conflicts and across all domains. In particular, even when U.S. forces are committed to a large-scale operation in one region, they must also be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region. Securing the high ground is a critical prerequisite for any military operation to ensure freedom of action for the Joint Force and the Nation. In making operational plans, American ground forces assume they will be able to operate with minimal threat of attack from enemy aircraft or missile systems. For nearly 6 decades, Air Force investments, expertise, and sacrifice in achieving air superiority have ensured that condition. The last time any American ground forces were killed by an enemy air strike was April 15, 1953.

But while the United States has enjoyed this control of the air for the last 60 years, there is no guarantee of air superiority in the future. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid global mobility, ISR, and precision strike are broadly available to the combatant commander. Fast growing, near-peer capabilities are beginning to erode the legacy fighter fleet's ability to control the air. Likewise, emerging adversaries are developing significant air threats by both leveraging inexpensive technology to modify existing airframes with improved radars, sensors, jammers and weapons, and pursuing fifth-generation aircraft. Simultaneously, current operations are pressing our legacy systems into new roles. As a result, the legacy fighter fleet is accumulating flying hours both faster and differently than anticipated when they were purchased decades ago.

Given these realities, the Air Force's fiscal year 2013 budget request of \$8.3 billion includes initiatives to address current and future air superiority needs. We continue incremental modernization of the F-22 fleet, including Increment 3.2A, a software-only upgrade adding new electronic protection (EP) and combat identification techniques. The fiscal year 2013 budget request includes approximately \$140.1 million for Increment 3.2B, which includes the integration of AIM-120D and AIM-9X capabilities, data link improvements, and faster, more accurate target mapping. We are continuing the F-15 active electronically scanned array radar modernization program, funding the F-15 Advanced Display Core Processor, and funding the development and procurement of an Eagle Passive/Active Warning and Survivability

System. We are also investing in fourth-generation radar upgrades to ensure their continued viability, sustaining the development and procurement of preferred air-to-air munitions and select electronic warfare enhancements, and resourcing critical readiness enablers, including training capabilities and modernized range equipment.

As part of our air control alert mission, the Air Force, working closely with U.S. Northern Command, reduced full-time Air National Guard requirements at two sites while maintaining overall surveillance and intercept coverage.

#### GLOBAL PRECISION ATTACK

A critical component of the broader mission to deter and defeat aggression is the Air Force's ability to hold any target at risk across the air, land, and sea domains through global precision attack. Global precision attack forces perform traditional strike and customized ISR roles to support joint and coalition ground forces every day. However, as A2/AD capabilities proliferate, our fourth-generation fighter and legacy bomber capability to penetrate contested airspace is increasingly challenged.

The A2/AD threat environment prescribes the type of assets that can employ and survive in-theater. While the Air Force provides the majority of these assets, success in this hazardous environment will require a combined approach across a broad range of assets and employment tools. Even then, these will only provide localized and temporary air dominance to achieve desired effects. Simultaneously, ongoing contingency operations in a permissive, irregular warfare environment at the lower end of the combat spectrum require adapted capabilities, including longer aircraft dwell times and increasing use of our platforms in unique intelligence gathering roles. Our fiscal year 2013 budget request of \$15.5 billion applies resources that will help the Air Force best meet threats in evolving A2/AD environments.

To enhance our global strike ability, we are prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35 Joint Strike Fighter, the centerpiece of our future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between Services and partner nations. The fiscal year 2013 budget includes approximately \$5 billion for continued development and the procurement of 19 F-35A conventional takeoff and landing (CTOL) aircraft, spares, and support equipment. In fiscal year 2013 we deferred 98 CTOLs from the F-35A program.

As we move toward fifth-generation recapitalization, we are funding fourth-generation fighter modernization to ensure a capable global attack fleet. Reserve Component recapitalization will begin based on F-35 production rates, basing decisions, the F-16 service life extension program (SLEP), and combat avionics programmed extension suite. The Air Force will continue to plan and program for approximately 350 F-16 service life extensions and capability upgrades over the FYDP to ensure a viable F-16 combat capability across the total force and to mitigate the effects of F-35 procurement rate adjustments on the total fighter force capacity during completion of system development and low-rate initial production.

In our fiscal year 2013 submission, we accepted risk by retiring 102 A-10s and 21 F-16s. Although the A-10 remains essential for combined arms and stability operations, we chose to retire more A-10s because other multi-role platforms provide more utility across the range of the potential missions. We are retaining enough A-10s to meet the direction of the new strategic guidance to maintain readiness and capability while avoiding a hollow force.

We are modernizing conventional bombers to sustain capability while investing in the Long-Range Strike Family of Systems. The bomber fleet was retained at its current size because we recognized the importance of long range strike in the current and future security environments. The Air Force is enhancing long-range strike capabilities by upgrading the B-2 fleet with an improved defensive management system (DMS) and a new survivable communication system, and is increasing conventional precision guided weapon capacity within the B-52 fleet. We are investing \$191.4 million in modernizing the B-1 to prevent obsolescence and diminishing manufacturing sources issues and to help sustain the B-1 to its approximate 2040 service life. In addition to aircraft modernization, we are upgrading our B-1 training and simulator systems to match aircraft configuration and ensure continued sustainability. We are also seeking legislative assistance to repeal Public Law 112-81 § 132 which limits the use of funds to retire six B-1s as proposed in the fiscal year 2012 budget. This repeal would allow the DOD and the Air Force to execute the retirement of three combat-coded and three training-coded B-1s in fiscal year 2012.

Procuring a new penetrating bomber is critical to maintaining our long-range strike capability in the face of evolving A2/AD environments. The new long-range, penetrating, and nuclear-capable bomber (LRS-B), which will be capable of both manned and unmanned operations, will be designed and built using proven technologies, and will leverage existing systems to provide sufficient capability. It will also permit growth to improve the system as technology matures and threats evolve. We must ensure that the new bomber is operationally capable before the current aging B-52 and B-1 bomber fleets are retired. LRS-B is fully funded at \$291.7 million in the fiscal year 2013 budget.

#### GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Global integrated ISR includes conducting and synchronizing surveillance and reconnaissance across all domains—air, space, and cyber. These ISR capabilities produce essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing and rapidly disseminating critical information to national- and theater-level decisionmakers across the spectrum of worldwide military operations. Air Force ISR growth and improvement over the last decade has been unprecedented. Because of the dynamic nature of the operating environment, the Air Force conducted an extensive review of the entire Air Force ISR enterprise in 2011 to inform future planning and programming decisions. Even as the United States plans to reduce our military presence in CENTCOM AOR, combatant commands will continue to use our ISR capabilities to combat global terrorism, provide global and localized situational awareness, and support future contingencies.

Recognizing the need for continued and improved ISR capabilities, and based on the 2011 ISR review, the Air Force is investing \$7.1 billion in this core function in fiscal year 2013. We are continuously improving the current suite of capabilities and will field the MQ-9 Reaper to meet delivery of 65 remotely piloted aircraft (RPA) combat air patrols (CAPs) by May 2014. We are actively managing our procurement rate of MQ-9s to efficiently increase RPA fleet size while allowing for necessary aircrew training. We are extending operations for the U-2 Dragon Lady manned aircraft, in lieu of investing more heavily in the RQ-4 Block 30 Global Hawk fleet. Despite early predictions, the savings anticipated by the use of Global Hawks have not come to fruition and we will not invest in new technology at any cost. Divesting the RQ-4 Block 30 fleet and extending the U-2 will save the Air Force \$815 million in fiscal year 2013 and \$2.5 billion across the FYDP. Sustaining the U-2 fleet will ensure affordable and sustained high altitude ISR for the combatant commanders and joint warfighters.

We will maintain investment in the MC-12 Liberty as we transfer it to the Air National Guard, but we will establish Active unit associations to meet combat air patrol and surge requirements. The MC-12 will also perform the mission carried out by the RC-26 as we divest 11 of those aircraft from the Air National Guard (ANG). In the ANG, six RPA units have been or are currently being established, and an additional five units will stand-up in fiscal year 2013. An ANG ISR group with two squadrons will be established to conduct ISR in cyberspace and to conduct digital network intelligence and cyber target development.

We are developing a more balanced and survivable mix of airborne platforms to enable continued operations in permissive environments and to enable operations in A2/AD environments. We are exploring innovative ways to leverage space and cyberspace capabilities as part of the overall mix of ISR capabilities and partner with joint, coalition, and interagency partners, including the use of Air-Sea Battle as a framework to develop required capabilities for the Joint fight. We are investing \$163 million in fiscal year 2013 in our ground processing enterprise, the Distributed Common Ground System, and will continue migration to a service-oriented architecture to handle the increasing quantities of ISR data that is integrated and delivered from emerging sensors and platforms operating in all domains. We will also improve our ability to move information securely and reliably over information pathways. Finally, we are improving analyst capability through improved training, automation and visualization tools while we deliberately plan for future operations using a refined capability planning and analysis framework.

#### CYBERSPACE SUPERIORITY

Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force. Today's modern forces require access to reliable communications and information networks to operate effectively at a high operations tempo. Air Force and DOD networks face a continuous barrage of assaults from individual hackers, organized insurgents, state-sponsored actors, and all level of threats in between. Our adversaries are also realizing gains from electronically



linking their combat capabilities. This is creating new warfighting challenges that the Joint Force must be prepared to address. As we work to ensure our freedom of movement in cyberspace, we will also work with Service, Joint, and Interagency partners on additional and further-reaching cyberspace initiatives.

We are using a cyber strategy which not only improves the Air Force's ability to operate in cyberspace, but also mitigates constantly increasing infrastructure costs. This approach focuses on near-term FYDP investments to automate network defense and operations which increase both combat capacity and effectiveness. This effort, led by 24th Air Force, under Air Force Space Command, includes continued development of the Single Integrated Network Environment which provides a seamless information flow among air, space, and terrestrial network environments, and most importantly, mission assurance to the warfighter.

Our fiscal year 2013 budget request for cyberspace superiority is \$4.0 billion. With these funds, we are expanding our ability to rapidly acquire network defense tools, such as Host Based Security System, a flexible, commercial-off-the-shelf (COTS)-based application to monitor, detect, and counter cyber-threats to the Air Force Enterprise. We are also investing in advanced technologies to monitor and secure both classified and unclassified networks. We have made considerable progress in our efforts to meet the emerging challenges and threats in cyberspace by fielding a Total Force of over 45,000 trained and certified professionals equipped to ensure continuity of operations in cyberspace. The establishment of an additional ANG network warfare squadron (NWS) will enhance the Maryland ANG 175th NWS as they actively conduct cyber defense to protect networks and systems. The Air Force Reserve will also stand up an Active association network warfare squadron with the 33rd Network Warfare Squadron at Lackland AFB, TX.

To keep with the rapid pace of technology, the Air Force is developing Joint standardization and acquisition strategies to enable quick delivery of cyber capabilities to address constantly evolving and more technologically advanced cyber threats and to improve intelligence capabilities in cyberspace. The Air Force is spending \$27.3 million on the Air Force Wideband Enterprise Terminal, leveraging Army procurement efforts for significant quantity savings, Joint standardization, interoperability, and enabling wideband global satellite communication (SATCOM) Ka-band utilization, resulting in greater bandwidth for deployed warfighters. The Air Force continues efforts toward the single Air Force network, which increases Air Force network situational awareness and improves information sharing and transport capabilities. For future budget requests, the Air Force is working with DOD to define near- and long-term solutions to deliver warfighting communication capabilities, such as Family of Advanced Beyond Line of Sight Terminals (FAB-T) and upgrading the Air Force's wideband enterprise terminals to provide Joint standardization and greater bandwidth.

#### SPACE SUPERIORITY

America's ability to operate effectively across the spectrum of conflict also rests heavily on Air Force space capabilities. Airmen provide critical space capabilities that enhance the DOD's ability to navigate accurately, see clearly, communicate confidently, strike precisely, and operate assuredly. General purpose forces, the Intelligence Community, and SOF depend on these space capabilities to perform their missions every day, on every continent, in the air, on the land, and at sea. In addition, space operations help ensure access and use of the global commons, enabling a multitude of civil and commercial activities such as cellular communications, commercial and civil aviation, financial transactions, agriculture and infrastructure management, law enforcement, emergency response, and many more. Like air superiority, space-based missions can easily be taken for granted.

The Air Force has maintained its record of successful space launches, began on-orbit testing of the first AEHF military communications satellite, and launched the first Space Based Infrared System geosynchronous satellite. Our ability to deliver space capabilities is currently without equal. As we become a smaller, leaner force in accordance with the new defense strategic guidance, the leveraging and multiplying effects that space provides will become increasingly important. Improving space situational awareness will be key to protecting the unique advantage space provides.

Rapid technology advancements and the long-lead time for integrating and fielding new space technology results in an ongoing need to plan, design, and implement space advancements. We must procure our space systems at the lowest cost possible while providing assured access to space. Our innovative acquisition strategy for the

Efficient Space Procurement (ESP)<sup>1</sup> of complex space systems is designed to identify efficiencies and use those resources to provide enduring capability and help provide stability to the space industrial base. While we are modernizing and sustaining many of our satellite constellations, funding constraints have slowed our ability to field some space capabilities as rapidly as is prudent. Therefore, as we continue to sustain our current level of support to the warfighter, the current fiscal environment demands that we explore alternate paths to provide resilient solutions. As we incorporate the tenets of the new National Security Space Strategy, we are actively developing architectures that take into consideration the advantages of leveraging international partnerships, commercial space capabilities, and hosted payloads. One example being tested is a commercially hosted infrared payload (CHIRP) launched from Guiana Space Center, Kourou, French Guiana, which begins to explore the utility of a dedicated payload for missile warning hosted on a commercial communications satellite.

With the \$9.6 billion in funds for space programs in the fiscal year 2013 budget request, the Air Force is recapitalizing many space capabilities, fielding new satellite communications systems, replacing legacy early missile warning systems, improving space control capabilities, and upgrading position, navigation and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and the acquisition of GPS III satellites. Consistent with the 2012 National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act, the Air Force is canceling the DWSS, saving \$518.8 million in fiscal year 2013 and \$2.38 billion over the FYDP. The Defense Meteorological Satellite Program (DMSP) will continue to fulfill this critical requirement as the Air Force determines the most prudent way forward.

We are seeking legislative support in repealing the establishment of the Operationally Responsive Space (ORS) Program Office. Rather than funding a single organization with a very broad and diverse mandate, we have determined that embedding resilience and operational responsiveness in the architecture of individual space mission areas represents a better approach. The closure of this office will require repeal of 10 U.S.C. § 2273a, the enabling legislation for ORS. Key personnel and capabilities, funded at lower levels, will become part of the Air Force Space and Missile Center.

#### NUCLEAR DETERRENCE OPERATIONS

Credible nuclear capabilities are required to deter potential adversaries from attacking our vital interests and to assure our allies of our commitments. Although the threat of global nuclear war has become more remote since the end of the Cold War, the prospect of nuclear terrorism has increased. Proliferation of nuclear weapons, especially among regional power aspirants, is on the rise. Advanced air defenses increasingly threaten the survivability of current bombers. Area denial and ballistic missile threats reduce our basing options and challenge the responsiveness and survivability of long range strike. As a result, the United States must shape its deterrent forces to maintain the attributes which lead to stability among major powers and which extend deterrence for regional challenges and non-state actors while assuring allies.

The Air Force is responsible for two of the three legs of the nuclear triad and continuing to strengthen the Air Force nuclear enterprise remains a top Air Force priority. Air Force investment in our bombers and intercontinental ballistic missile (ICBM) systems reflects our commitment to the nuclear deterrence mission well into the future. Our request of \$5.1 billion for this core function in fiscal year 2013 increases sustainment for the Minuteman III ICBM through 2030 with fuze component replenishment and replacement programs, as well as new transporter erectors. We are also enhancing long-range strike capabilities by upgrading the B-2s with an improved DMS and a new survivable communication system. These investments will ensure the Air Force maintains the capability to operate and sustain safe, secure and effective nuclear forces to deter adversaries, project power into denied environments, hold any target at risk, and respond appropriately if deterrence fails. In particular, the responsiveness of the ICBM leg and the flexibility of the bomber leg are valued attributes in the new strategic setting. We are committed to a future force that will have the flexibility and resiliency to adapt to changes in the geopolitical environment or cope with potential problems in the nuclear stockpile.

The new Strategic Arms Reduction Treaty requires the United States to reduce warheads and delivery capacity by 2018. Our fiscal year 2013 budget request includes \$20.1 million to fund treaty preparatory actions that began in fiscal year

<sup>1</sup> Previously known as Evolutionary Acquisition for Space Efficiency (EASE).

2012 and additional actions necessary to accomplish the treaty-required reductions by 2018. While final force structure decisions have not yet been made, we are continuing to develop detailed plans, working with the DOD and U.S. Strategic Command, for executing force reduction decisions which retain the attributes of the Triad needed for 21st century deterrence.

#### RAPID GLOBAL MOBILITY

The Air Force provides unparalleled in-flight refueling and cargo carrying capacity in support of worldwide operations. Mobility forces provide vital deployment and sustainment capability for joint and coalition forces by delivering essential equipment, personnel, and materiel for missions ranging from major combat operations to humanitarian relief operations. Achieving unprecedented survival rates, our highly skilled aeromedical transport teams swiftly evacuate combat casualties, ensuring our wounded warriors receive the best possible medical care. A unique Air Force contribution, rapid global mobility must be maintained on a scale to support DOD force structure and national strategic objectives.

On any given day, the Air Force fleet of C-17s and C-5s deliver critical personnel and cargo, provide airdrop of time-critical supplies, food, and ammunition, and enable rapid movement of personnel and equipment. Air Force air refueling aircraft will continue to play a vital, daily role in extending the range and persistence of almost all other Joint Force aircraft. The Air Force remains committed to fully funding the acquisition of the new KC-46A tanker with \$1.8 billion in research, development, testing, and evaluation (RDT&E) in fiscal year 2013, while also resourcing critical modernization programs for the KC-10 and KC-135 fleets. This will ensure our Nation retains a tanker fleet able to provide crucial air refueling capacity for decades to come. The retirement of 20 KC-135s is consistent with our analysis of warfighting scenarios based on the strategic guidance and will result in savings of \$22.5 million in fiscal year 2013. As part of our energy efficiency initiatives, we plan to begin upgrading 93 KC-135 engines in fiscal year 2013 and 100 more each year through the FYDP. We anticipate overall savings in fuel and maintenance of \$1.5 billion from this \$278 million investment.

In addition, with our fiscal year 2013 budget request of \$15.9 billion in rapid global mobility funds, the Air Force will continue to modernize its inter-theater airlift fleet of C-17s and C-5s. To move towards a common fleet configuration, the Air Force is investing \$138.2 million in fiscal year 2013 for the Global Reach Improvement Program (GRIP). The GRIP brings the multiple variants of C-17 to a standard configuration, designated the C-17A, that will provide efficiencies in operations and weapon system sustainment. We also plan to transfer eight C-17s from the Active component to the ANG in fiscal year 2013, and an additional eight in fiscal year 2015. We are modernizing the most capable C-5 airframes while retiring the final 27 of the oldest model, the C-5A. On the remaining 52 C-5s, the Air Force is investing \$1.3 billion in modernization in fiscal year 2013 to improve capability and reliability, including \$1.23 billion on the Reliability Enhancement and Re-engining Program. We currently have seven operational C-5Ms. The retirement of the last C-5A by fiscal year 2016 is timed to match the completion of the last C-5M upgrade.

Because the strategic guidance reduced the overall requirement for intra-theater airlift, we are retiring C-130H aircraft (39 in fiscal year 2013 and a total of 65 over the FYDP). These older aircraft would require costly modification or modernization to remain viable. We will maintain the necessary intra-theater airlift capability and capacity by completing the recapitalization of older C-130E/H aircraft with the C-130J. The remaining legacy C-130H aircraft are being modernized to reduce sustainment costs and ensure global airspace access.

Finally, after rigorous mission analysis, we determined the mission performed by the C-27J fleet could be performed by the C-130 fleet which is fully capable of meeting direct ground support and homeland defense requirements.<sup>2</sup> The fiscal constraints that demand we become a smaller Air Force also support the decision to retain aircraft that have multiple role capabilities, like the C-130. Therefore, all 21 C-27Js in the current fleet will be retired and we are canceling procurement of 17 additional aircraft. Without question, the Air Force's commitment to support time-sensitive, mission-critical direct airlift support to the Army is unaltered by the divestment of the C-27J.

<sup>2</sup> Six of the seven Air National Guard units that are affected by the divestment of the C-27J fleet are being backfilled with MC-12W Liberty, ISR/cyber, MQ-9, or C-130 units.

## COMMAND AND CONTROL

Command and control (C2) of our forces has never been more vital or more difficult than in the highly complex 21st century military operations that depend on close joint and coalition coordination. C2 is the key operational function that ties all the others together to achieve our military objectives, enabling commanders to integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. No longer in a Cold War technological environment, the Air Force is transforming its C2 to an internet protocol-based net-centric warfighting capability. To do so, the Air Force must sustain, modify, and enhance current C2 systems, and develop deployable, scalable, and modular systems that are interoperable with joint, interagency, and coalition partners.

The Air Force is focusing its attention to modernization efforts to operate in A2/AD environments with our fourth- and fifth-generation weapon systems. In doing so, the Air Force will continue to use a balanced approach across the C2 portfolio by investing in sustaining legacy platforms while modernizing our C2 aircraft fleet and ground operating nodes only as needed to sustain our capability. Our fiscal year 2013 budget request of \$5.8 billion for C2 includes \$200 million to support secure and reliable strategic level communications through the E-4 National Airborne Operations Center (NAOC). We are also spending \$22.7 million to begin fielding a cockpit modernization development program to sustain the capability of the existing Airborne Warning and Control System (AWACS) platform and we will continue to modernize and sustain the Theater Air Control System Command and Control Centers (CRC). The modernization of the Air Operations Center (AOC) will move this weapon system to an enterprise system which can accept rapid application upgrades and enable future warfighting concepts.

To reduce unnecessary cost, the Air Force will retire one JSTARS aircraft that is beyond economical repair, saving the Air Force \$13 million in fiscal year 2013 and \$91 million over the FYDP. The JSTARS re-engining system development and demonstration (SDD) flight test program completed in January 2012; however, because the NDAA for Fiscal Year 2012 reduced re-engining funding, full completion of the re-engining SDD is under review. The JSTARS re-engining program is not funded in fiscal year 2013. We also terminated our portion of the Army-managed Joint Tactical Radio System (JTRS) small airborne radio program that was over cost and behind schedule and will instead leverage industry-developed hardware, while continuing the development of the required radio waveforms. The termination of this program and the associated non-recurring engineering will save \$294 million in fiscal year 2013 and \$3.2 billion over the FYDP.

## SPECIAL OPERATIONS

Success in counterterrorism and irregular warfare missions requires the ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Force special operations capabilities continue to play a vital role in supporting U.S. Special Operations Command and geographic combatant commanders. SOF depend on a balanced force of air, sea, and land capabilities; Air Commandos bring specialized expertise for infiltration and exfiltration and the kinetic and non-kinetic application of airpower that are essential to joint special operations capabilities.

Our investments in SOF must strike a balance between winning today's fight and building the Joint special operation force of the future, including the ability to act unilaterally when necessary. Despite the challenging fiscal environment, with our budget request of \$1.2 billion, the Air Force was able to sustain nearly all of the SOF aviation improvements realized over the past several years. The programmed buy of 50 CV-22 Ospreys will complete in fiscal year 2014, and the procurement of MC-130Js for the recapitalization of 37 MC-130E/Ps will also complete in fiscal year 2014. MC-130H/W recapitalization will begin in fiscal year 2015, a year earlier than scheduled in the fiscal year 2012 PB, which ensures a continued, more capable SOF mobility fleet. The Air Force is modernizing our SOF precision strike capability by procuring AC-130Js, on a one-for-one basis, to recapitalize our legacy AC-130Hs. We are also ensuring our Battlefield Airmen continue to receive first-class equipment and training by adding funds to operations and maintenance accounts.

## PERSONNEL RECOVERY

The Air Force remains committed to modernizing crucial combat search and rescue (CSAR) capabilities. The additional use of personnel recovery (PR) forces for medical and casualty evacuation, humanitarian assistance, disaster response, and

civil search and rescue operations has steadily risen since the early 1990s. This increase in usage has taken its toll on the aircraft and significantly affected availability. Currently, Air Force PR forces are fully engaged in the CENTCOM and Africa Command AORs, accomplishing lifesaving medical and casualty evacuation missions. They are also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief, and mass casualty evacuation missions. The dynamic geopolitical environment suggests that the continued need for PR forces to conduct non-permissive CSAR in contingency operations and permissive humanitarian assistance, disaster response, and civil search and rescue operations will remain.

To ensure the Air Force is able to provide this vital core function in the future, we are recapitalizing our fixed wing aircraft, replenishing our rotary wing aircraft through the Operational Loss Replacement (OLR) program, and replacing aging rotary wing aircraft through the Combat Rescue Helicopter (CRH) program. The \$1.4 billion fiscal year 2013 budget request for PR includes \$152.2 million for the HC-130J and \$183.8 million for the OLR and CRH programs. The fiscal year 2013 RDT&E funding for the CRH was reprogrammed to support the acquisition of two test aircraft. The program remains on track to produce a replacement for the HH-60G through a full and open competition, with initial operational capability planned for fiscal year 2018. The Air Force also continues to fund the HH-60G and HC-130 sustainment programs while continuing to invest in the Guardian Angel program that provides first-class equipment and training for the rescue force.

#### BUILDING PARTNERSHIPS

Building the capacity of partner governments and their security forces is a key element in our national security strategy. The establishment of strong, foundational aviation enterprises in our partner nations enables successful, sustainable security within their own borders while contributing to regional stability. Successful partnerships ensure interoperability, integration and interdependence between air forces, allowing for effective combined and coalition operational employment. These partnerships also provide partner nations with the capability and capacity to resolve their own national security challenges, thereby reducing the potential demand for a large U.S. response or support.

The necessity for partnering is evident every day in Afghanistan where U.S. and coalition air forces provide flexible and efficient airpower support to International Security Assistance Force operations. In both Iraq and Afghanistan, airmen are building the capabilities and capacities of the Iraqi and Afghanistan air forces so that they can successfully employ airpower in their own right. In addition, the success of the Libya operations last year can be partly attributed to years of engagement that led to improved interoperability and highly capable and equipped partner nations.

These international engagements require airmen to perform their duties effectively and achieve influence in culturally-complex environments around the globe. Fielding the Joint Strike Fighter and other platforms will help further our partnerships with more established allies. The U.S. role in the 12-nation Strategic Airlift Consortium enables a unique fully operational force of three C-17s to meet the airlift requirements of our European allies. The fiscal year 2013 budget request of approximately \$300 million in this core function continues to fully resource the Strategic Airlift Consortium effort at Papa AB, Hungary. The Air Force also committed to field a new aviation detachment in Poland.

Due to fiscal constraints, the Air Force terminated the Light Attack Armed Reconnaissance and the Light Mobility Aircraft programs; however, the Air Force believes this requirement can be substantially met with innovative application of Air National Guard State Partnership Programs and Mobility Support Advisory Squadrons. We are working with partner nations to build and sustain ISR capacity and help them effectively counter threats within their borders. We are also pursuing international agreements to increase partner satellite communication, space situational awareness, and global positioning, navigation, and timing capabilities.

The Air Force also recognizes that it cannot build effective international partnerships without effective U.S. Government interagency partnerships. To that end, we are a strong supporter of State-Defense exchanges and other programs that provide interagency familiarity and training.

#### AGILE COMBAT SUPPORT

Underpinning our capacity to perform the missions in these core functions is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations—from the training, education, and development of our airmen

to excellence in acquisition. The fiscal year 2013 budget request includes \$31.0 billion for agile combat support.

We will continue to support our airmen and their families through quality of life and support services such as child care and youth programs and initiatives, medical services and rehabilitation for wounded warriors, improvements to dining facilities, food delivery, fitness centers, and lodging. We are partnering with local communities, where feasible, to provide the highest quality support, and we are changing the way that we provide services so that airmen and their families are more able to easily access and receive the support they need. To ensure we continuously focus on and improve readiness and build a more agile and capable force, we have strengthened technical and professional development by enhancing technical training, professional military education, and language and culture programs.

The Air Force is committed to sustaining excellence with a smaller force. We remain attentive to force management efforts and continue to size and shape the force to meet congressionally-mandated military end strength. A series of voluntary and involuntary force management efforts have been successful in reducing Active Duty end strength. Force management programs in fiscal year 2012 include voluntary and involuntary programs which lessen the need for involuntary actions in fiscal year 2013. We are posturing accessions for the long-term and ensuring the right balance of skills exists to meet operational requirements. The Air Force will meet its OSD-directed civilian end strength target for fiscal year 2012 and the fiscal year 2013 PB makes minor adjustments to our civilian end strength. The Force Management Program is not a quick fix, but a tailored, multi-year effort to manage the force along the 30-year continuum of service.

We are improving acquisition processes, recently completing implementation of the Acquisition Improvement Plan (AIP). We have also institutionalized the "Better Buying Power" (BBP) initiatives promulgated by the Under Secretary of Defense for Acquisition, Technology and Logistics and are expanding those improvements through our Acquisition Continuous Process Improvement 2.0 (CPI 2.0) effort. The major elements of the CPI 2.0 initiative—process simplification, requirements, realizing the value proposition, and workforce improvement—will build upon the BBP initiatives and continue our momentum in improving our acquisition workforce skills.

We are ensuring the Air Force continues to have war-winning technology through the careful and proactive management of our science, technology, engineering, and mathematics (STEM) workforce and improving our means to attract and recruit future innovators for the Air Force. Properly funding our science and technology laboratories enables them to continue discovering, developing, and demonstrating high payoff innovations to address the changing strategic environment and sustain air, space, and cyberspace superiority. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

Science and technology investments are also a key toward enhancing our energy security and meeting our energy goals. The Air Force is requesting over \$530 million for aviation, infrastructure, and RDT&E energy initiatives in fiscal year 2013 to reduce energy demand, improve energy efficiency, diversify supply, and increase mission effectiveness. A focus of these initiatives is to improve our energy security by diversifying our drop-in and renewable sources of energy and increasing our access to reliable and uninterrupted energy supplies. We are investing more than \$300 million in energy RDT&E, which includes \$214 million for the fiscal year 2013 Adaptive Engine Technology Development (AETD) initiative. This initiative will build upon the Adaptive Versatile Engine Technology (ADVENT) effort to reduce energy consumption and improve efficiency and reliability of future and legacy aircraft.

We are continuing to support an important aspect of our readiness posture through weapons system sustainment, the requirements for which have grown due to the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for legacy aircraft. We are mitigating overall WSS growth through efficiency efforts and requirements reviews. WSS funding through OCO supplemental requests remains critical while we continue to be engaged in these global operations. For fiscal year 2013, we are seeking \$11.6 billion in WSS (including OCO). We are committed to retaining three strong organic depots. In fiscal year 2012, we are investing approximately \$290 million in new technologies and infrastructure in all of our depots. Although we may have a short-term challenge to meet the Title 10, § 2466 Depot 50/50 Rule requirements due to force structure changes, we have a robust plan in place to perform organic repair for future weapon systems like the KC-46A.

As noted earlier, Air Force continues to emphasize the importance of maintaining readiness in support of our FHP. The Air Force's \$44.3 billion fiscal year 2013 oper-

ations and maintenance request supports 1.17 million flying hours for new pilot production, pilot development, maintenance of basic flying skills, as well as training of crews to support combatant commander priorities.

Facility sustainment, restoration and modernization and MILCON are essential tools for providing mission capability to our warfighters. The \$441 million in MILCON funding, a \$900 million decrease from fiscal year 2012 enacted levels, represents a conscious decision to take a deliberate pause in MILCON investment. During this pause, we will maintain funding levels for facility sustainment at \$1.4 billion and restoration and modernization at \$718.1 million. We will continue to fund the most critical construction priorities of our combatant commanders and the Air Force, including projects aligned with weapon system deliveries—supporting beddowns for the F-22, F-35, HC-130J/C-130H, and MQ-9. In addition, our investment funds some much-needed support to our airmen, with \$42 million in dormitory recapitalization.

#### CONCLUSION

Given the continuing complexity and uncertainty in the strategic environment, and facing substantial budget reductions, DOD and Air Force resources are appropriately targeted to promote agile, flexible, and cost effective forces, and to mitigate strategic risks. The fiscal year 2013 Air Force budget request reflects the extremely difficult choices that had to be made that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's and tomorrow's wars, prevent and deter conflict, and prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the All-Volunteer Force. Additional reductions would put at risk our capability to execute the new strategic guidance.

We are confident in our airmen and their families. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources. As they have time and again, our airmen innovators will find new and better ways to approach future military challenges across the spectrum of domains and against nascent threats. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of \$110.1 billion for fiscal year 2013.

Chairman LEVIN. Thank you very much, General.

We'll start with 7-minute round.

First, to both of you: DOD created a new defense strategy to guide creation of the fiscal year 2013 defense budget request. Did you both have an opportunity to provide input in the development of that strategy and in your view does the budget request support the strategy and do you support the budget request? Mr. Secretary?

Secretary DONLEY. Yes, sir. The Chief and I both had opportunities to participate in all the Department's deliberations, which includes deliberations with the President on the strategic guidance, and we believe we are supporting that in our proposed budget proposal.

Chairman LEVIN. Thank you. General?

General SCHWARTZ. I would agree with that, sir.

Chairman LEVIN. Thank you.

Now, the Air Force is proposing some major force structure reductions. The Air Force chose to apply these reductions more heavily to the Air National Guard. The Air Force plan would cut the end strength for Active-Duty Forces by 1.2 percent while the Air National Guard would be cut four times as much, 4.8 percent, four times as much percentage-wise.

I have some real problems with these proposed force reductions. For instance, the Air Force asserts that the cut to the A-10 force falls more heavily on the Air National Guard forces because the Air Force will need to keep more of the force in the Active component due to forward deployments and dwell time considerations. Here's the problem with that. First, the Guard's A-10s have more than

shown their ability to support wartime operations, including in Afghanistan.

Second, at the same time that you proposed these major cuts in the overall force and in the Guard particularly, you're going to be increasing the number of A-10 aircraft in Active Duty training squadrons, and you also have some new defense strategic guidance. Despite that guidance, the Air Force is reducing its forward-stationed fighter presence in Europe by only one squadron, and that would leave five to six fighter squadrons in Europe. These are F-15s and F-16s.

Now, the Council of Governors has made a proposal to you to restore some end strength and force structure to the Guard. The specific question is, if you have discussed this matter with the governors, are you still in discussions with the governors?

Secretary DONLEY. Yes, Mr. Chairman, we are.

Chairman LEVIN. Are you willing to reconsider your proposed reductions in the Guard and the structure of the Guard if those discussions lead to that result?

Secretary DONLEY. Well, I need to defer to the Secretary of Defense, who offered this opportunity to the Council of Governors about, I think about 2 to 3 weeks ago now. We have met with the Council of Governors or their representatives several times in the last couple of weeks and I would say those discussions are ongoing at this point.

We have not yet had an opportunity to brief DOD leadership on the status of our work. We expect to do that later this week.

Chairman LEVIN. So those discussions are ongoing?

Secretary DONLEY. Yes, sir.

Chairman LEVIN. Are you willing to reconsider the proposed reductions after the conclusion of those discussions? Is it possible, in other words, that those discussions will lead to some changes in your proposal?

Secretary DONLEY. It's possible, sir. This is a decision for the Secretary of Defense, again, who opened up this opportunity to the Council of Governors and he will have to assess the progress and the value of whatever proposition is laid before him.

Chairman LEVIN. Will you get back to us on this matter prior to markup on the defense bill, which is in about a month and a half?

Secretary DONLEY. We will.

[The information referred to follows:]

From March 4, 2012, to date, Headquarters Air Force (HAF) and National Guard Bureau staffs conducted a comprehensive review of the Council of Governor's (CoG) proposal. Over 1,000 man-hours were expended by the two staffs to complete the necessary analysis. Based on criteria approved by the Secretary of the Air Force, and conveyed to the CoG representatives, they evaluated the impacts based on five criteria in the categories of demand, weapons systems, manpower, cost, and policy, consistent with the fiscal year 2012 Program Objective Memorandum development criteria. These criteria encompassed considerations such as meeting combatant commanders' demand requirements, fiscal implications, training requirements, and personnel effects to include rated manning and sustaining the force. The results of this analysis determined the CoG proposal did not meet any of the five criteria. In particular, the proposal retained combat force structure unnecessary to meet the Defense Strategic Guidance, produced an unacceptable impact to the combatant commanders (U.S. European Command and U.S. Africa Command), reduced the Total Force's capacity to meet worldwide rotational requirements, adversely impacted the sustainability of the force, and imposed an additional cost on the Air Force budget of between \$528 million to \$805 million, an amount we view as unaffordable. After



discussing the analysis with The Adjutants General (TAGs) representing the CoG, the HAF and Air National Guard (ANG) Bureau teams met multiple times daily between March 6th and 9th to jointly evaluate three additional excursions with differing sourcing and/or numbers of F-16, KC-135, A-10, and C-130 aircraft. On March 9, the Secretary and Under Secretary of the Air Force, the Air Force Chief and Vice Chief of Staff, the Chief of the National Guard Bureau, and the Director of the ANG conducted a video teleconference with the CoG co-chair TAGs from Washington and Iowa when two additional excursions were discussed. All these options attempted to provide the ANG with combat and/or enabler missions sourced from various locations, to include reallocation of assets within the ANG. These options were not acceptable to the CoG. The Air Force's analysis is currently undergoing review by Office of the Secretary of Defense's (DOD) Cost Analysis and Program Evaluation office.

The force structure programmed in the fiscal year 2013 President's budget, represents optimized capability and capacity to meet the new DOD strategic guidance while satisfying the fiscal restrictions imposed by the current Federal budget environment and meets combatant commander and foundational demands with increased but manageable risk. Ultimately, the Air Force will defer to the Secretary of Defense to decide this matter.

Chairman LEVIN. Did you have recommendations from the National Guard as to which Air National Guard bases would lose A-10s? Did you get recommendations from the Guard?

Secretary DONLEY. Yes.

Chairman LEVIN. Did you follow those recommendations?

Secretary DONLEY. Yes.

Chairman LEVIN. Now let me go to the question of strategic airlift. General Schwartz, the Air Force plans would reduce strategic airlift forces from a level of 301 aircraft to 275 aircraft by retiring the remaining C-5A aircraft. It's not clear to me that the Air Force has any plan for how such forces could be reconstituted if needed in the future and by having that responsiveness comply with the direction in the new DOD strategic guidance, which requires that responsiveness.

How could you say that the Air Force plan is responding to the Secretary's strategic guidance when you don't apparently yet have such a plan?

General SCHWARTZ. Sir, the analysis indicated that, given the revised defense strategic guidance and the size of the ground forces, that the requirement for mobility in one of the metrics that we use routinely, in million ton-miles per day, was 29.4 million ton-miles per day. At 275 strategic airlifters, that is 223 C-17s and 52 modified, re-engined C-5s, now designated C-5Ms, produces between 30.4 and 30.6 million ton-miles per day.

That is less than the 32.7 million ton-miles from the Mobility Capabilities Requirements Study 2016, which was done 3 years ago, and there is an ongoing effort to renew and to perform a new study for the airlift fleet. But the analysis that we and the Department did reflected that 275 strategic airlifters was sufficient to perform the missions anticipated.

Chairman LEVIN. My time is up. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses. As I understand it, Secretary Donley, the three major programs that the Air Force is looking forward to are the tanker program, the F-35, and the long-range strike aircraft. With sequestration in its present anticipated form if it were not changed, what would be the impact on those three major Air Force programs for the future?

Secretary DONLEY. Well, Senator, if sequestration were to kick in, the Department would be required to take a 10 percent reduction in each of the accounts in the Air Force. If personnel were held neutral, if we protected personnel accounts, then those reductions would go up to 13 percent. So in the procurement accounts, for example, this would affect all of our major programs. It would affect the MQ-1/9 program, the KC-46 program, JSF. All these programs that have been continuing for a couple of years, some of which are on fixed-price contracts, would be impacted by these across-the-board reductions.

Senator MCCAIN. Would you do us a favor and perhaps in writing give us a detailed, not minutely detailed, but certainly an assessment of the impact on Air Force to provide or be provided the necessary weapons systems to defend the country? We'd appreciate that. This issue is going to come to a head at some point sooner or later.

[The information referred to follows:]

The Department is not currently preparing for sequestration, and the Office of Management and Budget has not directed agencies, including the Department of Defense, to initiate plans for sequestration; therefore, we are unable to provide a detailed assessment at this time. However, sequestration would drive major additional reductions beyond the first phase of the Budget Control Act reductions to the Air Force fiscal year 2013 budget request. As Air Force leadership has testified, the proposed fiscal year 2013 budget is a balanced and complete package. Under sequestration, some modernization programs would need to be reduced and possibly restructured and/or terminated. Our readiness and operations would be impacted, as well as all investment accounts, including our high-priority modernization efforts.

Senator MCCAIN. On the refueling tanker, is integration still a significant risk and are you confident that the program will remain on cost and on time?

Secretary DONLEY. Currently we are confident that the program will remain on schedule. I think it will also remain on cost, but to the extent that it does not this is a risk to the contractor, because we have a fixed price development and procurement contract in place for this aircraft. So most of the risk is on the contractor if there are additional costs—if there are cost overruns above the ceiling.

Senator MCCAIN. Mr. Secretary and General Schwartz, it's now been judged that a major mistake was made in the F-35 JSF program of "concurrency" and now there's a new way of addressing it called a developmental approach that will let the program decide how many production aircraft the Department actually signs up for with how well the program actually does in development and testing; is that correct?

Secretary DONLEY. I think that describes generally the status of the program where it's at, sir.

Senator MCCAIN. Did you know at the time of this concurrency that it was going to fail?

Secretary DONLEY. Sir, I think—

Senator MCCAIN. I think it's been described by the acquisition czar in the Pentagon as "acquisition malpractice."

Secretary DONLEY. This is the largest defense program that we have and it is extremely important that it succeed. I think all of us who stepped into the program in the last couple of years recognized that it needed to be restructured and that we were entering

this period where the concurrency was extreme between the completion of development and beginning of procurement.

Senator MCCAIN. So you really had no idea that this whole concurrency idea was doomed to failure, as some of us here did?

Secretary DONLEY. Certainly, I had not been involved in the program when it was initiated.

Senator MCCAIN. I see, it didn't happen on your watch. I can't tell you how many times I've heard that as a member of this committee.

General SCHWARTZ. Senator, may I add something, please?

Senator MCCAIN. Yes.

General SCHWARTZ. Sir, I think the reality is that there was a sense in the broader community, perhaps not here on the committee, but certainly in the aerospace industry, that with all the advanced computers and advanced design capacity and so on, that you could design and produce an airplane that would perform coming up on first flight. This was true in the military side. It was also true in the commercial side, 787 is a case in point. So I think we all have learned that the notion of perfect design is a dream.

Senator MCCAIN. I won't pursue this except to say that, what is your confidence that the F-35 will not experience further cost overruns, and are you going to have to procure other aircraft in order to make up for the shortfall or delays in providing these aircraft in an operational status?

Secretary DONLEY. A couple of angles to that, sir. With respect to the status of the current program, we have slowed the program to get through this concurrency period with the least risk.

Senator MCCAIN. Does that mean you're going to have to acquire additional aircraft to make up for that shortfall?

Secretary DONLEY. Again, two angles. One is that we've told the contractor and the program office that there is no more money to put against contract overruns or problems in this program. So to the extent that there continues to be cost growth or challenges, undiscovered issues in front of us as system development and demonstration completes, it's going to be paid for by tails. We'll have to take down the number of aircraft that we have planned in procurement to pay for that work, because no more money is going to be migrating into this program.

The second part of the answer to your question is——

Senator MCCAIN. The ultimate result in reducing numbers of aircraft increases cost per aircraft.

Secretary DONLEY. It does, and those aircraft would have to be bought later. Assuming we're going to buy those aircraft, they would be bought later in the procurement profile, or not bought at all.

The second part, just if I may touch quickly, the results of this program have caused us to undertake a service life extension program for the F-16s.

Senator MCCAIN. But no additional purchases?

Secretary DONLEY. No additional purchases.

Senator MCCAIN. I thank you, and I hope that the refueling tanker will be a much greater success than the F-35 was.

One other issue, I understand, is you believe that there needs to be another base realignment and closure (BRAC). Could you brief-

ly, General Schwartz, tell us why you think there needs to be another BRAC, as we've already had significant base closures in the past 10 to 15 years?

General SCHWARTZ. Sir, the reality is that since BRAC 2005 the Air Force has retired almost 500 aircraft from the inventory, and the induction of that is that that created additional capacity. It's our belief that only through a BRAC-like process where we definitively assess and determine where excess capacity exists can we get to a position where we reduce that capacity and then invest in those things that remain and are most important to us.

The bottom line is that BRAC 2005 did not close major Air Force installations. It largely realigned installations. We have since had reductions and that needs to be addressed.

Senator MCCAIN. There's no doubt in your mind that we need to close additional Air Force installations?

General SCHWARTZ. I think that if we do not do that, sir, we will place the force again under more pressure to put spending into excess capacity when it should go into readiness and modernization.

Senator MCCAIN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator AKAKA.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to welcome the Secretary and General Schwartz and to thank you so much for the leadership you have for the Air Force and their families. We're really grateful for that. General Schwartz, I'd also like to add my congratulations on your retirement later this year and wish you and your family well. I also thank the men and women of the Air Force, the Active, Guard, Reserve, civilians, as well as their families, for their service to our country.

Secretary Donley, while the administration proposes to make a significant strategic commitment to the Asia-Pacific region, it also faces significant service-wide cuts, as has been discussed, to force structure and terminations or delays even in a number of weapons system programs. Mr. Secretary, can you talk about the potential risks and challenges facing the Air Force with the coupling of the new strategy and the proposed force reductions?

Secretary DONLEY. Well, sir, I touched on a couple of these in my opening remarks, but I would like to come back to them. First is readiness. We have made a strategic-level decision to continue to trade size, that is to become a smaller Air Force, in order to protect its current readiness and to make sure that it can as a smaller force still modernize going forward, so we still have resources set aside for important investments like tanker, bomber, JSF, as just a few examples.

We need to make sure that our forces are postured, Active, Guard, and Reserve, so that we are ready for the challenges of the current and future security environment that we're looking toward in the next decade. We face significant challenges in this international security environment and the Air Force can be called on in a very short period of time, as the chief and as the chairman mentioned in the Libya example, where we had only a few days to put together a coalition team to put aircraft over Libya, Libyan air

space, as part of a North Atlantic Treaty Organization (NATO) operation.

So we need to be prepared. We do not have a long opportunity to run up and slowly develop readiness over a period of time. We can be called on on just very short notice.

The second thing is that, as I mentioned, our overhanging concern in the Air Force is modernization. Our force structure is aged, our aircraft are aged, and beyond where they should be. The average age of the fighters is 22 years. The average age of the airlifters is 35 years, and of the tankers it's north of 45 years, and the bombers are in the same kind of situation.

So we have an extreme requirement for modernization that it will be very difficult to meet in this budget environment. But we must protect those core capabilities for the future so the Air Force continues to get better over time.

Senator AKAKA. Thank you, Mr. Secretary.

General Schwartz, sexual assault continues to be a serious issue within our military. I know that the leadership within the Services is working hard to address the problem. In order to help prevention efforts, I believe it is very important to teach our newest recruits that this is absolutely unacceptable. My question to you: What is the Air Force doing in basic training, in the Reserve Officers' Training Corps (ROTC), and the Air Force Academy, to educate airmen on this very serious matter?

General SCHWARTZ. Sir, at all accession sources we have a course and a program of instruction which emphasizes, in my shorthand, that we don't beat up on our wives, we don't beat up on our kids, and we don't assault our teammates, our fellow airmen. That is the simple mandate.

To enforce that, we have implemented changes that I think improve our likelihood of properly investigating cases and properly prosecuting them. We have 14 Office of Special Investigation agents who are dedicated to sexual assault cases. They understand the nuances of these investigations and the techniques that are associated that differ from other kinds of investigation. Likewise, we have 18 prosecutors, who are not dedicated, but who have special experience and skills to take on major difficult cases like this.

The bottom line, sir, is that we're working the culture piece certainly at accession and throughout the career life cycle. We emphasize this through leadership, intervention, and enforcement.

Senator AKAKA. Thank you.

General Schwartz, China's recent modernization efforts include an aircraft carrier, a stealth fighter, and advanced space programs, to name a few. General, at the unclassified level which of their modernization efforts concerns you the most?

General SCHWARTZ. I would say there are areas in not so much hardware, but in integration of electronic warfare techniques, of cyber capabilities, and so on, with more traditional tools of the trade. They are becoming more sophisticated in this respect and that is the thing that I am paying the most attention to.

Senator AKAKA. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.  
Senator Brown.

Senator BROWN. Thank you, Mr. Chairman. Mr. Chairman, I also share your concerns to the disproportionate cuts to the Air Guard. Before I begin, I'd like to say that, while I have no doubt the leadership at the National Guard Bureau knew the cuts were coming, there were also a lot of folks in my State that were blindsided by these cuts and were really not provided any opportunity to provide input. The same with the Reserves, and that deeply concerns me.

I'm trying to wrestle with a lot of what's going on, not only in Massachusetts, but throughout the country. For example, at Westover—I was there again yesterday, and the maintenance crews out there are incredible. For the last 36 months, they have a mission capable rate of 73 percent. In the last 12 months they have a 78 percent mission capable rate, compared to 40 percent for most Active Duty components, give or take.

So yet you are looking in the proposal to cut half their fleet, even though you're cutting eight C-5Bs and turning them into C-5Ms, but you're basically dismantling, proposing dismantling, crews that have twice as high a mission capable rate than the Active Duty components. I don't get it. Can either one of you explain that?

General SCHWARTZ. Sir, the logic behind this is that the C-5M will be an inherently more reliable and have higher utilization than its predecessor, the C-5 A or B.

Senator BROWN. How can that be when they have a 78 percent mission capable rate? It's already twice as high, so how do you justify that?

General SCHWARTZ. Those additional crews are going to maximize the availability of that airplane, of the eight aircraft that remain at Westover. We're increasing the crew ratios because we recognize that we will be able to get better utilization out of the C-5M than we did with its predecessor versions of the C-5.

Senator BROWN. Once again, sir, their turnaround time is about 16 days, compared to 30, 40 days in the Active component. Then you have 78 percent mission capable rate, which is pretty much almost twice as much as on the Active component. Yet you're taking half the fleet. Even if you say the C-5Ms are going to be a more capable aircraft, they're already getting that capability out of the aircraft that they're losing. So isn't there more value for the dollar not only on the aircraft savings, but keeping crews that are in place forever doing a great job by all respects? Not to say anything about the economic impact to Massachusetts in particular. Once again, I don't quite see the logic there. You say logic. I don't see it.

Anything to add on that?

General SCHWARTZ. I would just indicate again that to achieve the additional crew ratios that we think are necessary with a 16-airplane fleet would drive the numbers of personnel well above those currently possessed at Westover. So the game plan here was to use those members of the organization already present against the fewer aircraft because of the increased crew ratios and redistribute the remaining M models to another Guard unit which has similar capability in order to maximize its potential as well.

Senator BROWN. Interesting. I'd like to explore that a little bit more, maybe offline, because I'm not quite sure why we don't take and put an Active component at Westover, like they did in Wyo-

ming, if you're looking at getting more flight capabilities out of there and taking crews that are basically twice as much, twice as good, quite frankly, as the Active components.

What's going to happen to those crew members that are there and the team and camaraderie, and really providing mission capable planes that are actually going from the line to the active, just going right overseas? What's going to happen to those folks?

General SCHWARTZ. The team will remain largely intact at Westover, with somewhat fewer aircraft, sir. I would just indicate, as the Secretary mentioned earlier, we agree with you. We favor Active Associations.

Senator BROWN. Okay. Well, maybe we can talk offline about doing that.

General SCHWARTZ. Very well, sir.

Senator BROWN. Is it true that there are Russian aircraft, cargo planes, delivering American goods to American soldiers in Afghanistan? Is that accurate? Am I getting good information?

General SCHWARTZ. There is contract lift from a number of entities that supports the military mission in Afghanistan.

Senator BROWN. Including Russians?

General SCHWARTZ. Actually, I'm not sure it's Russian. It might be.

Senator BROWN. It's Russian. So why wouldn't we use our own aircraft if we have, apparently, the capability to do so? Why wouldn't we be providing our own aircraft to do that, I'm presuming at a cost savings to us?

General SCHWARTZ. The reality is that it's not necessarily cheaper to operate organic aircraft on a routine basis relative to what's available from the commercial sector.

Senator BROWN. I know that it was already referenced, the Council of Governors have voiced specific concerns. Mr. Secretary, you said, well, it's up to Secretary Panetta. Well, he's going to basically rely on your recommendations. From what I'm hearing through the Council of Governors is that really there's just been lip service given to their very real and legitimate proposals.

I know that on March 23rd you're going to discuss the matter internally with Pentagon officials. Is that accurate?

Secretary DONLEY. That's correct.

Senator BROWN. Like the chairman and Senator McCain, I'd like to have an understanding as to if in fact you're not going to take any of their recommendations. I have said and it's been proven that we have—the Guard and Reserve units, you get a better value for the dollar. We're looking at cost savings. The fact that you can get that in the Guard and Reserves is something I think we really need to take into consideration.

The chairman also brought up the Global Hawk, the Block 30. It's said in a DOD report that the U-2 would cost \$220 million more per year than the Global Hawk Block 30. So can you state for the record, General Schwartz, what's changed since that report came out and whether the Air Force is considering giving the Global Hawk 30 aircraft to NATO, special forces, or the Navy, as opposed to putting them in storage where they'll just collect dust? Has there been any consideration on that?

General SCHWARTZ. Two things, sir. A major change was a JROC adjustment of the required number of orbits for the high altitude surveillance, which I would like to address the specific number with you offline. Decreasing that requirement enabled the U-2 to cover the requirement with the fact that it has 33 airframes available, even though it doesn't have the legs or the persistence of the Global Hawk. That was a key factor.

Another factor was the reality that the airplane is not less expensive to operate as the U-2. It was not maturing as quickly as we had hoped and, importantly, that the sensor package on the Global Hawk needed significant improvements to match the capability on the U-2.

So the bottom line was we opted, under the pressures of the budget, to rely on the proven U-2. With respect to the use of the aircraft, we'll have 18 airplanes, 6 of which will go into non-recoverable storage. The other 12 will go into recoverable storage and it is possible there will be other uses of them either domestically or with partners.

Chairman LEVIN. Thank you very much, Senator Brown.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General Schwartz, for your service and for being here today.

As we all know, progress is currently being made toward constructing a new command headquarters for U.S. Strategic Command (STRATCOM) with military construction (MILCON) funds requested by the President, and authorized and appropriated by Congress in fiscal year 2012. Because of the nature and the size of it, it'll have to be phased funding over the next several years.

In a hearing before this committee last month, General Dempsey made a statement regarding emerging threats as it relates to regional conflict in the future. He said, along with service chiefs and combatant commanders, that you all believe that the homeland will no longer be a sanctuary in 2017 and therefore commands like U.S. Cyber Command (CYBERCOM), STRATCOM, may become more important in that environment.

Can the two of you speak to why we need a new headquarters at STRATCOM to take on the new commands and to be an effective fighting force for the years ahead?

General SCHWARTZ. Sir, I guess I would just summarize by saying that we're operating a command that has multiple responsibilities in cyber, in space, and the highest technologies we have, in a platform that's 50 years old, and it's not well suited to the demands of today's missions. So the commitment is to provide a facility that is appropriate to the mission and not gold-plate it, but to do what's needed.

As you're aware, there's \$160 million roughly in the fiscal year 2013 proposal to continue that effort for STRATCOM.

Senator NELSON. Thank you. To oversimplify, but to put in layman terms, it's pretty hard to fight in cyber space, cyber and space commands, with drop cords. Modernization is absolutely essential for the technology as well as perhaps just the structure. Is that accurate?

General SCHWARTZ. I would agree with that, sir.



Senator NELSON. Even no matter how long the drop cord is, right?

I'm following up on the thoughts about BRAC. Obviously, it's easier to—and you're finding out this morning that it's easier to talk about cutting than it is to actually propose and defend cuts. But as we look at BRAC, are we spending enough time looking at our overseas military operations or are we focused here at home?

It seems to me that our presence abroad in many respects continues to grow, as in the Pacific-Asia command, at a time when we're talking about more regional and more agile forces to be able to deal with the emerging threats. Could you relate to that?

General SCHWARTZ. Yes, sir. Clearly there are opportunities for base infrastructure reductions overseas, and that is almost as complicated a process as BRAC would be domestically because of interaction with allies and so on and so forth. But it is clear that there are opportunities, as the chairman mentioned earlier, in a number of areas, and we would pursue those on parallel tracks. That would certainly be my proposal.

Senator NELSON. Well, as it regards to, let's say, Asia-Pacific, our new national strategy calls for an increase in our presence. The three large developed democracies in the region, Japan, South Korea, and Australia, collectively have an economy that is 25 percent larger than China's and incalculably larger than North Korea's. As a percentage of gross domestic product, however, they spend less than half of what the United States does on defense.

But a larger presence, if it's necessary in that region to deter or repel aggression from these threats—can you comment on what we would be doing to try to get a larger contribution from those that will most directly benefit from our presence in the region?

General SCHWARTZ. I think it's important to recognize that, in particular with our South Korean allies and our Japanese allies, over many decades they, in fact, have underwritten our presence to a substantial degree through allocations of resources for bases in Japan and Korea. Our partner in Australia, that is a team that fights above their weight.

So, sir, I think you will not see recommendations to diminish our presence in the Asia-Pacific for good reasons, including the mandate from the defense strategic guidance.

Senator NELSON. But we also, in addition to having them as allies, need to have them as financial partners. Can we work toward having their percentage of partnership costs increase?

General SCHWARTZ. I think that is a worthy objective and our interaction with the Japanese, for example they're seriously considering acquisition of the F-35, is an example of the Air Force to air force partnership and a manifestation of that partnership over many decades. Certainly we should support that, support the Republic of Korea air force, and likewise the Aussies and Singapore and others operate systems that are interoperable with ours and magnify our respective capabilities.

Senator NELSON. I don't mean to imply that they're unwilling to help to a greater degree. But sometimes you have to make the ask or you don't get the offer.

I also agree with the comments from my colleagues about reducing the size of our Guard and Reserve units at a time—and I'm re-

ferring back now to some comments by General Fogleman, former Chief of Staff of the Air Force, when he wrote an article suggesting that to reduce the personnel costs of DOD, maintain a smaller standing Army—he mentioned Army, but I suspect that it applies to the Air Force as well—and shift a lot of the responsibility to the Guard and Reserves. I noticed that my colleague Senator Brown made a comment about comparison between effectiveness of Guard versus Active Duty components.

I hope that you'll take a very, very close look at this, whether it's the Council of Governors or just in general, to be sure that we're moving in the right direction. There's no real room for margin of error here if we make the decision, because the reduction will occur and then reestablishing the presence of the Guard and Reserve will be very difficult.

General SCHWARTZ. Sir, there is no difference between the Guard, Reserve, and the Active Duty. You cannot tell the difference between an airman in the field on what component they come from. So this is not an issue of who's more superb than another.

The fundamental question here is with smaller air forces how do you manage the activity level across the entire portfolio in ways that don't produce adverse effects, on the Active Duty side activity levels, that in a better economy might cause people to move on, or on the Reserve and the Guard side activity levels that might make employers less hospitable to the support that they provide to our Guard and Reserve airmen.

Senator NELSON. I know it's delicate, but is it a fact then that the total force is easier to operate on an integrated basis during, let's say, high operations tempo?

General SCHWARTZ. A total force clearly gives us more depth and more breadth and more experience, as Senator Brown suggested, particularly in the Guard and Reserve. The key thing is to get the balance right, and that depends on what do we think the activity level is likely to be and how much force structure we have left?

My only appeal, Senator, to the committee would be that if our proposals or those amended proposals as a result of the Council of Governors' recommendations are not sustained and we get force structure back from this committee or others, that the appropriations come along with that force structure, because the fastest way I know to go hollow is to get force structure back without the resources to support them.

Senator NELSON. That's a point well made.

Thanks to both of you.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, General Schwartz. Thank you, Secretary Donley, for your service to our country.

Secretary Donley, can you help me with the audit issue? Secretary Panetta has said that he wants DOD to be audit-ready by 2014. As I understand it, the Air Force may have the most difficulty in meeting this goal. With some of the tough choices you're asking us to make, having good financial data and making sure that our DOD is auditable I think has to be a top priority for us.

So can you help me? What are the challenges that the Air Force faces on meeting the 2014 deadline and can we expect that you will meet the deadline?

Secretary DONLEY. You are correct, Senator, that I think the Air Force probably has one of the tougher challenges among the Services in getting to this deadline. This is not a deadline for complete auditability of all our financial statements, but a statement of budgetary resources, which is a discrete piece, but nonetheless very important.

We're going to have to work hard to get there. We have put additional auditing resources on this work and we're also contracting out to auditing financial firms to help us work through this, to make sure that we test ourselves along the way and are prepared as best we can be.

We've already had clean opinions on both budget authority and the funds balance with Treasury down to the major command level, and our next steps are to take that down to the base level in fiscal year 2012 and to also assert readiness on spare engines and missile motors this year. So we have a fairly detailed plan for how to get there, but it's going to take a lot of focus and a lot of concentrated work to execute that as planned.

Senator AYOTTE. Do you both agree that this is important for us to do? Is this an important exercise?

Secretary DONLEY. We do. We do. I think there are some aspects of the work, as Secretary Hale has testified, that are more important than others, and he has focused the Department on those aspects of our work that are the most important, not only to the taxpayers, of course, and to our stewardship of resources, but also to our management, internal management of resources, our ability to get greater efficiencies out of the things that we are doing internal to the Services.

Senator AYOTTE. Very good. I appreciate it.

I had introduced an amendment to the NDAA that passed unanimously—it didn't end up getting adopted in the House—to basically say to DOD to meet the 2014 deadline that the Secretary has set for it. So this is I think very, very important, and I appreciate that both of you are looking at this as very helpful to the Air Force and also to making future financial decisions and management decisions for the Air Force. So thank you very much for your commitment to that.

General SCHWARTZ. Ma'am, if I could just say one thing quickly.

Senator AYOTTE. Sure.

General SCHWARTZ. At our last four-star meeting the four-stars got the guidance that this is their business; this is not business for the suits. This is business for the uniforms, and that's part of our effort to make 2014.

Senator AYOTTE. Very good. Thank you, General. I appreciate that.

Let me ask you, General Schwartz. The F-35 JSF, are the Chinese and Russians developing a fifth generation fighter?

General SCHWARTZ. They are working on it, yes, ma'am.

Senator AYOTTE. You know I'm a huge fan of the A-10 because I am married to an A-10 pilot. Our soldiers and marines love the A-10 and F-16s. But can you tell us, what is the difference in

terms of capability between these legacy aircraft and the fifth generation fighter? Why is it so important to us?

I know that the program has had difficulties, but as I understand there isn't an alternative and we need this fifth generation fighter.

General SCHWARTZ. The bottom line is that the operating environments that we will be required to operate in have become more contested, both by radar threats, by infrared threats, and even to some extent perhaps cyber threats. So the issue is you need an airplane, a design that allows you to survive in this more hostile environment.

That is the principal aspect of generation five. Number one is stealth, that is low observability in a radar environment, but also highly integrated avionics that allow the pilot and the system to perceive a target, engage a target, and disengage rapidly, more rapidly than did the legacy platform—all for survivability.

Senator AYOTTE. What would the life cycle sustainment cost of the legacy fighters we just talked about that the F-35 is replacing be if the Air Force did not procure the F-35, because there's obviously significant legacy costs there that we're trying to address?

General SCHWARTZ. Yes, ma'am. I think, as a case in point, we're re-winging the A-10s that you referred to before. That is an effort that's ongoing and will continue with the 242 A-10s that remain in our inventory after the proposed reduction if you approve it.

Likewise on the F-16, there are cockpit improvements for avionics, as well as structure on the F-16. The service life extension will do that. So no airplane ages without the need for investment. This is true in big airplanes and small airplanes, particularly high performance aircraft, though, where the margin of error is reduced. So that's the key aspect and why we answered to Senator McCain that we're not interested in buying generation 4.5 as substitutes, because it doesn't make sense to us, ma'am, that we would spend money on airplanes that are not as capable but would last as long as the generation five counterparts.

Senator AYOTTE. Thank you.

The KC-46A. This is obviously very, very important, the next generation tanker. How long has the KC-135 been around?

Secretary DONLEY. Average age of the KC-135s is 49 years.

Senator AYOTTE. Forty-nine years, that's right. I have to say, actually older than this Senator. So I appreciate the KC-46A program, and I know that you're going to be going to the basing criteria soon. As I understand it, if you looked at the KC-135 right now it's based roughly 60 percent Guard and Reserve and 40 percent Active Duty. I know we've talked about this in the past; I talked about it with General Johns—that we have concurrent basing for the Active Duty and the Guard, because, let's face it, we wouldn't have been able to do what we need to do in Iraq and Afghanistan without our Guard.

I'm very proud of our 157th Air Refueling Wing, because we have the highest utilization rate in the Air National Guard for the KC-135 and also we have very strategic refueling tracks. So it's my hope, as I reiterated before, that as you issue this basing criteria that it will be concurrent, that it'll be objective and transparent, because that's the way, of course, we want everything to be around here, and will look also to the experience of our Guard and Re-

serves, tremendous experience. I think that so many of our pilots in the Guard and Reserve have flown in the active duty also before they've served and have an amazing amount of experience, which I think will help us with this new tanker if we base it concurrently.

So I appreciate your efforts in that and look forward to seeing the criteria as it comes forward.

Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Secretary Donley and General Schwartz, I just wanted to emphasize, like I'm sure everybody has, your service to our country, and we do thank you for that.

General Schwartz, with the reduction of 9,900 airmen it's going to require a lot of diligence and exacting management of personnel to ensure that you have the right skills and the experiences in the right place at the right time. As the force perhaps becomes smaller, what type of force-shaping tools are you implementing to ensure that you do have the right people with the right specialties and that you retain and grow the skills that you need in adequate numbers?

I just wanted to sort of focus on how many pilots you have now, what's the outlook for 3 to 5 years in the future, and then in particular with unmanned aircraft being used more, do you see a shift in focus from piloted aircraft to unmanned systems? Secretary Donley, feel free to weigh in.

General SCHWARTZ. Yes, ma'am. There's a whole range of tools that we use, most of which are voluntary, some of which are involuntary, which we are very reluctant to employ for obvious reasons. We have bonuses and incentives that—the bonuses primarily apply to enlisted career fields that are in high demand and short supply. The incentives relate to officer career fields like the pilots, where there is an aviation incentive program to maintain the pilot cadres in all of the Services. That is important and certainly will be more important as the economy recovers and there's greater demand for these kinds of skills in the private sector.

With respect to the balance between manned and remotely piloted aviation, clearly the glidepath is to more remotely piloted capacity in our Air Force. We're currently training more RPA pilots than we are bomber or fighter pilots, I mean, just to give you a sense of how the scales have tipped here. That will continue—

Senator HAGAN. Percent and numbers? Do you have any specifics on that?

General SCHWARTZ. If I may, ma'am, if I can give that to you for the record. I don't have the exact numbers right off the top of my head. I should, but I don't today.

[The information referred to follows:]

Across the Total Force during fiscal year 2012, the Air Force plans to train 948 manned aircraft pilots, of which 364 will receive initial qualification as fighter and bomber pilots. The Air Force plans to train a total of 414 remotely piloted aircraft pilots during fiscal year 2012.

General SCHWARTZ. But I would say that the RPA pilots share in that incentive pay, and it's appropriate that they do. The idea here is not to balkanize one group of aviators from another, but

rather to recognize that they're all contributing to the mission in different ways through different means and so on. So what we have tried to do is to normalize the RPA community, demonstrate their value both to the Air Force and to the joint team, and retain them for the important missions that they do.

Senator HAGAN. How about from the standpoint of other areas where there may be a shift in focus or emphasis that requires more of one skill set than another? I don't know if it's in the maintenance, and areas like that.

General SCHWARTZ. Sure. I mean, cyber is a rising area.

Senator HAGAN. I was definitely going to ask on cyber.

General SCHWARTZ. Clearly there are multiple opportunities for anyone with this skill set. So yes, we need to attract those people into our Air Force and keep them as they build experience. They can make much more money on the outside, there's no question. But the rewards of military service and so on I think can help us balance that out, given the very important missions that cyber professionals perform in our Air Force.

I would just mention one thing quickly. Here's an area where the Guard and Reserve construct is even more valid, you know, is especially valid; let me put it that way. There are areas of the country which are sort of cyber-intensive—the Northwest, in Washington State, certainly the Valley in California, Austin, TX, and so on. We have attempted to establish Guard or Reserve units in those locales in order to give cyber professionals in industry the opportunity to serve as well and bring that expertise to bear.

Senator HAGAN. I think you left out North Carolina in that description.

General SCHWARTZ. Bad on me, ma'am.

Senator HAGAN. But what we're talking about now is science, technology, engineering, and mathematics (STEM) education, and that's an area that we as a country have to focus on in order to be competitive in the business world and in the military world while we're in the 21st century. Specifically, what is the Air Force doing to recruit and retain highly trained and qualified STEM professionals, and at the same time what is the Air Force doing to recruit, train, and retain the cyber airmen and encourage innovation in the cyber security operations?

Secretary DONLEY. A couple of issues there, Senator, but I'll try to hit on a couple of them. First of all, we have put a great deal of emphasis on rebuilding our acquisition workforce in the last couple of years. So we've brought more than 8,000 personnel into the acquisition workforce, focused on cost estimating, on systems engineering, highly technical capabilities that support our weapons system managers and program managers. So this work has been ongoing.

We continue to have dialogue internally about how to strengthen recruiting and officer development in the STEM career fields especially, how to shape our ROTC programs, how to shape the curriculum at the Air Force Academy, to emphasize this work.

We also appreciate the support of others. There is a program that is sponsored by the Air Force Association known as Cyber Patriot, which has recruited youngsters into cyber competition at the high school level, has grown leaps and bounds over the past several

years as youngsters come into these clubs and competitions and become aware of the importance of this work to our national security. This is future seed corn for the United States, not just for the military, but for our Nation at large. So many dimensions to this, but we appreciate very much the importance of developing, maintaining, and retaining that STEM expertise going forward.

Senator HAGAN. I see that my time is up. I'd like to follow up with you on the specific programs and learn more about it and do some follow-up on that. So thank you very much.

Chairman LEVIN. Thank you very much, Senator Hagan. I would join Senator Hagan, by the way, General, in suggesting that the number of States on your list of those being potentially impacted by cyber attacks should be greatly expanded. I'll leave it at that.

Senator Portman is next.

Senator PORTMAN. Thank you, Mr. Chairman. I appreciate it, and I appreciated your comments earlier, as well as Senator McCain's, about some of the challenges we face with the sequestration.

Gentlemen, I know there's been a lot of discussion about it today, but the bottom line is, if you could tell me whether you think already in terms of your supply chain and your various contractors that, if you see adjustments being made already in light of the fact that on January 1, 2013, the sequestration under current law would take place?

Secretary DONLEY. Certainly, Senator, sequestration is of concern to us, and it is of even more concern, I think, to the contracting community, which wants to better understand what the impacts would be as we are potentially compelled to just step in and cut funding in major accounts, including programs for which they have, if you will, a financial cash flow that they are working to pay their employees.

So this is the concern of the industry, I think. They would prefer to get as far in front of these issues as they can. They would like to plan better for this, and so the uncertainty overhanging the Department and the defense industrial base is significant here.

Senator PORTMAN. This is what I'm hearing from the private sector and certainly hearing from you. We had similar testimony from the Army Chief of Staff and the Secretary of the Army last week. So the conclusion, of course, is that we need to move quickly on this, not wait until the end of the year, in fact do something before the end of the summer, if we are going to avoid some of this dislocation.

General, you and I have talked about the C-27 before and I noted in the chairman's opening remarks he also addressed it as to why you changed your minds since you came to us and told us how great this program was and how it performed a mission that the C-130 could not. In fact, he also said that "the Guard has shown their incredible value to the Air Force," which I agree, and he talked about why this joint program was something that seemed to make so much sense at the time.

I have strong views on this. I think this is the right thing for the taxpayer to continue the program, because I think these planes will operate less expensively, and we'll talk about that in a minute. I think it's certainly the right thing for our military. They perform

an incredible mission. We had General Odierno sitting in the seat where you are a week ago telling us about how he visited the 179th from Mansfield, OH, in theater in Afghanistan and the great work they're doing with the Army and how the Army really loves to have the ability to have you, through your Air National Guard, embedded with them and providing that service.

I would like to start with just a general question: What's the cost to operate a C-27, which is the smaller, for those of you who aren't following this closely, air cargo plane, as compared to your alternative if you are to phase out this program that's just getting started, which would be to go to C-130s? What are the costs to operate?

General SCHWARTZ. The latest numbers we have is about \$9,000 per flying hour for the C-27, a little bit higher for the C-130J and about \$10,400 for the C-130H.

Senator PORTMAN. Okay. Well, those are new numbers to me. I don't know what you're including in there, but the numbers you've given us before are \$2,100 to \$2,700 for the C-27, which is the smaller, more efficient aircraft, and the C-130 was \$5,100 to \$7,100 per hour. Of course, the CH-47, which is your other alternative, \$11,000 per hour. So I don't know where those numbers come from.

Let me just give you the opportunity to correct me and maybe say why those numbers have suddenly leapt up.

General SCHWARTZ. The \$2,100 number is the number that's used for accounting purposes when the airplane is used in a direct support mode, what we call special assignment airlift. This is a list of costs that do not reflect necessarily the actual flying hour costs. So what I gave you was what is the current best assessment of actual flying hour costs, the point being that, yes, the C-27 is somewhat cheaper to operate on a per-hour basis than the C-130 because it has two versus four engines.

But a key factor here is that the maintenance for the C-130 is organic and the maintenance for the C-27 is contractor logistics support, and there's a considerable difference in relative expense there that goes into the flying hour calculation.

[The information referred to follows:]

Organizational (base) level maintenance and depot-level repairs for our legacy C-130E/H aircraft are largely provided by organic Air Force personnel. Our C-130J aircraft are maintained by a mix of organic Air Force and contractor logistics support personnel. Our C-27J aircraft are currently sustained entirely by contractor personnel.

Air Force aircraft reimbursable cost-per-flight-hour (CPFH) rates published by SAF/FM are largely based on historical sustainment costs and projected cost growth factors such as inflation. Our C-130E/H/J aircraft are mature weapon systems, with fairly stable sustainment strategies and costs which result in well-understood CPFH estimates. However, the C-27J is a relatively new and immature weapon system, with evolving sustainment strategies and costs, and the influence of 100 percent contractor logistics support for this platform is not well-reflected in the currently published reimbursable CPFH for this platform. Because our C-130 and C-27J aircraft currently employ different sustainment approaches, and the sustainment costs for the latter are not as well-understood as the former, it is difficult to directly compare the CPFH for these aircraft using the traditional reimbursable CPFH lens. A more accurate CPFH comparison between these platforms would be based on normalized total life cycle costs, and the CPFH data provided to the committee staff reflect this normalized life cycle point of view.

Senator PORTMAN. I am finding out new information as we talk. This has been incredibly confusing for me, because I am trying to



get to the facts, as I know you are. We had a private conversation about this and none of these data points on \$9,000 an hour were there then. I assume that you're talking about some of the maintenance costs, as opposed to organic costs, additional costs. I would say that other information we have indicates that there are a lot of organic costs because the C-130 parts and maintenance and so on is often interchangeably.

I think the real issue here is overall life cycle costs. The committee report for last year's defense authorization directed that there be a cost analysis for future C-27 buys. My understanding is we weren't going to be seeing that report from you, and instead we've gotten one or two Power Point slides with the analysis. What I've seen trickle out of the Air Force over the past 6 weeks is confusing, to say the least. The data's been inadequate and inconsistent. It's left us all with more questions than answers.

I have in front of me here three different Air Force documents with life cycle costs ranging from \$111 million per aircraft, and a couple weeks later to \$308 million per aircraft, presented to my staff, then a few days later \$270 million. I understand your analysis shop recently came out with a comment saying that the \$111 million was not part of a "formalized, authorized, signed document." Then it appears the Cost Assessment and Program Evaluation (CAPE) was directed not to be constrained by some of the assumptions, and we have life cycle costs dropping down to \$166 million per aircraft, back below the C-130 costs.

So frankly, it's been a dizzying 6 weeks going through these various numbers, and unfortunately it leaves me with the feeling that you're trying to get this analysis to match a budget decision that was made by the Air Force and, frankly, not based on some very important information that we're getting again from the Army and others about the performance side of it.

So we'd love to see more than a Power Point slide. We'd love to see some consistent analysis. I will tell you also that when you look at the data in terms of the payloads that are being carried, as you know much better than I do, these C-130s often do not have a large payload. When you need a part, say a helicopter part, and you have to move it, having a smaller airplane makes a whole lot more sense, when you only have one pallet or two or a small number of special operators.

According to the Operation Enduring Freedom data the committee has received from the Department regarding the C-27J, 65 percent of the time C-27s have been tasked to move only one pallet of cargo. The remaining 35 percent, they've been tasked to move only two or three pallets of cargo.

I guess I would ask, in your opinion would it be more efficient to move one, two, or three pallets of cargo with a C-130H or with a C-310J, and if not why not?

Secretary DONLEY. Sir, with respect to the numbers, we'll be happy to get back with you and discuss in whatever level of depth you would like to how those numbers are derived. As you appreciate, it's all about the assumptions. It's all about the assumptions. So I wouldn't have any more to add to your pile today on that subject.

[The information referred to follows:]

The C-27J service cost position (SCP) is displayed in the table below. It reflects total life cycle costs (LCC) associated with a 25-year C-27J program of record (POR).

**C-27J Full Rate Production Recommended Service Cost Position (SCP)**

<b>Recommended Air Force Service Cost Position</b>		
	<b>BY07\$M</b>	<b>TY\$M</b>
<b>Development (50% confidence level)</b>	\$ 117.2	\$ 123.8
<b>Production (59% confidence level)</b>	\$ 2,237.9	\$ 2,464.9
<b>Operations &amp; Support (O&amp;S)</b>	\$ 9,244.9	\$ 13,767.7
<b>Military Construction (MILCON) (ANG funds)</b>	\$ 106.7	\$ 123.8
<b>Total Life Cycle Cost</b>	<b>\$ 11,706.7</b>	<b>\$ 16,480.2</b>

Note: Development and production estimates include Army funded sunk costs (\$14.6 million development and \$494.4 million procurement for 13 aircraft)

*Ground Rules and Assumptions:*

The POR is documented in the March 14, 2011, Cost Analysis Requirements Description and an April 5, 2011, depot summit memorandum. This POR includes a fleet of 38 aircraft, based at 9 installations with 4 primary aircraft assigned (PAA) per unit and two additional PAA at the training location. The manpower requirements for the POR were compiled by Air Mobility Command/A1 with inputs from Air Education and Training Command, Air National Guard, and Air Force Material Command, in accordance with the Department of Defense Instruction 5000.02, enclosure 8.

The Air Force met with Mr. Brent Bombach, Military Legislative Assistant for Senator Portman, on April 17, 2012, to discuss the SCP and the cost benefit analysis (CBA). The following documents were provided: (1) USAF manpower estimate for the C-27J cargo aircraft (Spartan) dated August 31, 2010; (2) C-27J SCP operations and support estimate dated March 26, 2012; (3) a briefing describing production estimate details; and (4) a description of underlying assumptions used to develop the depot activation support program office estimate and SCP, dated April 5, 2011.

*Cost Benefit Analysis (CBA):*

After the SCP was endorsed, the Air Force performed a CBA of procuring more C-27Js than the program of record vice recapitalizing C-130s. To support this report requirement, the Air Force conducted analytic comparative launch and check-out capability (LCC) excursions based on the SCP data. These excursions departed from the program of record by consolidating aircraft into larger units, applying reduced personnel assumptions (less than both the manpower estimate and the Air National Guard unit manpower document), and reducing flying hour assumptions. Additionally, research, development, test, and evaluation and military construction were not included in the excursions in order to focus on incremental costs. Procurement cost of \$32 million was used vice the \$65 million average procurement cost, a 30-year life cycle was assumed, dollars were converted to base-year 2011, and a net present value discount rate of 2.3 percent was applied to reflect future value. These steps enabled the examination of comparative LCC representing high- and low-cost "bookend" values of expected costs for the next incremental buy beyond the program of record 38 aircraft. Similar manning, basing, and operation assumptions were applied to the comparative LCC for the C-130 which enabled a relative comparison of the next incremental C-27J procurement to the recapitalization of a C-130H. These relative comparison LCC values do not represent the full LCC of either system.

The CBA showed the comparative incremental costs to procure an additional C-27 or recapitalize a C-130 were nearly the same. The lack of a cost benefit for procuring additional C-27Js led to the conclusion that the more versatile and capable C-130 was the better option in today's constrained fiscal environment.

Secretary DONLEY. But I would ask you to think about the strategic-level discussion that we had in the Air Force about how big the tactical airlift fleet is going to be going forward and how many fleets we're going to manage. I think we made the right strategic

choice here. We're about to embark on a C-27 capability which would be, I think, nice to have and does satisfy a very narrow piece of the direct support mission that we provide as support for the Army.

But as you look at fleet management overall, the better strategic choice in our view was to go with the C-130 because it is more flexible across the broader range of tactical airlift requirements. As we go forward, it didn't make sense to us to commit to building a very small C-27 fleet that was going to be on contractor logistics support forever and to try to build and sustain that going forward in the context of a smaller tactical airlift fleet.

So this was the strategic level choice that we made here.

Senator PORTMAN. Mr. Secretary, my time has expired, but could you give me an answer to the question about moving one, two, or three pallets? Is it more cost effective to do it with a C-27 or a C-130?

General SCHWARTZ. Clearly more cost effective to move one pallet on a C-27, if it's within range.

Senator PORTMAN. So if 65 percent of the time, based on what you've given us in terms of data, that's what the task has been and the other 35 percent of the time it's to move two or three pallets, it would seem to me that we'd need to look at this cost accounting in terms of the loads being carried.

Mr. Secretary, I'd love to get into more detail. The Power Points have gone up, down, all around, and to understand what your assumptions are would be very helpful to me.

I appreciate both of your service so much and I just think we have a fundamental disagreement here on this issue, and I'd hope that you'd be willing to look at some data that we can provide that maybe changes some of the assumptions and therefore some of the ultimate costs.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Portman.

Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. Welcome, General.

We've had a discussion on this topic before, but my greatest concern is the strategy that the Air Force is using for your restructuring. Specifically, nearly half of the Air Force personnel cuts come from the Guard, but they only cost taxpayers a third less to maintain them compared to active duty. Some of the other cuts in the other Services, they did not take them from Guard and Reserve; they took them from active duty. Even when the Joint Chiefs of Staff did a report, they found that Guard and Reserve provide capabilities at a lower cost and that they could be able to rely—and would be more flexible than just relying on full service-members.

I'm also concerned about New York being a State that's receiving one of the largest percentages of cuts. We are bearing 19 percent of the overall Air National Guard cuts. I question that decision, largely because of the capabilities that New York has to offer. Not only do we excel at homeland security and cyber missions and unmanned vehicle missions, but we also are positioned with a northern border, an eastern seaboard, and New York City is arguably

the number one terror target in the Nation. So a large military presence is warranted.

It's also welcomed. New York has great respect for our military men and women and their families. We welcome their presence with open arms. We also have 100 percent staffing with our Guard units and we have no environmental issues that would concern the military for all of our different bases.

So my concern is is that the strategy for cuts are disproportionately affecting the Guard and Reserve, are not taking advantage of known benefits and strengths. So I just wanted to ask whether you will reconsider this strategy in light of some of these concerns.

Second, I know Chairman Levin talked about the work that the Council of Governors has done and they have an alternative proposal that will cut close to three-quarters of a billion dollars in savings beyond your proposal. In light of that as well, is there any room for reconsideration of your overall strategy about how to handle these cuts?

Secretary DONLEY. Senator, I would just repeat that the discussions that the Secretary had set in motion a couple of weeks ago with the Council of Governors continue and we have not yet reached a conclusion, and we will get back to the committee as soon as that work is done.

I know that you've raised a number of issues here, but just to make sure that at the highest strategic level the rationale was that the Department had concluded that we had excess tactical lift capabilities, and that is why C-130s have been put on the table. As we went through that assessment, the majority of this capability is already in the Guard and Reserve, I think. So the focus of our discussions internally has been how to balance the Active and the Reserve component force structure, as the Chief has articulated, to make sure that we do not break the Active Force or the Guard or Reserve as we consider Total Force management across this particular fleet, and each fleet assessed on its own.

Senator GILLIBRAND. Specifically with regard to two areas that are receiving significant cuts, Rome Labs and Niagara. Now, the Air Force cyber science and technology funding is going down in fiscal year 2013 and 2014, and that's a very curious decision from my perspective, particularly in light of Secretary Panetta's earlier testimony, particularly also in light of the questions that Senator Akaka asked concerning China being our largest threat would be electronic warfare and cyber attack.

So first, why is that cut being pursued? I would consider this to be one of our highest priorities for long-term national security, and I think investing now to make sure we have the brightest minds, the talent and resources necessary to build for future threats would be a preferable approach.

Secretary DONLEY. Just a couple of points. Certainly the civilian manpower adjustments that the Air Force has been compelled to make over the last couple of years has affected a number of installations, and especially those that are heavy users of civilian personnel, if you will. So that is certainly part of the equation.

With respect to cyber funding, I would also note for the committee's broader interest here that while this is a very critical area for our national security going forward, the numbers within our cyber

spending and our cyber manpower are moving around quite a bit. So there's not a lot of dollar growth on the cyber side, in part because we are gaining information technology (IT) efficiencies as we move down the road. So we are programming reductions in spending for IT because we believe and have experience that we can do this work more efficiently. So you do not see a steep ramp of growth in spending for IT. In fact, you see a little decline. We are still working through the manpower implications of that as well.

Senator GILLIBRAND. With regard to Rome Labs specifically, it's going to be cut 18.5 percent. Now, I think you're aware that Rome Labs has a very successful collaboration with universities and companies in terms of developing the most cutting-edge technology. It's a very technology-rich environment. In that 18.5 percent cut, the programs that are suffering the most are those that support command and control, planning, and communications, and with STRATCOM being one of the main consumers of this work.

Is someone else going to fill this need, and if not how do you justify losing that capability?

Secretary DONLEY. Senator, I'd like to get back to you on the record with a more complete answer on the internal dynamics of Rome.

[The information referred to follows:]

In the fiscal year 2013 force structure announcement, the Air Force announced net personnel changes that included a reduction of 13 military positions and an increase of 3 civilian positions. This equated to a net 1 percent reduction in personnel—from 793 military and civilian personnel to 783 personnel. The addition of the three civilian positions was a previously announced action communicated to Congress via the November 2, 2011, and January 11, 2012, civilian announcements. The reduction in 13 military positions are attributed to efficiencies in support of the Secretary of Defense memorandum, dated June 4, 2010, on improving Department of Defense business operations through workload divestitures, reorganizations, and consolidations, and the Departments efforts to optimize resources within major commands.

Senator GILLIBRAND. Fine.

My time is up, but I will just say that we've discussed Niagara in depth and obviously it was to serve as a cost-sharing model. So I would like you to relook at that issue and consider whether adding missions or adding other, expanding collaborations with Homeland Security would be something feasible.

Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Gillibrand.

Senator WICKER.

Senator WICKER. Thank you, Mr. Chairman.

General Schwartz, Senator McCain mentioned BRAC and you said we're going to need to close additional installations. Senator Hagan had a conversation with you about the requirements for pilots. How do you see the requirement going forward for the next 5, 10 years with regard to undergraduate pilot training?

General SCHWARTZ. We'll maintain the 1,100 per year output for as far as I can see, sir.

Senator WICKER. Okay. We train those at basically three bases right now, and then there's a fourth hybrid base. You don't see BRAC addressing that particular issue, do you?

General SCHWARTZ. Sir, I can't speculate on that, but we do not see reducing capacity of the pilot production.

Senator WICKER. So that wouldn't be your recommendation.

Now, Secretary Donley, we had a conversation earlier about the tanker and, very frankly, the leadership of this committee, Republican and Democrat, mentioned the tanker. The winner of the contract came forward with an astoundingly low bid. You've been asked about that today. I want you to clarify something you said, because I think you said that if there are cost overruns the overruns would be borne mostly by the manufacturer. What did you mean by the "mostly" and what part would the taxpayer bear?

Secretary DONLEY. I don't have the numbers off the top of my head. The program has a target cost and it has a ceiling, and the bids that came in that were evaluated and based on the source selection of last year were evaluated at the ceiling, the higher of those two levels. This is a fixed price contract, so any costs above the ceiling belong to the contractor.

Senator WICKER. Okay, but I do believe the record will show that you said "mostly." Was that just a slip of the tongue?

Secretary DONLEY. Above the ceiling, it's on the contractor.

Senator WICKER. Above the ceiling, it's on the contractor. Well, let me just say, we're going to be looking at this very closely. There was a very low bid. I think you'll find that we, Congress, mean for it to be honored and we don't want to see any slippage there.

With regard to the C-27Js, Senator Portman just said that he has a fundamental disagreement with the Air Force on this issue and we want to see more facts. I want to join him on that and observe, based on the testimony and the questions today, that there appears to be a fundamental bipartisan disagreement between a large number of members of this committee and the Air Force position.

I think it was mentioned already that last week, in response to my question, General Odierno—I asked him, did the Air Force consult the Army? Was the Army included in this decision? Basically, his answer was that the Army was brought into the conversation after the decision was made. I quote from General Odierno: "I would say we had a discussion about it as a joint group together once the decision was made."

There are some real problems with this decision and let me just observe that without asking you to comment.

Also, with regard to the Global Hawk, I want to join myself with the comments of the chairman and also with Senator Brown. We need to be able to rely on what this committee is told and we shouldn't expect such a reversal in a short period of time.

The number one unmet requirement of combatant commanders is the need for persistent ISR. Mr. Secretary, just 7 months ago Deputy Secretary Carter certified in writing to Congress that the Global Hawk was essential to national security, there was no other acceptable capability to meet the requirement, and that the Global Hawk was \$220 million less expensive per year to operate than the U-2.

Now essentially we're told that the requirements have changed, the assumptions have changed, the data is different. Seven months

later, we're told: Never mind what the Under Secretary for Acquisition came and said in a certified statement.

Mr. Secretary, is there a business case analysis in writing that is available to us that supports the termination of this \$4 billion aircraft?

Secretary DONLEY. Senator, I think I'm confident that we can provide you the analysis that ties to the changed requirement. As the Chief suggested earlier, some of this is classified and needs to be discussed offline. But there were changes in the requirement that allowed us to reconsider. When the certification came over on Global Hawk Nunn-McCurdy breach previously, the certification to which you referred, the question then was is there anything else that could provide the capability that the Global Hawk provides to meet that requirement? So it was a higher requirement, it was focused on the persistence of the Global Hawk capability, and the analysis at that time said it would require additional dollars, it would be more expensive to have the U-2 provide that persistence at that level of activity.

But when the level of activity changed, the requirement changed, we concluded that the U-2, given its existing fleet, would be able to meet that requirement. Then the issue was in the cost comparison, what would it take to have any other aircraft operate as well as the U-2 with that requirement? At that point the comparison between the sensors became evident and the need for Global Hawk Block 30 to have an improved sensor adds cost to that program through the end of this decade. When you look at the costs of the two programs down on paper, it's cheaper for us to continue with the U-2 program. The airframe still has life through about 2040 and it needed minor upgrades to the weapons system, which we are undertaking.

But taking all that into consideration, it's cheaper and we can get that mission done with the U-2 going forward.

Senator WICKER. Well, we'll have a further conversation on that.

Briefly, Mr. Secretary, let me just mention, you're proposing to take 10 C-310Js from Keesler, move them to Dobbins. We have provided considerable capability at Keesler for the C-130Js. The taxpayers have expended a considerable amount of money to accommodate the C-130J airframes and their air crew at Keesler, including state-of-the-art simulators.

You're not going to be asking us to do some MILCON at other bases to replace this state-of-the-art MILCON that we have already available for these C-130s at Keesler, are you?

Secretary DONLEY. Senator, typically when aircraft move, a different type aircraft moves from one location to the next, there are sometimes MILCON. We will have no major MILCON activities associated with this. There will be some minor what are referred to as add/alter adjustments to existing facilities.

Senator WICKER. Well, if implemented this move would leave Keesler without a flying mission, and the taxpayers have expended considerable dollars for the C-130Js, and I'm very concerned about this proposal.

Thank you for your indulgence, Mr. Chairman.

Thank you, gentlemen, for your service.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I join my colleagues in thanking you for your service and note that the description that you gave earlier of trading, I think you put it, size or number or quantity for quality is a dilemma faced by many of your colleagues in DOD. Certainly we are sympathetic to not only the goal, but the difficulty of achieving it, and really thank you for your tremendous leadership in this time of austerity and needing to do more with less.

I would like to focus first of all on the JSF and the delay in procurement schedule. I know you've talked about it a bit. But overall, doesn't the stretch-out or delay increase potentially the cost of procurement per plane?

Secretary DONLEY. It probably does. Those details are being worked now and there is an updated systems acquisition report, which will come to Congress later this spring.

Senator BLUMENTHAL. Do you anticipate it will be this spring that we'll learn more about those costs?

Secretary DONLEY. Yes, sir.

Senator BLUMENTHAL. Can you give us a rough estimate or description of what the impacts may be of this stretch-out or delay?

Secretary DONLEY. Well, it adds time to the program and that usually means cost. So in simple terms that's what it is. But it is also important to recognize that part of the reason for this stretch-out is that we are consciously avoiding larger costs that we would have to incur sooner in the program if we had to take aircraft off the production line and send them right back in to be refitted or upgraded to the latest configuration. So we're trying to minimize the number of aircraft that we have to do that with by slowing this ramp.

Senator BLUMENTHAL. Thank you.

Like others who've asked you for additional information on the C-27J, I'm very concerned about the impact on our active force and our National Guard. I wonder whether there is any consideration being given to modifying the decision on that program?

Secretary DONLEY. Senator, as I mentioned, the Secretary of Defense had opened the window to provide the Council of Governors an opportunity to make suggestions, and that discussion with the Council of Governors continues. I haven't had a chance yet to brief the Secretary of Defense or the DOD leadership. That will occur later this week. We'll get back to the committee when that is done.

But I would also note, if I might, that in recognizing the impact of the C-27 changes across the Guard and specifically the units that might be impacted, where we could we took mitigating action to bring in follow-on missions—MC-12 missions, RPA, mission control units. So where we've been able to, we have put in mitigating issues behind the C-27.

General SCHWARTZ. I would only elaborate by saying that putting the C-27 back is a \$1.4 billion proposition.

Senator BLUMENTHAL. Well, General Schwartz, since the Secretary mentioned it, would you comment on the MC-12 role in homeland security and crisis response and its potential mission in those areas of responsibility?



General SCHWARTZ. It is a very good platform which involves both electrooptical and infrared capability, as well as signals capability on the same platform and a capacity to support ground forces simultaneously with gathering of intelligence. Clearly, we have 37 airplanes presently. Five more are in the process of delivering. Thirty of those are deployed. Seven have remained stateside for training purposes. The reputation that it has gained is that this is a platform that needs to remain in the enduring force structure, and it will.

It clearly has applicability to domestic missions, properly executed, whether that be support to counterdrug missions in the south and southwest area, or other kinds of law enforcement sort of applications, again properly executed. So the MC-12 is a high utility platform, and the reason it started in the Active Duty was because we did it in 7 months. We fielded the capability in 7 months time and built the crew force and all that went along with it.

Once we hit a steady state, it is a suitable mission and an enduring one for the National Guard, sir.

Senator BLUMENTHAL. So you would see it continuing?

General SCHWARTZ. Without a doubt.

Senator BLUMENTHAL. Finally before my time expires, I wonder if you could talk, General Schwartz, about the Pave Hawk helicopter and what the status of that program is?

General SCHWARTZ. We just recently released a draft request for proposal for the Combat Rescue Helicopter replacement. That acquisition process is underway, and here again this is an area of our Air Force that has very significant joint team support, for obvious reasons, and it is a core Air Force mission that we're going to sustain.

So the program is underway. It is in the budget in the 2013 recommendation and it is not something that we want to back away from, sir.

Senator BLUMENTHAL. So you would see a continued commitment to it?

General SCHWARTZ. Certainly would.

Senator BLUMENTHAL. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you both for coming. As you can tell from the questions here today, all of us, a lot of us, have different concerns about how you meet the budget requirements placed upon you. Maybe we should be thinking about are these requirements too severe, given the threats that we face and all the good programs are at risk.

So, General Schwartz, you're right, we can't have it both ways. We can't rearrange the budget for you, send it back to you, your priorities, and say, now go do all we want, if we don't increase the money.

But, having said that, I think the Global Hawk and the U-2 discussion is really a fascinating one for me. This is 2012 and we're talking about how a manned aircraft can do a better job than a drone through now and 2040. I just don't get that when it comes

to this kind of mission. It doesn't make common sense to me, and what I'm worried about is what happened to the Global Hawk in terms of cost? I mean, it's gone up just exponentially over what was proposed. Is that because we keep changing the requirements or because of problems with the contract?

General SCHWARTZ. Senator Graham, two things. First of all, it's important to appreciate we're not getting out of the Global Hawk business. We're going to retain the Block 40 Global Hawk capability for ground moving target indicator, as well as the communications platform for Block 20. So we're focused on the Block 30.

A couple things. I think that reliability of the Global Hawk was an issue. Subsystems in the Global Hawk aircraft were problematic. The generators, for example, are a case in point, which the contractor has corrected, but it took time to do so, and resources.

Senator GRAHAM. Did they competitively bid for this program?

General SCHWARTZ. They did.

Senator GRAHAM. Shouldn't we have a hearing one day, Mr. Chairman, about how a system competitively bid could be so overrun with costs and find out where the problem lies? Is it the Air Force changing the requirements or is it the contractor not being able to fulfill their promise?

General SCHWARTZ. You will recall, Senator, that the original birth of this system was as a tech demonstrator.

Senator GRAHAM. Right.

General SCHWARTZ. So it had an unusual birthing process, to be sure.

Senator GRAHAM. Because we had a need, right?

General SCHWARTZ. This was a technology effort that proved out, and we're going to make use of the Global Hawk capability. NATO will with the Alliance Ground Surveillance, the Germans will with the Block 30 equivalent platform.

Senator GRAHAM. I guess what I'm saying is that we're shelving some of the Block 30 Global Hawks along with the idea it doesn't work as well as the U-2. I just find that hard to believe. The U-2 is a great platform and great crews and maintainers, but I just can't believe that a manned aircraft can do all the things that these drones are capable of doing for the next 25 or 30 years.

General SCHWARTZ. In the long run, Senator Graham, I would agree with you.

Senator GRAHAM. Let's see if we can.

General SCHWARTZ. I'm not dealing with the long run.

Senator GRAHAM. I know, I know. But somebody needs to be, and maybe that's what we're all up here for, is to try to find out the long run and not create budget crises that really make short-term decisions that are not long-term smart. So I'd like to use the Global Hawk/U-2 debate as a case study in why programs cost more than they should, why they take longer, and where are we as a Nation with a vision.

I just envision more drones, fewer manned aircraft when it comes to surveillance, because the cost of losing a pilot in a war is a lot different than it is losing a drone.

So now let's move on to the Air Guard. You've gotten a lot of questions about how we're going to meet our budget goals on the personnel side. I guess the problem I have, like a lot of us up here,

is that on the Air Guard side we're losing 5,100 people from the fiscal year 2012 enactment and 3,900 on the active duty side. There's 328,900 Active Duty airmen, there's 7,500 active duty reservists in the Air Force Reserves, and 101,600 Air National Guard. They get hit disproportionately harder than anybody else by a factor of three or four. Why is that?

Secretary DONLEY. Senator, we have outlined the process that we went through based on changes in the strategy and adjustments in force structure that came from that, reductions in fighter force structure, reductions in mobility force structure. We then made decisions about which platforms to take additional risk in, and then we went from there to look at the Active Duty-Reserve component ratio in each of those platforms to make sure that we could sustain a ready force.

Senator GRAHAM. Is the basic premise that if you have less fighters you ought to take them out of the Air Guard and put them in the Active Force?

General SCHWARTZ. The logic, Senator, has to do with the anticipated tempo in each of the components. What we did was we said we did not want to operate the Active Duty on a routine basis below a one to two deploy to dwell, 6 months deployed, 1 year home, and not less than one to four, ideally one to five, for the Guard and Reserve, given those are our management redlines.

We looked at the available force structure and the expected activity level and worked the mix in order not to cross those thresholds.

Senator GRAHAM. I guess my concern is that the lessons learned from the last 10 years is you can't go to war without the Guard and Reserve. You all know that. it's not a slam on anybody. Our Active Air Force is the best in the world by a factor of many, and the Guard and Reserve does have capability and experience.

This idea of using Guard units with active associates is a good idea, but only so far. I'm not trying to create a cheaper Air Force in the National Guard, Air Guard. I'm not trying to create more Air Guard wings where you have 80 associates from the Air Force making that Air Guard unit about two-thirds cheaper to maintain, equally deployable. That's a good concept, but only so far.

I just think what you're hearing from the committee here is that we're losing a lot of capability in a part of our military force that's just cheaper to maintain, and these are pretty experienced folks and they've gone to war, they've done a good job, and they get home and a lot of their missions are going away. That talent pool that we're losing I think has to be factored in there.

So I hope you can work something out with the governors and I would urge you to do that.

My last inquiry is about Iran. How large is the Iranian air force?

General SCHWARTZ. It's a modest air force. I don't have specific numbers. I can give that to you for the record.

[The information referred to follows:]

The Islamic Republic of Iran operates two separate air forces, the Islamic Republic of Iran Air Force (IRIAF) and the Islamic Revolutionary Guard Corps Air Force (IRGCAF). In terms of assets, the IRIAF operates a wide range of tactical aircraft: U.S.-built aircraft such as the F-4, F-5, and F-14; fighters from Russia, China, and France such as the MiG-29, F-7, and Mirage F-1; as well as several types of indigenously-produced Iranian aircraft that appear to be based off of the U.S. F-5. The IRGCAF operates one type of jet-powered combat aircraft, the Russian-built Su-25

Frogfoot ground-attack plane, as well as various transport and utility aircraft. IRIAF missions include ground attack, air intercept, and long-range strike; however, the IRGCAF mission set is limited to missions such as ground attack and support of ground troops. The combined force of the IRIAF and IRGCAF is currently estimated to consist of roughly 600 operational aircraft, including about 330 combat aircraft. The combined personnel strength of the IRIAF and IRGCAF is estimated at around 30,000.

*Sources:*

NASIC: 2012 Global Threat Estimate—Threats to the U.S. Air Force (released February 2012; accessed April 17, 2012).

Jane's World Air Forces: Iran (updated April 4, 2012).

Senator GRAHAM. When you rate air forces in the world, it is an older, more modest air force; is that correct?

How large is their navy?

General SCHWARTZ. I'm not an expert in that area, sir.

Senator GRAHAM. Is it fair to say from the Air Force side if you were asked to take the Iranian air force down, that it is well within our capabilities?

General SCHWARTZ. One on one, there would be no doubt about that. But it's not just airplanes against airplanes. This is, as you are very well aware, this is a more complex undertaking.

Senator GRAHAM. They have rockets, they have missiles.

General SCHWARTZ. They certainly do.

Senator GRAHAM. But my question is about their air force. Their air force would not fly long and it would not fly far; do you agree with that, in a fight with the United States?

General SCHWARTZ. If that was the mission, that would be the outcome.

Chairman LEVIN. Thank you, Senator Graham.

Senator Begich.

Senator BEGICH. Thank you very much, Mr. Chairman.

Thank you both for being here. I appreciate it.

General Schwartz, we've had a lot of good discussions. First I want to thank you for coming up to Alaska regarding Eielson and trying to understand and help the people of Alaska understand what the intent of the Air Force is and the process of the Air Force.

But here's my struggle, and I continue to struggle. First, in your analysis the savings that occur or the analysis that says here's how much savings will occur are put into the budget and then it's analyzed for us to all look at. But as we both know, you're just now sending up the on-site team—I think it's going to be second or third week of April—to actually do the full analysis.

Here's my struggle: that we know, based on your statements, there are savings that need to be achieved in the budget. We understand that, both to the Secretary and the General. But the problem is you're now starting to do the full analysis to understand what the savings are. I understand you did tabletop, but what goes on in the Pentagon and what's real are sometimes very different on the ground.

So I'm trying to understand how you get to these savings, and we received a letter recently with some information. But do you have a detailed analysis that you utilize to determine the savings that would be achieved by the Air Force in regard to Eielson? I'm going to use Eielson because my worry is there's 40-some other States that are being affected with other types of reductions, and

if you're now just going through this process of really fully doing the on-the-ground analysis, how are we to make a decision when our markup is occurring so soon?

Secretary DONLEY. Senator, certainly we have programmed and budgeted for operations at Eielson, as we do for other bases and units. We understand generally the costs of operations for the infrastructure, for the personnel, for the aircraft, and that is programmed. So if we make force structure adjustments that move or reduce, we have a pretty good handle on what the personnel, flying hour, force structure, operational impacts are, and those numbers are used as the basis for our decisions.

Senator BEGICH. Let me follow up on that. In the report that I saw, you're going to achieve savings in the base support of Eielson beginning in 2015. But you're starting the process now, and so I guess I want to ask two parts. We've heard some numbers in regards to personnel, and I want to dice this a little bit because I'm concerned the process and this is the exact same debate we had when BRAC occurred several years ago. It is the exact same debate.

But we're not going through a BRAC process now. What you're going through is a realignment. Exactly the same debate. So my concern now is is this a process that's going to go around the loop.

Why I want you to dice the personnel issue, you have uniformed personnel and you have civilian personnel. Can you tell me now what you anticipate the civilian reduction will be for Eielson? Whoever wants to answer this.

General SCHWARTZ. The total reduction of personnel is about 660, based on reconfiguring Eielson to a support base rather than its current full-up configuration. I don't recall specifically the split between military and civilian, and we'll provide that for the record, Senator.

[The information referred to follows:]

In the fiscal year 2013 force structure announcement, the Air Force announced net personnel changes that included a reduction of 13 military positions and an increase of 3 civilian positions. This equated to a net 1 percent reduction in personnel—from 793 military and civilian personnel to 783 personnel. The addition of the three civilian positions was a previously announced action communicated to Congress via the November 2, 2011, and January 11, 2012, civilian announcements. The reduction in 13 military positions are attributed to efficiencies in support of the Secretary of Defense memorandum, dated June 4, 2010, on improving Department of Defense business operations through workload divestitures, reorganizations, and consolidations, and the Departments efforts to optimize resources within major commands.

Senator BEGICH. Let me pause you there, General. This is a question we've asked in our meeting down in the Visitors Center. We've had it out in Alaska. We've asked in writing. This is the fourth request. Why I ask this is because it's critical on the civilian piece, because under BRAC there are special requirements when you start touching civilian employees and the quantity, under the law.

So the question I would have is, that number is critical and for that not to be supplied to us is problematic as we are going through this markup.

General SCHWARTZ. That's why it was a 2015 target, sir, and the result of which will be confirmed by the site survey that occurs next month.

Senator BEGICH. I know, but here's the challenge, General. We're starting the process. I went through this with missile defense. They always talk about the year we're in. The decisions we make here at the markup have long-term impacts to the military deployment of services. It doesn't matter whether it's Air Force, Army, whatever. So for us to be in a narrow window is unacceptable.

In other words, you should be able to say to me in 2013 here's what it's going to be, 2014 it's going to be this, 2015 it's going to be this, 2016 it's going to be this, because in order for you to make this decision that you brought to us I'm assuming someone in the Pentagon had these discussions. So it shouldn't be new information. It should be readily available like that, because anything you do in the DOD is long-term. Everything we do here, even though it seems like it's a 1-year pain in the neck at times because of the short-term process, it creates long-term implications.

So that's what I want to know, because if you're saying to me in this narrow window, yes, nothing touched in 2013 civilian, that's an unacceptable excuse, because what we do here will affect civilian employees in 2015, in 2016, 2017. I'm not even sure because I don't know that. But that's what you stated.

So do you get my point there?

General SCHWARTZ. I do, sir.

Senator BEGICH. Secretary, do you understand what I'm referring to?

Secretary DONLEY. I do, and we'll do the best we can to get you the numbers available on the timeline you need.

Senator BEGICH. I'm looking—not the best. I'm expecting an answer because we have to make these decisions, and it's very difficult. I'm a huge supporter of the military, but when I hear that the decision has been made on what it will save and now we have teams going up there to determine it, if I was any other Senator I'd be asking the exact same question from their own home States, because if the analysis is now being started for our State are we just the anomaly? Are we the unique State? My bet is no. I'm assuming it's happening in other States. So I expect that.

The other thing, I know a month ago our team was up there. We have requests that are still due that we have not received. So I would hope that you would get that to us. It's critical.

Then the last thing, if I can just tag on one item on the tankers, just a question because I want clarification on this. That is, you called it—I can't remember the phrase you used, but you have ceiling and you have bid. Or are they the same?

Secretary DONLEY. They're not. Its target and ceiling are the terms.

Senator BEGICH. What do you budget for?

Secretary DONLEY. The ceiling.

Senator BEGICH. So in your budgets—I'm just going to use a hypothetical—if a tanker is a dollar ceiling and it was bid at 50 cents, you really budget for the dollar, correct?

Secretary DONLEY. I believe we're covered for that.

Senator BEGICH. Believe or yes? Confirm that. Because you see the difference?

Secretary DONLEY. I do, I understand.

Senator BEGICH. Okay, and I'll leave it at that, because I think that's what one member was trying to get to.

Thank you, Mr. Chairman, for allowing me to extend a little bit there.

Chairman LEVIN. Thank you very much, Senator Begich.

Senator VITTER.

Senator VITTER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General, for all of your service.

I wanted to start by asking about the A-10s. The Air Force is proposing disbanding A-10 aircraft at the 917 Fighter Group at Barksdale Air Force Base and the Louisiana National Guard's 259th Air Traffic Control Squadron at England Airpark. Now, they have been used extensively in joint training, specifically at the Joint Readiness Training Center (JRTC) at Fort Polk in the Green Flag East Exercises. 70 percent of all those exercises involve those A-10s, and that training is absolutely essential, the best training available for the sorts of conflicts we have been in.

I'm concerned that the Air Force decision to cut that is being made in a narrow smokestack while the use is joint and that's not fully being appreciated or factored into the decision. Can you tell me what, specifically what consultation with the Army or with the Louisiana National Guard went on before that Air Force decision was made?

Secretary DONLEY. Sir, back to the strategy-driven changes here, the adjustments in the strategic guidance impacted the second major contingency and directed us not to plan for extended operations, for stability operations, on an ongoing basis. That's what affected the force structure requirements for the second contingency most.

Having come off of recent fighter force structure adjustments to the F-16 force and to the F-15 force, that strategic guidance focused on taking additional risk in the A-10 force structure. So that is how we got to additional reductions in the A-10. Then we worked through, as the Chief and I have described, the more detailed analysis of inside the A-10 force structure the Active and Reserve component mix, making sure that we had the right balance so that we could meet the requirements of the strategy, we could meet surge requirements, and we could maintain ongoing expeditionary operations if required to do so, make sure we didn't break the Active Force—

Senator VITTER. In all that strategic context, what was the consultation ahead of the decision with the Army regarding this specific decision, and the Louisiana National Guard?

General SCHWARTZ. The Army was certainly part and parcel of this conversation throughout. They were at the table when these decisions were taken. I'm not saying they liked them, but they understood them.

Again, General McKinley was also at the table and was aware of this, and we interacted with him. I can't say for certain whether the The Adjutant General from Louisiana was informed.

Senator VITTER. With regard to this JRTC training at Fort Polk, will anything replace those A-10s?

General SCHWARTZ. Just like at the National Training Center out in California, we'll support the training demand there as we do in California.

Senator VITTER. Now, the nearest at least A-10s are a ways away. Was there a cost analysis done of what that involves compared to what we're doing now?

General SCHWARTZ. Senator, again we need to sort of remember that A-10 isn't the only airplane that can do close air support or do fast forward air control, as we call it. The F-16 is certainly capable of doing that, the F-15E is. We have bigger planes, including the B-1, doing close air support, as you're aware. So the bottom line is here that, while history sort of encourages us to think in traditional terms, there is more variety out there to support the training and the close air support mission than just the A-10.

Senator VITTER. Take the A-10 out of my last question. What will replace that aspect of training at JRTC and what's the cost analysis of that? Was that done prior to the decision?

Secretary DONLEY. I don't recall whether there was a cost analysis of what replaces it. But back to the Chief's point, there are a number of assets available to support the JRTC. So it would depend on what the demand signal is for an exercise in terms of how the Air Force would support it, where those assets might come from to do that work.

I would also add, in addition to the platforms the Chief has mentioned, the RPA that we have added have brought air-to-ground capability that is being used extensively as well.

Senator VITTER. Okay. On Global Strike Command, that was stood up in December 2009 to improve the safety and security and effectiveness of nuclear-capable assets, particularly following the 2007 nuclear weapons incident. Is there any discussion whatsoever now about reversing that decision and going to the pre-Global Strike Command model?

Secretary DONLEY. No.

Senator VITTER. Final focus, B-52 funding. B-52s continue to be very significant in so many ways. One of the proposed cuts that impacts them is the Connect program, which would provide digital communication and mission retasking capability. Give us a sense of why you think that's justified and what capability the B-52s will be left with absent that upgrade?

General SCHWARTZ. The B-52s will have an older, but sustainable, communications system both for tactical and strategic command. This was an affordability issue for us and that was the primary motivation, that we could perform the mission with the legacy system and that's what we decided to stay with.

Senator VITTER. Just in layman's terms, one big difference would be that the planes have to sort of come back and land to be retasked in terms of a mission, compared to what the Connect capability would have been?

General SCHWARTZ. There is still an airborne retasking capability, not as versatile, not as broadband, but there's still an airborne retasking capability.

Senator VITTER. Okay. Thank you, Mr. Chairman.



Chairman LEVIN. Thank you very much, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Thank you both for your service.

Secretary Donley, I recently read a disturbing article that the Afghan air force officials may have been using aircraft to transport narcotics and illegal weapons. This report, combined with the actions of an Afghan air force colonel who killed eight of our Air Force officers, shows a troubling state of affairs for the Afghan air force. I understand that you don't have responsibility for the training of the Afghan air force.

Also, I would like to know if we have established the Afghan air force with our money, American money, which I would assume we did? What types of missions are they flying and do these missions justify the investment we're making? Just an overall assessment from you of the Afghan air force in light of all of these troubling events?

Secretary DONLEY. Some of these events, Senator, have been indeed troubling. But we remain committed to our continuing effort to help the Afghans develop an indigenous air force. They are flying a G-222 aircraft, which is the equivalent of a C-27-like aircraft. They've had several delivered. They continue to try to work up the operational capability, improve the reliability of that system. They fly MI-17 helicopters, MI-35 helicopters as well.

I would say that they have made important contributions at the national level. They've supported Afghan elections by moving ballots around the country to support the electoral process, and they've also provided leadership lift when that has been required. So especially in the remoter parts of this very rugged country, the contributions that they bring are important and we need to continue supporting that element.

Senator MANCHIN. We are paying? We're basically footing the whole bill?

Secretary DONLEY. Afghan national security funds are doing that. There are NATO funds involved. So we're doing this with partners.

Senator MANCHIN. We're not training them? If we're putting all that money in, why would we not be training?

Secretary DONLEY. We are training.

Senator MANCHIN. Oh, we are training.

Secretary DONLEY. We are training. We are responsible for the security of our airmen who are performing that mission.

Senator MANCHIN. I think you would have to understand why some of us are so upset, when we're cutting, we're cutting our own Air Force by over 200 aircraft by 2013, while we're building up the Afghan air force. It's hard. It's hard for those of us in West Virginia to understand that logic.

General SCHWARTZ. Senator, I think the bottom line is if we want the Afghan National Army to provide for security so that the partners there can rely on that, that they need an air element in order to support the ground forces. One case in point is a recent event where they performed their first casualty evacuation event. The helo went out, recovered injured Afghan Army troops, and returned them to Level III care.

Imagine the psychology of this, where the Afghan army begins to understand that if they're wounded it isn't over for them and they won't be left on the battlefield to bleed out. These are the kinds of things that the Afghan air force can do on behalf of the army that will reinforce their capacity to perform the defense mission.

Senator MANCHIN. Will they be able to maintain that without our consistent help and constant help in perpetuity?

General SCHWARTZ. Sir, I can't say about perpetuity.

Senator MANCHIN. Basically, you've assessed them and the quality of people that they are and what their mind set is.

General SCHWARTZ. Clearly we will need to have a continuing training mission over the years.

Senator MANCHIN. That's my problem.

General SCHWARTZ. But it will not be a combat mission.

Senator MANCHIN. I just believe we should be out of there, period.

Thank you.

Chairman LEVIN. Thank you, Senator Manchin.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Secretary Donley, General Schwartz, I have to say this has been quite a lively hearing. I think from both of your histories you know what happens when rice bowls are at risk. It's been very interesting to watch this.

I also would like to say, having spent time in the Pentagon, I don't think anybody, any of our compatriots up here or anybody, should walk away from this hearing believing that these issues aren't thoroughly argued and scrubbed inside the Pentagon. I think probably the toughest job would be at a higher level in the Pentagon, as on any given day you're working on three budgets. As you both well know, you're implementing one, you're arguing one over here, and you're developing one.

It takes an enormous amount of time. I just recall this period when we had Gramm-Rudman—and Secretary Donley, you were in public service at the time, too, when Gramm-Rudman came in there in 1987–1988, when we had to take 10 percent out of a budget that had already been scrubbed by OMB. Very, very tough. I understand the attempts at fairness here that you're trying to put on the table. I just want to say that for the record.

There's been a lot of discussion about BRAC. I have been one who has supported something, for lack of a better term, an overseas BRAC. With respect to Pacific-Asia, this is not a proposal at this point that would reduce in any way our presence or our effectiveness over there, and of course we're attempting to take on that. It's more an objective of gaining an efficient restructuring without reducing our overall capabilities and without messaging in a negative way what our strategic objectives are in that part of the world.

In that regard, I have some questions that I've raised in other forums about the capacity in which a number of the Air Force installations are operating in that part of the world.

General, what would you say the percentage capacity would be of permanently assigned Air Force units at Andersen Air Force Base, Guam?

General SCHWARTZ. Sir, except for base support, in terms of aviation there are no permanently assigned aviation units at Andersen.

Senator WEBB. Do you have one, a rotating unit that is permanently considered to be—

General SCHWARTZ. I mean, transitions. But we have a bomber presence, a continuous bomber presence at Guam, and we have a periodic fighter presence there as well.

Senator WEBB. But in terms of, let's just say, a permanently assigned rotational force, as a comparison a Marine battalion?

General SCHWARTZ. It's a squadron equivalent.

Senator WEBB. You have a squadron equivalent, which would be how many aircraft?

General SCHWARTZ. It's six to eight bombers, for example.

Senator WEBB. On any given day, you would assume that there would be six to eight at Andersen?

General SCHWARTZ. Or basing from Andersen going elsewhere, correct, sir.

Senator WEBB. How about Yokota?

General SCHWARTZ. Yokota has a squadron of 18 C-130s as the flying operation.

Senator WEBB. How about Misawa?

General SCHWARTZ. Misawa has two squadrons of F-16s. I think it's 54 aircraft, sir.

Senator WEBB. What would that be in terms of—those bases—and if you're not comfortable doing this off the cuff, I'd appreciate having this within the next 10 days or so, because I'm going out there. Here's what I'm looking for: Andersen, Yokota, Misawa, Kadena, the number of rotationally assigned. I understand what you're saying when you say it's not permanent units, but rotational units that you could expect; and what percentage capacity that would be on these installations, number of aircraft, and maybe even a historical referent.

I think when I was working out there in 1973-74 we saw the ultimate extreme in terms of capacity because they were running B-52s daily into Southeast Asia from Guam and it was really at max load.

General SCHWARTZ. Sir, we'll provide that to you before travel. The only thing that I would caution on, and we'll do so in writing as well, is that that the major bases, in particular Andersen and Kadena, are expansion locations in contingencies. That needs to be considered as well. With your permission, we'll provide that data.

[The information referred to follows:]

There are no permanently-assigned Air Force aviation units at Andersen Air Force Base. However, there is one permanently assigned U.S. Navy unit flying MH-60S helicopters with 14 aircraft assigned. In evaluating installation capacity, the Air Force considers numerous factors, such as runway operational capacity, ramp and hangar space, airspace and range availability and capacity, housing and base operating support, among others. Capacity also varies depending on type of missions being supported. In the event of contingency requirements in the Asia-Pacific region, a vast majority of required forces would rotate in from outside the region. Therefore, we must maintain the capacity to absorb those forces when the situation arises.

Senator WEBB. I understand that. Any way you want to present that's fine.

I understand also we all understand if there really were a broadly based contingency situation in that part of the world there'd be

a lot of other assets that would be put into play, a lot of other facilities that would be put into play as well. But I'd appreciate that. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Webb.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Gentlemen, first of all, thanks for your service. Thanks for always being willing to talk about the various issues that you and I have in common and that we have discussed over the years. You have always responded to my inquiries.

I was going to raise an issue relative to Global Hawk, which is a key asset to the intelligence community. I understand there have been several questions asked about that, so I'm not going to go into it. But just know that I am very concerned about the cancellation of a program that provides such a great asset to the community, and at the same time as one that's been certified by the Department through Secretary Carter to be virtually irreplaceable. So with that, I want to move on to something else.

Mr. Secretary, one of the issues that we worked on very closely was the reorganization of Air Force Materiel Command (AFMC). I appreciate your willingness to accommodate many of the concerns that Senators had with respect to that, that reorganization. While I do not feel completely comfortable with everything the reorganization will do, I believe we have the procedures and reporting requirements in place to identify and correct problems should they arise.

My main concern with the reorganization is the effect that it may have on sustainment of weapons systems, given that the sustainment program management and depot maintenance activities, which were formerly combined in a single chain of command, will now be separated into two separate chains of command. Now, can you just for the record explain why you think this new construct that separates sustainment program management and depot maintenance functions will help or at least not hurt the Air Force's ability to sustain weapons systems?

Secretary DONLEY. Sir, our intent in this restructure was to support, better support the Commander of AFMC in his oversight of the procurement and the sustainment of weapons systems, and to strengthen the acquisition chain of command that helps support those systems, all the way from the system sustainment and the air logistics complexes all the way up through the major—through the program offices, and to develop a stronger acquisition chain to do that, and in the process reduce his direct reports from 12 to 5, and in that process help us to meet required reductions in overall size of our civilian strength in the Air Force.

So that was the rationale for the proposals that we had put on the table and have discussed with you.

Senator CHAMBLISS. There are some reporting requirements in there and we look forward to monitoring this realignment as we go through it and continuing the dialogue with you and General Schwartz with respect to the issue, and fully expect that if it's not working that you're going to be willing to look at whatever changes might be necessary.

General SCHWARTZ. Absolutely, Senator. We're not backing into this. Changes like this require tweaking. I'm sure there will be tweaking and we'll be ready to act when that's required.

Senator CHAMBLISS. General Schwartz, you indicated in earlier testimony before this committee that the Air Force's ground moving target indicator analysis of alternatives (AOA) would be used beginning in fiscal year 2013 to guide Air Force investment in ISR weapons systems, such as the Joint Surveillance Target Attack Radar System (JSTARS). Can you give us an update on the AOA status and when we can see those results?

General SCHWARTZ. Sir, the AOA was approved by the Air Force and provided to the Office of the Secretary of Defense CAPE for their sufficiency review on January 25. That review is still underway and once they bless it, why, it'll clearly come forward to Congress.

The substance of that AOA indicated that a blend of Global Hawk Block 40 and a business class ISR platform was the least cost, highest performing alternative. Notwithstanding the AOA, sir, the reality is that there's not enough space to undertake a new start business class ISR platform. We simply don't have the resources.

So we will continue with the combination of the JSTARS ground moving target indicator (GMTI) capability with the companion Block 40 Global Hawk.

Senator CHAMBLISS. So there's still no change in the opinion of the Air Force about the GMTI mission and its criticality to the warfighters?

General SCHWARTZ. No, sir, there isn't. If there wasn't the resource crunch that we have, this would certainly be on our minds. But there are two areas in our Air Force that need attention that we don't have the resources for. One is GMTI, as you addressed, and also the trainer mission is also a concern. We simply don't have enough space to initiate a new start.

Senator CHAMBLISS. You mentioned that things have changed since 2005, the last round of BRAC, and that another round of BRAC is necessary, and particularly because you're flying fewer airplanes in the Air Force today than what you were flying even back in 2005. Can you define that a little bit further with respect to what types of facilities need to be looked at closer than others, i.e., what types of bases are we looking at? Fighter bases, transport bases?

General SCHWARTZ. I'd say yes to both probably. I think here's part of the issue. Not only do we have fewer, fewer aircraft on concrete throughout the country and overseas; there is also a fundamental question of right-sizing our squadrons for maximum efficiency. The reality is that larger squadrons are more efficient because of less support equipment required, because of overlap and so on.

So another part of the question is what are we going to do, for example, with F-35s? Will the F-35 Active Duty squadrons be 24, 30, or maybe even 36 aircraft? We haven't come to that decision yet because we don't have those airplanes. But when we do make that decision, that will have an effect on the infrastructure required to support it all.

My view is that we need to have good assessments of capacity and we need to do that because if we don't, we're going to be expending resources in areas less important to us than others like readiness and modernization.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Secretary Donley, General Schwartz, thanks very much for your testimony. I appreciate the directness of the testimony, the honesty of your assessment of the Air Force at this time. Some of the language in your posture statement really jumps out, that, notwithstanding all that we've asked you to do in recent years, the aircraft inventory and end strength has declined and, well, strength has come down by thousands of airmen—here's the quote: "leaving us next year with the smallest force since our inception in 1947."

That's a really powerful statement and one that we have to heed. Again, your testimony convinces me that the budget that has been submitted to us really does take unacceptable risks with our national security. Again, a lot of it is compelled by Congress through the Budget Control Act, but we have the ability and I'm viewing these hearings as the exercise of our responsibility to review that, this budget, in that context and do whatever we can through authorization and appropriations committees to make sure that we reduce the level of risk from unacceptable to acceptable and do whatever is necessary, including raising taxes, to make sure that we can afford that.

I do want to say in passing that I was here when Senator Ayotte referred to one of the aircraft as older than she is. It strikes me that this should create the Ayotte rule, that no aircraft in the U.S. Air Force now is older than she is now. If you get close to the age of the chairman and me, our Air Force is really in trouble. But we don't think there's any danger of that.

Let me ask you one current sort of topical question and then a larger question. The topical question is about Syria. There's ongoing repression, in my opinion slaughter, by the Assad government of its people. The President has condemned it and asked Assad to step down. The opposition forces there have now asked the world community for military assistance, including the possibility of using air power. I understand that no decision has been made, certainly not by our Commander in Chief, at this point.

But I just wanted to ask you this question. In some ways it's like the one that Senator Graham asked about Iran, which is whether you believe it's within our ability to neutralize the Syrian Government regime's air defenses and achieve air superiority over Syrian territory?

General SCHWARTZ. It is doable.

Senator LIEBERMAN. Right.

General SCHWARTZ. But it would not be easy. This is not an unsophisticated adversary.

Senator LIEBERMAN. Why don't you talk about that a little bit?

General SCHWARTZ. I'd prefer, sir, frankly, to do this in another forum. But this is not a week's effort. Let me put it that way.

Senator LIEBERMAN. Right. But again, you have no doubt that the U.S. Air Force could do it?

General SCHWARTZ. I believe that's the case, and certainly if we had our major partners with us that would be beneficial as well.

Senator LIEBERMAN. I agree. I think the expectation is that if ever this did happen—and this is very theoretical at this point, or at least tentative—that the United States wouldn't go it alone. I certainly wouldn't want us to go it alone. I hope some of our major partners and some of our allies in the Gulf, who have increasingly sophisticated air capacity, would join with us as well, and I think there's some interest in that.

The second question is broader, General Schwartz. I read with great interest the article that you wrote on air-sea battle with Admiral Greenert. I thought it was a great idea that the two of you came together. I very much appreciated your insights on how you see the development and implementation of this concept, which I personally think is crucial to ensuring our military advantage against growing anti-access and area denial challenges, particularly in the Western Pacific and the Persian Gulf.

So I wanted to ask you at this hearing on your budget—and Secretary, I'm happy to urge you to join in—if you would highlight the areas of the proposed budget for fiscal year 2013 that you think are most important to supporting the concept of air-sea battle? Why don't you just at the beginning give us a short form of what the concept of air-sea battle is and then talk to us about what's in this budget to support it?

General SCHWARTZ. Sir, the notion is that for the two Services that operate routinely in the global commons and have a rapid response expeditionary capability, that if we did our work together, if we teamed properly, that we could leverage each other's capability in ways that we hadn't really thought through well enough before. I mean, we have partnered, but it was irregularly. It was sort of the one-off, and the issue was how to normalize that level of collaboration, part one; how to, at the operational level, look at the way we provide mutual support, either in the air or even across domains.

For example, there are two stealth platforms in DOD, the B-2 and the submarines. By the way, we support Admiral Jon Greenert's effort to pursue the *Virginia*-class efforts, because that is important to the Air-Sea Battle portfolio.

But finally, the third thing is at the materiel level. How do we coordinate how we do things in ways that use common data links? How do we use Global Hawk together, both Block 40 and Broad Area Maritime Surveillance in this instance? So at many levels, at the tactical level, at the operational concept level, at the materiel level, there are areas here where we as an Air Force and Navy can make our presence felt, that we can assure freedom of action, not without effort, but assure freedom of action and access to better collaboration and teaming of the capabilities we currently possess.

What's important to us in this area? Electronic warfare, clearly. Long-range strike bomber is a case in point, and the family of systems more broadly.

Senator LIEBERMAN. You got some money for research, development, RDT&E, for the long-range bomber in the budget.

General SCHWARTZ. Absolutely, yes, sir, that's correct.

The kinds of data link efforts that we have underway again to magnify individual assets to make them, network them in a way that's far more compelling.

Senator LIEBERMAN. Secretary, do you want to add anything to that?

Secretary DONLEY. Just a couple of things. Obviously, the Chief mentioned the joint collection and passing of ISR data is of certainly a common interest. Missile defense is another area of common interest. Our mutual work on the F-35, the advanced air-to-air capabilities that will be developed to support that platform, the advanced air-to-ground capabilities, and also, as the Chief mentioned, the deep strike capability.

So these are all areas where we share materiel, operational, and theater level interests in the joint fight.

Senator LIEBERMAN. These are supported in the budget before us.

Thank you both. That was an excellent short description of the air-sea battle concept, and I really applaud you for working with the Chief of Naval Operations on developing this concept. It's not only cost effective, but obviously it'll maximize our capabilities against enemies.

General SCHWARTZ. For the record, sir, I'd like to compliment Admiral Gary Roughead, with whom this began, and Admiral Jon Greenert, who continues it.

Senator LIEBERMAN. Good. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Lieberman.

Just two quick questions. One is the ORS program, which as I understand it was a program which was coming in below cost. Why was that program cancelled?

Secretary DONLEY. Sir, our strategic-level decision with respect to the ORS program is that we likely have an unsustainable model going forward. The purpose of this program was to help us develop the operational concepts and the capabilities, the technical capabilities, to gain rapid access to space, to do rapid integration of payloads and launchers, and to demonstrate the capability to provide rapid response and augmentation to combatant commanders should they lose space-based capabilities or need augmentation.

However, ORS was taxed in its ability to meet competing demands with limited resources, to provide resilient capabilities for military satellite communications (SATCOM) capabilities, for ISR, and for missile warning, and all these areas of the space domain, all these different mission sets. We simply did not and probably could not put the resources forward necessary to support a robust ORS program from that one platform, if you will.

At the strategic level, working with the Deputy Secretary and other members of the DOD team, we came to the conclusion that it would be a better approach to develop resiliency in our space programs through the individual architectures for missile warning, through the architecture for military SATCOM, and to figure out cost-effective ways to build in resiliency through hosted payloads, use of international partnerships, and other capabilities that we could add to the organic U.S. space capabilities.



We do think there's value here, but this needed a major restructuring, and there is statutory language that would need to be adjusted for us to change course, and that's what we have proposed.

Chairman LEVIN. Mr. Secretary, let me just wind up with a question, or a comment about the force structure changes that are in the budget request that we've all, or most of us, have discussed this morning. The letter which I wrote with Senator McCain to the Secretary of Defense has been already put in the record, formally requesting that the Department take no actions to implement decisions in this regard that anticipate Congressional approval of what may turn out to be contentious proposals before the committees have had an opportunity to produce bills reflecting their responses to the fiscal year 2013 budget request.

So from that request, but also from comments that you've made before the appropriators, am I correct in believing that you're not going to be making the force structure changes that were proposed in the fiscal year 2013 budget request until the congressional defense committees have had a chance to mark up that fiscal year 2013 budget request?

Secretary DONLEY. That's correct, Mr. Chairman.

Chairman LEVIN. Thank you. With that assurance, I think a lot of us will feel more comfortable as we proceed here, and we greatly appreciate your testimony this morning. We've covered a lot of ground, and I think all of us are very appreciative of the service that you two perform for us.

So we thank you, and we'll stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

##### FORCE STRUCTURE CHANGES

1. Senator McCASKILL. General Schwartz, the Air Force has announced plans to begin implementation of major force structure changes that will affect almost every State. Missouri will benefit from additional A-10s at Whiteman Air Force Base (AFB) and more advanced C-130s for the 139th Airlift Wing located at Rosecrans Air National Guard Base in St. Joseph. However, the loss of a National Guard air control squadron from Jefferson Barracks in St. Louis will result in the loss of more than 200 billets. As in Missouri, the reductions across the entire force fall most heavily on the National Guard. When determining the announced force structure changes, what factors did the Air Force consider?

General SCHWARTZ. The new Department of Defense (DOD) Strategic Guidance "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense" directs the Services to build a force that will be smaller and leaner, flexible, ready, and technologically advanced. To deliver the capabilities required by this strategy, and remain within funding constraints, the Air Force made difficult choices in all service core functions. While remaining consistent with the new strategy, the Air Force fiscal year 2013 budget submission achieves \$8.7 billion in savings across the Active and Reserve components by retiring over 200 aircraft in fiscal year 2013 and 286 aircraft over the Future Years Defense Program (FYDP). Our programmed force reductions are wide-ranging and affect over 60 installations.

This was an integrated, Total Force effort—Active Duty, Reserve, and National Guard—working together to achieve our end state of a ready and sustainable force that can meet our surge and rotational requirements. The Air Force realigned our forces to better meet this new strategic guidance to: ensure the Total Force can fulfill surge requirements; maintain a balance between components that allows us to fulfill continuing rotational requirements at sustainable rates; retain the recruiting, training, and operational seasoning base required to sustain the Total Force's needs into the future; and ensure the Reserve component remains relevant and engaged in both enduring and evolving missions.

To meet this end, the Air National Guard (ANG) developed five capstone principles to help guide this transition: allocate at least one flying wing with ANG

equipment to each State; recapitalize concurrently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (emergency support functions) relevant to the States. Similarly, the Air Force Reserves used the following four principles: ensure aircraft reductions do not negatively impact operational support to Combatant Commands; ensure force structure movements do not create any new Air Force bills; ensure risk is minimized by optimizing crew ratios to exploit expected increases in mission capability rates; and, consider locations that continue to have an Air Force mission due to the presence of another Air Force component. This Total Force approach allowed us to maintain the right Active/Air Guard/Reserve mix, and meet our operational demands with a leaner force while taking care of our airmen.

2. Senator MCCASKILL. General Schwartz, did the relative cost of Active component versus Reserve component personnel weigh heavily on the final outcome?

General SCHWARTZ. No. Air Force force structure reductions were based on ensuring the plan could provide the capabilities needed to meet the new DOD strategy. Over the past two decades the Air Force has primarily reduced active duty end strength and force structure, causing an imbalance between Active and Reserve components. As the Air Force considered reductions in fiscal year 2013, the Air Force carefully considered the rationale between the Active and Reserve components and made choices to ensure the Total Force can fulfill the Air Force's surge requirements as directed in the new DOD strategy; achieve the balance between Active and Reserve components required to meet rotational requirements at deploy-to-dwell rates that are sustainable to both the Active and Reserve components; ensure the Active component retained the recruiting, training, and operational seasoning base required to sustain the Total Force into the future; and, ensure the Reserve component remains relevant and engaged in both traditional and evolving missions.

3. Senator MCCASKILL. General Schwartz, how did dwell time considerations affect the Air Force's decisions?

General SCHWARTZ. The Air Force used specific rate of deployment assumptions for Active Duty, Air Force Reserve Command, and ANG during development of the fiscal year 2013 President's budget. In accordance with Secretary of Defense memorandum, "Utilization of the Total Force," Jan 19, 2007:

- "(Third,) the planning objective for involuntary mobilization of the Guard/Reserve units will remain a 1 year mobilized to 5 years demobilized ratio. However, today's global demands will require a number of selected Guard/Reserve units to be remobilized sooner than this standard. Our intention is that such exceptions be temporary and that we move to the broad application of the 1:5 goal as soon as possible. Continue to plan your force structure on that basis."
- "The planning objective for the Active Force remains 1 year deployed to 2 years at home station." (1:2 ratio)

This guidance has been repeated in numerous subsequent documents, including the 2010 Quadrennial Defense Review, current Guidance for Employment of the Force (S), and Air Force Instruction 10-401, among others, and is used for all Air Force force structure planning for post-surge operations.

Current Office of the Secretary of Defense (OSD), Joint Staff, combatant commander, and Service developed integrated scenario constructs (ISC) used for force sizing require that all programmed Air Force fighter, bomber, tanker, and mobility aircraft be used during the surge (1:0 ratio).

4. Senator MCCASKILL. General Schwartz, what capabilities will be lost due to the proposed elimination of the 121st Air Control Squadron?

General SCHWARTZ. The proposed elimination of the 121st Air Control Squadron (ACS) will not adversely affect the enterprise-wide air control capability. The Air Force currently has 10 control and reporting centers—5 Active Duty and 5 ANG—operating in the United States and overseas. The proposed force structure changes would reduce these numbers by one ANG unit and two Active Duty units. The 121 ACS would represent half of a single control and reporting center weapon system capability, about 10 percent of the total ANG control and reporting center capability, and about 7 percent of the proposed Total Force control capability. The Air Force can meet current air control commitments with this leaner force structure.

5. Senator MCCASKILL. General Schwartz, what additional risk will the Air Force assume?

General SCHWARTZ. Taking into account current commitments both at home and overseas, the Air Force assumes minimal additional risk due to the closure of the 121st Air Control Squadron. The combined impact of all air control squadron (ACS) cuts (two Active Duty ACSs and one ANG ACS) is the elimination of three of the current ten control and reporting centers. The Air Force will have the capacity to have three control and reporting centers committed at any one time (two supporting deployed taskings and one supporting homeland defense missions) with four remaining, if required, elsewhere.

6. Senator MCCASKILL. General Schwartz, with the movement of A-10s to Whiteman AFB, is the Air Force also considering moving A-10 maintenance and repair operations to Whiteman?

General SCHWARTZ. The Air Force Reserve is moving three A-10s and applicable manpower for both maintenance and operations. The unit was previously a 24 primary aircraft authorized (PAA) unit as a result of 2005 Base Realignment and Closure (BRAC); however, as part of the Combat Air Forces (CAF) force structure reductions in the fiscal year 2010 PB, both the Whiteman and Barksdale units were reduced to 21 PAA. This fiscal year 2013 PB action will take the Whiteman unit back to 24 PAA. There has been no discussion on moving the A-10 centralized intermediate repair facility (CIRF) for A-10 engines. Hill AFB, UT, is the depot repair facility, and Bradley Air National Guard Station maintains the engine CIRF.

#### LONG-RANGE STRIKE BOMBER

7. Senator MCCASKILL. General Schwartz, DOD is pivoting to a strategy that focuses on the Asia-Pacific region. In that shift, the strategy calls for rebalancing toward the Asia-Pacific region and protecting freedom of access throughout the global commons. To accomplish these, the strategy says we must maintain the ability to operate in anti-access/area denial (A2/AD) environments and that development of a new stealth bomber is, therefore, needed. Also, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort. A key element of this effort is the long-range strike bomber (LRS-B) which will strengthen both conventional and nuclear deterrence. What capabilities do you need from a future penetrating bomber to address our shifting focus on the Asia-Pacific region?

General SCHWARTZ. The LRS-B's unique capabilities include long range, significant payload capacity, operational flexibility, and survivability in anti-access environments. It is a key component of a family of systems which will make up the joint portfolio of deep-strike capabilities needed in the vast Asia-Pacific region.

8. Senator MCCASKILL. General Schwartz, what capabilities do you need from a LRS-B to counter increasingly sophisticated air defenses?

General SCHWARTZ. The LRS-B's unique capabilities include long range, significant payload capacity, operational flexibility, and survivability in anti-access environments. It will employ a mix of standoff and direct attack munitions to provide effects within hours, across the spectrum of conflict and despite increasingly sophisticated air defenses. Specific operational and programmatic details are classified.

#### QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

##### JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

9. Senator BLUMENTHAL. Secretary Donley, the mission success of the Joint Surveillance Target Attack Radar System (JSTARS) program has been realized in the past 10-plus years of combat operations in Iraq and Afghanistan. Can you provide any feedback from end-users regarding JSTARS capabilities and its interoperability with ground forces or threat-based system performance capabilities?

Secretary DONLEY. Feedback from end-users regarding the JSTARS capabilities and interoperability has been significant and positive. The Special Operations Task Force-South, Intelligence Officer (SOTF-SOUTH S2) stated that with regards to ground moving target indicator (GMTI) support, the "JSTARS ability to acquire and pass updated geo-locations in near-real-time acts as a valuable force-multiplier for many of our assigned intelligence, surveillance, and reconnaissance (ISR) assets." The 603d Air Operations Center Dynamic targeting chief, commenting on information flow, emphasized that "the 10 lines used to take 20 minutes to pass until you got here, now [take] 10 seconds." The Deputy Supreme Allied Commander Europe highlighted his satisfaction with JSTARS performance over Libya, stating, "JSTARS is essential to the C2 [command and control] analysis and targeting cycle and their

loss would significantly degrade NATO's ability to bring dynamic targeting strike assets to bear on Regime forces." Finally, the Operation Odyssey Dawn Combined Forces Air Component Commander called JSTARS "a real game changer."

10. Senator BLUMENTHAL. Secretary Donley, are there any capabilities or aircraft enhancements that should be added to JSTARS?

Secretary DONLEY. JSTARS is currently undergoing several sustainment/modernization efforts to enable continued safe/effective operation of the E-8C beyond fiscal year 2020.

- Prime mission equipment/diminishing manufacturing sources (PME/DMS) upgrades mission systems components and updates aircraft to a Linux-based operating system.
- The avionics (DMS) program will modernize the E-8C cockpit to incorporate military, civil, and international flight certifications.
- The single channel ground-air radio system (SINCGARS) entails voice communication radios/filters being retrofitted on aircraft and trainers providing required off-board communication links.
- The enhanced land maritime mode (ELMM) sensor system improvement implements vastly improved maritime/land tracking capabilities, with in-progress installation scheduled to complete September 2012.
- The communication and networking upgrade (CNU) is modernizing hardware for improved tactical network communications; retrofits started in the second quarter of fiscal year 2012.

#### REVITALIZING THE AGING C-130 FLEET

11. Senator BLUMENTHAL. General Schwartz, one key to revitalizing the aging C-130 fleet could be to replace the older four-bladed propellers with newer eight-bladed propellers that increase performance while providing significant operations and maintenance savings in the out-years. The Air Force has recently validated the performance of these new propellers on the C-130 and the Navy has validated the logistic benefits on their E-2 fleet. Can you provide any details or plans the Air Force has to repropeller the older C-130s and any potential savings involved in doing so?

General SCHWARTZ. The Air Force is dedicated to modernizing the C-130H fleet. Currently, there is no requirement or plan to replace the C-130H propeller and we have not examined the costs. There is one unit, the 109th Airlift Wing, New York ANG, that is currently modifying two LC-130 aircraft with eight-bladed propellers to increase take-off performance and replacing the jet-assisted takeoff rockets needed to lift-off from ice and snow-covered runways under arctic conditions.

#### QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

##### KC-46A AERIAL REFUELING TANKER

12. Senator MCCAIN. Secretary Donley and General Schwartz, last year, the Air Force conducted a very sound competition on the KC-46 tanker program and it seems to be executing a viable acquisition strategy. But, integration appears to be a significant risk to its finishing the development of this next-generation aircraft. How is the Air Force addressing this element of risk?

Secretary DONLEY and General SCHWARTZ. The Air Force determined the KC-46 development schedule is moderate risk. Boeing and the Air Force are closely monitoring several schedule risk issues to include: in-line provisioning of military capabilities on the 767-2C commercial assembly line; concurrency of Federal Aviation Administration certification processes; and flight test and software development. The Air Force and Boeing have implemented a robust risk management process to mitigate these risk items. The Air Force will continue to firmly manage program execution to ensure Boeing delivers KC-46 aircraft in accordance with the terms and conditions of the contract. DOD and the Air Force are closely monitoring the program cost, schedule, and performance baselines established at contract award.

13. Senator MCCAIN. Secretary Donley and General Schwartz, what are the other most significant elements of risk in this program and how is the Air Force addressing them?

Secretary DONLEY and General SCHWARTZ. Boeing's planned closure of the Wichita, KS, finishing center by the end of 2013 introduces additional schedule risk. However, if the transition of the operation to the Puget Sound area is executed efficiently and on schedule, overall risk is reduced due to collocated Federal Aviation

Administration and military testing, collocated manufacturing expertise, and elimination of ferry flights from the commercial assembly line to the military finishing center.

Several technical risk areas are also being closely monitored, to include: wing aerial refueling pod buffeting (an issue with previous 767-based tankers); fly-by-wire boom integration; radar warning receiver integration; 3-D Remote Boom Operator Vision System; and aircraft empty weight projections (increased aircraft weight would reduce fuel/range offload performance). The overall technical risk on the program is considered low.

The Air Force and Boeing have implemented a robust risk management process to mitigate these risk items. The Air Force will continue to firmly manage program execution to ensure Boeing delivers KC-46 aircraft in accordance with the terms and conditions of the contract. DOD and the Air Force are closely monitoring the program cost, schedule, and performance baselines established at contract award.

14. Senator McCAIN. Secretary Donley and General Schwartz, to what extent has the configuration of this aircraft changed since it was originally selected to replace the Air Force's legacy tanker fleet?

Secretary DONLEY and General SCHWARTZ. Since contract award, there have been no major engineering, design, capability, or configuration changes to the KC-46 affecting the cost, schedule, or performance baseline.

#### CEASE AND DESIST LETTER

15. Senator McCAIN. Secretary Donley, will the Air Force comply with the request made by me and the Chairman in our letter dated March 19, 2012, not to implement any of its proposed force structure reductions in 2012 before Congress has authorized it to do so?

Secretary DONLEY. No force structure reductions will be implemented in 2012 prior to congressional concurrence. I am committed to wait for congressional deliberations before implementing the fiscal year 2013 force structure changes proposed in congressional testimony earlier this year.

#### MILITARY SPACE

16. Senator McCAIN. Secretary Donley and General Schwartz, the Government Accountability Office (GAO) recently found that "[s]pace launch acquisition processes for the National Aeronautics and Space Administration (NASA) and DOD are not formally coordinated, duplicate one another, and may not fully leverage the government's investment because the government is not acting as a single buyer." How does the Air Force intend to address this concern?

Secretary DONLEY and General SCHWARTZ. We coordinate with NASA on many launch-related activities. For example, the Air Force, the National Reconnaissance Office, and NASA have jointly approved a new entrant strategy that provides a single approach for potential new entrant certification. We have also conducted several joint meetings with NASA and the National Reconnaissance Office to provide insight into each organization's acquisition strategies. We will continue to work with NASA to ensure full understanding of our programmatic decisions on the launch industrial base. However, the Air Force believes flexibility of separate acquisition approaches can be beneficial, and the unique mission requirements of DOD and other agencies may not be met most efficiently by a "one size fits all" contracting approach. Since NASA and the DOD have different mission needs, budget authorities, and appropriations, we have the need for each agency to have its own launch service contracts.

17. Senator McCAIN. Secretary Donley and General Schwartz, GAO also conveyed concern about the adequacy of the analysis supporting the Air Force's proposed block-buy strategy for its Evolved Expendable Launch Vehicle (EELV) program. How does the Air Force intend to address the unsustainable level of cost-growth we've seen in the cost of space launch?

Secretary DONLEY and General SCHWARTZ. The Air Force's EELV acquisition strategy is based upon procuring a planned number of cores and launches needed in each fiscal year while concurrently infusing competition as soon as at least one certified new entrant launch vehicle is available to meet the government's risk requirements for placing critical national security payloads in orbit. We plan to execute this strategy through a series of phases.

The first phase consists of a sole-source contract that allows for on-ramps for new entrants. Specifically, Phase I will entail procuring boosters at a steady rate over a 3- to 5-year period of time. This will allow the contractor to pursue economic order quantity procurements from subcontractors and vendors, make investments that reduce overall cost and achieve greater manufacturing learning curve reductions. The decision on the specific contractual commitment will be balanced based on price, operational requirements, budget realities (including all fiscal law constraints), and independent assessments of the potential for eventual competition. The Air Force will conduct its own analysis of the United Launch Alliance (ULA) proposed prices. The analysis will be based upon independent cost estimates in addition to thorough review of ULA's and suppliers' proposals. The results will inform the decision on the length and quantity of the buy as well as the government negotiation team's determination of fair and reasonable prices. We will invite the Defense Contract Audit Agency (DCAA) to fully participate in fact finding and negotiations.

The Air Force plans for the follow-on phases to be full and open competition for launch services among certified providers, and the same diligence will be given to properly analyzing the costs for those launch services.

18. Senator MCCAIN. Secretary Donley and General Schwartz, how will the Air Force ensure the availability of competition to help drive costs down?

Secretary DONLEY and General SCHWARTZ. Currently, no new entrant has demonstrated the capability to launch EELV-class payloads. However, the Air Force is committed to certifying new entrants for EELV launches as soon as feasible. The current EELV acquisition strategy allows for competition following the certification of a new entrant. Once a new entrant is certified, launch services above the fiscal year 2013 Phase I Buy (a sole-source award beginning in fiscal year 2013 committing to 3 to 5 years of steady rate production) baseline will be competed. Following Phase I, we plan to compete Phase II and beyond under full and open competition among certified launch vehicle providers. Phase II will immediately follow Phase I to provide continued access to space.

In order to facilitate the certification of potential new entrants, the Air Force has identified and funded, with Congress' authorization and approval, two opportunities on which providers may bid: the Space Test Program-2 and the Deep Space Climate Observatory missions. These EELV-class missions have a higher risk tolerance and will provide an opportunity for potential new entrants to prove their capability for certification. The timeline for certification depends on the new entrants, specifically, their technical progress, the quality and sufficiency of the data provided to the Air Force, and their demonstrated successful flight history.

#### AIR FORCE STRIKE FIGHTER SHORTFALL

19. Senator MCCAIN. General Schwartz, is there a projected strike fighter shortfall for the Air Force? If so, what is that number?

General SCHWARTZ. There is no projected fighter shortfall. Approximately 1,900 total aircraft inventory and 1,100 primary mission aircraft inventory are required to accomplish warfighting scenarios, assuming an increased level of aggregate risk. Updated warfighting scenarios informed the new strategic guidance and how the Air Force determined force structure requirements. Specifically, the new scenarios allow the United States to rapidly respond and swiftly defeat a highly capable adversary as well as deter and defeat an opportunistic aggressor, if required, without conducting long-term stability operations. Increased risk means objectives may take longer and forces may accept more losses.

20. Senator MCCAIN. General Schwartz, in your opinion, what options would help mitigate the strike fighter shortfall?

General SCHWARTZ. The Air Force has no fighter shortfall and is sized at approximately 1,900 total and 1,100 primary mission fighter aircraft. This sizing assumes increased aggregate risk based on Air Force warfighting analysis that informed the Defense Strategic Guidance and accounted for fiscal realities. The new strategic guidance allows the United States to respond rapidly and swiftly defeat a highly capable adversary while deterring or defeating an opportunistic aggressor without conducting long-term stability operations. Increased risk means objectives may take longer and forces will accept more losses.

Additionally, the Air Force took several steps to mitigate risk. Specifically, the Air Force has funded a scalable service life extension program (SLEP) and Combat Avionics Programmed Extension Suite for 300 Block 40-50 F-16s. The total effort is planned for 350 F-16s, but is scalable to 650 aircraft primarily to account for vari-

ables in F-35A procurement. Full-scale durability tests are underway for the F-16, the F-15C, and the F-15E. These efforts have demonstrated higher service lives when combined with modernization efforts and ensure a viable and balanced mix of fourth- and fifth-generation aircraft. This risk mitigation plan assumes the Air Force realizes its planned F-35A procurement rates and quantities. Congress can help by fully funding Air Force fighter modernization and fifth-generation procurement efforts.

#### REDUCTIONS IN PERSONNEL

21. Senator McCAIN. General Schwartz, I appreciate the difficult decisions the Air Force had to make to stay within the limits of the fiscal year 2013 budget. In its budget request, the Air Force proposes to reduce their ranks—by 3,900 from the Air Force's Active component; 900 from the Air Force Reserve; and 5,100 from the ANG. Please explain the rationale for these decisions; the risk in capability and readiness that the Air Force is accepting with these decreases; and the Air Force's plans to lessen any negative impact on affected airmen and their families.

General SCHWARTZ. In light of the revised DOD Strategic Guidance, the Air Force conducted an analysis of core function requirements to inform force structure changes and develop a risk-balanced force. Additionally, the Air Force had to stay within fiscal constraints when considering future force structure options. To meet the force sizing requirements while remaining within the constraints of available funding, the Air Force made the difficult choice to retire 200 aircraft in fiscal year 2013 and an additional 59 across the FYDP. To meet mission requirements with this reduced force structure, the Active component to Reserve component ratio was evaluated and adjusted to ensure the resulting force was capable of meeting surge and rotational demands while preserving the symbiotic relationship of the Total Force. The Air Force considered multiple factors including the demands of foundational requirements, the long-term health of the enterprise, preserving force readiness while not exceeding operational temp goals of 1:2 ratio for the Active component and 1:5 ratio for the Reserve component, and preserving the continuum of service construct between the Active and Reserve components. This risk-balanced force allows the Air Force to stay within fiscal constraints while meeting surge, rotational, and forward presence demands and respond to events in the timeframe required to meet national defense requirements.

More than 21 years of sustained combat operations have had an adverse impact on full-spectrum readiness. A smaller force combined with the need to reset to the new strategy creates a readiness imperative reflected in our fiscal year 2013 budget decisions, and we continue to emphasize readiness in fiscal year 2014 programming and budgeting processes. Our top readiness concern involves resetting to a force that is capable, agile, lethal and designed to make vital contributions to the joint team's portfolio and support the new strategy.

The force structure reductions were determined using a deliberate and collaborative process that leveraged careful analytical review of warfighting scenarios consistent with the new strategic guidance. Overall, the new force structure is at an increased, but manageable risk of taking longer to meet mission objectives and incurring increased attrition.

We understand the turbulence these reductions will cause our Airmen and their families and will exhaust all available measures to minimize negative impact to them. The Air Force is committed to using voluntary measures first, incentives as appropriate, and involuntary programs only if necessary to meet end strength requirements.

The Active component has legislative authorities to offer voluntary early retirement and early separation measures to encourage voluntary actions. The Air Force plans to also offer incentives such as, Palace Chase transfers to the Air Reserve component to promote voluntary separation. For those affected by involuntary separation, our Airman and Family Readiness Centers will continue to provide support through the Transition Assistance Program and veteran's benefits seminars to help ensure a smooth transition to civilian life for Airmen who can no longer serve in uniform.

The ANG and Air Force Reserve worked in concert to submit unified legislative budget proposals for four force shaping authorities: (1) temporary early retirement authority; (2) permanent change of station authority for Air Reserve component affected members; (3) extension of TRICARE for 6 months; and (4) continuation of GI Bill educational benefits for Air Force Selected Reserve members who were previously qualified, but were involuntarily separated due to end strength reductions

or force management actions. If approved, these tools will help lessen the impact of force management efforts.

To achieve the desired end strength, the Air Force Reserve is proposing to reduce accessions, especially non-prior service recruits. To ease the impact on affected personnel, Air Force Reserve Command is setting up a clearing house to match personnel against vacant/new positions brought on by mission changes. Also, inactive duty training travel pay will be authorized for affected members who fill a vacant position in a unit more than 150 miles from their home.

#### FORCE SHAPING TOOLS NEEDED BY THE AIR FORCE

22. Senator MCCAIN. General Schwartz, what additional legislation, if any, would you need to achieve the cuts in end strength proposed by the Air Force?

General SCHWARTZ. The Air Force is currently pursuing four Active-Duty Force management legislative proposals through the fiscal year 2013 legislative process. The four proposals were combined into one omnibus proposal, 224(6), which is currently at Office of Management and Budget (OMB) for approval. Omnibus proposal 224(6) contains the following legislative proposals:

- Regular lieutenant colonels and commanders retirement for years of service (YOS) - The proposal will provide the Service Secretaries the temporary statutory authority to reduce the maximum years of active commissioned service for officers in the regular grade of O-5 from 28 to no less than 25 years through 31 December 2018.
- Regular colonels and Navy captains retirement for YOS - The proposal would provide the Service Secretaries the temporary statutory authority to reduce the maximum years of active commissioned service for officers in the regular grade of O-6 from 30 to no less than 27 years through 31 December 2018.
- Enhanced Authority Selective Early Retirement Board (SERB) - This proposal would provide the Service Secretaries the temporary statutory authority to implement the following four provisions through 31 December 2018: lieutenant colonels would be SERB eligible following a single failure of selection for promotion; colonels would be SERB eligible upon completion of 2 years (vice 4 years) time-in-grade; expand eligibility criteria and suspend the prohibition in 10 U.S.C. § 638(c) against SERB consideration more than once in 5 years; and shorten the periods of continuation established under 10 U.S.C. § 637 for officers on Active Duty.
- Enhanced authority for selective early discharges - This would provide the Service Secretaries the temporary statutory authority to continue convening early discharge (i.e., reduction-in-force) boards through 31 December 2018.

Minimum commissioned service for voluntary retirement as an officer - This proposal would extend the expiration date of 10 U.S.C §§3911(b), 6323(a)(2), and 8911(b) from 30 September 2013 to 30 September 2016 and continue the authority for "prior service" officers to voluntarily retire with 8 years commissioned service instead of 10 years. The ANG is currently pursuing three force shaping legislative proposals through the fiscal year 2013 legislative process to support the fiscal year 2013 changes in ANG missions and end strength. Office of Legislative Counsel (OLC) proposals 292 and 294 are currently at OMB for approval; OLC 293 has been sent by OMB for legislative consideration. They are described below:

- OLC 292 - would allow members of the Selected Reserve to qualify for non-regular service retirement with 15, rather than 20, creditable years of Reserve service. The National Defense Authorization Act (NDAA) for Fiscal Year 2012 provided this authority for Active component members.
- OLC 293 - would extend the eligibility of members of the Selected Reserve for TRICARE Reserve Select and TRICARE dental insurance for 180 days at the discounted rate for members of the Selected Reserve who are involuntarily separated without cause due to end strength reductions or force management actions.
- OLC 294 - would establish a new category of eligibility for military permanent change of station moves of family and household goods for traditional reservists displaced by force drawdowns who are hired to fill a bona fide traditional unit vacancy in another Reserve unit somewhere else in the country.



## JOINT STRIKE FIGHTER BASING

23. Senator MCCAIN. General Schwartz, it was reported that the Air Force has begun reducing the planned number of F-35 bases from over 40 to around 30 in an attempt to rein in sustainment costs. What criteria are you using to reduce the number of potential F-35 bases?

General SCHWARTZ. While the Air Force has not yet finalized the planned number of F-35 bases, we are working to manage F-35 operations and sustainment costs. The Deputy Chief of Staff for Operations, Plans, and Requirements is operationalizing the process by commissioning a RAND Project Air Force study to evaluate F-35 basing, specifically squadron and wing size and number, based on three main criteria: combat capability, readiness, and force development. This study will expand and combine work in five areas: operations and sustainment costs, pilot absorption, force development, infrastructure and airspace requirements, and Active and Reserve component mix. These efforts will then inform the strategic basing process.

## AIR FORCE PLANS FOR GUAM

24. Senator MCCAIN. General Schwartz, the Air Force has a plan to rotate global strike assets at Andersen Air Base. This plan calls for over \$2.9 billion in new construction mostly on the north side of the runways to build hangars and squadron facilities that will be empty between deployments. Coincidentally, the Marine Corps is planning to build the same types of facilities right next door for Marine Corps aircraft being restationed from Okinawa. Considering the Air Force military construction (MILCON) request for fiscal year 2013 is the lowest in over 25 years, what is the status of this plan?

General SCHWARTZ. The Air Force has been rotating global strike assets to Joint Region Marianas-Andersen for roughly 10 years, and will continue to do so in the future, although due to lack of dedicated facilities, work-arounds have been required. Independent of the Marine Corps Pacific laydown and despite the deliberate pause in MILCON in fiscal year 2013, the Air Force still requires infrastructure to support assets at Andersen. While there may be some gaps in the Air Expeditionary Force rotation, there is a near-continuous deployment presence at Andersen. Marine facilities are being constructed to meet Marine requirements and are not redundant to Air Force requirements and vice-versa.

Regarding the status of the Air Force plan, all facilities requested to date are necessary to operate from Andersen for the foreseeable future. The Air Force is evaluating the need to harden facilities, and to what level of protection, because there are vertical facilities that must be hardened. The Air Force is taking steps within the FYDP to do this. The \$2.9 billion figure for new construction is only an estimate at this time.

25. Senator MCCAIN. General Schwartz, is it fully funded in the Air Force's 5-year spending plan?

General SCHWARTZ. No. The Guam Strike program is an important enduring requirement, but in fiscal year 2013, we took a deliberate pause in MILCON and absorbed a large reduction in the overall MILCON program across the FYDP. Depending on the ultimate number of facilities constructed at Guam and the level of hardening required, the Guam Strike program could potentially absorb a very large portion of the FYDP MILCON. For the short-term, the Air Force has placed \$254 million in the FYDP against Guam Strike in fiscal years 2014 and 2015, and will adjust this amount in the future, as necessary.

26. Senator MCCAIN. General Schwartz, does the Air Force have a plan for strategic lift at Andersen Air Base to address the needs of the Marine Corps forces potentially coming to Guam in addition to Air Force requirements?

General SCHWARTZ. The Air Force will provide strategic lift of Marine Corps forces at Andersen AFB through the established priority-based system managed by Air Mobility Command as the air component to U.S. Transportation Command (TRANSCOM). Peacetime movements of forces will be scheduled and paid for by the Marine Corps per business rules established in the Transportation Working Capital Fund. Contingency scheduling will be in accordance with time-phased force deployment document associated with the contingency or the combatant command's request for forces.

## IMPACT OF SEQUESTRATION

27. Senator MCCAIN. Secretary Donley, the Budget Control Act requires DOD to reduce in January 2013 all major accounts over 10 years by a total of \$492 billion through sequestration. This will result in an immediate reduction of an additional \$55 billion to the fiscal year 2013 defense program alone. Secretary of Defense Panetta has asserted many times that the impact of these cuts would be “devastating” and “catastrophic”—leading to a hollow force and inflicting serious damage to our national defense. But, this month, the Military Services must begin developing some type of guidance on developing a budget for fiscal year 2014. If sequestration were to occur, how would Air Force programs be impacted?

Secretary DONLEY. If sequestration occurs, automatic percentage cuts are required to be applied without regard to strategy, importance or priorities, which would impact almost every program within the Department. Some programs could need to be reduced and possibly restructured and/or terminated to implement the across the board 2013 reductions. All investment accounts would be impacted including our high-priority modernization efforts such as MQ-9, Joint Strike Fighter, and KC-46A. It is difficult to predict the effect such a major disruption would have on funding requirements for fiscal year 2014 and beyond.

28. Senator MCCAIN. Secretary Donley, how would sequestration specifically impact Air Force operations and readiness?

Secretary DONLEY. Under sequestration, programs could need to be restructured, reduced and/or terminated. Sequestration would force an immediate percentage reduction in our operation and maintenance accounts which could damage readiness, for example through reduced flying hours or training, and make our ability to cover any emergent execution year requirements extremely difficult.

29. Senator MCCAIN. Secretary Donley, to what extent might sequestration lead to the Air Force’s having to realize significant cancellation- or termination-liability or major cost increases or schedule delays in its major programs?

Secretary DONLEY. Sequestration would drive major additional reductions beyond the first phase of the Budget Control Act reductions to the Air Force fiscal year 2013 budget request. As Air Force leadership has testified, the proposed fiscal year 2013 budget is a balanced and complete package. Under sequestration, some programs would need to be reduced and possibly restructured and/or terminated. All investment accounts would be impacted including our high-priority modernization efforts such as MQ-9, Joint Strike Fighter and KC-46A. Sequestration is likely to drive overall cost increases and schedule delays which cannot be quantified at this time.

30. Senator MCCAIN. Secretary Donley, is DOD currently conducting any planning for sequestration in your areas of responsibility? If so, please describe them.

Secretary DONLEY. DOD is not currently preparing for sequestration, and OMB has not directed agencies, including DOD, to initiate plans for sequestration.

31. Senator MCCAIN. Secretary Donley, how will you assess the risks associated with each cut and communicate them to Congress in a timely manner?

Secretary DONLEY. The Air Force assesses risks through a deliberate corporate process aligning each item and platform with the new DOD Strategic Guidance “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.”

32. Senator MCCAIN. Secretary Donley, to date, has the Air Force begun any planning that would ameliorate the impact of cuts required under sequestration, such as prioritizing programs in preparation for reprogramming actions or terminations? If so, please describe them.

Secretary DONLEY. The Department is not currently preparing for sequestration, and OMB has not directed agencies, including DOD, to initiate plans for sequestration.

## AIR FORCE F-16 PILOT TRAINING EFFICIENCIES

33. Senator MCCAIN. General Schwartz, you stated on February 29, 2012, that “[y]ou can base the F-35 or any weapon system at multiple locations and that requires additional support equipment, it requires additional infrastructure, and so on and so forth. If, on the other hand, you choose to base at fewer locations and have larger squadrons—24, 30, perhaps 36 aircraft per squadron—there are considerable savings and efficiencies associated with that.” That seems to make sense. But at a time when the Air Force is looking for efficiencies in every phase of operations and

training, you are still planning to spend over \$50 million to split F-16 pilot training between Luke AFB, AZ, and Holloman AFB, NM. What is the current cost estimate for all costs to make this move and the additional costs over the 20 years for the longer F-16 training syllabus at Holloman AFB due to range restrictions?

General SCHWARTZ. The current estimate to move the two F-16 squadrons from Luke AFB to Holloman AFB includes \$37 million in MILCON and \$19 million in operations and maintenance (O&M) construction costs, for a total of \$56 million. The F-16 training syllabus at Holloman AFB will have the same requirements and not be longer than the syllabus at Luke AFB.

34. Senator MCCAIN. General Schwartz, can you update me on the rationale how this initiative will lead to more efficient F-16 pilot training?

General SCHWARTZ. Moving F-16 training squadrons from Luke AFB, AZ, to Holloman AFB, NM, was not designed as an efficiency initiative, but rather as a move to facilitate the upcoming beddown of the F-35 training mission at Luke. This F-16 move is timed to occur almost simultaneously with the arrival of the first F-35 squadron at Luke AFB, which will minimize population fluctuations to the Glendale, AZ, community.

The Air Force is currently making a concerted effort to increase our production and absorption of new fighter pilots and the F-16 is currently our largest fighter pilot absorption platform. In this effort to increase our fighter pilot inventory, we must synchronize our increased production capability with an increased absorption capacity. Moving the Luke AFB F-16 squadrons in fiscal year 2013 and fiscal year 2014 is the best solution for maintaining this balance. While it will take a few years to grow our absorption capacity by forming Active-Reserve Associations, we have already increased our production capability by reducing our F-16 syllabus. We will increase it even more by starting F-16 training at the ANG unit in Tucson in fiscal year 2013. These two production increases more than offset the training reduction generated by moving the training squadrons.

35. Senator MCCAIN. General Schwartz, is it true that the transfer to Holloman AFB is having a significant impact on the production of F-16 pilots at a time when the forecast for demand is a 250-pilot deficit over the next 3 years?

General SCHWARTZ. The Air Force F-16 training pipeline has the ability to absorb minor losses in training that will occur due to the movement of the two squadrons from Luke AFB to Holloman AFB and still meet future F-16 pilot requirements. Operational F-16 squadrons are limited in the number of new pilots they can accept and season, which is a determining factor in the number of students produced by training units. With the movement of these squadrons, the production of F-16 pilots through Holloman AFB will continue to meet the demand requested by operational squadrons.

The transfer of F-16 squadrons from Luke AFB to Holloman AFB will only result in the loss of one "B-Course" (16 Specialized Undergraduate Pilot Training graduates) for each squadron movement between fiscal years 2013 and 2012 (fiscal year 2013 and fiscal year 2014). We are currently in the process of transitioning to a reduced syllabus, which is increasing our training capacity by 16 B-Course quotas per year. This will completely offset the production loss from the transfers in fiscal year 2013 and fiscal year 2014.

36. Senator MCCAIN. General Schwartz, are you still committed to your plan to prevent an operational pause at Luke AFB by not beginning to move any portion of the first of two F-16 squadrons until Luke AFB receives its first F-35 squadron?

General SCHWARTZ. While the Secretary and I remain committed to managing impacts from these moves at Luke, Holloman, and Tyndall AFBs, we never committed to not moving F-16s before the potential arrival of F-35s. Since the original announcement of the F-16 fighter moves, the plan has always been that the F-16s would depart Luke before the F-35s would begin to arrive at the Pilot Training Center (PTC-1). When we first announced these moves to Congress in July 2010, the F-16 squadrons were planned to depart Luke almost 2 years before the F-35s began to arrive at PTC-1. In June 2011, we adjusted the movement timelines for various reasons and slipped the movement of the F-16s six quarters; but we continue to show an F-16 unit departing Luke before the F-35 arrives at PTC-1. The current schedule anticipates the first F-16 squadron will begin their move from Luke in the third quarter of fiscal year 2013 and the first F-35 arrival at PTC-1 in the fourth quarter of fiscal year 2013. Luke AFB is the preferred alternative for PTC-1.

## QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

## C-5A RETIREMENTS

37. Senator CHAMBLISS. Secretary Donley and General Schwartz, many studies have examined the proper size of the strategic airlift fleet. Two years ago, 316 strategic airlifters were described as the sweet spot. Last year, the Air Force requested a reduction of the strategic fleet to 301, based on analysis of the most stressing scenarios—and Congress approved. Now the Air Force is proposing to further reduce their number of strategic airlifters to 275 by retiring the entire C-5A fleet. I understand the Air Force's desire to save money. However, I am still concerned about this decision. What objective studies has the Air Force done to show that 275 strategic airlifters is the right number, based on current and projected future requirements?

Secretary DONLEY and General SCHWARTZ. We carefully analyze each warfighting scenario laid out by OSD to determine the air fleet capacity required to support strategic guidance. We measure capacity in million ton-miles per day (MTM/D), which expresses a theoretical capacity of the fleet to move an amount of cargo over a set distance per day and is used as a common metric for quantifying airlift requirements as a basis for computing the size and optimal mix of airlift forces.

The strategy that informed the decision to reduce the fleet to 301 aircraft was supported by Case 1 in the Mobility Capabilities Requirements Study 2016, which required a fleet with a capacity of 32.7 MTM/D. That fleet of 301 aircraft provided a capacity of 32.7 MTM/D, meeting the requirement at the time.

However, the current strategy has reduced the requirement, and Case 1 is no longer valid. Instead, Case 3 is consistent with the new strategic guidance. Case 3 requires a strategic airlift capacity of 29.1 MTM/D. The removal of all 27 C-5As reduces the fleet capacity to 30.4 MTM/D, which meets this current requirement.

38. Senator CHAMBLISS. Secretary Donley and General Schwartz, DOD has a long history of contracting with the Russians to use former Soviet-bloc AN-124s to carry U.S. military equipment. In fact, between 2005 and 2009, DOD spent \$1.7 billion on these contracts. Will DOD continue to contract with the Russians to fly AN-124s to meet U.S. military logistics requirements if the C-5A fleet is completely retired?

Secretary DONLEY and General SCHWARTZ. Based on current projections, we do not anticipate that retiring the C-5A fleet will have a significant impact on the United States' organic capacity to support operational requirements. TRANSCOM will continue to contract for the use of foreign carriers through our Civil Reserve Airlift Fleet (CRAF) partners, subject to policy limitations that limit the use of foreign carriers to situations where CRAF carriers are either unable or unavailable to perform missions. However, the Air Force cannot comment on how TRANSCOM will exercise its contracting options in the future. Such determinations will need to be based on policies, requirements, and capabilities at the time.

39. Senator CHAMBLISS. Secretary Donley and General Schwartz, offering retired C-5As to CRAF carriers could allow the United States to stop outsourcing these missions to the Russians at the cost of billions of dollars to U.S. taxpayers, and would also allow for retention of these aircraft which have significant service life remaining. In the event Congress grants you authority to retire C-5As, would you support offering the retired C-5As to the CRAF to establish the first ever U.S.-flagged outsized cargo carrier?

Secretary DONLEY and General SCHWARTZ. Not at this time. The C-5A is a "Category C" aircraft and is on the U.S. Munitions List. If authorized to retire, the aircraft carries a demilitarization code of "C," requiring removal or demilitarization of key points, including fuselage, tail assembly, and wing spars prior to transfer. Certain aircraft components carry a demilitarization code of "D," requiring total destruction. Removal or destruction of code "C" and "D" components essentially renders the aircraft as scrap and useless for CRAF purposes.

40. Senator CHAMBLISS. Secretary Donley and General Schwartz, what would be the disadvantages of this course of action?

Secretary DONLEY and General SCHWARTZ. The benefits of transferring C-5A aircraft to CRAF are limited. The Air Force delivered the "Report on Retirements of C-5A Aircraft" to the congressional defense committees in October 2010. This report stated the transfer of these aircraft to the commercial fleet creates a capacity increase that is not required and that there is a high cost to demilitarize the C-5As. Moreover, any transfer of C-5A aircraft to a flying status for CRAF or with a foreign partner instead of storage would result in a continued demand for aircraft spares. This demand, in conjunction with a reduction of aircraft in aerospace main-

tenance and regeneration group storage, reduces the availability of the number of spare parts, burdening the Air Force supply chain and driving aircraft availability lower.

The C-5As that are being retired under the NDAA for Fiscal Year 2012, and prior years, are being put into type 1000 storage for reclamation and can be used for spare parts or can be restored.

#### JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

41. Senator CHAMBLISS. General Schwartz, you mentioned in your testimony that although the initial findings of the Ground Moving Target Indicator (GMTI) analysis of alternatives indicate that a blend of Global Hawk Block 40 and a business class ISR platform is the least cost, highest performing alternative for carrying out the GMTI mission, there are not enough resources in the Air Force budget to pursue that approach and, therefore, the Air Force is recommending a blend of the current JSTARS platform and Global Hawk Block 40 instead. Does the Air Force have a recommendation regarding whether it is appropriate to reengine some or all of the JSTARS aircraft that would be part of the blended approach consisting of JSTARS and Global Hawk Block 40?

General SCHWARTZ. The Air Force recommends against re-engining any of the operational fleet. Re-engining only some aircraft would result in a split fleet and reduced efficiencies. Re-engining the entire fleet would exhaust funds that could potentially be used to enhance the JSTARS mission area's capability and efficiency.

42. Senator CHAMBLISS. General Schwartz, if you do not have a recommendation at this time, when do you expect the Air Force will have a recommendation in this regard?

General SCHWARTZ. The Air Force does not consider re-engining the operational JSTARS fleet a viable option.

#### COMMON VERTICAL LIFT SUPPORT PLATFORM

43. Senator CHAMBLISS. Secretary Donley and General Schwartz, the Common Vertical Lift Support Platform program was terminated in the President's fiscal year 2013 budget request. This platform was to be the replacement for the Air Force UH-1N Hueys that suffer from shortfalls in lift capability, speed, survivability, supportability/maintainability, night/adverse weather capability, and avionics/human factors. The Air Force has stated that an urgent operational need has existed since 1996 to recapitalize these aircraft. Can you explain the rationale and justification for terminating this program?

Secretary DONLEY and General SCHWARTZ. Due to the current fiscal environment, the Air Force is taking an acquisition pause to explore more cost effective strategies to meet the nuclear security and continuity of government (COG) missions. Our UH-1N Huey helicopters will continue to operate and support the nuclear security and COG missions. Additionally, we have made physical security and surveillance upgrades at our missile launch facilities to reduce the risk during this acquisition pause.

44. Senator CHAMBLISS. Secretary Donley and General Schwartz, do you know what the cost to taxpayers will be to continue to fly and maintain 40-year-old helicopters as compared to the costs of recapitalization?

Secretary DONLEY and General SCHWARTZ. The cost to continue UH-1N operations is not fully captured at this time. UH-1N sustainment issues have been addressed to ensure the fleet will continue flying through 2020. Air Force Global Strike Command is developing the UH-1N master plan to define the way ahead for the weapon system. In the near-term, our acquisition efforts focus on addressing identified safety and selected capability upgrades, obsolescence, and operational loss concerns.

45. Senator CHAMBLISS. Secretary Donley and General Schwartz, without the acquisition resources available to satisfy this urgent and compelling need, has the Air Force considered any more affordable alternatives, such as leasing aircraft to accomplish this mission?

Secretary DONLEY and General SCHWARTZ. The Air Force is taking an acquisition pause to explore more cost effective strategies to meet the nuclear security and COG missions. We are considering all alternatives to address these mission requirements, and no decisions have been made at this time.

46. Senator CHAMBLISS. Secretary Donley and General Schwartz, affordability is the underlying premise of the F-35 program—yet for the 4th year in a row, the fiscal year 2013 budget proposes a flat production rate of 30 aircraft per year over concerns about concurrency costs that in this lot are estimated to be as low as only \$1 to \$3 million per aircraft. However, the lower rate of production the Air Force is recommending increases the production cost of the aircraft by \$10 to \$20 million per aircraft. Are you satisfied that the production rate the Air Force is recommending is the best use of Air Force dollars over the long-term, given that the lower production rate will significantly drive up overall cost over the long-term?

Secretary DONLEY and General SCHWARTZ. We are satisfied the recommended production rate is the best use of Air Force funding. In large part, the Air Force deferred 98 F-35A conventional take-off and landing (CTOL) aircraft to outside the FYDP to mitigate increased concurrency costs. The Department's estimated concurrency costs for the low rate initial production (LRIP) Lot 7 aircraft in fiscal year 2012 (fiscal year 2013) range from \$7 million per aircraft, if only the "must fix" changes are incorporated, up to \$15 million per aircraft if all changes are incorporated. While the deferment of aircraft did result in a unit cost increase of approximately \$10 million per aircraft in fiscal year 2013, we believe the realignment of the pace of production balances the need for a stable industrial base with the realities of increasing concurrency modification costs and a resource-constrained fiscal environment.

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#### QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

##### AIR FORCE BUDGET CUTS

47. Senator WICKER. General Schwartz, on January 26, the Secretary and Chief of Staff of the Air Force held a press conference to discuss the aircraft force structure overview. The budget proposes retiring 286 aircraft in the FYDP including 227 in fiscal year 2013 alone. Some of these cuts include the divestiture of some C-130J aircraft, eliminating 10 aircraft from Keesler AFB in fiscal year 2014 and divestiture of all C-27 aircraft, eliminating all six aircraft from Meridian in fiscal year 2013 and 20 KC-135s. One method that will help the Air Force deal with budget cuts is to re-mission bases and assets. What impacts will this have on the overall Air Force operational readiness and responsiveness?

General SCHWARTZ. The Air Force conducted an analysis across dissimilar portfolios to arrive at a balanced force with risk shared across the force. The new Defense Strategic Guidance states U.S. forces will no longer be sized to conduct large-scale, prolonged stability operations. Additionally, the USAF must stay within certain fiscal constraints when considering future force structure. To meet the force sizing requirements while remaining within the constraints of available funding, the Air Force made the difficult choice to retire one F-16 squadron, five A-10 squadrons, the C-5A fleet (27 aircraft), divest the C-27 fleet, and retire twenty KC-135 aircraft. The Air Force will retire 39 C-130Hs in fiscal year 2013 and 65 C-130Hs in the FYDP which will impact 6 States. Ten C-130Js from Keesler will be moved to Dobbins AFB in fiscal year 2014; no C-130Js will be divested. Several of the squadrons listed as retired were backfilled with other missions and bases (like Keesler AFB and Naval Air Station Meridian) remain open. To keep risk at an acceptable level, this smaller force must be trained and ready for full-spectrum operations at all times. We made readiness investments a priority in our fiscal year 2013 budget decisions, and we continue to emphasize readiness in future programming/budgeting processes to ensure the Air Force is capable and ready.

##### SEQUESTRATION AND BUDGET PLANNING

48. Senator WICKER. Secretary Donley and General Schwartz, the Budget Control Act passed by Congress and signed by the President last August requires sequestration to be implemented across all departments, including DOD beginning January 2013. Sequestration is not hypothetical; it will take place unless legislation is passed to undo it. Our national defense is solely a Federal responsibility. Defense spending is a twofer that supports our National security and our high-tech manufacturing workforce. I hope the Air Force will make an aggressive effort to educate our Senate and House colleagues of the impact sequestration will have on our airmen and industrial base. I know you agree that sequestration will have grave consequences on our military. I am disappointed DOD's budget request assumes that

sequestration will not take place when it is indeed the law of the land. Unless it is undone, sequestration will be implemented on January 2, 2013—285 days from today. Has OMB provided the Air Force with specific guidance regarding when you will be required to submit a revised budget plan that takes sequestration into account?

Secretary DONLEY and General SCHWARTZ. At this time, the Air Force has not received any guidance with regard to submitting a revised budget that takes sequestration into account. We will work with OMB and DOD to comply with any guidance we receive.

#### GLOBAL HAWK

49. Senator WICKER. Secretary Donley and General Schwartz, the Air Force budget proposes termination and divestment of the Global Hawk Block 30 in order to save \$2.5 million over the next 5 years. Global Hawk is too expensive and Cold War era U-2 spy aircraft can still do the job, according to the administration. The Block 30 is proposed for termination and they remain committed to future Global Hawk models. Global Hawk models will be in the future for the Air Force, Navy, and foreign countries such as the United Kingdom. The other models will be produced for the Air Force, Navy, and foreign allies. Block 30 advocates argue the United States should get some return on investment for the billions invested in the 14 drones the Air Force already has in its fleet—all added within the past 18 months, the 4 still in production, which would be retired before a mission is flown. Block 30 advocates also note Global Hawk provided key situational awareness to enable the capture of Qaddafi as well as the successful raid on the Bin Laden compound in Afghanistan. How well is the Global Hawk currently performing in theater?

Secretary DONLEY and General SCHWARTZ. In Libya, Global Hawk provided electro-optical, infrared, and synthetic aperture radar and was used in a traditional ISR role with dynamic responsiveness due to its enhanced duration/dwell time and the ability to fill gaps between other ISR collects. Overall, Global Hawk was successful in Operation Odyssey Dawn and in its continued support for Operation Unified Protector. Assessment details can be made available at a higher classification. In the U.S. Central Command (CENTCOM) theater, Global Hawk continues to support the combatant command with both theater and tactical ISR. To date, RQ-4 has flown over 50,000 combat hours in support of CENTCOM operations.

In a humanitarian/disaster relief support role, Global Hawk leveraged its range and endurance as an ISR first-responder. Following the Haiti earthquake, Global Hawk executed a response mission in 12 hours effectively providing initial situational awareness information, highlighting earthquake damage, status of critical infrastructure and identifying food/aid drop zones and indicators of mass population migrations. Eight missions were flown, satisfying 2,621 targets.

In Japan, Global Hawk capitalized on its range and endurance to be overhead in 21 hours. Imagery products were provided to the Secretary of State within 40 minutes of request. In addition to infrastructure damage assessment, supply route analysis, and real-time monitoring of evacuation support, Global Hawk collection focused on the Fukushima nuclear power plant. Because it is a remotely piloted aircraft, Japan allowed U.S. Pacific Command to use the Global Hawk within the 20 km nuclear engagement zone. Infrared imagery taken directly over the top of the reactors allowed engineers to frequently monitor core temperature levels. In 21 missions and 300 on-station hours, Global Hawk collected more than 3,000 images.

50. Senator WICKER. Secretary Donley and General Schwartz, combatant commanders have an insatiable need for persistent ISR. While budget pressures require tough choices, the decision to pull 18 Global Hawk Block 30 aircraft out of the active inventory seems shortsighted. Can you tell me how the Air Force will meet this requirement without the inclusion of the Global Hawk assets?

Secretary DONLEY and General SCHWARTZ. In September 2011, the DOD Joint Requirements Oversight Council (JROC) reviewed recent adjustments in military strategy and determined conventional high-altitude ISR requirements could be reduced. With the divestiture of 18 Global Hawk Block 30 aircraft, the Air Force will satisfy the modified high-altitude requirement with the U-2, which remains viable until 2040.

51. Senator WICKER. Secretary Donley and General Schwartz, can you compare the operational capabilities and limitations of both the U-2 and Global Hawk?

Secretary DONLEY and General SCHWARTZ. Both U-2 and Global Hawk are operationally capable platforms that offer various advantages and disadvantages. For in-

stance, the U-2 does not meet the range and endurance of the Global Hawk aircraft, but has superior sensor range and resolution. The Block 30 benefits from the versatility of carrying both its electro-optical/infrared (EO/IR) sensor and its all-weather synthetic aperture radar (SAR) sensor concurrently, while the U-2 is more specialized, requiring it to swap out its sensors, depending on the mission planned, weather forecast, sensor availability, et cetera. In either case the U-2's multi-spectral sensor and its SAR each outperform the Block 30 in sensor range and image quality.

52. Senator WICKER. Secretary Donley and General Schwartz, are there operational circumstances where a Global Hawk could be the Air Force's preferred choice for a mission over the U-2?

Secretary DONLEY and General SCHWARTZ. Global Hawk is better suited in operational scenarios that favor endurance (long travel distances, persistence overhead, et cetera), while the U-2 offers higher quality imagery at standoff ranges. Additionally, the U-2's defensive system offers the capability to operate in contested environments, while the unmanned Global Hawk avoids putting a pilot in harm's way. Although scenarios that leverage Global Hawk's advantages do exist, the U-2's capabilities satisfy the Department's existing high altitude ISR requirements within the context of the JROC's review of airborne and space-based assets in the ISR portfolio.

53. Senator WICKER. Secretary Donley, just 7 months ago, Deputy Secretary Carter certified in writing to Congress that the Global Hawk system was "essential to national security," there was no other acceptable capability to meet the requirement, and that the Global Hawk was \$220 million cheaper per year to operate than the U-2. Your recommendation to terminate Block 30 contradicts Deputy Secretary Carter's recommendation. Can you explain how an asset can be critical to national security and cost less than the alternative, but just 7 months later be terminated?

Secretary DONLEY. In last year's Nunn-McCurdy certification, the RQ-4 was determined to be \$220 million less expensive per year to operate than the U-2. However, OSD, Cost Assessment and Program Evaluation (CAPE), based this analysis on a high-altitude orbit 1,200 miles from the launch base. During the analysis done in the fiscal year 2013 budget review, the launch base for the RQ-4 and U-2 was assumed to be from their normal operating locations. Coupled with the fact that the cost per flying hour of the RQ-4 and U-2 is roughly equivalent at \$32,000 per hour (as stated in the Air Force Total Ownership Costs Database), the RQ-4 did not offer a cost advantage over the U-2 in the fiscal year 2013 budget review.

After the Nunn-McCurdy review, the DOD JROC reviewed recent adjustments in military strategy and determined that conventional high-altitude ISR requirements could be reduced. The Air Force further determined the U-2, which remains viable until 2040, was sufficient to meet those national security requirements for high-altitude ISR with this newly reduced force structure.

Ultimately, continued investment in the RQ-4 Block 30 was not prudent given that there is essentially no difference in the operating costs between the RQ-4 and U-2 when operating from their normal operating locations, and the U-2 meets the new strategy requirements. The decision to divest the RQ-4 Global Hawk Block 30 results in \$3.8 billion saved. Although money was saved with the decision to divest the Block 30s, \$1.3 billion was needed to continue to operate and sustain the U-2 through the FYDP. This resulted in a net savings to the taxpayer of \$2.5 billion.

54. Senator WICKER. Secretary Donley, what business case analysis has been completed that supports the termination of the \$4 billion newly-purchased aircraft?

Secretary DONLEY. In September 2011, the DOD JROC reviewed recent adjustments in military strategy and determined that conventional high-altitude ISR requirements could be reduced. With the divestiture of 18 Global Hawk Block 30 aircraft, the Air Force will satisfy the modified high-altitude requirement with the U-2, which remains viable until 2040.

In support of the fiscal year 2013 President's budget request (PBR), the Air Force analyzed the operational output of both the RQ-4 and the U-2 using existing contingency operations for both aircraft and determined that the U-2 capability was sufficient for operational needs. When analyzed in this context, the U-2 and RQ-4 operating costs were nearly equal. The Air Force Total Ownership Cost database figures in fiscal year 2011 show that both the U-2 and RQ-4 costs approximately \$32,000 per flying hour.

Ultimately, continued investment in the Global Hawk Block 30 was not prudent given that there is essentially no difference in the operating costs between the RQ-4 and U-2 when operating from their normal operating locations, and the U-2 meets the modified strategy requirement. The decision to divest the Global Hawk



Block 30 resulted in \$3.8 billion saved. Although money was saved with the decision to divest the Block 30s, \$1.3 billion was needed to continue to operate and sustain the U-2 through the FYDP. This resulted in a net saving to the taxpayer of \$2.5 billion.

#### GREEN BUILDING POLICY

55. Senator WICKER. Secretary Donley, in December, Congress passed and the President signed an authorization bill for DOD which directed DOD to produce a report on the cost of building certification under the Leadership in Energy Environmental Design (LEED) and other green building rating systems. The enacted law also included a strict ban on the use of funds to obtain LEED Gold or Platinum certification for any DOD construction that would increase costs. Can you give me an update on the plans to address the specific language we included in the authorization bill last year?

Secretary DONLEY. The Air Force will support OSD as it prepares the required report. Furthermore, the Air Force is complying with the requirement that no authorized funds be appropriated, obligated, expended, or otherwise made available for achieving any LEED gold or platinum certification by DOD in fiscal year 2012.

56. Senator WICKER. Secretary Donley, are you moving forward with a LEED policy despite congressional direction to look at all green building rating systems and the ban on LEED Gold and Platinum certifications?

Secretary DONLEY. In accordance with congressional direction, the Air Force is not pursuing LEED Gold or Platinum certifications. The Air Force continues to pursue LEED Silver where it is appropriate pending completion of the congressionally-directed study by DOD. At that time, we will reevaluate our policy.

57. Senator WICKER. Secretary Donley, are you considering other green building rating systems or alternative approaches to your green building policy?

Secretary DONLEY. In conjunction with the congressionally directed study, the Air Force will work in concert with OSD to look at alternate approaches to the current green building policy.

58. Senator WICKER. Secretary Donley, my State is a leader in the processing and availability of construction materials which are recognized by several green building rating standards. Some rating standards (e.g. National Green Building Standard and Green Globes) equally recognize construction materials certified under the Sustainable Forestry Initiative, Forest Stewardship Council, American Tree Farm System, and Program for the Endorsement of Forest Certification systems. Their recognition helps promote sustainable forestry, protect jobs, and keep costs low. Do you have a plan to ensure that requests for proposals for future construction projects explicitly allow forestry certification standards to equally compete?

Secretary DONLEY. The Air Force will work in concert with OSD to identify and evaluate alternative green building rating standards as part of the report on the cost of building certification under the LEED and other green building rating systems directed in the NDAA for Fiscal Year 2012.

#### TRAINING COSTS AND SCHEDULE DELAYS

59. Senator WICKER. Secretary Donley, the time between receiving a commission to when the servicemember reports for duty can take time, especially in the aviation community. My office has been working with OSD determining cost and schedule delays for newly commissioned military officers. Given the current austere fiscal environment, how much money is being spent by the Air Force on personnel between their post-commission and pre-specialty training?

Secretary DONLEY. Assessment of costs involved in managing the annual accession surge is complex because of the interplay between the varied number of assignments, the large number of military training pipelines, and the number of personnel within those pipelines who may be delayed due to training seat availability and medical/security screening. However, regardless of the reasons for delays encountered by new officers between their commissioning and pre-specialty training, we work very hard to maximize the utilization of officers awaiting training through various assignments to create a valuable and productive period for newly commissioned officers as they are immersed into the operational Air Force.

60. Senator WICKER. Secretary Donley, what measures has the Air Force implemented to reduce the amount of time and costs associated with this down time?

Secretary DONLEY. The Air Force does not have the capacity to train all new accessions immediately; therefore, sequencing training of students throughout the year maximizes efficiencies and resources to support the training pipelines. The vast majority of newly accessed officers are accessed each year via the Air Force Academy and Air Force Reserve Officers' Training Corps (ROTC) programs in the May/June timeframe. In an attempt to maximize the efficient sequencing and smooth flow of more than 3,000 newly accessed officers into constrained specialty training pipelines, while minimizing the officers' time away from their primary assignments, the Air Force has implemented the following initiatives to maximize efficiencies:

- Stagger ROTC accessions: Law and policy allow the Air Force to commission ROTC cadets and delay their active duty start for up to 12 months while in an inactive status (unpaid) in the Reserves. Officers are put on extended active duty about 30 days before training to allow time to travel, relocate, and in process at the new base and unit;
- Temporarily assign new accessions to supplement recruiting programs;
- Temporarily assign new accessions to augment staffs and operations to cover workload increases or manning shortages (caused by deployments);
- Assign new accessions to permanent duty stations while awaiting training, during which time they can accomplish on-the-job training with their assigned units;
- Assign new accessions to training wings, which will facilitate their interaction with experienced aviators and provide the flexibility to allow last minute fills to what would otherwise be vacant training seats; and
- Direct new accessions to use the time between their accessioning and initiation of formal training programs to complete administrative and ancillary training courses required for their future assignment.

#### MILITARY EDUCATION

61. Senator WICKER. General Schwartz, there is a growing trend within DOD to conduct joint military education. However, each military department has its own military academy and its own war college. My concern regarding redundancy and lack of efficiency continues with regard to our professional military education programs. What are the operating costs for the Air Force War College and the Air Force Academy?

General SCHWARTZ. The fiscal year 2012 appropriated operating cost for Air War College (AWC) is \$26.29 million. This includes \$12.3 million for military pay and \$13.99 million for operations and maintenance costs, including civilian pay. This amount includes mission operation and maintenance, base operations (BOS) and school personnel pay. The BOS dollars are comprised of costs from other program element codes (not professional military education - 84751F). The fiscal year 2012 appropriated operating cost for the U.S. Air Force Academy is \$479.9 million. This includes \$198.3 million for military pay and \$281.6 million for operations and maintenance costs, including civilian pay.

62. Senator WICKER. General Schwartz, what measures are being implemented to ensure efficiency and reduce redundancies among Services with regard to undergraduate and postgraduate professional military education?

General SCHWARTZ. The Chairman of the Joint Chiefs of Staff (CJCS) convenes a group called the Military Education Coordinating Committee (MECC) twice a year, composed of key leaders from the professional military education (PME) service schools to discuss and coordinate Joint curriculum and administrative matters. CJCSI 1800.01, Officer Professional Military Education Policy (OPMEP), defines sets of learning areas and special emphasis items that should be common between each Services' programs to ensure consistency of Joint education. The OPMEP also delineates the learning objectives intended for junior, mid-grade, and senior PME programs to reduce redundancy between those levels. Periodically, members of the service schools form teams and conduct a review of how they comply with and execute their programs. This is called the Process for Accreditation of Joint Education and schools must pass this review to retain their Joint PME certification capability.

#### ON BASE EDUCATION

63. Senator WICKER. General Schwartz, under which authority are the for-profit schools allowed to advertise on a base?

General SCHWARTZ. The Department's policy in Department of Defense Instruction (DODI) 1344.07, Personal Commercial Solicitation on DOD Installations, gives clear and concise guidance to the Services regarding personal commercial solicitation and advertising procedures. This uniform policy is in place to safeguard the welfare of DOD personnel as consumers from potentially unscrupulous advertisers. The policy requires installation commanders to implement the procedures and take the appropriate action for individuals and firms which violate these requirements.

64. Senator WICKER. General Schwartz, under which authority are for-profit schools able to actively recruit servicemembers and their families for their schools on a base?

General SCHWARTZ. The Department's policy in DODI 1344.07, Personal Commercial Solicitation on DOD Installations, gives clear and concise guidance to the Services regarding personal commercial solicitation and the advertising procedures.

Personal commercial solicitation on-base by Academic Institutions (AIs) requires the permission of the local installation commander, or their designated representative with permission to conduct commercial solicitation extended to AIs on an equitable basis. Once approval is gained, specific appointments must be made with individuals concerned and the commercial agents must identify themselves as representing the specific AI. Those appointments will only be conducted in areas specified by the installation commander, or designated representative. Sales literature for AIs may only be displayed in locations specified by the installation commander, or designated representative. Presentations (such as school fairs or job fairs) are conducted by AIs without approved MOUs only with express permission of the local installation commander or designated representative.

We also require very specific guidelines for advertisement:

- DOD personnel may not represent, or appear to represent, an AI in any official capacity, with or without compensation.
- DOD personnel may not designate themselves as a counselor/advisor representing the AI.
- No AI display signs are permitted during appointments at pre-arranged locations.
- Military official and unofficial notices, such as a "Daily Bulletin" or e-mail, cannot announce the presence of an AI agent or their availability.
- Commercial solicitation of DOD personnel in a mass or captive audience is prohibited.
- Making appointments with, or soliciting military personnel who are in an "on-duty" status, is prohibited. The prohibition includes solicitation via electronic means over government-provided telecommunications devices (telephone, computers, Blackberries, fax machines, et cetera).
- Commercial solicitation of individuals without appointment, even in areas approved by appointments by the installation commander, or designated representative, is prohibited.
- Use of official DOD identification by active, retired, National Guard, or Reserve members for the purpose of access to military installations or facilities to conduct, or to facilitate personal introduction for the purpose of commercial solicitation is prohibited.
- Release of listings of DOD personnel for purposes of commercial solicitation except through the DOD Freedom of Information Act Program covered in DOD Directive 5400.7 is prohibited.
- Using any portion of a base installation as a showroom of services without the permission of the installation commander, or designated representative, is prohibited.

65. Senator WICKER. General Schwartz, why are the for-profit schools allowed on a base when veterans service organizations who are capable of counseling veterans, while aiding them in the transition from military life to civilian life, not allowed the same courtesy?

General SCHWARTZ. Although I am not aware of instances where a veterans service organization has been denied access to an installation if proper protocol was followed, personal commercial solicitation on-base by AIs must first have permission of the local installation commander, or their designated representative, to conduct commercial solicitation extended to AIs on an equitable basis. Once approval is gained, specific appointments must be made with individuals concerned and the commercial agents must identify themselves as representing the specific AI. Those appointments will only be conducted in areas specified by the installation commander, or designated representative. Sales literature for AIs may only be displayed in locations specified by the installation commander, or designated representative.

Presentations (such as school fairs or job fairs) are conducted by AIs without approved MOUs only with express permission of the local installation commander, or designated representative.

Our Education Center professionals encourage members to seek advice (e.g., legal, personal financial management counseling, and supervisory mentoring) before making a substantial financial commitment to an AI if part of the solicitation is beyond service benefits, such as tuition assistance of G.I. Bill benefits. We also established very specific guidelines for advertisement:

- DOD personnel may not represent, or appear to represent, an AI in any official capacity, with or without compensation.
- DOD personnel may not designate themselves as a counselor or advisor representing the AI.
- No AI display signs are permitted during appointments at pre-arranged locations.
- Military official and unofficial notices, such as a "Daily Bulletin" or e-mail, cannot announce the presence of an AI agent or their availability.
- Commercial solicitation of DOD personnel in a mass or captive audience is prohibited.
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- Commercial solicitation of individuals without an appointment, even in areas approved by appointments by the installation commander, or designated representative, is prohibited.
- Use of official DOD identification by Active, retired, National Guard, or Reserve members for the purpose of access to military installations or facilities to conduct, or to facilitate personal introduction for the purpose of commercial solicitation is prohibited.
- Release of listings of DOD personnel for purposes of commercial solicitation except through the DOD Freedom of Information Act Program, covered in DOD Directive 5400.7, is prohibited.
- Using any portion of a base installation as a showroom of services without the permission of the installation commander, or designated representative, is prohibited.

The following practices by AIs are prohibited on all DOD installations:

- The offering of unfair, improper, and deceptive inducements.
- The use of rebates or inclusion of prohibited military tuition assistance benefits to facilitate transactions or eliminate competition.
- The use of manipulative, deceptive, or fraudulent devices, schemes or artifices, including misleading advertising and sales literature.
- The use of oral or written representations to suggest or give the appearance that DOD sponsors or endorses any particular AI, its agents, or its commercial services.
- Entering into any unauthorized or restricted area.
- Soliciting door-to-door.

#### BLUE DEVIL 2

66. Senator WICKER. Secretary Donley, the Air Force has received very positive feedback from the field regarding the success of the Blue Devil Block I surveillance program. On February 29, 2012, Steven Walker, the Deputy Assistant Secretary of the Air Force for Science and Technology, told a House Armed Services Subcommittee that "since December 2010, Blue Devil ISR has been instrumental in identifying a number of high value individuals and improvised explosive device emplacements." The Air Force, with funding furnished by the Joint Improvised Explosive Device Defeat Organization (JIEDDO) and the DOD ISR Task Force, has executed over \$150 million to develop the Blue Devil Block 2 (BD2) airship, which significantly extends the proven Blue Devil capability in support of CENTCOM priorities. Now that the BD2 airship is nearing completion, the Air Force has indicated to OSD leadership its intent to mothball the airship rather than deploy it to Afghanistan. The BD2 requirement was recently revalidated by CENTCOM in a February 2012 Request for Information. In light of this, why has the Air Force elected to place the BD2 airship in storage rather than deploy this capability to Afghanistan?

Secretary DONLEY. After significant effort to fulfill the urgent need of U.S. Forces-Afghanistan for longer endurance ISR capabilities, the Air Force determined that, due to multiple technical challenges, BD2 could not reliably be delivered within ac-

ceptable cost, schedule, and performance risks. As a result, it no longer met CENTCOM requirements for long endurance ISR. Cost risk, coupled with a 9-month schedule delay made the deployment of BD2 an unaffordable and late solution for CENTCOM's long endurance ISR requirement. This resulted in CENTCOM supporting the decision to descope the program.

67. Senator WICKER. Secretary Donley, the Air Force has been provided with \$60 million in fiscal year 2012 funding from JIEDDO and the DOD ISR Task Force to fund completion of the airship and initial deployment costs. Why has the Air Force elected not to use these funds to support deployment of the BD2 capability?

Secretary DONLEY. The BD2 long endurance ISR operational demonstration quick reaction capability is facing cost and technical performance challenges. Higher than expected deployment and sustainment costs, coupled with contractor cost growth, resulted in an estimated \$189 million shortfall, making BD2 unaffordable. Additionally, the program is currently estimated to be 9 months behind schedule. As a result of these issues, the BD2 contract has been descope to deliver the airship only, without a payload, and not to deploy to theater.

Based on contractor proposals, the current cost estimate for deployment support is \$150 million. As such, the \$60 million of fiscal year 2012 funds that were appropriated to support deployment is insufficient to fund deployed operations. The Air Force remains committed to long duration ISR and is currently evaluating alternatives to accomplish this mission.

68. Senator WICKER. Secretary Donley, the Air Force cost estimate for a 12-month deployment of the BD2 airship to Afghanistan is two times higher than the estimated deployment costs for comparable programs, to include the Army's Long Endurance Multi-Intelligence Vehicle Airship program. Has the Air Force solicited a competitive bid from industry for the BD2 airship deployment?

Secretary DONLEY. The Air Force did not solicit a competitive bid from industry for BD2 because of the time-sensitive nature of deploying a quick reaction capability. The BD2 airship was initiated using rapid acquisition authority under which the Secretary of Defense determined the capability was urgently needed and designated the Secretary of the Army as the cognizant senior DOD official. In October 2010, the Army's Engineering Research & Development Center awarded a contract to MAV-6. Program management was redirected to the Air Force in November 2010, at which time the Air Force initiated a subsequent contract with MAV-6. The quick reaction nature of BD2 required the airship to be developed in parallel with the logistics support concept.

#### LIGHT ATTACK AIRCRAFT

69. Senator WICKER. Secretary Donley, in 2009 the Air Force regained its source selection authority from the Secretary of Defense who had assumed those responsibilities due to concerns involving the Air Force's tanker competition. Since then, some troubling miscues have occurred in Air Force acquisitions ranging from mistakenly sending proprietary data to competing companies to improper advisory and assistance contracts in support of the Combat Search and Rescue helicopter program. On March 2, 2012, the Air Force set aside a contract for a light attack aircraft for the Afghan air force. I understand that after an 8-day review of an 18-month procurement, the Air Force has determined issues with the light attack aircraft procurement were isolated incidents associated with irregular paperwork. I applauded your effort to review the procurement to ensure it was handled properly, but in light of previous issues with other high profile contracts, what confidence do you have that this is, in fact, an isolated incident?

Secretary DONLEY. The Commander of Air Force Materiel Command (AFMC) initiated a Commander-Directed Investigation (CDI). Part 1 of the CDI focused solely on execution of source selection processes/procedures leading to original light air support (LAS) contract. Part 2 of the CDI is ongoing and is reviewing two source selections from each AFMC product center and Air Force Space Command's Space and Missile Systems Center to assess the quality and consistency of source selection procedures implemented in other Air Force systems acquisition programs.

The Air Force continues its steadfast commitment to "Recapture Acquisition Excellence." In 2011, we completed the Acquisition Improvement Plan (AIP) chartered in 2009. This was the largest and most significant acquisition reform launched by the Air Force in the last decade. The AIP completed more than 170 process improvements and concentrated on improving our source selection process by strengthening source selection governance, improving source selection training, requiring multi-

functional independent review teams, establishing on-call source selection augmentation, identifying/tracking personnel with source selection experience, updating the acquisition planning process, and simplifying the source selection process. The success of this program is demonstrated by the accomplishment of 209,500 contracting actions by the Air Force in 2011 with only one sustained protest.

In November 2011, I approved a follow-on effort to AIP called Acquisition Continuous Process Improvement (CPI) 2.0, which will further our efforts to improve the capabilities of our acquisition workforce. Among other efforts, CPI 2.0 continues improving our source selection process by re-engineering the competitive award process, implementing a more effective contract award process, and increasing source selection experienced personnel. Once the LAS report is finalized and released, we will incorporate any lessons learned into our CPI 2.0 effort.

70. Senator WICKER. Secretary Donley, is the Air Force the entity best suited to lead this investigation?

Secretary DONLEY. It is appropriate for the Air Force, specifically the AFMC, to conduct the investigation. Air Force commanders have explicit authority to direct initiation of investigations involving personnel and programs under their command. In the case of LAS aircraft, the individuals who conducted the initial LAS source selection were assigned to a center subordinate to AFMC. Regarding the complex source selection and acquisition issues that the investigation involves, AFMC has the greatest amount of expertise in the field of government acquisition and the largest numbers of qualified acquisition personnel available to shed light on any mistakes that may have occurred. Additionally, the CDI is being accomplished in cooperation with OSD (Acquisition, Technology & Logistics).

71. Senator WICKER. Secretary Donley, please provide an update on the light attack aircraft procurement.

Secretary DONLEY. The LAS contract that was originally awarded on December 22, 2011, to Sierra Nevada Corporation (SNC) was terminated by the Air Force on March 2, 2012, as part of the Air Force's corrective action in response to the suit filed by Hawker Beechcraft Defense Corporation (HBDC) in the U.S. Court of Federal Claims. The Air Force Service Acquisition Executive was not satisfied with the documentation supporting the original LAS source selection, which prompted termination of the contract with the SNC. Additionally, the Commander of AFMC ordered a CDI into the LAS contract process on February 27, 2012. Part 1 of the CDI is complete, focusing solely on the execution of the source selection processes and procedures in the original LAS contract. However, release of the CDI report would compromise the integrity of the ongoing source selection process due to the source selection sensitive information contained in the report.

After studying the circumstances prompting the corrective action and facts from the subsequent CDI, the Air Force decided to issue an amendment to the LAS Request for Proposal (RFP) to both offerors. Air Force officials met with both original offerors, SNC and HBDC, individually, to review the amended RFP changes line-by-line on April 17, 2012. Both were provided the opportunity to submit comments on the draft RFP amendment, after which the Air Force released the final amended RFP on May 4, 2012. While the decision process will be event-driven, the Air Force targets a source selection decision in early calendar year 2013. This would allow first aircraft delivery to Afghanistan in the third quarter of 2014.

72. Senator WICKER. Secretary Donley, what specific issues have you found?

Secretary DONLEY. The Air Force Investigating Officer findings/recommendations were as follows:

- There was no criminal misconduct, intentional violation of law, or abuse of authority;
- There was a failure to fully adhere to source selection processes outlined in the Federal Acquisition Regulation and Supplements, which affected both offerors;
- There was an inexperienced team, complacency, and fractured team relationships; and
- Robust planning is needed for source selection documentation management.

73. Senator WICKER. Secretary Donley, when will a final report be available?

Secretary DONLEY. Part 1 of the CDI has been completed, but will not be released. The CDI contains source selection sensitive information, the release of which would compromise the integrity of the on-going source selection process. Part 2 of

the CDI is still being conducted. A determination about the releasability of this information will be made once this part of the investigation has concluded.

74. Senator WICKER. Secretary Donley, is it the Air Force's intention that light attack aircraft comply with U.S. weapons, communications, and anthropometric standards in order for U.S. military personnel and partners to work seamlessly?

Secretary DONLEY. Ultimately, the aircraft is designed for use by the Afghan Air Force in support of Afghan operations, but will be capable of integrating effectively with other partner nations' forces. Since LAS is a security assistance effort for Afghanistan, North Atlantic Treaty Organization Air Training Command-Afghanistan (NATC-A) defined the weapons, communications, and anthropometric requirements based on Afghanistan Air Force (AAF) requirements. The LAS system requirements document (SRD) was developed using the memorandum of request developed by NATC-A. In accordance with the LAS SRD, the aircraft shall meet U.S. Government release and export requirements. The LAS communication suite will support voice communications with operational agencies and air traffic control facilities and have the capability to be upgraded to accommodate secure voice communications. The LAS aircraft will be able to employ a .50 caliber machine gun, 2.75-inch rockets, and 250-pound and 500-pound laser-guided and conventional munitions as outlined in MIL-STD-8591. As for anthropometric standards, the memorandum of request did not specify compliance with MIL-STD-1472 and instead specified an accommodation of pilot seating heights of 34 to 40 inches.

75. Senator WICKER. Secretary Donley, I understand that on March 5, 2012, Deputy Secretary of State William Burns met with Brazilian government officials to reassure them the Embraer Super Tucano would still be in the light attack aircraft competition and explained that the cancellation of the contract was part of an internal Air Force process. That same day, the Brazilian External Affairs Ministry commented on the cancellation of the light attack aircraft contract and said, "this development is not considered conducive to strengthening relations between the countries on defense affairs." What interaction, if any, has occurred between the Air Force and the Department of State (DOS) on the light attack aircraft procurement?

Secretary DONLEY. Following the termination of the LAS contract, the Air Force Foreign Policy Advisor's office and the DOS Political-Military Bureau discussed the status of the LAS contract. Additionally, the Air Force Public Affairs talking points were provided via OSD to the DOS.

76. Senator WICKER. Secretary Donley, what was discussed during these meetings between the Air Force and DOS?

Secretary DONLEY. Following the termination of the LAS contract, the Air Force Foreign Policy Advisor's office and the DOS Political-Military Bureau discussed the status of the LAS contract.

77. Senator WICKER. Secretary Donley, have the requirements for the light attack aircraft procurement in any way been shaped by considerations involving trade and the U.S. relationship with the Brazilians?

Secretary DONLEY. No. The LAS program is a security assistance effort for Afghanistan. The aircraft requirements were defined by NATC-A and have not been shaped by trade relationships with Brazil.

78. Senator WICKER. Secretary Donley, do you believe the Brazilian Ministry of Defense views the U.S. Foreign Military Financing of light attack aircraft procurement for the Afghans and the Brazilian FX-2 fighter competition as two separate matters?

Secretary DONLEY. The LAS program is a security assistance effort for Afghanistan funded by Afghan Security Forces Funds. The Air Force cannot speak on behalf of the Brazilian Ministry of Defense, but there is no connection between the U.S. Government's advocacy for the F/A-18 sale and the LAS contract.

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#### QUESTIONS SUBMITTED BY SENATOR ROB PORTMAN

##### AIR FORCE INSTITUTE OF TECHNOLOGY

79. Senator PORTMAN. General Schwartz, I was pleased to see in your written testimony that despite the difficult budgetary environment we are faced with, the Air Force recognizes the importance of investing in its workforce by developing and educating its airmen. With that stated, I am concerned with the proposed reductions

to your educational/training institutions that could impede your ability to meet those goals. Does the Air Force maintain a commitment to the Air Force Institute of Technology (AFIT) as a fully-accredited, graduate degree granting education and research institution?

General SCHWARTZ. AFIT is the Air Force's graduate institute for science, technology, engineering, and mathematics. It is independently accredited by the Higher Learning Commission and has several degree programs accredited by the Accreditation Board for Engineering and Technology, Inc. (ABET). AFIT's research funding has grown steadily over the last decade (600 percent improvement since 2002). Several of AFIT's degree and research programs are one-of-a-kind within DOD. AFIT is integral to the Air Force's continued technical dominance in air, space, and cyberspace. Given our fiscally challenged environment, we plan to do everything possible to leverage this Air Force educational advantage as a means of stretching our dollars to obtain maximum benefit. Policy guidelines are in place requiring better utilization of AFIT assets and are consistent with my desire to maintain the viability of AFIT.

80. Senator PORTMAN. General Schwartz, do you have any additional plans to reduce the authorized positions at AFIT beyond the reductions that have been proposed in the fiscal year 2013 budget request?

General SCHWARTZ. At this time, the Air Force has no immediate plans to reduce the authorized number of positions at AFIT beyond those captured in the fiscal year 2013 force structure announcement (a reduction of 57 military and 50 civilians).

81. Senator PORTMAN. General Schwartz, with the proposed fiscal year 2013 reductions to AFIT, how will the Air Force meet its educational requirements in specialties such as nuclear engineering and cyberwarfare which are not taught at civilian institutions?

General SCHWARTZ. AFIT has completed a top-down prioritization of its academic and research programs with respect to its mission of providing defense-focused education and research. With regard to the graduate school, nuclear engineering, cyber warfare, and operations research are the top priorities. In fiscal year 2012, under Resource Management Decision (RMD) 703, AFIT reduced 49 support staff positions and 15 military positions. Through optimal prioritization, these reductions will have little impact on meeting the Air Force's technical student production and research needs.

82. Senator PORTMAN. General Schwartz, is the Air Force considering making a policy change that would move away from traditional instruction in favor of alternative methods such as distance learning?

General SCHWARTZ. Air Force course owners/sponsors are expected to analyze all potential delivery methods and select the method which achieves the desired learning objectives at the lowest cost. This is directed in Air Force Instruction 36-2201, Air Force Training Program, and is also directed by DOD policy in DOD Instruction 1322.26, Development, Management, and Delivery of Distributed Learning. The Air Force currently accomplishes a significant amount of training and education through distance learning (DL). For example, in calendar year 2011, over 9 million training events were completed on the Air Force's Advanced Distributed Learning Service (ADLS). For professional military education (PME), the majority of the Guard, Reserve, and Active Duty force complete PME using DL methods. Only a fraction of mid-grade and senior officers (less than 20 percent) are selected to attend the traditional, resident version. The Air Force is actively tailoring the existing resident programs to incorporate blended learning (BL) techniques as a means of improving the quality, extending access, and reducing time away from home station.

83. Senator PORTMAN. General Schwartz, what do you feel are the appropriate qualifications for the position of AFIT commandant?

General SCHWARTZ. The AFIT commandant position has for the first time transitioned to a civilian position titled, the AFIT Director and Chancellor. I believe the AFIT Director and Chancellor should possess a number of qualifications. For example, he or she should possess a resume that reflects a wide breadth of leadership experiences both in and outside of academia. He or she must possess exceptional demonstrated skill in implementing a long-term vision and strategic plan, a proven track record of promoting the development of educational and research programs, and a history of providing value-added consultations that have contributed to the advancement of national defense. The incumbent must also demonstrate the ability to develop policies and programs to achieve long-range strategic plans and continuously assess the compliance and effectiveness of such programs and policies. Serving



as the senior civilian in AFIT, the incumbent must also demonstrate successful human resource management, to include performing a full range of personnel decisions, fostering professional development, and exercising strong interpersonal communication skills.

In addition to the specialized experience required for the Director and Chancellor of AFIT, there are additional factors that must be considered, such as the academic leadership and the contribution and professional reputation of the incumbent. The incumbent must also demonstrate widely recognized contributions that significantly impacted their organization as evidenced by achievements that set a standard or established best practices for the professional community. The incumbent must have received recognition at the service- or department-level as a technical expert through activities in academia or by the receipt of honors, awards, or other peer recognition external to their organization or agency.

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#### QUESTIONS SUBMITTED BY SENATOR KELLY A. AYOTTE

##### TRIAD OF BOMBERS

84. Senator AYOTTE. Secretary Donley and General Schwartz, you write in your posture statements that “the United States must shape its [nuclear] deterrent forces to maintain the attributes which lead to stability among major powers and which extend deterrence for regional challenges and non-state actors while assuring allies.” To what extent is a triad of bombers, submarines, and intercontinental ballistic missiles (ICBM) necessary to maintain the attributes which lead to stability?

Secretary DONLEY and General SCHWARTZ. The triad produces the attributes of responsiveness, survivability, and flexibility which are needed to deter nuclear-armed adversaries and provides credible assurances to allies. In addition, the Nuclear Posture Review concluded each leg of the triad provides unique attributes that combine to create a synergistic deterrent effect, greater than just the sum of the parts, and a hedge against uncertainty. Thus, the triad underwrites both global and regional stability.

85. Senator AYOTTE. Secretary Donley and General Schwartz, would it be advisable to maintain a nuclear triad should the United States pursue further negotiated nuclear arms reductions with Russia beyond New START force levels?

Secretary DONLEY and General SCHWARTZ. Yes, it is advisable to maintain the triad beyond New Strategic Arms Reduction Treaty (START) force levels. The Nuclear Posture Review concluded the United States should retain a nuclear triad under the New START treaty. It examined possible “dyads” and determined there was substantial value in retaining a diverse triad force structure to hedge against any technical or geopolitical problem or operational vulnerability in one leg. Moreover, analysis indicates the complementary attributes of the triad are important in the complex, multi-nodal security environment we face. For the foreseeable future, the triad will continue to provide the best mix of unique attributes necessary to maintain stability.

86. Senator AYOTTE. Secretary Donley and General Schwartz, are there scenarios where lower numbers of deployed nuclear forces could lead to the abandonment of one of the legs of the triad? If so, what could be the consequences for stability and extended deterrence?

Secretary DONLEY and General SCHWARTZ. Stability is the preeminent goal of any future force structure. For the foreseeable future, the triad will continue to provide the best mix of attributes necessary to maintain stability. Elimination of one leg of the triad would move the Nation into uncharted territory. In the emerging complex, multi-nodal security environment, potential future reductions must be grounded in a strategy-based understanding of the attributes needed to provide and extend deterrence and assurance while supporting both global and regional stability.

##### PRIORITY PROGRAMS

87. Senator AYOTTE. Secretary Donley and General Schwartz, in your prepared statements, you cite the following as high priority programs: (1) KC-46A; (2) F-35; (3) LRS-B; (4) service life extension on the F-16; (5) space-based infrared and advanced extremely high frequency (AEHF) satellites; and (6) space launch capability. What impact would defense sequestration have on these six high priority programs?

Secretary DONLEY and General SCHWARTZ. Sequestration would drive major additional reductions beyond the first phase of the Budget Control Act reductions to the

Air Force fiscal year 2013 budget request. As Air Force leadership has testified, the proposed fiscal year 2013 budget is balanced and complete. Under sequestration, all investment accounts would be impacted. Some modernization programs would need to be reduced and possibly restructured and/or terminated. All investment accounts would be impacted, including our high-priority programs. The KC-46A, F-35, LRS-B, service life extension on the F-16, space-based infrared and (AEHF) satellites, and space launch capability would all be subject to reductions that could impact contracts and result in increased costs and potential delays.

## F-35

88. Senator AYOTTE. Secretary Donley and General Schwartz, what is the cost of maintaining the legacy fleet, if we do not move forward with F-35? Some suggest it would be a least two to three times, perhaps more, than the estimated operations and sustainment cost for F-35 and in an advanced threat environment, the legacy 4th generation aircraft may not survive. While I asked this question in the hearing, I would appreciate a more specific response in writing. I am not seeking details on current fiscal year 2013 proposals; instead, I am seeking a specific number for the operations and sustainment cost for the aircraft that would be used in lieu of the F-35 if the program were canceled.

Secretary DONLEY and General SCHWARTZ. The Defense Strategic Guidance states that, "the U.S. military will invest as required to ensure its ability to operate effectively in anti-access and area denial (A2/AD) environments." While 4.5-generation fighters offer improved capabilities over legacy fourth-generation fighters, 4.5-generation fighters cannot successfully operate in an A2/AD environment. No matter what upgrades we incorporate, the 4.5-generation fighters will not possess the required survivability in this emerging threat environment. The advanced capabilities and survivability inherent in fifth-generation fighters is necessary to successfully operate against A2/AD threats.

SLEPs and capability modifications for legacy fourth-generation fighters are less costly than producing new aircraft and could mitigate quantity shortfalls in the near- to mid-term. Therefore, funding SLEP and capability modifications for legacy fourth-generation fighters is a crucial part of the Air Force fiscal year 2013 President's budget (PB), building a bridge to a necessary fifth-generation fleet. The capability of the 4.5-generation and legacy aircraft is inadequate to counter emerging A2/AD threats in the mid- to far-term. It would be fiscally irresponsible to invest resources procuring a force structure (i.e., procuring 4.5-generation aircraft) that is deficient in meeting the demands of the new strategic guidance.

Without new aircraft (F-35s, F-Xs) to replace legacy fighters, the size of the Air Force fleet would significantly diminish as they run out of service life. Under current projections, reductions would be 10 percent by 2020, 46 percent by 2030, and 96 percent by 2040. For fiscal year 2013–2017, the Air Force plans to spend approximately \$9 billion per year to operate legacy fighters, to include F-22s, that will be part of our fleet for the foreseeable future. The Air Force will spend approximately \$1.8 billion per year in investments on these fighters to extend service life and make necessary capability improvements. Beyond the FYDP, sustainment costs will appropriately decrease as legacy fighters run out of service life and inventories shrink.

89. Senator AYOTTE. Secretary Donley and General Schwartz, what investments have been made in the development and design of the F-35 to reduce operations and sustainment costs over the life of the program?

Secretary DONLEY and General SCHWARTZ. The F-35 Joint Program Office (JPO) is currently implementing an affordability strategy by developing an affordability management plan focused on: reducing the costs of support products, such as support equipment, spare parts, and training devices; baselining requirements with the Services and leveraging increased efficiency opportunities; and addressing reliability and maintainability. The JPO is creating contract and pricing opportunities to reduce the cost of Joint Strike Fighter support products by leveraging economic order quantity buys for spare parts in conjunction with production buys and implementing pricing improvement curves that leverage learning opportunities. By creating a common sustainment baseline which harnesses the F-35 support system design, the JPO is articulating the optimum level of infrastructure and products required to support operations of the global fleet. By optimizing the amount of equipment procured early, we are able to affect the lifecycle operations and support (O&S) costs. In parallel, the program office is actively managing the reliability and maintainability of systems/subsystems and components. Where they fall short of meeting

their design specifications, the implementation of appropriate modifications will enable us to control cost growth.

In 2011, the JPO implemented a number of technical changes and affordability initiatives which resulted in an over \$30 billion reduction, in base year 2002 dollars, in the 2011 O&S estimate. This helped to offset externally-driven increases in areas such as military and contractor labor rates. Additionally, the JPO conducted sustainment baseline deep dives into support equipment, spares, and manpower, as well as the initial phase of a business case analysis on supply chain management, field operations, sustaining engineering, and fleet management.

The 2012 efforts will include a manpower review into the appropriate labor mix and contractor rates, a review of competitive options for the long-term provision of support equipment and spares, enterprise software licensing, engine life improvements, reprogrammed laboratory requirements, and additional Service planning factors such as aircraft utilization rates, contingency planning, and squadron manning requirements. In addition, the Air Force is studying the impacts to maintenance manpower, support equipment, and spares requirements by varying squadron size and number of F-35 bases.

90. Senator AYOTTE. Secretary Donley and General Schwartz, are these investments accounted for in the operations and sustainment cost estimate in the Selected Acquisition Reports?

Secretary DONLEY and General SCHWARTZ. The F-35 JPO works closely with the Office of the Director, CAPE. Following completion of CAPE's independent cost estimate (ICE), the then Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, Mr. Frank Kendall, directed CAPE's operations and support (O&S) estimate be used for planning purposes in the new acquisition program baseline (APB) and the December 2011 Selected Acquisition Report (SAR). As JPO cost estimates are updated to reflect the investment made to reduce costs, that information is provided to CAPE and their estimate will likely be updated. The annual SAR will continue to reflect the CAPE O&S estimate, with updates as required.

91. Senator AYOTTE. Secretary Donley and General Schwartz, the F-35 was designed to be an international program from its inception. We have formal, binding agreements with our international partners that have been cemented over the past 11 years. The F-35 is not only our largest defense program, but the largest program for many of our closest allies as well. Your predecessors, their deputies, and acquisitions executives have all taken different approaches to how they managed these critical relationships. I hope you will take an active and personal role with our international partners on the F-35 program to keep them informed on and committed to the program. Can you tell me what your plans are in this regard?

Secretary DONLEY and General SCHWARTZ. The Air Force will continue to engage with program partners and posture for continued training and potential operations. Air Force senior leaders continuously engage our counterparts during regularly scheduled meetings, such as the Chief Executive Officer (CEO) Conference, the Joint Strike Fighter Executive Steering Board (JESB) meeting, and the Senior Warfighter Group (SWG), in addition to various bilateral meetings that occur throughout the year.

#### LOW RATE INITIAL PRODUCTION CONTRACTING

92. Senator AYOTTE. Secretary Donley and General Schwartz, in light of the March 13, 2012, JSF program memorandum titled: "Low Rate Initial Production (LRIP) 6/7 Contracting Strategy," has anyone in DOD consulted with the international partners on the proposed LRIP 6/7 procurement strategy?

Secretary DONLEY and General SCHWARTZ. The JPO informed the international partners of the proposed LRIP 6/7 strategy in early spring 2012 and has provided regular updates, to include ensuring they have seen the draft requests for proposal. The JPO will keep the partners informed as the strategy progresses.

#### QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

##### C-130 MOVE

93. Senator CORNYN. Secretary Donley, Representative Kay Granger asked you at a House hearing on March 6 whether the Air Force had made a determination of the costs associated with relocating the eight C-130s of the 136th Airlift Wing in

Fort Worth from Texas to Montana. You responded that the Air Force “had not completed all our work.” How much savings in the FYDP does the Air Force anticipate will result from the proposed move of eight C-130s from Texas to Montana?

Secretary DONLEY. The Air Force does not expect to realize any savings from the movement of C-130s from Fort Worth, TX to Great Falls, MT. The move better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically Federal Emergency Management Agency (FEMA) Regions VIII, IX, and X.

94. Senator CORNYN. Secretary Donley, how do you justify the proposal to move these aircraft when no thorough cost analysis has been conducted?

Secretary DONLEY. The transfer of eight C-130s from Carswell, TX, better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically FEMA Regions VIII, IX, and X.

The new Defense Strategic Guidance reduced the overall requirement for intra-theater airlift. Using scenarios similar to the Mobility Capabilities Requirements Study (MCRS-16, Case 3), the Air Force determined excess capacity existed in the fleet. The reduced requirement permits the retirement of 65 older C-130H aircraft and the divestiture of the entire C-27J fleet.

95. Senator CORNYN. Secretary Donley, the following quote appeared in the March 2012 issue of National Guard magazine: “I’m extremely pleased that we are going to retain a flying mission for Montana,” said Brigadier General John E. Walsh, the Montana adjutant general, but moving aircraft from one State to another, providing appropriate infrastructure, and training pilots and maintainers is not cheap, he points out. When the F-15s were transferred from Missouri to Montana in 2009, it cost about \$40 million. The one concern I have with all the movement of all this aircraft is the cost,” he says.” I find these statements troubling, and I agree with his concerns. Was the Montana adjutant general consulted about the cost of this move prior to the plan being announced?

Secretary DONLEY. Direct coordination with individual State Adjutants General does not occur during the Air Force budgeting process. However, the National Guard Bureau represented ANG concerns during Air Force budget deliberations, and participated throughout the Air Force’s fiscal year 2013 Program Objective Memorandum process.

96. Senator CORNYN. Secretary Donley, if the Montana adjutant general is concerned about how much this will cost, why does the Air Force not appear to be concerned?

Secretary DONLEY. The transfer of eight C-130s from Carswell, TX, is a decision based on mission leveling within the ANG and Air Force Reserve. It better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically FEMA Regions VIII, IX, and X.

In particular, Congressman Denny Rehberg, of Montana’s at-large district, has stated, “This mission is a perfect fit for Montana. Not only do we have one of the largest international borders among the United States, but the vast open space is susceptible to natural disasters including fires, floods, and tornados.”

97. Senator CORNYN. Secretary Donley, I note that the Air Force budget request for fiscal year 2013 includes \$3 million in funding to construct temporary shelters for these C-130s, as Montana is not currently equipped to house them. The Air Force has also requested \$20 million in MILCON funding for fiscal year 2014 for conversion of Montana’s existing F-15 facilities to support the C-130s. According to DOD Form 1391 requesting this fiscal year 2014 funding, the C-130 cannot fit inside Montana’s existing hangars for maintenance, thus negatively impacting the C-130 mission. It is my understanding that until this proposed MILCON project is completed, the lack of a fuel cell control facility will cause maintenance delays, forcing fuel cell work to be done on the ramp in harsh winter conditions, delaying the availability of the aircraft, and thus negatively impacting mission readiness. This construction project would not be completed until 2016. How do you plan to address the obvious risk to mission readiness for these C-130s until the project is completed?

Secretary DONLEY. The risk to mission readiness due to the absence of a fuel cell hangar until 2015 is minimal. Actual aircraft groundings due to fuel-related problems needing a fuel cell hangar are not common. Risk mitigation to scheduled fuel cell maintenance, which normally occurs as part of an isochronal inspection once every 540 days, can be accomplished by servicing aircraft at other wings. Risk mitigation to unscheduled fuel cell maintenance problems includes working outdoors,

weather conditions permitting, and a one-time flight waiver to a facility with a fuel cell.

98. Senator CORNYN. Secretary Donley, how do you justify assuming such risk that would be nonexistent if the C-130s were left in Texas?

Secretary DONLEY. Moving the C-130s from Texas does not garner any additional risk nor does it impact the Gulf States' ability to respond to natural disasters. The Gulf region will continue to receive coverage from C-130s in Little Rock, AR, and C-17s from Jackson, MS. Active component forces remain available to respond to contingencies and disasters worldwide through the Global Force Management Process. The Air Force will remain trained and ready to provide assistance and support to civil authorities, to include those in Texas and her neighbors, should such a need arise.

99. Senator CORNYN. Secretary Donley, moving the C-130s from Texas would eliminate the only ANG unit on the Gulf Coast with a C-130 airlift capability. The 136th has been used multiple times in hurricane evacuation and Defense Support to Civilian Authorities (DSCA) operations. On March 5, all five Governors of the Gulf Coast States sent a letter to President Obama strongly advising against the relocation of these aircraft, stating that: "losing the C-130s takes away a powerful airlift asset for saving the lives of Gulf Coast States citizens." These are Governors who have relied heavily on the 136th Airlift Wing in response to Hurricanes Gustav and Ike in 2008, Hurricane Dean in 2007, and Hurricanes Katrina, Rita, and Wilma in 2005. The 136th has flown 423 sorties in response to storms, safely evacuating 3,143 passengers and delivering 989 tons of emergency aid. Were you aware of this?

Secretary DONLEY. The Air Force has mitigated risks and maintains a strong position to support the Gulf States. The transfer of C-130s is a decision based on mission leveling within the ANG and Air Force Reserve. It better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically FEMA Regions VIII, IX, and X. The Gulf region will continue to receive coverage from C-130s at Little Rock, AR, and Savannah/Hilton Head International Airport, GA.

Specifically, Arkansas hosts the 189th Airlift Wing which provides formal training to upgrading aircrews and operates nine C-130s at Little Rock AFB. In Georgia, the 165th Airlift Wing operates eight C-130s at Savannah, GA. While not C-130 aircraft, in Mississippi, the 172d Airlift Wing operates nine C-17s at Jackson International Airport, providing both tactical and strategic airlift and airdrop capabilities. Although these airlift wings are under control of their respective States, they remain available to assist in regional emergencies under the Emergency Management Assistance Compact (E-MAC). Additionally, when an incident becomes a federally-declared emergency, Air Mobility Command steps in to provide airlift support via the Global Force Management process which pulls from any and all available forces, including the 189th, the 165th, and 172d Airlift Wings.

100. Senator CORNYN. Secretary Donley, do you believe Montana has a greater need for these aircraft than the Gulf Coast States?

Secretary DONLEY. Air Force assets are aligned to provide maximum capabilities to meet both assigned and ad hoc missions. In FEMA Regions VIII, IX, and X, covering the northwestern part of the United States, including Montana, there has been a need for lift capabilities postured to meet potential natural disasters. The Gulf region has lift capabilities to meet any homeland defense crisis that may arise.

Additionally, the Secretary of Defense asked Air Force leadership to work with the Council of Governors on various options regarding the ANG force structure. The Air Force determined we can mitigate impacts to affected States with a \$400 million package that would maintain an additional 24 C-130 aircraft in the ANG.

101. Senator CORNYN. Secretary Donley, how do you plan to accommodate the requirement in the Gulf States for these aircraft, often in emergency circumstances with immediate needs?

Secretary DONLEY. The Gulf region will continue to receive coverage from C-130s in Little Rock, AR, and C-17s from Jackson, MS. Specifically, Arkansas hosts the 189th Airlift Wing which provides formal training to upgrading aircrews and operates nine C-130s at Little Rock AFB. In Georgia, the 165th Airlift Wing operates eight C-130s at Savannah, GA. In Mississippi, the 172d Airlift Wing operates nine C-17s at Jackson International Airport, which can provide both tactical and strategic airlift and airdrop capabilities. While these airlift wings are under control of their respective States, they remain available to assist in regional emergencies under E-MAC. Additionally, when an incident becomes a federally-declared emer-

agency, Air Mobility Command steps in to provide airlift support via the Global Force Management process which pulls from any and all available forces, including the 189th, the 165th, and 172d Airlift Wings.

Moving C-130 aircraft from Texas does not impact the Gulf States' overall ability to respond to natural disasters. The Air Force will remain trained and ready to provide assistance and support to civil authorities, should such a need arise.

102. Senator CORNYN. Secretary Donley, how will the Governors respond to future emergencies if there are no longer National Guard C-130s on the Gulf Coast?

Secretary DONLEY. During emergencies, the Gulf Coast Governors can call upon the C-130 support in the bordering States of Georgia and Arkansas. Specifically, Arkansas hosts the 189th Airlift Wing which provides formal training to upgrading aircrews and operates nine C-130s at Little Rock AFB. In Georgia, the 165th Airlift Wing operates eight C-130s at Savannah, GA. In Mississippi, the 172d Airlift Wing operates nine C-17s at Jackson International Airport, which can provide both tactical and strategic airlift and airdrop capabilities. While these airlift wings are under control of their respective States, they remain available to assist in regional emergencies under E-MAC. Additionally, when an incident becomes a federally-declared emergency, Air Mobility Command steps in to provide airlift support via the Global Force Management process which pulls from any and all available forces, including the 189th, the 165th, and 172d Airlift Wings.

103. Senator CORNYN. Secretary Donley, what is your preference in these disaster situations—for State Governors to employ the Air Guard or for U.S. Northern Command to wait for assigned Active or Reserve components C-130s to execute missions as ordered by the President, which could add at least several days of delay?

Secretary DONLEY. In accordance with the national response framework, States have the primary responsibility to plan and execute response operations to mitigate effects from disasters. Should a State's resources become overwhelmed, or the state anticipates insufficient internal resources, it may request aid through E-MAC from surrounding States. Considerable lift capability exists through this congressionally-approved interstate mutual support system. Should the disaster exceed E-MAC-provided resources, the Federal Government can provide assistance as stipulated in the Stafford Act. Experience has shown with a Presidential declaration and a validated request for assistance (RFA) or mission assignment (MA) from FEMA, the Air Force can have personnel and equipment ready for mission execution within 4 hours of the authorization. For activities covered under the current 10 U.S.C. § 12302 (Ready Reserve) recall authority, we have recalled and readied forces for deployment in as little as 4 hours.

104. Senator CORNYN. Secretary Donley, with the elimination of C-130s on the Gulf Coast, it seems that it could now take days before DSCA operations could be fully implemented. What is your assessment of which force is more capable, historically, of responding in the shortest amount of time?

Secretary DONLEY. History has shown the Governor has immediate authority and access to the ANG. If the situation cannot be mitigated using State resources, the State may request aid through E-MAC from surrounding States. Through this approved interstate mutual support system, E-MAC offers assurances that capable airlift exists. Experience has shown with a presidential declaration and a validated RFA or MA from FEMA, the Air Force can have personnel and equipment ready for mission execution within 4 hours of the authorization.

105. Senator CORNYN. Secretary Donley, would you agree that history shows a Governor can mobilize ANG assets within hours, while execution of a Federal response could take days?

Secretary DONLEY. In most cases, the Governor has greater and more rapid daily access to National Guard assets within his or her State. Because DOD isn't designated as a first responder, situations where action is not essential to preserve life and property require us to wait for appropriate activation authorities to employ National Guard assets in a Federal capacity. At the same time, for major events where Federal assets are clearly required and needs have been anticipated, the Federal response, including the use of Title 10 forces, can be immediate.

Having the State Adjutant Generals qualified as dual-status commanders also contributes to a rapid response capability.

106. Senator CORNYN. Secretary Donley, when did the decision process begin to relocate these C-130s?

Secretary DONLEY. The DOD Strategic Guidance, "Sustaining US Global Leadership: Priorities For 21st Century Defense," was released in January 2012 and directs the Services to build a force that will be smaller and leaner, flexible, ready, and technologically advanced. The proposed fiscal year 2013 President's budget was developed to satisfy this new strategic guidance and to meet the requirements of the Budget Control Act of 2011. The transfer of eight C-130s from Fort Worth, TX, better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically FEMA Regions VIII, IX, and X.

107. Senator CORNYN. Secretary Donley, was the obvious pressure from the Montana delegation the biggest factor behind this decision?

Secretary DONLEY. No. The transfer of C-130s to Great Falls, MT, better postures Total Force lift capabilities within the United States and fills an existing requirement for lift in the Northwest, specifically FEMA Regions VIII, IX, and X.

The proposed plan for Montana is consistent with the new DOD Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," which directs the Services to build a force that will be smaller and leaner, flexible, ready, and technologically advanced. It is an integrated, Total Force effort to achieve our end state of a ready and sustainable force that can meet our surge and rotational requirements, and reflects the ANG's Capstone Principles: allocate at least one flying wing with ANG equipment to each State; recapitalize concurrently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (emergency support functions) relevant to the States.

#### FORCE STRUCTURE IN EUROPE

108. Senator CORNYN. Secretary Donley and General Schwartz, according to DOD's new strategic guidance released in January a "strategic opportunity to rebalance the U.S. military investment in Europe has been created and in keeping with this evolving strategic landscape, our posture in Europe must also evolve." It goes on to state that: "whenever possible, we will develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence, and advisory capabilities." The Army has adjusted to this approach by announcing the elimination of two heavy brigades forward-stationed in Europe, while also establishing and maintaining a new rotational presence in Europe. Yet, this concept of rotational forces is not mentioned in the Air Force's strategy. There are currently 69 F-16s, 96 F-16s, 15 KC-135 tankers, and a number of other Air Force aircraft throughout Europe. Yet, the only substantial change to the Air Force posture in Europe seems to be the inactivation of a squadron in Germany, resulting in the retirement of 20 A-10s and deactivating an air control squadron at Aviano Air Base, Italy. At the same time, the Air Force is proposing reductions of nearly 200 aircraft in fiscal year 2013 from installations across the United States. Please explain this discrepancy and expound on why the Air Force is not more deliberately adjusting its European footprint in accordance with the Secretary of Defense's strategic guidance.

Secretary DONLEY and General SCHWARTZ. The Air Force is reducing our aircraft assigned in Europe by 10 percent; our overall reduction of 200 aircraft in fiscal year 2013 represents around 4 percent of our Total Force. In relative numbers, we are taking a much larger reduction in Europe than in the rest of the world. We believe this is consistent with the Defense Strategic Guidance. At the same time, this was not an easy decision. Our Europe-based force is the cornerstone of our commitment to our NATO allies.

The U.S. Air Forces in Europe (USAFE) footprint has continuously evolved to meet the strategic needs of the Nation. In the past, this has translated to a significant drawdown of forces and infrastructure, including the reduction of multiple fighter squadrons and ancillary units in theater. USAFE currently uses rotational forces to augment its capability and meet war fighting requirements. USAFE's forces meet NATO requirements and provide a limited, but strategic mission capability to U.S. European Command (EUCOM) and U.S. African Command (AFRICOM) as recently demonstrated during the operations in Libya. Since 2006, USAFE has reduced manpower by 3,884 personnel (11 percent), realigned 17 units, and closed 2 installations and 44 sites. The command is currently working two major installation streamlining actions and continues to pursue other efficiency efforts. Existing installations support EUCOM operations, but are directly tied to the ability of the United States to prosecute and sustain global operations through logis-

tics, mobility, communications, and intelligence supported by USAFE installations which directly enable operations in CENTCOM and AFRICOM.

109. Senator CORNYN. Secretary Donley and General Schwartz, the Air Force currently has 14 C-130J aircraft at Ramstein AFB, Germany. It is my understanding that the number of C-130Js in Europe will not change even though the Army will be pulling back half of its brigade combat teams (BCT) (two of four) from Europe. Why did the Air Force find it acceptable to balance missions across the States, as General Schwartz, you testified before the Subcommittee on Defense of the House Appropriations Committee, but did not find it acceptable to balance missions for the same aircraft across Europe, even though the Army will be substantially reducing its European presence?

Secretary DONLEY and General SCHWARTZ. Permanent forward based mobility forces are required to execute steady state operations within a given theater and preserve strategic flexibility in time of crisis. USAFE is the air component for EUCOM and AFRICOM, an area of responsibility spanning two-thirds of the Earth's surface and 105 countries. However, USAFE only holds 4 percent of the theater airlift force and 3 percent of the tanker force, represented by a single C-130 squadron and a single KC-135 squadron, respectively. EUCOM and AFRICOM airlift studies from 2010 state that the current EUCOM mobility force structure is less than required to respond to crisis in the European and African theaters and execute the enduring requirements that dictate persistent (365 days/year) presence.

The USAFE force size in Europe is not based on the Army's footprint. C-130 Joint airdrop/air transportability training with the 173d Airborne Brigade Combat Team (ABCT) is an integral part of the training required to maintain the combat-ready status of U.S. Forces. The 173 ABCT requires 13,500 jumps per year, in addition to any deployment preparation. However, the BCTs being removed from Europe are heavy BCTs, a minor mission set for the EUCOM assigned C-130Js.

#### JOINT STRIKE FIGHTER

110. Senator CORNYN. Secretary Donley, on March 13, 2012, the JSF Program Executive Officer (PEO) sent a memo to the Air Force Service Acquisition Executive regarding the F-35 JSF LRIP 6/7 contracting strategy. It is my understanding that the F-35 program is implementing a contracting strategy that attempts to link development and test progress in 2012 to the number of aircraft that can be purchased in these LRIP lots. This is a novel and somewhat unusual concept, which necessitates close consultation with Congress. Is it your understanding that DOD is asking for formal approval of this proposal from each of the congressional defense committees via letter prior to moving forward on a joint F-35 LRIP 6/7 contract? If not, please explain.

Secretary DONLEY. It is the intention of the Air Force and the DOD to ensure the defense committees are kept apprised of our plans as we move forward in the procurement of the LRIP Lots 6 and 7 aircraft. The congressional defense committees were first briefed on the strategy on February 15-16, 2012, and then notified via letter from the Air Force Service Acquisition Executive on March 15, 2012.

DOD is implementing an event-based contracting strategy for LRIP Lots 6 and 7 that buys aircraft production quantities based upon development and test progress. This strategy provides a means to have control of production informed by demonstrated development performance against the 2012 plan and concurrency cost risk reduction.

The Department will request Lockheed Martin provide a consolidated proposal for LRIP Lots 6 and 7 that affords flexibility with future procurement quantities. First, we will award 25 aircraft in Lot 6, out of 31 authorized and appropriated in fiscal year 2012. Second, we will provide a means to procure from zero to six of the remaining fiscal year 2012-funded Lot 6 aircraft concurrent with the Lot 7 contract award in 2013. Finally, we will link the total aircraft quantity ultimately procured in Lot 6 to Lockheed's development performance and concurrency cost risk reduction efforts.

Currently, appropriated fiscal year 2012 funding is necessary to implement this contracting strategy. The variable quantity of up to six additional Lot 6 aircraft will be paid for with the fiscal year 2012 funds originally authorized and appropriated by Congress for their purchase; however, these funds will not be obligated on contract until fiscal year 2013.

The Department intends to award Lot 7 aircraft and the Lot 6 variable quantity aircraft through fully definitized contract actions in fiscal year 2013. The initial Lot 6 contract award for 25 aircraft will require an undefinitized contract action (UCA)



to ensure production flow is not disrupted. However, the Department does not intend to award a UCA for the 25 aircraft in Lot 6 until essential agreement is reached for Lot 5.

We believe our plan for negotiations for LRIP 6 and 7 will allow us to control production quantity based on the performance of the development program. It is important that Lockheed Martin demonstrate performance and help us to establish the confidence that the F-35 is a stable and capable platform.

#### ADDITIONAL BASE REALIGNMENT AND CLOSURE ROUNDS

111. Senator CORNYN. General Schwartz, at today's hearing, you indicated that, in the long run, a manned aircraft may not be able to do all of the requirements that an unmanned aircraft is capable of doing. You went on to stress that you are not dealing with the long run, implying that you instead need to worry about cost savings now and in the immediate future. Yet, you also mentioned during the hearing the need for additional Air Force base closures, which inherently involves long-term considerations. According to a GAO report published March 8, 2012, the 2005 BRAC round was estimated to cost \$21 billion (and actually cost \$35.1 billion), and it will result in only a \$9.9 billion, 20-year net savings (73 percent lower than what was originally estimated). With current budgetary constraints, do you believe we have another \$20 billion+ to seriously consider another round of BRAC?

General SCHWARTZ. New rounds of BRAC may have a lower upfront investment because they would be focused on eliminating unnecessary infrastructure and installations, rather than transformation as in BRAC 2005. The amounts you cite were for all of DOD. The Air Force effort produced a much more positive and timely result. The Air Force implemented all assigned BRAC 2005 recommendations on time and for less than initially estimated. Based on submitted budget justification material in the fiscal year 2013 President's budget, the Air Force net implementation costs through fiscal year 2011 were actually a savings of \$756 million (\$3.8 billion invested, offset by \$4.5 billion in savings for the 2006 through 2011 period). In addition, \$957 million in net annual recurring savings will continue in perpetuity. New rounds of BRAC are essential to meeting fiscal constraints and will provide an effective, fair process for the Department to identify and shed its excess infrastructure.

112. Senator CORNYN. General Schwartz, has there been a business case analysis completed to support your opinion that another BRAC round is necessary? If so, under this assessment, how many years would it take to start seeing a positive savings from BRAC?

General SCHWARTZ. The Air Force has not conducted a business case analysis for another BRAC. However, we began BRAC 2005 with a known excess infrastructure capacity and ended the BRAC process by closing only seven small installations or facilities. As a result of force structure reductions since 2005 and projected in the 2013 budget, the Air Force has and will continue to have infrastructure excess to its needs. The best, most equitable way to determine the excess as well as potential costs and savings from shedding excess infrastructure in the United States is through the statutorily-defined BRAC process.

#### DATA AT REST ENCRYPTION REQUIREMENTS

113. Senator CORNYN. Secretary Donley and General Schwartz, military computers containing critical government data are frequently at rest. As a result, the DOD Chief Information Officer (CIO) issued a memorandum on July 3, 2007, to address the encryption requirements for sensitive unclassified data at rest on mobile computing and removable storage devices. What is the status of the Air Force's implementation of the data at rest encryption requirements?

Secretary DONLEY and General SCHWARTZ. The Air Force has not met the DOD CIO data at rest (DaR) encryption mandate due to funding cuts and redirection of funds to the highest-priority cyber-related project in Air Force Space Command (AFSPC): collapsing multiple unclassified networks into a single Air Force non-secure internet protocol router network, known as the Air Force Network. The Air Force has developed a plan to deploy BitLocker, which is bundled with Windows 7 as a low cost solution on laptops, to meet some DaR requirements and improve overall security posture. BitLocker is Federal Information Processing System 140-2 compliant and meets three of seven DaR requirements planned for Air Force implementation. AFSPC will implement BitLocker on all Air Force laptops beginning in fall 2012. The Electronic Systems Center in AFMC is researching and determining the cost of fielding a fully compliant DaR product. AFSPC is developing courses of ac-

tion to reallocate funds to support fully compliant DaR fielding beginning in fiscal year 2013 or fiscal year 2014 with an estimated completion date in fiscal year 2015 or fiscal year 2016.

#### LONG-RANGE STRIKE BOMBER

114. Senator CORNYN. Secretary Donley and General Schwartz, I was encouraged to see that the fiscal year 2013 Air Force budget request appears to protect the LRS-B program, with a marked increase in proposed spending over the FYDP. What is the Air Force's plan to protect funding for the LRS-B program in the face of possible sequestration in fiscal year 2013 and beyond?

Secretary DONLEY and General SCHWARTZ. With or without sequestration, the LRS-B will remain an Air Force priority; however, sequestration would drive major additional reductions beyond the first phase of the Budget Control Act reductions to the Air Force fiscal year 2013 budget request. As Air Force leadership has testified, the proposed fiscal year 2013 budget is a balanced and complete package. Under sequestration, some programs would need to be reduced and possibly restructured and/or terminated. All investment accounts would be impacted including our high-priority modernization efforts, such as MQ-9, Joint Strike Fighter, and KC-46A.

Additionally, sequestration would force an immediate percentage reduction in our operation and maintenance accounts which could damage readiness and make our ability to cover any emergent execution year requirements extremely difficult.

115. Senator CORNYN. Secretary Donley and General Schwartz, what is the projected delivery date for the first LRS-B?

Secretary DONLEY and General SCHWARTZ. The projected delivery date for the first LRS-B is the mid-2020s, before the current aging bomber fleet begins to go out of service.

116. Senator CORNYN. Secretary Donley and General Schwartz, how many total aircraft does the Air Force plan to purchase?

Secretary DONLEY and General SCHWARTZ. The Air Force plans to purchase 80-100 LRS-Bs to ensure flexibility and sufficient capacity for Joint Force commanders.

117. Senator CORNYN. Secretary Donley and General Schwartz, at this time, does the Air Force plan still consist of both manned and unmanned LRS-B aircraft?

Secretary DONLEY and General SCHWARTZ. Yes. The LRS-B will be designed to accommodate both manned and unmanned operations.

[Whereupon, at 12:40 p.m., the committee adjourned.]

**DEPARTMENT OF DEFENSE AUTHORIZATION  
FOR APPROPRIATIONS FOR FISCAL YEAR  
2013 AND THE FUTURE YEARS DEFENSE  
PROGRAM**

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**TUESDAY, MARCH 27, 2012**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

**U.S. STRATEGIC COMMAND AND U.S. CYBER COMMAND**

The committee met, pursuant to notice, at 9:33 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Nelson, Webb, Udall, Hagan, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Inhofe, Sessions, Chambliss, Ayotte, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Jonathan S. Epstein, counsel; Richard W. Fieldhouse, professional staff member; and Thomas K. McConnell, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Daniel A. Lerner, professional staff member; and Michael J. Sistik, research assistant.

Staff assistants present: Jennifer R. Knowles, Hannah I. Lloyd, and Bradley S. Watson.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Mara Boggs, assistant to Senator Manchin; Elana Broitman, assistant to Senator Gillibrand; Ethan Saxon, assistant to Senator Blumenthal; Clyde Taylor IV, assistant to Senator Chambliss; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Rob Epplin, assistant to Senator Collins.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody.

Today's hearing continues a series of posture hearings that the Senate Armed Services Committee is conducting on our combatant commands within the context of the fiscal year 2013 budget request

and the President's new Strategic Guidance. Today we receive testimony from the U.S. Strategic Command (STRATCOM) and the U.S. Cyber Command (CYBERCOM), a sub-unified command of STRATCOM. Let me first welcome General Robert Kehler, the Commander of STRATCOM, and General Keith Alexander, the Commander of CYBERCOM, and thank them both for their service to our Nation. We also want to thank the fine men and women who serve in these commands for their dedication and service to our Nation and a special thanks to their families.

STRATCOM manages nine missions across the Department of Defense (DOD). These missions range from satellite and space situational awareness, missile defense, and electronic warfare, to combating weapons of mass destruction. STRATCOM coordinates the activities of CYBERCOM across the DOD. Unlike combatant commands which are regionally focused, STRATCOM's missions are global.

As noted in the President's Strategic Guidance, STRATCOM commands "nuclear forces that can under any circumstances confront an adversary with the prospect of unacceptable damage." That capability needs to be preserved as we continue to reduce the size of these forces and modernize the infrastructure at the Department of Energy (DOE) that supports this mission.

General Kehler, here are some of the issues that I hope that you will address this morning.

First, are you satisfied with the direction that we are taking in our nuclear force posture and with DOE's role in maintaining our nuclear stockpile so that we can continue to reduce its size without testing while ensuring the stockpile remains safe and meets military requirements?

Second, do you believe we are on a sustainable path to protect our space assets and to reconstitute them, if necessary, given the congested and contested nature of space?

Third, DOD is allocated a block of the electromagnetic spectrum that connects our space, cyber, and electronic warfare assets to our forces. STRATCOM is the lead combatant command for synchronizing spectrum operations. How concerned are you about the prospect of losing spectrum and what are you doing to preserve the Department's access to it?

Fourth, with the cancellation of the Operationally Responsive Space program, are you worried about our ability to field low-cost but rapidly deployable satellites that can fill capability gaps between large national intelligence satellite collection systems and the Department's airborne surveillance platforms?

Fifth, what is your strategic vision for the combined use of space and cyber? These two domains are integrally linked but we have not seen a plan for integrating capabilities and operations.

Let me now turn to CYBERCOM for a moment.

There is much for us to examine in this increasingly important and complex, but still new mission area, not only as it affects DOD, but the government and the economy as a whole.

General Alexander has stated that the relentless industrial espionage being waged against U.S. industry and government chiefly by China constitute "the largest transfer of wealth in history." The

committee needs to understand the dimensions of this technology theft and its impact on our national security and prosperity.

The Armed Services Committee has focused for some time on the need to develop comprehensive policies and frameworks to govern planning and operations in cyberspace. What are the Rules of Engagement if we are attacked by another nation, and what is the doctrine for operations, and deterrence, and warfighting strategies. The administration has made progress in these areas, as reflected in recent strategy statements and in the development of comprehensive legislation to improve cybersecurity. But much more needs to be done.

As a still-developing sub-unified combatant command, the committee needs to understand the current and planned relationships between CYBERCOM and STRATCOM and the other combatant commands. The Defense Department is considering the establishment of component CYBERCOMs at the combatant commands. We need to know what command arrangements would apply to these potential components, as well as the authorities and the missions that STRATCOM has delegated to CYBERCOM and those that it plans to retain.

General Alexander has stated publicly that he believes he needs additional authorities to defend the networks and information systems of the rest of the Federal Government and those of critical infrastructure. The committee needs clarity on exactly what authorities General Alexander might be seeking and whether they go beyond what the administration has requested in its legislative proposal to Congress.

General Alexander has also often stated that DOD does not, in fact, have a unified network but rather 15,000 separate networks or enclaves into which CYBERCOM has little visibility. The committee needs to understand what can and should be done to correct what would seem to be an urgent and critical problem.

DOD has conducted a pilot program with a number of major companies in the defense industrial base (DIB) and multiple Internet service providers (ISP), like AT&T and Verizon. Under that pilot program, the National Security Administration (NSA) provides signatures of known cyber penetration tools and methods directly to the DIB companies or to the ISPs that provide the DIB companies their communications services. The companies then use these signatures to detect and block intrusion attempts.

Carnegie Mellon conducted an independent assessment of the DIB pilot for DOD and concluded that NSA provided few signatures that were not already known to the companies themselves, and in many cases, the DIB companies by themselves detected advanced threats with their own non-signature-based detection methods that probably were not known to the NSA. So we need to hear from General Alexander on his view of those issues as well.

We thank you both again for your service and for being here this morning.

Now we call on Senator McCain.

[The prepared statement of Chairman Levin follows:]

## PREPARED STATEMENT BY SENATOR CARL LEVIN

Good morning. Today's hearing continues a series of posture hearings that the Armed Services Committee is conducting on our combatant commands within the context of the fiscal year 2013 budget request and the President's new Strategic Guidance. Today, we receive testimony from the U.S. Strategic Command (STRATCOM) and the U.S. Cyber Command (CYBERCOM), a sub-unified command of STRATCOM. Let me welcome General Robert Kehler, the Commander of STRATCOM and General Keith Alexander, the Commander of CYBERCOM and thank them for their service to our Nation. I also want to thank the fine men and women who serve in these commands for their dedication and service to our Nation.

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I look forward to hearing General Alexander’s views on these issues.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Thank you, Mr. Chairman.

Let me thank our distinguished witnesses for joining us this morning and for their many years of service to our Nation.

STRATCOM is in the midst of pivotal change as we proceed with the modernization of the nuclear weapons complex and the nuclear triad and further embed cyberdefense and cyberattack in the core mission competencies of 21st century warfare.

On nuclear modernization, I am encouraged that even with the unprecedented level of defense spending uncertainty, the Department has maintained its commitment to modernizing the triad of nuclear delivery vehicles. Unfortunately, the same cannot be said for the National Nuclear Security Administration (NNSA) and their proposal to abandon or delay key elements of the nuclear weapons complex modernization plan. Ratification of the New Strategic Arms Reduction Treaty (START) treaty was conditioned on a commitment by the President to modernize the weapons complex. Modernization is universally recognized as essential to the future viability of the nuclear weapons complex and a prerequisite for future reductions. It has now been over a year since the treaty entered into force, and we do not see any sign of the administration keeping those commitments.

Core to the STRATCOM mission is deterrence. However, as the frequency, sophistication, and intensity of cyber-related incidents continue to increase, it is apparent that this administration’s cyber deterrence policies have failed to curb those malicious actions. The current deterrence framework, which is overly reliant on the development of defensive capabilities, has been unsuccessful in dissuading cyber-related aggression. Whether it is a nation state actively probing our national security networks, a terrorist organization seeking to obtain destructive cyber capabilities, or a criminal network’s theft of intellectual property, we must do more to prevent, respond to, and deter cyberthreats. The inevitability of a large-scale cyberattack is an existential threat to our Nation, and a strategy overly reliant on defense does little to influence the psychology of attackers who operate in a world with few, if any, negative consequences for their actions.

Last July, General Cartwright, the former Vice Chairman of the Joint Chiefs of Staff, criticized the administration's reactive Strategy for Operating in Cyberspace saying, "If it's okay to attack me and I'm not going to do anything other than improve my defenses every time you attack me, it's very difficult to come up with a deterrent strategy." I look forward to hearing from our witnesses if they believe that a strategy overly focused on defense is sustainable and whether they agree more must be done to deter and dissuade those who look to hold U.S. interests at risk via cyberspace.

The Senate will soon begin debate on cybersecurity legislation. The central themes in that debate will focus on how to improve information sharing across the spectrum and whether a new Government bureaucracy will improve our cybersecurity. I have proposed legislation, the Strengthening and Enhancing Cybersecurity by Using Research, Education, Information, and Technology (SECURE IT) Act, that first focuses on removing legal hurdles that hinder information sharing rather than adding regulations that would shift focus and previous resources away from the actual cyberthreat. If a timely response is essential, how would another layer of bureaucratic red tape be helpful?

While the SECURE IT Act does not give new authorities to the National Security Agency (NSA) or CYBERCOM, few will deny that those institutions, not the Department of Homeland Security (DHS), are most capable of guarding against cyberthreats. Unfortunately, other legislative proposals favor prematurely adding more government bureaucracy rather than focusing on accomplishing the objective of protecting our cyber interests.

General Alexander, during a Federal Bureau of Investigation (FBI)-sponsored symposium at Fordham University, you stated that if a significant cyberattack against this country were being planned, there may not be much that either CYBERCOM or NSA could legally do to discover and thwart such an attack in advance. You said: "In order to stop a cyberattack, you have to see it in real time and you have to have those authorities. Those are the conditions we've put on the table. Now how and what Congress chooses, that'll be a policy decision." In a fight where the threat can materialize in milliseconds and quick action is essential, I look forward to better understanding what authorities you believe are needed to protect United States interests both at home and abroad.

The DOD is requesting nearly \$3.4 billion for cybersecurity in fiscal year 2013 and almost \$17.5 billion over the Future Years Defense Program. The cyber budget is one of the only areas of growth in the DOD budget because of broad agreement that addressing the cyberthreat must be among our highest priorities.

I thank the witnesses for appearing before the committee today and look forward to their testimony.

Thank you, Mr. Chairman.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT BY SENATOR JOHN MCCAIN

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embed cyberdefense and cyberattack in the core mission competencies of 21st century warfare.

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Chairman LEVIN. Thank you very much, Senator McCain.  
General Kehler.

**STATEMENT OF GEN. C. ROBERT KEHLER, USAF,  
COMMANDER, U.S. STRATEGIC DEFENSE**

General KEHLER. Thank you, Mr. Chairman. If it is okay with you, I would like to have my statement admitted to the record.

Chairman LEVIN. It will be made part of the record.

General KEHLER. Sir, Senator McCain, and distinguished members of the committee, thanks for this opportunity to present my views on STRATCOM's missions and priorities.

I am very pleased to be here today with General Keith Alexander, CYBERCOM's Commander, and of course, as both of you have pointed out, cyber is a critical component of our global capabilities.

Without question, Mr. Chairman, we continue to face a very challenging global security environment marked by constant change, enormous complexity, and profound uncertainty. Indeed, change and surprise have characterized the year that has past since my last appearance before this committee. Over that time, the men and women of STRATCOM have participated in support of operations in Libya and Japan, have supported the withdrawal of U.S. combat forces from Iraq, and have observed the Arab Spring, the bold operation that killed Osama bin Laden, the death of Kim Jong Il, and the succession of Kim Jong-un, growing violence in Syria, continued tensions with Iran, the passage of the Budget Control Act, and the adoption of new defense Strategic Guidance.

Through this extraordinary period of challenge and change, STRATCOM's focus has remained constant: to partner with the other combatant commands; to deter, detect, and prevent attacks on the United States, our allies and partners; and to be prepared to employ force, as needed, in support of our national security objectives. Our priorities are clear: deter attack, partner with the other commands to win today, respond to the new challenges in space, build cyberspace capability and capacity, and prepare for uncertainty. Transcending all of these priorities is the threat of nuclear materials or weapons in the hands of violent extremists.

We do not have a crystal ball at STRATCOM, but we believe events of the last year can help us glimpse the type of future conflict that we must prepare for. Conflict will likely be increasingly hybrid in nature, encompassing all domains, air, sea, land, space, and cyberspace. It will likely cross traditional geographic boundaries, involve multiple participants, and be waged by actors wielding combinations of capabilities, strategies, and tactics. I think it is important to note the same space and cyberspace tools that connect us together to enable global commerce, navigation, and communication also present tremendous opportunities for disruption and perhaps destruction.

Just last month, DOD released new Strategic Guidance to address these challenges. This new guidance describes the way ahead for the entire DOD, but I believe many portions are especially relevant to STRATCOM in our broad assigned responsibilities.

For example, global presence, succeeding in current conflicts, deterring and defeating aggression, including those seeking to deny our power projection, countering weapons of mass destruction, effectively operating in cyberspace, space, and across all other domains, and maintaining a safe, secure, and effective nuclear deter-

rent, are all important areas in the new strategy where STRATCOM's global reach and strategic focus play a vital role.

No question these are important responsibilities. There are real risks involved in the scenarios we find ourselves in today. It is my job to prepare for those events and to advocate for the sustainment and modernization efforts we need to meet the challenges. In that regard, the fiscal year 2013 budget request is pivotal for our future. We are working hard to improve our planning and better integrate our efforts to counter weapons of mass destruction. We need to proceed with planned modernization of our nuclear delivery and command and control systems. We need to proceed with life extension programs for our nuclear weapons and modernize the highly specialized industrial complex that cares for them. We need to improve the resilience of our space capabilities and enhance our situational awareness of this increasingly congested, competitive, and contested domain. We need to improve the protection and resilience of our cyber networks, enhance our situational awareness, increase our capability and capacity, and work across the interagency to increase the protection of our critical infrastructure. We need to enhance our intelligence, surveillance, and reconnaissance capabilities. We need to better manage and synchronize the crucial processing, exploitation, and dissemination capabilities that support them. We need to get better at electronic warfare. We need to practice how to operate in a degraded space and cyberspace environment. We need to improve our understanding of our adversaries. We need to review our plans and improve our decision processes and command relations, all subjects that the two of you touched on in your opening comments.

In short, the new national security reality calls for a new strategic approach that promotes agile, decentralized action from a fully integrated and, I would say, fully interdependent and resilient joint force. These are tough challenges, but the men and women of STRATCOM view our challenges as opportunities, a chance to partner with the other commands to forge a better, smarter, and faster joint force.

We remain committed to work with this committee, the Services, other agencies, and our international partners to provide the flexible, agile, and reliable strategic deterrence and mission assurance capabilities that our Nation and our friends need in this increasingly uncertain world.

Mr. Chairman, it is an honor and a privilege to lead America's finest men and women. They are our greatest advantage. I am enormously proud of their bravery and sacrifice, and I pledge to stand with them and for them to ensure we retain the best force the world has ever seen. In that, I join with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff and other senior leaders, my colleagues, the other combatant commanders in thanking you for the support you and this committee have provided them in the past, present, and on into the future.

Before I close, Mr. Chairman, I would like to pause and remind the committee that STRATCOM is headquartered in the great State of Nebraska, and I wanted to take this opportunity to thank Senator Ben Nelson for his service. Senator Nelson will retire at the end of this Congress, and during his service, he has worked

diligently to better the lives of our troops and to improve America's strategic forces. Those who live and work at Offutt Air Force Base are well aware of his deep commitment to them. So on behalf of your fellow Nebraskans at STRATCOM, Senator, we offer our thanks.

With that, Mr. Chairman, thank you for this opportunity, and I look forward to your questions.

[The prepared statement of General Kehler follows:]

PREPARED STATEMENT BY GEN. C. ROBERT KEHLER, USAF

Chairman Levin, Senator McCain, and distinguished members of the committee, thank you for the opportunity to testify today. I'm very pleased to be here alongside General Keith Alexander, Commander of U.S. Cyber Command (CYBERCOM)—an essential component of U.S. Strategic Command's (STRATCOM) global capabilities.

Since I assumed command a little more than a year ago, we have been challenged by new fiscal constraints at home and complex national security events abroad. I am very proud of how our men and women in uniform and Defense civilians are meeting these financial and operational challenges with professionalism, dedication, and a keen mission focus. I know our team members very much appreciate your support, and I look forward to working with you as we maintain the world's finest military, avoid a hollow force, and make strategy-based capability decisions, all the while keeping faith with our All-Volunteer Force.

INTRODUCTION

Today, I am pleased to report to you that America's Strategic Command is strong, resilient, and ready. At STRATCOM, we continue to improve our capabilities and synchronize our multiple mission responsibilities—individually and with our partners in the other combatant commands (COCOM)—to deter strategic attacks, to enhance the combat capability of the joint force, and to assure access and use of the critical domains of space and cyberspace. I look forward to discussing the global strategic environment, the new Defense Strategic Guidance, and how STRATCOM's strategic deterrence and assurance efforts support the National Security Strategy.

**Commander USSTRATCOM Priorities**

- Deter nuclear attack with a safe, secure, and effective nuclear deterrent force.
- Partner with the other combatant commands to win today
- Respond to the new challenges in space
- Build cyberspace capability and capacity
- Prepare for uncertainty

STRATEGIC CONTEXT

Without question, we face a very challenging global security environment. The coming years are likely to be characterized by constant change, enormous complexity, and profound uncertainty. Since my last appearance before the committee, we have witnessed our fair share of change. The Budget Control Act of 2011 realigned national fiscal priorities. U.S. forces withdrew from Iraq, and they partnered with our allies to support the Libyan people. The Arab Spring brought dramatic change to an unsettled region, and tensions grew inside Syria and between Iran and the world. In North Korea, Kim Jong Il's death made way for a new generation in

power. And, violent extremists suffered several setbacks—most notably Osama bin Laden's death.

Some of these events were positive; some were not. For some, the outcome remains uncertain. In a few cases we were surprised and, looking forward, surprise is one of the greatest dangers we will face. Indeed, violent extremism, popular revolutions, persistent conflict, financial stress, competition for natural resources, and the transition and redistribution of power among global actors will continue to bring uncertainty to our National security landscape.

#### *Hybrid Conflict*

Conflict remains a fundamentally human enterprise conducted for political purposes. Yet, technology and ideology are pushing its means and methods in new and evolutionary directions at an ever-increasing pace. At STRATCOM, we believe we can glimpse the future of conflict if we look carefully today, so that we can prepare.

First, conflict will encompass all domains—including air, sea, land, space, and cyberspace—all tied together through the electromagnetic spectrum. Second, it will cross traditional geographic boundaries—particularly with the emergence of new cyber weapons, the increased use of space, and the proliferation of familiar weapons like ballistic missiles. Third, it will involve multiple participants. A wider range of actors has access to advanced capabilities with lower entry costs, seeking to challenge us from the shadows. Finally, conflict will be hybrid—not neatly categorized as “regular” or “irregular” warfare. More actors, leveraging combinations of capabilities, strategies, and tactics—potentially including weapons of mass destruction (WMD)—will seek to achieve their goals by denying or disrupting our Nation's ability to project power and maintain global awareness across all domains.

These are sobering challenges. Hybrid, technologically advanced, and cross-domain threats can reach our doorstep in seconds, threatening vital capabilities and critical infrastructure. The same networks that enable global commerce, navigation, and communication also present tremendous potential for disruption. In particular, cyber tools combined with phenomenal increases in computing power may have surpassed the threat posed by more traditional means of espionage, presenting particularly problematic economic and national security challenges.

The time honored military concepts surrounding speed and distance have also changed, increasing the speed at which initiative can shift, compressing our decision space, and stressing our strategies, plans, operations, and command relationships. Centuries ago, it could take months to influence an adversary by moving an army. However, navies, then airpower, and now space and cyberspace capabilities dramatically compressed the time and distance required to create effects. Adversaries today need not occupy any territory to create disruptive and potentially decisive strategic effects across domain and geographic boundaries. We should not expect adversaries to leave our homeland completely undisturbed while we operate globally.

#### *New Strategic Approach*

In such a complex and profoundly uncertain world, sustaining the strategic stability that enables security at home, global commerce for our Nation, and freedom of action within the global commons requires great resilience and deep integration. The threats we face are not divisible by geography or domain. We must meet them with a similarly indivisible joint force—the strength of which lies not in its parts, but in their sum.

Our challenges demand strategic thinking, unity of action, joint interdependence, commander focus, flexibility, decentralized execution, and innovation. They also require a robust, strategic imagination that allows us to anticipate the unexpected and to react to surprise in stride when—not if—it occurs. As a result, at STRATCOM we are emphasizing that every plan and operation must be well integrated with other combatant commands. We must work together, across other COCOMs and interagency partners, to shape the environment away from conflict, to assure our allies, to expand our leaders' decision space, and to protect our Nation's global access and freedom of action.

As the U.S. transitions from a decade of conflict abroad and acts to sustain its leadership in the world, we are guided by a new strategic approach entitled *Priorities for 21st Century Defense*. We understand that we will face the future with a joint force that is smaller, but also more agile, flexible, ready, and technologically advanced. We will have a global presence, emphasizing the Asia-Pacific region and the Middle East, while preserving key commitments elsewhere and our ability to conduct primary missions to protect our core national interests.

The new defense strategic guidance establishes priorities and delineates ten primary missions of the U.S. Armed Forces—most of which have particular relevance to STRATCOM. For counterterrorism and irregular warfare, STRATCOM provides

space, ISR, precision strike, and cyber support. As we fulfill our responsibility to deter and defeat aggression, we are developing tailored, 21st century deterrence options to address a wider range of adversaries across the spectrum of conflict. STRATCOM's global capabilities also enhance the ability of the joint force to project power despite anti-access and area-denial challenges, perhaps our greatest military advantage. This supports deterrence at all levels. STRATCOM plays a key role in DOD efforts to counter weapons of mass destruction, synchronizing planning, advocating for capabilities, and delivering expertise to other commands. In closely linked, technologically advanced national security areas we ensure America's ability to operate effectively in cyberspace and space each and every day. Here we face real threats to our systems and networks—threats that are growing and require continued vigilance, improvement, and resilience. As we work to Maintain a Safe, Secure, and Effective Nuclear Deterrent, the strategy says “we will field nuclear forces that can under any circumstances confront an adversary with the prospect of unacceptable damage both to deter potential adversaries and to assure U.S. allies and other security partners that they can count on America's security commitments.” The professionals in STRATCOM perform the nuclear deterrence mission every day. Finally, and while principally the role of geographic COCOMs, we support a wide range of efforts to Defend the Homeland and Provide Support to Civil Authorities, including our cybersecurity assistance to the Department of Homeland Security and missile defense programs.

Primary Missions of the U.S. Armed Forces	
•	Counterterrorism and Irregular Warfare
•	Deter and Defeat Aggression
•	Project Power Despite Anti-Access/Area-Denial Challenges
•	Counter Weapons of Mass Destruction
•	Operate Effectively in Cyberspace and Space
•	Maintain a Safe, Secure, and Effective Nuclear Deterrent
•	Defend the Homeland and Provide Support to Civil Authorities
•	Provide a Stabilizing Presence
•	Conduct Stability and Counterinsurgency Operations
•	Conduct Humanitarian, Disaster Relief, and Other Operations

These are not the only primary missions mentioned in the new strategy. As a supporting command, STRATCOM also regularly contributes to COCOM efforts to provide a stabilizing presence; to conduct stability and counterinsurgency operations; and to conduct humanitarian, disaster relief, and other operations.

In sum, the new strategy calls for a strategic approach that promotes agile, decentralized action from fully integrated—I would say fully interdependent—and resilient commands and joint forces. And, over the last decade, our joint force has made great strides integrating unique Service and interagency capabilities. Our joint forces have become more integrated, and our joint commands have become more interdependent—producing greater unity of effort. Since the threats we face are not necessarily divisible by geography or domain, integration that advances cross-domain synergy<sup>1</sup> is imperative.

Achieving effective joint force synergy was a key principle in the strategy that shaped fiscal year 2013 budget requirements. Implementing the new strategy in a period of fiscal constraints is a substantial challenge, but I am confident that we can recalibrate our capabilities and make selective additional investments to suc-

<sup>1</sup> Cross domain synergy: “The complementary vice merely additive employment of capabilities in different domains such that each enhances the effectiveness and compensates for the vulnerabilities of the others—to establish superiority in some combination of domains that will provide the freedom of action required by the mission.” Joint Operational Access Concept, Foreword.

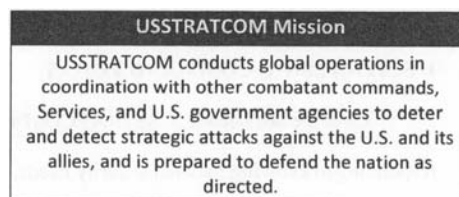
ceed in these mission areas, based on priorities outlined in the strategy. This is the right approach.

#### U S. STRATEGIC COMMAND TODAY

Over the last decade, STRATCOM's responsibilities have grown in size and scope, responding to evolving national security needs. Ten years ago this fall, DOD disestablished both U.S. Space Command<sup>2</sup> and the first U.S. Strategic Command<sup>3</sup>—merging them and beginning the development of STRATCOM with its broad, functional responsibilities. Within just the past year, the Secretary of Defense added to our duties by reassigning the Joint Warfare Analysis Center (JWAC)<sup>4</sup> to STRATCOM. We also returned several “information operations” responsibilities to the Joint Staff, such as planning, coordinating, and executing cross-areas of responsibility (AOR) and national-level operations, supporting other combatant commands’ planning efforts, and advocating for military deception and operations security capabilities. This realignment of responsibilities allows us to better focus on the enduring joint electronic warfare and electromagnetic spectrum mission.

The long series of changes begun in 2002 might appear random, but it was not. Moving missions of global significance and trans-regional impact to a single combatant command allows one organization to apply a global, strategic perspective to unique problem sets and to gain synergy from a range of strategic capabilities. STRATCOM is now able to provide our National leaders with a range of strategic, operational, and tactical options and capabilities that contribute to deterrence and enhance the effectiveness of the joint force.

Today, STRATCOM exists to perform two fundamental missions: 1) to deter attack and assure our allies with a combination of capabilities that goes far beyond the nuclear force; and, 2) along with the other COCOMs, to employ force as directed to achieve national security objectives. The complementary (not merely additive) nature of STRATCOM's unique, strategic responsibilities allows us to wield formidable global capabilities every day, usually as a supporting command (and usually supporting multiple commands simultaneously), supporting global and regional deterrence and assurance activities.



For example, STRATCOM provided several of America's unique B-2 bombers to U.S. Africa Command to support last year's Operation Odyssey Dawn—quickly providing an essential capability not otherwise available in that command. After the tragic events in Japan, STRATCOM also delivered substantial modeling and communications support to U.S. Pacific Command's (PACOM) Operation Tomodachi recovery efforts. Finally, later this year and in recognition of emerging Asia-Pacific challenges, we will co-host a major exercise with PACOM to test and demonstrate joint capability and command interdependence, as we continue to explore and refine opportunities for greater collaboration.

These and many other scenarios highlight how the interdependent combination of capabilities and synchronization of activities within STRATCOM and with the other COCOMs facilitates a more flexible and effective joint force effort. To that end, our staff is developing and implementing a more comprehensive and deliberate deterrence and assurance campaign to sustain our capabilities, synchronize our efforts, and position us to act as needed.

<sup>2</sup>A unified combatant command responsible for military space activities and (at the time) the relatively new computer network operations mission.

<sup>3</sup>A unified combatant command activated in 1992, solely focused on the nuclear deterrence and associated command and control missions.

<sup>4</sup>Formerly assigned to U.S. Joint Forces Command, JWAC is headquartered at Naval Support Facility Dahlgren, VA.

## DETERRENCE AND ASSURANCE

Deterrence and assurance have been part of the National lexicon for well over half a century, and although different today, they remain important and highly relevant concepts. The Cold War ended 20 years ago. Today, deterrence and assurance are not solely about Cold War deterrence objectives, they are about our Nation's unique security needs—in a world that still has nuclear weapons. Deterrence is fundamentally about influencing an actor's decisions. The deterrence decision calculus still revolves around familiar concepts like imposing costs and denying benefits; however, in today's world we also strive to highlight the consequences of restraint (benefits of the status quo).

Deterrence is about communicating our capabilities and intentions, and it is about more than just one weapon system. It is about what the U.S. and our allies as a whole can bring to bear, tailored to specific actors and threats. Its practice encompasses both the nuclear and a strong conventional offensive force, missile defenses where appropriate, unfettered access and use of space and cyberspace, and, in all warfare areas, modern capabilities that are resilient and sustained. Our challenge is to apply deterrence and assurance concepts to today's complex global security environment. Deterring, detecting, and preventing attacks against the U.S. is the responsibility of every combatant commander, and although strategic deterrence is STRATCOM's particular responsibility, it is a global charge we carry out in close coordination with other COCOMs and elements of government.

For decades, "strategic deterrence" focused solely on leveraging U.S. nuclear capabilities to deter our adversaries, but that day—the era of "one-size-fits-all" deterrence and assurance—has passed. Strategic deterrence today requires combinations of tailored options and capabilities, wielded across multiple commands as an integrated whole, based on a robust understanding of the adversary's decision calculus and our mission context. It requires faster output from our intelligence, strategy, and planning experts. This is not easy. We must shape deterrence approaches that communicate expectations, strength, and resilience well in advance of adversary decisions, taking every opportunity to better understand each actor's expectations and perceptions—particularly in space and cyberspace.

*Combating Weapons of Mass Destruction (CWMD)*

The threat posed by WMD in the hands of violent extremists transcends all of STRATCOM's priorities and encompasses every geographic AOR. The 2010 National Security Strategy states that "there is no greater threat to the American people than weapons of mass destruction, particularly the danger posed by the pursuit of nuclear weapons by violent extremists and their proliferation to additional states."<sup>5</sup> Published shortly thereafter, the 2010 Nuclear Posture Review (NPR) noted that 21st century nuclear dangers are "grave and growing threats." Nuclear weapons foster a sense of strategic stability between some actors, but WMD in general remain dangerously alluring capabilities to rogue and non-state actors.

2010 Nuclear Posture Review Objectives
<ul style="list-style-type: none"> <li>• Preventing nuclear proliferation and nuclear terrorism</li> <li>• Reducing the role of nuclear weapons in U.S. national security strategy</li> <li>• Maintaining strategic deterrence and stability at reduced nuclear force levels</li> <li>• Strengthening regional deterrence and reassuring U.S. allies and partners</li> <li>• Sustaining a safe, secure, and effective nuclear arsenal</li> </ul>

The NPR elevated the prevention of nuclear proliferation and nuclear terrorism to the top of the policy agenda as it outlined five objectives to guide the United States in reducing global nuclear dangers. STRATCOM plays a principal role in efforts to reduce nuclear dangers by deterring WMD usage, dissuading their acquisition, and supporting efforts to eliminate potential WMD threats. This is a great

<sup>5</sup>National Security Strategy of the United States, pp. 4.



challenge, and we are working to ensure our sense of urgency and pace of preparation match the threat.

We have unique CWMD responsibilities at STRATCOM. We synchronize global CWMD planning efforts across the COCOMs, work to improve interagency relationships, and synchronize advocacy for essential CWMD capabilities. Our semi-annual global CWMD synchronization conferences have highlighted the need to improve coordination and to expand foundational intelligence and information sharing to deter and address emerging threats. This includes accelerating the speed with which we develop and field capabilities like stand-off detection for nuclear materials, better nuclear forensics, and improved global situational awareness.

One important CWMD development in the past year was the activation of STRATCOM's Standing Joint Force Headquarters for Elimination (SJFHQ-E). SJFHQ-E stood up officially on 3 February 2012<sup>6</sup> and is commanded by the two-star officer who is also deputy director of the STRATCOM Center for Combating WMD (SCC WMD)<sup>7</sup>. When fully operational next year, SJFHQ-E will be a full-time, trained, deployable, joint command and control element able to quickly integrate into an operational HQ, conduct both deliberate and crisis planning, and maintain awareness of the WMD environment. This small standing headquarters will be augmented when needed and will operate in close coordination with the Defense Threat Reduction Agency and the U.S. Army's 20th Support Command.

#### *Nuclear Deterrence*

Ensuring a safe, secure, and effective nuclear deterrent force remains a core responsibility of STRATCOM and is my number one priority. As stated in the NPR, nuclear weapons retain an important role in our country's defense. They represent a unique, relevant, and powerful deterrent capability even as their role changes. Nuclear deterrence remains a tremendously important component of strategic deterrence as we seek to influence adversary decision makers by communicating a credible capability.

We have witnessed an impressive, 65-year period with neither nuclear use nor great-power war, during which we regularly adjusted our nuclear capabilities to match the global environment. Since the end of the Cold War, we significantly altered our own nuclear force structure and posture. We reduced the total number of ballistic missile submarines (SSBNs), converted four Ohio-class SSBNs to carry conventional cruise missiles, affirmed the B-1 bomber's non-nuclear role, removed all dual-capable heavy bombers from nuclear alert, eliminated the Peacekeeper Intercontinental Ballistic Missile (ICBM), substantially reduced the Minuteman ICBM force, withdrew numerous weapons abroad, and dramatically reduced our nuclear stockpile. In total, our stockpile is down over 75 percent from the day the Berlin Wall fell.

These are significant changes. At each decision point along the way, the United States carefully accounted for potential impacts on deterrence capability and strategic stability. The end result is a substantially smaller force but one in which confidence remains to deter adversaries, assure allies, and maintain strategic stability in a crisis.

STRATCOM operates the nuclear deterrent force and is responsible for nuclear weapon employment planning. I can assure you that today's weapons and Triad of delivery platforms are safe, secure, and effective. The Triad—SSBNs, ICBMs, and nuclear-capable heavy bombers, with their associated tankers—continues to serve us well by providing unique and important attributes (survivability, promptness, and flexibility) that create insurmountable problems for any would-be adversary. Moving forward, and to sustain our strong nuclear deterrent force, we fully support the continued modernization and sustainment of delivery systems, weapon life extension programs, stockpile surveillance activities, nuclear complex infrastructure recapitalization, naval reactor design activities, and upgrades for nuclear command, control, and communications (NC3) capabilities. We are also working across DOD to finalize and synchronize New Strategic Arms Reduction Treaty (New START) implementation decisions routine operations and maintenance to minimize impacts on the operational force. We are on track to fully implement the central limits of New START by February 5, 2018.

As we consider possible future changes, I remain committed to the principle that a well-defined strategy must ultimately drive nuclear force structure and posture. STRATCOM is a full participant in the analysis of future deterrence requirements

<sup>6</sup> Our goal is for SJFHQ-E to reach full operational capability by the end of 2013.

<sup>7</sup> Located at Fort Belvoir, VA, SCC WMD is co-located with the Defense Threat Reduction Agency (DTRA). Mr. Ken Myers serves as the SCC WMD Director, as well as the DTRA Director.

called for in the NPR, and we are providing military operational advice regarding implications of alternative approaches. Let me briefly review today's nuclear force.

#### *Weapons*

Over the past few years, a national consensus emerged around the need to modernize our weapons, delivery platforms, and the programs and facilities that sustain them. Since assuming command, I visited each of the Nation's nuclear laboratories<sup>8</sup> and key industrial facilities. Seeing the condition of our Nation's nuclear facilities and meeting the dedicated people who are the actual stewards of our nuclear weapons stockpile provided me a unique and irreplaceable appreciation for their needs.

As our weapons continue to age and we face the continued erosion of the nuclear enterprise's physical and intellectual capital, we must protect important investments for stockpile certification, warhead life extension, and infrastructure recapitalization. These investments are central to the new Priorities for 21st Century Defense, and without them, maintaining the long-term credibility and viability of the Nation's nuclear deterrent will not be possible. Of all the elements of the nuclear enterprise, I am most concerned with the potential for declining or inadequate investment in the nuclear weapons enterprise that would result in our inability to sustain the deterrent force.

#### *Ballistic Missile Submarines (SSBNs)*

The Navy's SSBNs and sea-launched Trident D-5 ballistic missiles constitute the Triad's most survivable leg. This stealthy and highly-capable force requires modernization to replace aging and hull life-limited *Ohio*-class ballistic missile submarines. Although the *Ohio*-class replacement program will now be delayed by two years, the risk will be manageable. We must continue necessary preparatory activities and work to develop and field the Common Missile Compartment for both the *Ohio*-class replacement and the United Kingdom's Vanguard follow-on submarines. With your support, I am confident that today's approach described in the fiscal year 2013 budget request will continue the sea-based leg's strong deterrent capability.

#### *Intercontinental Ballistic Missiles (ICBMs)*

The Air Force's widely dispersed Minuteman III ICBMs comprise the Triad's most responsive platform leg, and the Air Force is successfully concluding efforts to sustain the Minuteman III force through 2020 and to enhance safety and security for the foreseeable future. STRATCOM is working with the Air Force to support life-extension programs to sustain the force through 2030. We are also participating in the Ground Based Strategic Deterrent Analysis of Alternatives to study the full range of concepts to eventually inform a decision to recapitalize the land-based Triad leg.

#### *Heavy Bombers*

While the Nation relies on the long-range conventional strike capability of our heavy bombers, their nuclear capability continues to provide us with critical flexibility and visibility, as well as a rapid hedge response against technical challenges in other legs of the Triad. Planned sustainment and modernization activities will ensure a credible nuclear bomber capability through 2035. Looking forward, a new, penetrating bomber is required to credibly sustain our broad range of deterrence and strike options beyond the lifespan of today's platforms. The budget supports this effort, and STRATCOM is working with the Air Force to develop requirements for the next dual-capable (nuclear and conventional) long-range strike platform and associated Long Range Stand-off missile. The Air Force is also replacing the aging KC-135 tanker fleet with the KC-46A, ensuring an enduring air refueling capability essential to long-range bomber operations and airborne nuclear command and control platform endurance.

#### *Nuclear Command, Control, and Communications (NC3)*

In many ways, the NC3 component of the nuclear deterrent force is the most problematic. Ensuring continuously available and reliable communication from the President to the nuclear force is fundamental to our deterrence credibility. As with many systems and capabilities across our force structure, various NC3 components require modernization. Through smart investment and programming decisions, leveraging existing and emerging technologies, and in partnership across the department and interagency, we can achieve a robust and resilient 21st century NC3 architecture that both ensures this critical communication chain remains protected and is capable of addressing a broader range of threats and operational require-

<sup>8</sup>Los Alamos National Laboratory (NM), Sandia National Laboratory (NM), and Lawrence Livermore National Laboratory (CA).

ments. Within this context, I want to convey my appreciation for Congress' focus on NC3, and specifically fiscal year 2012 support for the new STRATCOM Headquarters Command and Control Complex at Offutt Air Force Base.

As we pursue deterrence and assurance concepts in today's complex global security environment, we recognize that a broad range of capabilities must contribute to tailored options. We believe the full range of capabilities assigned to STRATCOM comprise our deterrence "tool kit." Each of these also contributes to daily operations and activities that enhance the combat capability of the joint force. Let me briefly describe the status of other capability areas:

#### *Intelligence, Surveillance, and Reconnaissance (ISR)*

In a global environment characterized by complexity, asymmetric threats, and uncertainty, detecting and understanding adversary plans, intentions, and warning indicators has never been more important. As ISR technologies and platforms have improved in both the quality and quantity of data collected, we have seen a steadily increasing demand for ISR collection to meet routine and crisis requirements. Through our Joint Functional Component Command for ISR (JFCC ISR),<sup>9</sup> STRATCOM's leadership in managing DOD's ISR capabilities and in assessing ISR performance has been pivotal to meeting today's intelligence challenges.

As our global knowledge demands expand, orchestrating our ISR operations to gain greater effectiveness and efficiency is increasingly necessary and challenging. First, preventing strategic surprise requires unparalleled battlespace awareness. Second, the demand for ISR collection continues to outpace our ability to fully resource that demand. Therefore, we must refine our ISR global force management processes and hone our collection strategies to improve our agility and effectiveness, making our ISR capabilities even more responsive combat multipliers.

Our ability to process and analyze data from increasingly capable ISR platforms is also a growing challenge. Not only are analysts dealing with more data, but also with an increased operations tempo that imposes ever greater demands on the timeliness of their analyses and reporting. Conservative estimates predict a one hundred percent increase in analysts is necessary to meet our combatant commanders' requirements. This level of growth would be unrealistic in almost any environment, let alone a fiscally constrained one, driving us to seek further efficiencies and concepts to get more from our existing analytic enterprise.

A key to doing this will be to improve data management, increase computing power and capability to help the analysts, and manage ISR processing, exploitation, and dissemination (PED) more effectively. Our intent is to manage resources globally while maintaining regional and local focus. This will ensure we can move faster to our highest priorities during and between emerging crises and contingencies, guaranteeing knowledge dominance for our commanders. JFCC-ISR has been pursuing these goals, and their efforts paid dividends during the recent simultaneous intelligence demands imposed by Libyan operations, the Japanese reactor crisis, and the Afghanistan surge. While our vectors are in the right direction, we must continue to build our ISR concepts and processes to be even more agile and effective in the future.

#### *Global Strike*

STRATCOM is responsible for planning, coordinating, and executing global strike activities (kinetic nuclear, kinetic conventional, and non-kinetic) and advocating for required capabilities. Global strike capabilities allow DOD to expand the range of integrated deterrent options available to the President and enable combatant commanders' access to capabilities not otherwise available in their particular AOR. STRATCOM's unique strategic capabilities enable us to rapidly support national and theater global strike missions in a number of ways.

In addition, STRATCOM continues to support and advocate for a rapid conventional strike capability. This would enhance strategic deterrence with the ability to promptly deliver a non-nuclear effect against a limited subset of highest value targets at substantial ranges. The Air Force, Defense Advanced Research Projects Agency (DARPA), and the Army have made important progress developing non-ballistic, boost-glide technologies applicable to a Conventional Prompt Global Strike (CPGS) mission, as highlighted by the Army's successful flight test of the Advanced Hypersonic Weapon concept this past November. I ask for your continued support of research, development, test, and evaluation funding as we explore various conventional global strike system concepts and basing alternatives.

<sup>9</sup> Located at Joint Base Anacostia-Bolling (JBAB), DC. LTG Burgess is the Director of DIA and is dual-hatted as CDR JFCC ISR.

### *Integrated Missile Defense (IMD)*

Ballistic missiles remain a significant threat to the U.S. homeland and a growing threat to our allies and our forces deployed abroad. As a means of terror, or to deter U.S. or allied regional intervention, or as a trans-regional means to employ WMD, ballistic missiles continue to become more accurate, lethal, and capable—attractive attributes to any number of current or potential adversaries.

In response, U.S. and allied capabilities to deter, detect, and defeat these weapons are also growing, and decades of research and development continue to pay dividends in terms of capability and credibility. And, as we consider a more integrated joint force, missile defense is an area that particularly highlights the importance of considering the full range of integrated strategic capabilities—since ballistic missile threats can rapidly transit areas of responsibility and may perhaps best be deterred or defeated via space, cyberspace, or global strike capabilities long before their launch requires action from regionally-based interceptors.

Ballistic missile threats are likely to grow at least as rapidly as our defensive assets, and we have little margin for error in acquisition and force management decisions. STRATCOM plays important roles coordinating operational support and synchronizing missile defense planning, operating concepts, and capability advocacy. Our Joint Functional Component Command for Integrated Missile Defense (JFCC IMD)<sup>10</sup> leads an annual global ballistic missile defense assessment to look across all areas of responsibility, consider individual combatant commanders' assessments of risk, find common threads, and make recommendations to reduce global risk. STRATCOM also coordinates the Air and Missile Defense Prioritized Capabilities List (PCL) across other COCOMs, improving the Services' and the Missile Defense Agency's (MDA) understanding of prioritized joint warfighter capability needs. This enhances efforts to provide persistent detection; expand data sharing among the U.S., allies, and partners; field effective defensive systems; and provide appropriately robust joint training. As the Joint Functional Manager for missile defense capabilities, JFCC IMD recommends the global allocation of low-density, high-demand assets, including force rotations, and force sufficiency—thus making the best use of limited resources.

Over the past year, these efforts substantially improved our overall missile defenses. We upgraded and integrated early warning radars in Greenland and England, improving battle-management software for data integration. We increased the number of Aegis BMD-equipped ships. And, we fielded and integrated additional elements of the European Phased Adaptive Approach (EPAA), an effort that improves missile defenses through the acquisition and integration of more advanced capabilities and the expansion of key partnerships.

In specific cases, such as limited threats against the United States and/or regional contingencies, our growing missile defenses play important deterrence and assurance roles. The application of future Phased Adaptive Approaches to other regions is an integral part of theater defenses, and we must continue to strengthen regional partnerships to meet emerging ballistic missile threats. I am confident that planned and budgeted missile defense investments will continue to support deterrence and assurance goals by significantly improving the protection of our homeland, our forward-based forces, and our allies. STRATCOM is committed to future capability development efforts that leverage past successes, address the most pressing and most likely threats, and produce field-tested, reliable assets in a cost-effective manner.

### *Electromagnetic Spectrum (EMS) and Electronic Warfare*

The EMS is the connective tissue for literally every aspect of civil, commercial, and military activity. For example, signals flowing through the spectrum connect airborne ISR aircraft to the ground troops they support, to the fleet offshore, and to commanders anywhere in the world. We are all linked, in an increasing number of ways, to modern technological necessities whose very design assumes unfettered access across the spectrum. Yet, this access is something we assume with increasing risk, particularly for the closely linked national security areas of space and cyberspace.

Today, there are three general concerns regarding the EMS. First, increased demand for interconnectivity and a growing base of EMS “users” is creating pressure to make greater segments available for public use. Second, growing use is creating “crowding” in the EMS—a problem that can result in inadvertent interference of civil, commercial, and military activities alike. EMS use priorities must be carefully managed to ensure access for force training, readiness, and operations. Finally, our

<sup>10</sup>Located at Schriever Air Force Base, CO. LTG Formica serves as CDR JFCC IMD, as well as Commanding General U.S. Army-Strategic (ARSTRAT) and Army Space and Missile Defense Command (SMDC).

growing civil, commercial, and military reliance on the electromagnetic spectrum presents adversaries an opportunity. We must assume adversaries will seek disruptive or destructive EMS capabilities to obtain their own asymmetric edge. At a time when no single discipline or command can address any conflict alone, efforts to strengthen integration, ensure persistent spectrum access where and when we need it, and deter adversary disruption or exploitation are important deterrence and assurance objectives.

To improve joint approaches to the electromagnetic spectrum, STRATCOM is focusing its enduring electronic warfare and electromagnetic spectrum responsibilities by establishing the Joint Electromagnetic Spectrum Control Center (JEMSCC). The JEMSCC will expand previous joint electromagnetic spectrum operations efforts, effectively organizing a single warfighter organization to advocate for and support joint electronic warfare capability strategy, doctrine, planning, requirements, resources, test, training, and operational support. The JEMSCC will place a particular focus on the coordination of electromagnetic spectrum-related elements to enhance joint warfighting capabilities across domains and our ability to fight through degraded environments.

#### *Space*

The National Security Space Strategy highlights the importance of U.S. leadership for the global economy, scientific discovery, modern necessities, our national security, and global strategic stability. Though increasingly contested, congested, and competitive, space remains the ultimate high ground, and ensuring access to mission-essential space capabilities through all phases of conflict is essential to maintaining and enhancing the strategic advantages space provides. Mindful of the need to maintain and enhance space's benefits for our national security enterprise, particularly in light of today's dynamic operating environment, the National Security Space Strategy identified a set of interrelated strategic approaches designed to sustain not just America's leadership in space but our ability to provide benefits for global navigation, commerce, communication, and research. As the combatant command responsible for military space operations, support, and capability advocacy, STRATCOM fully supports these approaches and is actively pursuing capability and cooperative improvements.

National Security Space Strategy	
• Promote responsible, peaceful, and safe use of space;	
• Provide improved U.S. space capabilities;	
• Partner with responsible nations, international organizations, and commercial firms;	
• Prevent and deter aggression against space infrastructure that supports U.S. national security; and	
• Prepare to defeat attacks and to operate in a degraded environment	

The space domain physically borders every geographic area of responsibility and shares virtual boundaries with cyberspace. It is vital to monitoring strategic and military developments, responding to natural and man-made disasters, and understanding environmental trends. In short, space systems provide unfettered global access. However, we cannot assume that our space advantages will automatically continue. Today's constellations continue to age and require replacement, and although we still maintain a qualitative edge, technological diffusion and the sheer number of spacefaring nations could place our space advantages at risk. Our assets also face a range of challenges from both natural or unintentional manmade threats (space weather, accidental collisions, and inadvertent electromagnetic interference) and purposeful jamming, cyber intrusions, interference, anti-satellite weapons, and kinetic attack (on space- or terrestrial-based space assets).

Sustaining U.S. advantages in the space domain requires that we act deliberately to enhance our own military advantage and to reduce strategic risk—both of which require broad collaboration across the U.S. Government and with our international partners. We must comprehensively assess the space capabilities we require to sustain our military advantage—focusing on cross-service and cross-organization capabilities to secure the greatest value. This includes working with the Services to refine and communicate clear, well-defined, and realistic requirements for each capability, mindful that the long-term strategy for assured access to space relies on a

capable national industrial base. We must also take advantage of opportunities to work with other partners. For example, in January U.S. officials announced a 20-year agreement that will add Canada, Denmark, Luxembourg, the Netherlands, and New Zealand to our current partnership with Australia for global military satellite communications. Now shared with these additional partners, the Wideband Global Satellite Communications (WGS) program provides high-capacity communications for many more military users, and this agreement expands the program to secure a planned, ninth satellite.

Reducing risks to space assets begins with situational awareness. Establishing and maintaining situational awareness in this vast, global domain is fundamental. It is also problematic. Each orbital regime presents its own unique challenges, and space is a harsh and technically challenging environment. Over the past several years, the Joint Space Operations Center (JSpOC) under the direction of our Joint Functional Component Command for Space (JFCC SPACE)<sup>11</sup> has made great progress expanding the number of objects tracked, the number of satellite close-approaches analyzed, and the number of partners involved in the space situational awareness sharing process. We currently track more than 22,000 orbiting objects, and the JSpOC Mission System (JMS) and additional sensors contained in the fiscal year 2013 budget request will further improve our ability to detect smaller objects (increasing the number of objects tracked) and the frequency and fidelity of analyses (further contributing to the safety of space flight). Agreements that allow us to expand space surveillance and communication access points and data sharing hold great promise for improving shared space situational awareness and operational effectiveness. Additional sharing agreements, particularly those that lead to the eventual transition of the JSpOC into a truly international Combined Space Operations Center (CSPOC), have great potential to demonstrate space leadership and expand information available to all users. Finally, clearly communicating expectations and a shared understanding of space norms and responsibilities among space-faring nations will provide an important foundation for deterring undesirable aggression against space capabilities.

#### *Cyberspace*

Few might ever have imagined how cyberspace would evolve—globally connected and geographically unconstrained—to define modern life for billions of people. Not only have we woven cyberspace into nearly every facet of our personal lives, it has also become essential to the functioning of the global economy and military operations across all domains. In cyberspace we seek to conduct commerce, share information, learn, and entertain. But, through cyberspace others seek to vandalize, steal, disrupt, and, potentially, to destroy. In the military, we rely on many domains or capabilities with the reasonable expectation that we can secure them when required. However, in cyberspace, and across the broader electromagnetic spectrum, we find ourselves almost completely reliant on something we will likely never completely secure. Dealing with that reality is an extraordinary challenge.

DOD Strategy for Operating in Cyberspace
<ul style="list-style-type: none"> <li>• Treat cyberspace as an operational domain to organize, train, and equip so that DOD can take full advantage of cyberspace's potential</li> <li>• Employ new defense operating concepts to protect DOD networks and systems</li> <li>• Partner with other U.S. government departments and agencies and the private sector to enable a whole-of-government cybersecurity strategy</li> <li>• Build robust relationships with U.S. allies and international partners to strengthen collective cybersecurity</li> <li>• Leverage the nation's ingenuity through an exceptional cyber workforce and rapid technological innovation</li> </ul>

<sup>11</sup> Located at Vandenberg Air Force Base, CA. Lt. Gen. Helms serves as CDR JFCC Space as well as Commander, 14th Air Force.

This reliance, like all of our technological advantages, is also clear to potential adversaries who are seeking to use cyberspace as a means to act against U.S. data, forces, or critical infrastructure—particularly shared network infrastructure. Our challenge is to deploy resilient capabilities, sufficient capacity, and effective defenses that preserve access to our technological advantages by securing critical resources and preparing to operate and deliver effects—even when under threat of cyber intrusion.

The Department of Defense Strategy for Operating in Cyberspace outlines five strategic initiatives to focus efforts to leverage cyberspace's tremendous opportunities while managing its dynamic nature and vulnerabilities. STRATCOM is responsible for operating and defending DOD information networks, planning against designated cyberspace threats, executing cyberspace operations as directed, advocating for cyberspace capabilities, and synchronizing activities with other combatant commands and agencies. In addition to our substantial work maturing the cyber mission, forces, capabilities, and relationships, we are continuing to improve operating concepts to better address cyberspace threats and support combatant commands. While much remains to be done, we have made substantial progress, and CYBERCOM continues to play an essential role operating and defending DOD's information networks.

Moving forward, we must continue to improve situational awareness and clarify the global roles, responsibilities, expectations, and authorities that contribute to stable and effective deterrence and assurance. Effective defensive and offensive preparation begins with situational awareness. Threats in cyberspace are anything but static, and a useful defensive strategy or capability existing one moment may be ineffective mere seconds later, and improved relationships and technical capabilities allow us to better understand the dynamic cyber environment. Gaining this awareness and then acting quickly and effectively requires improving the complex interagency and international relationships. Cybersecurity requires the entire government's effort. No single agency or department can effectively address the threats we face in cyberspace; we must constantly evaluate relationships and operational constructs to address constantly evolving threats. The recent Defense Industrial Base (DIB) Pilot program is a great example of the benefits of partnership and the type of activity we look forward to furthering in the future.<sup>12</sup>

Finally, in all of STRATCOM's unique functional mission areas, but particularly in cyberspace, I am concerned about sufficient technical capacity and personnel. We must ensure information technology capabilities are fielded with sufficient capacity and in a more resilient, defensible structure that still reaps as many benefits as possible from the open nature of the internet. Furthermore, we need the best trained and educated people to work our cyberspace challenges, and growing tomorrow's cyberspace professionals is fundamentally about education. Ensuring our future security in cyberspace—and really across STRATCOM's strategic responsibilities—begins with efforts to encourage and improve science, technology, engineering, and math education from an early age. It also includes the recognition that traditional military recruitment and retention programs may not be the best or fastest way to build a stable cyber cadre for the long term.

#### OUR PEOPLE

At STRATCOM, we recognize that our people are our greatest and most enduring strength. Shaping the future joint force, professionally and personally, requires diligent attention. As a reflection of our strategy, we must support educational (including lifelong science, technology, engineering, and math ) and other personnel efforts that enable us to recruit, train, exercise, develop, and sustain the unique deterrence, space, and cyber workforce we need.

Indeed, the All-Volunteer Force is our military's greatest strength, and we must keep the faith with our people and their families. Our servicemembers, civilians, and their families bear unique sacrifices for our Nation, and we especially appreciate their sacrifices over the past decade at war and at home. These sacrifices have come at great cost, and we must continue identifying stresses and providing our troops and their families necessary care. Suicides remain my greatest personnel concern, and I appreciate Service efforts this year to improve the personal resiliency of each member. One suicide is one too many. This is not only every commander's business, but it is the business of every soldier, sailor, airman, marine, and civilian.

<sup>12</sup>The DIB pilot completed transitioning to the Department of Homeland Security this January and is now called the Joint Cybersecurity Pilot.

## CONCLUSION

Mr. Chairman, it remains a great honor to lead the men and women of U.S. Strategic Command. This is an interesting time for our Nation; and this is more than an interesting time for STRATCOM. However, the challenge before us is not just to live in interesting times but to continue to excel in these interesting times. Ultimately, our goal is to anticipate and prevent strategic attacks, to continue to assure our allies, and to ensure we maintain access to space and cyberspace, which provide the U.S. decisive strategic and operational advantages to achieve our global security objectives. Our success will hinge on the quality of our people and the effectiveness of our response to a new national security reality that continues to test our agility, flexibility, and resolve. Dealing effectively with these challenges and identifying and pursuing opportunities that result will require all the imagination, innovation, and discipline we can muster. Dealing effectively with these challenges will also require us to synchronize, collaborate, and coordinate with the other combatant commands, agencies, and allies to an unprecedented degree.

These are just the sort of interesting times and challenges STRATCOM was designed to address. We are equal to the task and determined to continuously improve and stay ahead of the challenge. I appreciate your continued support for STRATCOM and all of our servicemembers and civilians, and I look forward to continuing to work with you over the coming year.

Chairman LEVIN. Thank you very much, General, and thank you for your reference to Senator Ben Nelson. We all feel very much the way you do, and we are grateful for your reference to him. Thank you.

General Alexander?

**STATEMENT OF GEN KEITH B. ALEXANDER, USA, COMMANDER, U.S. CYBER COMMAND, AND DIRECTOR, NATIONAL SECURITY AGENCY/CHIEF, CENTRAL SECURITY SERVICE**

General ALEXANDER. Chairman Levin, Ranking Member McCain, and distinguished members of the committee, thank you for the opportunity to appear before you today. I am pleased to appear with General Bob Kehler, and I echo his comments all across the board, including those about Senator Nelson.

I would start up front by echoing some of those comments. Namely, it is a privilege and honor to lead the soldiers, sailors, airmen, marines, and civilians of CYBERCOM and NSA. We have great people. Thanks for what you do to get those great people for us.

I would also like to thank you and your colleagues for your support in helping this command move rapidly forward in our efforts to address emerging threats and concerns to our Nation.

I also need to thank all our partners throughout DOD, DHS, and the FBI. We endeavor to build capability and capacity. Cyber is a team sport, and we could not have come this far and accomplished this much as we have without them.

Many changes and substantial progress have been made since I last spoke to the committee almost 2 years ago. Cyberspace has increasingly become more critical to our national and economic security. Mr. Chairman, you brought up one of the quotes about the greatest transfer of wealth. I think that is absolutely correct. We are seeing increased exploitation into industry, other government agencies, and the theft of intellectual property is astounding. I will address parts of that shortly in my comments coming up.

I also think that the threat has grown in terms of activists, nation states, and non-nation state actors. The Secretary of Defense and Chairman of the Joint Chiefs of Staff both emphasized cyber



as an area of investment in a leaner defense budget. The task of assuring cyberspace access and security has drawn the attention of all our Nation's leadership. CYBERCOM is a component of a larger U.S. Government-wide effort to make cyberspace safer and a forum for vibrant citizen interaction to preserve our freedom to act in cyberspace and defend our vital interests and those of our allies.

CYBERCOM is charged to direct the security, operations, and defense of the DOD information systems. But our work is affected by threats outside DOD's networks, threats the Nation cannot ignore. What we see both inside and outside DOD information systems underscores the imperative to act now to defend America in cyberspace.

The American people expect broad and efficient access to cyberspace. The military and civilian sectors rely on accessibility. Increased interconnectedness of information systems, growing sophistication of cyber criminals and foreign intelligence actors has increased our risk.

Last spring, in his international strategy for cyberspace, the President confirmed an inherent right to protect ourselves against attacks in this domain as in traditional domains. He said: "When warranted, the United States will respond to hostile acts in cyberspace as we would to any other threat to our country. CYBERCOM exists to ensure the President can rely on the DOD information systems and has military options available to defend our Nation."

The President and the Secretary of Defense recently reviewed our Nation's strategic interests, issued guidance on defense priorities. In sustaining U.S. global leadership, priorities for 21st century defense, the Secretary focused on protecting access throughout the cyber domain. CYBERCOM's role is to pay attention to how nations and non-nation state actors are developing asymmetric capabilities to conduct cyber espionage and attacks. DOD recently added detail to that position. In accordance with the President's strategy, the Department further explained our deterrent posture to Congress in its cyberspace policy report last November.

DOD components, especially CYBERCOM, work to dissuade others from attacking or planning to attack the United States in cyberspace. We work with a range of partners, U.S. Government allies, private industry to strengthen the defense of our citizens, the Nation, and allies in cyberspace. I want to assure you that all of our work is performed to safeguard the privacy and civil liberties of U.S. persons. These responsibilities are very much on our minds.

In establishing the U.S. Combatant Command (COCOM) relationships, you asked about our relationships with the other commands, and I would like to briefly address that.

First, we are establishing a cyber support element at each of the six geographically based COCOMs. U.S. Central Command's cyber support element is up and operational. U.S. Pacific Command's cyber support element is partially operational, and the others are on their way.

The purpose is to provide technical expertise and capability and improve integration of cyber capabilities into the COCOM mission planning efforts. Our goal is to ensure each COCOM has a full sweep of cyber operations to choose from and an understanding of effects these options can produce in their area of responsibility.

Mr. Chairman, you also asked about the standing Rules of Engagement. The Department is conducting a coordinated, thorough review with the Joint Staff of existing standing Rules of Engagement on cyberspace. These revised standing Rules of Engagement should give us authorities we need to maximize pre-authorization of defense responses and empower activity at the lowest level. Issues being ironed out are what specific set of authorities we will receive, conditions in which we can conduct response actions, and we expect that those will be done in the next few months.

DOD's role in defense against cyberattacks. Defending the Nation in cyberspace requires coordination with several key Government players, notably DHS, the FBI, the Intelligence Community. I would just like to put some of this on the table because it is my opinion that we need all three working together as a joint team. DHS has the lead for coordinating the overall national effort to enhance cybersecurity of U.S. critical infrastructure. They lead in resilience and preparing the defense. The FBI has the lead for detection, investigation, prevention, and mitigation response within the domestic arena under their authorities for law enforcement, domestic intelligence, counterintelligence, and counterterrorism. Of course, DOD, NSA, and CYBERCOM lead for detection, prevention, and defense in foreign space, defense of the Nation if the Nation comes under attack.

I would like to go into, if I could, a little bit on what I see we need in cyberspace, the requirements to defend the Nation from attack because there has been a lot of discussion on this, and I think it is important to put this up front. I think this is the heart of some of the discussion that is going on with the legislation today.

First, we need to see the attack. What do I mean by that? That was a quote that we made up at Fordham University. If we cannot see the attack, we cannot stop it. What we are not talking about is putting NSA or the military into our networks to see the attack. What we are talking about that all of you put on the table is we have to have the ability to work with industry, our partners, so that when they are attacked or they see an attack, they can share that with us immediately. The information sharing and the liability that goes along would allow industry, armed with signatures that we can provide, signatures that they have—I agree it takes all of us working together—to provide a better defense. What we need is for them to tell us that something is going on.

There are a couple of analogies that I would like to use. These are not perfect analogies, just the best that I can come up with. Being in the Senate Armed Services Committee here, I use the missile analogy.

So if a missile were coming into the country and we had no radars to see it, we could not stop that missile. If we have a cyberattack coming in and no one tells us that that cyberattack is going on, we cannot stop it.

Today, we are in the forensics mode. What that means is an attack or an exploit normally occurs. We are told about it after the fact. I think we should be in the prevention mode in stopping that. A lot of that can be done by industry. I think that industry should have the ability to see these and share that with government in real time.

When you think about it, it is almost like the Neighborhood Watch program. Somebody is breaking into a bank. Somebody needs to call the authorities to stop it. In cyberspace, what we are saying is armed with the signatures, the malicious software, those things that help us understand that an attack is going on, we believe that industry is the right one to tell the government that they see that and get us to respond to it.

So I just want to clarify it because I do not believe we want NSA or CYBERCOM or the military inside our networks watching it. We think industry can do that, and we think that is the right first step. Actually that is in both of these bills.

The second part. I used that one because I think there is another part to this that we have in force within DOD, and that is what standards do we build our networks to and how much of a defense do we put in there. How do we make our defense better? So we have put in a series of defensive capabilities, if you will, the standards that we operate and defend our networks. How do you align your networks? How do you know that they are configured right? How do you make them defensible so that they will last when somebody is trying to get in?

We have a great Information Assurance Directorate, and one of the former directors told me that 80 percent of the exploits and attacks that come in could be stopped just by the hygiene itself.

Mr. Chairman, you also brought up the issue of the Carnegie Mellon report, and I would like to just hit some of that because I do think that is an important report and it really applies to this discussion that we have going on now.

As I have stated previously, that report and that assessment was early on in the DIB pilot. That does not mean that we cannot do better. In fact, let me turn that around and say for us to be successful in cyberspace, it is going to require Government and industry working together with the best of both. Industry partners see signatures that Government does not see, and government sees signatures or malicious software, exploitations, and attacks into the country that industry does not see. The information sharing and the ability to do that is key to stopping that.

What I see from the DIB pilot was increased discussion between Government and industry. This was a good thing and it has grown and it continues to grow and we are getting better.

So in legislation what I think is we need to make the first step. We need to start on that journey. We will not get it perfect, but we need that ability for industry to share with us the fact that these attacks and exploits are going on. But if we cannot stop them, we cannot help.

There are five areas that I focused on with our folks, with the folks at CYBERCOM.

First, we have to build and train cyber forces. These are things that General Kehler and I are arm-in-arm on. These are the key things that we have to do.

Second, we have to have a defensible architecture. You mentioned the 15,000 enclaves, and the reality is our integrated architecture, the way that we have set them up, if went to the way Google, Yahoo, and others are doing it in the Defense Department,

we would have a more defensible architecture. That is the way we are pushing, and the Services are helping us get there.

I think we have to partner with DHS and FBI. The reason that I bring DHS into this is that I believe we want them working with the rest of government to help set up the rest of government networks and work with that. We do not want to take the people that I have and push them over here. I think we want the people that we have looking outside, and I think that goes to Senator McCain's comments. We are the offensive force. We are the ones that are going to protect the Nation. We need to see what is going on and be prepared to do that. We can give and work with DHS and provide capabilities and technical expertise, and that is growing.

Finally, I would add in the FBI. They have some tremendous capabilities. They have the law enforcement arm.

When you put all three of us together, I think our country knows that what we are doing is transparent and we are doing the right thing. In doing that, you have brought all three players to the table.

I see command and control and partnership as key especially with our allies, and I would put the allies on the table because this is going to be huge for our future. The concept for operating in cyberspace we have mentioned earlier.

So it is an honor and privilege to represent the soldiers, sailors, airmen, marines, and civilians of CYBERCOM here today. I thank you for the opportunity to discuss our many accomplishments and progress in building capabilities to perform our mission in the future.

I would ask that my statement for the record be included on the record.

That is all I have, Mr. Chairman.

[The prepared statement of General Alexander follows:]

PREPARED STATEMENT BY GEN KEITH B. ALEXANDER, USA

Thank you, Chairman Levin, and Ranking Member McCain, for inviting me to talk to you about Cyber Command. I am here representing Cyber Command, with an authorized staff of 937, and operational service cyber components totaling over 12,000 men and women, whose great work helps to keep our Nation more secure. Their ranks include uniformed members of all the military Services and the Coast Guard, as well as civilians and officials from several Federal agencies partnered with us in our missions. There is no finer group of Americans anywhere, and the work they do is vital to our security now and in the future. I am proud and humbled to be associated with them.

The fiscal year 2013 President's budget for Cyber Command provides \$182 million and 937 personnel to perform our global mission. As demand to develop and integrate capabilities into cyber planning and operations continues to grow, we continue to work with the Department to shape our resource requirements and workforce to provide the necessary level of effort against growing mission sets and threats. I last spoke to the committee in open session just about a year ago. Since then, Cyber Command has made substantial progress in building capabilities to perform its missions. I hasten to add, however, that our Nation's need for mission success has also grown, both in its scope and in its urgency. Secretary of Defense Panetta recently told Members that "our adversaries are going to come at us using 21st century technology," including cyber threats. Chairman Dempsey amplified that statement, noting that we are "very concerned about cyber." Both emphasized that cyber is one of the areas slated for investment in an overall Defense budget that will be leaner in the future. The United States relies on access to cyberspace for its national and economic security. The task of assuring cyberspace access continued to draw the attention of our Nation's most senior leaders over the last year, and their decisions

have helped to clarify what we can and must do about developments that greatly concern us.

Cyber Command is, of course, a component of a larger, U.S. Government-wide effort to make cyberspace safer for all, to keep it a forum for vibrant citizen interaction, and to preserve our freedom to act in cyberspace in defense of our vital interests and those of our allies. Although Cyber Command is specifically charged (among other missions) with directing the security, operation, and defense of the Department of Defense's (DOD) information systems, our work and our actions are affected by threats well outside DOD networks; threats the Nation cannot afford to ignore. What we see, both inside and outside DOD information systems, underscores the imperative to act now to defend America in cyberspace. In my time with you today, I want to talk about that larger, strategic context, to note some recent changes in the ways that we express our cyber posture in public, and to explain what these developments mean specifically for the progress of Cyber Command and the larger cyber enterprise.

#### STRATEGIC CONTEXT

In framing my comments on our progress at Cyber Command, I have to begin by noting a worrisome fact: cyberspace is becoming more dangerous. The Intelligence Community's world-wide threat brief to Congress in January raised cyber threats to just behind terrorism and proliferation in its list of the biggest challenges facing our Nation. You know this if you are a national leader or a legislator, a military commander, a corporate executive or chief information officer, or just an ordinary citizen shopping or spending leisure time on-line. Out of necessity, more and more of the time and resources that every American spends on-line are being consumed by tasks to secure data, encrypt drives, create (and remember) passwords and keys, and repeatedly check for vulnerabilities, updates, and patches. Americans have digitized and networked more of their businesses, activities, and their personal lives, and with good reason they worry more about their privacy and the integrity of their data. So has our military. Those Americans who are among the growing number of victims of cybercrime or cyber espionage, moreover, are also spending their time trying to figure out what they have lost and how they were exploited.

Dangers are not something new in cyberspace, of course. Observers theorized about hypothetical cyber attacks on data and information systems 20 years ago. When I spoke to you last year, however, I noted the sort of threats that were once discussed in theoretical terms were becoming realities and actually being deployed in the arsenals of various actors in cyberspace. I specifically use the broader term "actors" instead of "states." In 2010 we saw cyber capabilities in use that could damage or disrupt digitally controlled systems and networked devices, and in some cases we are not sure whether these capabilities are under the control of a foreign government. Furthermore, we believe it is only a matter of time before someone employs capabilities that could cause significant disruption to civilian or government networks and to our critical infrastructure here in the United States.

We have long seen cyber capabilities directed by governments to disrupt the communications and activities of rival States, and today we are also seeing such capabilities employed by regimes against critics inside their own countries. Events during the Arab Spring last year offer a wealth of examples. Popular protests against authoritarian rule raised hopes across the Maghreb and beyond—hopes that were organized, informed, and expressed in no small part by expanded capacity for communications and the new social media applications that use it. The response of the former regimes in Egypt, Libya, and Tunisia—and some current regimes as well—was to try to filter, disrupt, or even shutter these channels for news and communications, whether to stifle ongoing protests by their own citizens or to keep their peoples from hearing that discontent in other lands had toppled autocratic regimes. Some regimes, moreover, even reach out via cyberspace to harass political opponents beyond their borders.

Cyber crime is changing as well. In part this is due to heightened security and wariness among governments, businesses, internet service providers (ISPs), and average users. Law enforcement and ISPs, for example, have gotten better at identifying "botnets," banks of computers slaved together for criminal purposes, and have become more skilled at neutralizing them. But now the more sophisticated cyber criminals are shifting away from botnets and such "visible" means of making money and toward stealthier, targeted thefts of sensitive data they can sell. Some cyber actors are paying particular attention to the companies that make network security products. We saw digital certificate issuers in the United States and Europe hit last year, and a penetration of the internal network that stored the RSA's authentication certification led to at least one U.S. defense contractor being victimized by actors

wielding counterfeit credentials. Incidents like these affect DOD networks directly, targeting them with similar malware, often spread by clever “phishing” e-mails that hit an information security system at its weakest point—the user. Nation-state actors in cyberspace are riding this tide of criminality. Some of these actors can and may turn their resources and power against U.S. and foreign businesses and enterprises, even those that manage critical infrastructure in this country and others. State-sponsored industrial espionage and theft of intellectual capital now occurs with stunning rapacity and brazenness, and some of that activity links back to foreign intelligence services. Companies and government agencies around the world are thus being looted of their intellectual property by national intelligence actors, and those victims understandably turn for help to their governments.

The expanding popularity of social media and wireless consumer electronics is driving cyber crime as well. More and more malware is written for wireless devices, particularly smartphones, and soon, we anticipate, for tablets as well. These criminal gangs are trying to exploit social media users and wireless networked systems, but can also exploit our soldiers, sailors, airmen, and marines in their purely social activities. Real and potential adversaries can and do learn a great deal about our personnel, procedures, and deployments by monitoring the use that our people make of popular social media. As our military goes wireless these threats to our weapons systems, communications, databases, and personnel demand attention.

Finally, I need to mention a recent development of concern to us at Cyber Command and across our government and allies. Last year we saw new prominence for cyber activist groups, like Anonymous and Lulz Security that were encouraging hackers to work in unison to harass selected organizations and individuals. The effects that they intentionally and indirectly cause are chaotic and perhaps exaggerated in the popular media, but the work of preventing those effects from disrupting DOD information systems does draw attention and resources. We are also concerned that cyber actors with extreme and violent agendas, such as al Qaeda affiliates or supporters, could draw upon the experiences and ideas of more sophisticated hactivists and potentially use this knowledge for more disruptive or destructive purposes, though it remains unclear what the likelihood of such an event is.

#### OUR NATIONAL CYBER POSTURE

The American people have rightly come to expect broad and economical access to cyberspace. They have saved their personal information, business files, research projects, intellectual capital, and recreational pursuits in digital formats and stored in networked computing devices. Moreover, they have built social and professional webs of contacts in cyberspace—the all-important “who you know”—and have thus come to rely on the accessibility of these networks. Our military and our government have done likewise. This increased inter-connectedness of our information systems, combined with the growing sophistication of cyber criminals and foreign intelligence actors, has increased our risk. Our inter-connectedness is now a national security issue. Ensuring and securing our computing systems has focused the energies of America’s leadership at both ends of Pennsylvania Avenue and in the Cabinet departments. Recent decisions have helped to clarify our posture for defending net users and the Nation in cyberspace, and have sent strong signals to anyone who might impair our interests in this domain.

The President confirmed our inherent right to protect ourselves against attacks in this domain, as in the traditional domains, last spring in his International Strategy for Cyberspace, saying “When warranted, the United States will respond to hostile acts in cyberspace as we would to any other threat to our country.” We Reserve the right to use all necessary means—diplomatic, informational, military, and economic—as appropriate and consistent with applicable international law. In so doing, we will exhaust all options before military force whenever we can; will carefully weigh the costs of action against the costs of inaction; and will act in a way that reflects our values and strengthens our legitimacy, seeking broad international support whenever possible. As in the other domains, of course, the United States will seek to exhaust all options before employing military force, and will seek international support whenever possible. Cyber Command exists to ensure that the President can rely on the information systems of the Department of Defense and has military options available for his consideration when and if he needs to defend the Nation in cyberspace.

President Obama and Secretary of Defense Panetta have recently reviewed our Nation’s strategic interests and issued guidance on our defense priorities. In Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, the Secretary focused on protecting access throughout the domain. For Cyber Command, this means we must pay attention to the ways in which nations and non-state actors are

developing asymmetric capabilities to conduct cyber espionage—and potentially cyber attacks as well—against the United States as well as our allies and partners. In this context, our cyber capabilities represent key components of deterrence. Since modern forces cannot operate without reliable networks, we will invest in advanced capabilities to defend them even in contested environments.

The Department of Defense recently added detail to that position. In accordance with the President's International Strategy, the Department further explained our deterrent posture to Congress in its "Cyberspace Policy Report" last November. DOD's components, particularly Cyber Command, seek to maintain the President's freedom of action and work to dissuade others from attacking or planning to attack the United States in cyberspace. We will maintain the capability to conduct cyber operations to defend the United States, its allies, and its interests, consistent with the Law of Armed Conflict. Our indications and warning and forensic intelligence capabilities necessary to identify our enemies and attackers in cyberspace, moreover, are improving rapidly. As the Department's report to Congress noted, the collocation of Cyber Command with the National Security Agency provides our Command with "unique strengths and capabilities" for cyberspace operations planning and execution. I can assure you that, in appropriate circumstances and on order from the National Command Authority, we can back up the Department's assertion that any actor contemplating a crippling cyber attack against the United States would be taking a grave risk.

Cyber Command works with a range of partner agencies in the U.S. Government and among our allies, along with parallel efforts in private industry, to strengthen the overall defense of our citizens, the Nation, and allies in cyberspace. The Departments of Defense and Homeland Security collaborate on various initiatives, including the Defense Industrial Base (DIB) Cyber Pilot, a test program to establish a construct for Commercial Service Providers to provide managed security services enhanced by government threat information to Defense Industrial Base companies; and the Enduring Security Framework, an executive and working-level forum with key partners in the commercial technology marketplace.

Finally, I want to assure you that all of our work is performed with our responsibility to safeguard the privacy and civil liberties of U.S. persons very much in our minds. We take very seriously, in all of our operations, our duty to ensure that defending the Department of Defense's information systems and the Nation's freedom to access cyberspace does not infringe on Americans' civil liberties, those rights guaranteed by the Constitution that I and every member of my Command swore an oath to uphold.

#### BUILDING THE ENTERPRISE

Cyberspace has a scope and complexity that requires inter-agency, inter-service, and international cooperation. Within the Department of Defense, cyberspace issues are handled by our command and a diverse set of other agencies and organizations, many of which have their own initiatives with government, allied, and industry partners. It is important to keep this context in mind as I review the efforts, accomplishments, and challenges of Cyber Command.

When I spoke to you a year ago, our command had just become operational. Just a year later, we have a record of success. We are in action every day making the Department's networks more secure and its operations more effective. We are actively directing the operation of those networks and making commanders accountable for their security. Let me tell you about some of our recent successes:

- This time last year, sophisticated cyber intruders compromised the security of the algorithm employed in tokens distributed by the RSA Corporation. This was very serious news, since a large number of enterprises, including some in the Department of Defense, rely on two-factor authentication using RSA tokens. Indeed, the systems of some non-DOD users were breached not long after the compromise by intruders exploiting the stolen certificates. Cyber Command had immediately recognized the danger to DOD information systems, warned those DOD networks at risk, and took swift mitigation efforts. We at Cyber Command directed and oversaw the replacement of all RSA tokens throughout DOD. Partly as a result of our actions, we have not seen any intrusions of DOD networks related to the RSA compromise.
- Just a few months ago, we saw an example of how Cyber Command has improved DOD's cybersecurity. In late 2010, cyber actors took advantage of a vulnerability in Adobe software that allowed them to install malicious software on computers whose users clicked on an apparently harmless link, a ruse called spearphishing. In that case, as Cyber Command was just be-

ginning, several DOD networks/systems were breached and our experts could only react to stop files from being stolen and new breaches from being opened. A year later, by contrast, our defensive posture and cyber command and control processes had matured to the point where we were prepared not just to react but to counter such tactics. When another Adobe vulnerability was discovered in late 2011, Cyber Command quickly took action to ensure that no one would be able to use it against us. Sure enough, malicious cyber actors seized upon the vulnerability and used it to mount a spearphishing campaign targeting DOD networks. This time we were waiting and were able to block this campaign from exploiting our systems and acquiring any DOD files.

- The year 2011 might well be remembered as the Year of the Hacker. Various on-line groups garnered headlines for their efforts to publicize causes of concern to them by breaching the security of government and private networks. The on-line collective calling itself Anonymous, to mention just one of these groups, announced several attempted attacks against Department of Defense information systems. Cyber Command was able to direct and integrate pro-active defensive cyber operations to successfully counter these threats. Over the past year, there have also been related, well-publicized examples of major exploitations or attacks against Defense contractors and other holders of intellectual property vital to our national security. The Cyber Command-led defense of the Department's information systems, however, prevented any of these threat actors from having a similar effect against DOD networks. Finally, the investigation of the WikiLeaks breach continued, and its progress was closely followed by the hacker groups. In response to the WikiLeaks breach, Cyber Command was able to direct actions across the Department that quickly reduced risks to DOD information. These measures supported operational commanders exercising their accountability for cybersecurity in their units.

I'd be pleased to give you more details on these events in closed session, and to tell you about still others that remain too sensitive to mention here.

I am proud of this record of success but aware that more needs to be done by Cyber Command as part of the larger cyber enterprise that includes the National Security Agency/Central Security Service (NSA/CSS), the Service cyber components, and the Defense Information Systems Agency (DISA). I foresee five challenges over the coming year that Cyber Command will face and continue to address. Those areas are the following:

- (1) Concept for Operating in Cyberspace: Every domain, by definition, has unique features that compel military operations in it to conform to its physical or relational demands. Doctrine, tactics, techniques, and procedures have been under development for millennia in the land and maritime domains, for a century in the air domain, and for decades in space. In the cyber domain, however, we are just beginning to craft new doctrine and tactics, techniques, and procedures. At the strategic level, we are building our organizational structures to ensure we can deliver integrated cyber effects to support national and combatant commander requirements; we are developing doctrine for a pro-active, agile cyber force that can "maneuver" in cyberspace at the speed of the internet; and we are looking at the ways in which adversaries might seek to exploit our weaknesses. At the operational level, our objectives are to establish a single, integrated process to align combatant commanders' requirements with cyber capabilities; to develop functional emphases in the Service cyber components; and to draft a field manual or joint publication on cyber operations and demonstrate proof of concept for it. Finally, rapid deconfliction of operations is required, and that is garnering leadership attention as well. We are currently working closely with two of the geographic combatant commanders. Our goal is to ensure that a commander with a mission to execute has a full suite of cyber-assisted options from which to choose, and that he can understand what effects they will produce for him. Though we can only work such an intensive process with two of the combatant commanders at this time, we will be able to reach out eventually to all of the combatant commanders.
- (2) Cybersecurity Responsibilities: Defending the Nation in cyberspace requires a coordinated response among several key players from throughout the government. It takes a cross-government team to mature and implement an effective cyber strategy for the Nation. From my perspective, there are three key players that make up this team:



- Department of Homeland Security—lead for coordinating the overall national effort to enhance the cybersecurity of U.S. critical infrastructure, and ensuring protection of the civilian Federal Government (.gov) networks and systems.
- Federal Bureau of Investigation (FBI)—responsible for detection, investigation, prevention, and response within the domestic arena under their authorities for law enforcement, domestic intelligence, counterintelligence, and counterterrorism. Importantly, when malicious cyber activity is detected in domestic space, the FBI takes the lead to prevent, investigate, and mitigate it.
- Department of Defense/Intelligence Community/NSA/Cyber Command—responsible for detection, prevention, and defense in foreign space, foreign cyber threat intelligence and attribution, security of national security and military systems; and, in extremis, defense of the homeland if the Nation comes under cyber attack from a full scope actor.

Cyber Command is working to ensure we have identified the roles and responsibilities correctly to accomplish our mission. Overall, our most pressing need across the government is to ensure we can see threats within our networks and thus address malware before it threatens us. Foundational to this is the information sharing that must go on between the Federal Government and the private sector, and within the private sector, while ensuring appropriate measures and oversight to protect privacy and preserve civil liberties. We welcome and support new statutory authorities for DHS that would ensure this information sharing takes place; an important reason why cyber legislation that promotes this sharing is so important to the Nation. Finally, we are working within the Department and administration on establishing the Rules of Engagement and criteria upon which Cyber Command will act. We are working with the Joint Staff to develop a decision framework that allows us to identify threats and ensure senior leaders can share information rapidly and take action, if necessary.

- (3) Trained and Ready Force: At present we are critically short of the skills and the skilled people we as a Command and a nation require to manage our networks and protect U.S. interests in cyberspace. Our prosperity and our security now depend on a very skilled technical workforce, which is in high demand both in government and industry. We in DOD need to build a cyber workforce that can take action quickly across the full range of our mission sets as necessary. This will require us to adopt a single standard across the Department and the Services, so that we can truly operate as a single, joint force. In order to achieve our goals in this area by 2014, we must build a skilled force capable of full-spectrum cyber operations across a continuum of threats. We also need to build our workforce at Cyber Command and the Service Cyber Components so that, in extremis, we have the capability to defend the Nation in cyberspace. We are reviewing recruitment and incentive programs in order to build and retain the best of the best cyber defenders, and we are working to standardize, track, and manage the training needed for all cyber personnel.

Let me mention one of the ways in which we are building the cyber force. Last fall we sponsored our first major tactical exercise, which we called Cyber Flag (after the Red Flag exercise that has trained generations of fighter pilots since the 1970s). This was a large, multi-day affair, in which operators from our Service cyber components engaged in realistic and intense simulated cyber combat against “live” opposition. This unprecedented exercise attracted a great deal of interest from senior leaders in the Pentagon and other departments and agencies, and dozens of observers attended its sessions. Nevertheless, Cyber Flag was no mere drill, but a training exercise for those necessarily engaged in cyber operations now. The lessons that network operators learned first-hand in Cyber Flag are being applied daily in defense of our networks and in support of national policy goals.

- (4) Defensible Architecture: Our current information systems architecture in the Department of Defense was not built with security uppermost in mind, let alone with the idea of operationalizing it to enable military missions. Instead, we have seven million networked devices in 15,000 DOD network enclaves. Our vision is to fashion that architecture into an operational platform, not just a channel for communications and a place for data storage. To do so, our DOD cyber enterprise, with the Department’s Chief Information Officers, DISA, and Cyber Command helping to lead the way, will build a common cloud infrastructure across the Department and the Services that will not only be more secure but more efficient—and ultimately less costly in this time of diminishing resources—than what we have today.

Cyber Command will directly benefit from this in its mission of directing the security, operation, and defense of DOD information systems. Our strategic objective is to reduce the attack surface of our critical networks that is available to adversaries, enabling us to “Defend and Jump” as needed. Our operational objectives are to reduce the number of network enclaves to the minimum possible; to implement a common cloud-based infrastructure to improve security across all of DOD; to move to a more secure model for data and services with better tagging and metadata; to implement identity-based access controls to services, as well as attribute-based access controls to control who can use those data; and finally to grow the capability to rapidly reconfigure the single network in response to mission requirements or enemy actions.

The NSA has begun making this vision a reality, with collateral benefits for Cyber Command in the process. The agency has sharply consolidated the number of desktop applications, closed half its help desks, trimmed the number of data centers required, and saved money through corporate management of software licenses. Similar actions taken Department-wide will not only improve the security of the DOD’s networks but also reduce its information technology costs, freeing money for other purposes and allowing for a re-dedication of cyber personnel to more urgent needs.

- (5) Global Visibility Enabling Action: We cannot wait for the implementation of that vision of a defensible architecture, however, to improve our situational awareness. Our commanders and our Services need to know what’s happening inside and outside our networks, but at present we cannot even develop a definitive picture of the 15,000 DOD network enclaves and lack the capability to easily understand what is happening as it occurs. Furthermore, we must know in real time when and how the internet and the overall cyber environment inside and outside the United States are threatened in order to counter those threats. In this area, our strategic objectives are to enable unity of effort across DOD, the Federal Government, private partners and allied nations; to develop faster, more comprehensive, and timelier warning of threats against DOD networks and critical infrastructure; and to move beyond situational awareness to enabling integrated operational responses in cyberspace. Our operational objectives are to gain visibility of, and fuse information from, our own and public networks to enable action; to partner with the interagency, private infrastructure providers and global partners to share information; and to build capabilities to empower decisionmakers.

Cyber Command Major Accomplishments (March 2011 to March 2012)

#### OPERATIONAL IMPACTS

Common Operating Picture (COP) Exercise: Cyber Command Joint Operations Center, the NSA/CSS Threat Operations Center and the DOD Cyber Crime Center participated in a White House-led National Level Exercise to test the Federal Government’s ability to develop a COP appropriate for White House-level consumers.

Cyber Training Advisory Council (CYTAC) Creation: The CYTAC is an advisory and coordination committee established to improve the quality, efficiency, and sufficiency of training for computer network defense, attack, and exploitation that will work to coordinate and standardize cyber training across all military services, Cyber Command, and NSA.

National Reconnaissance Office (NRO) War Game THOR’S HAMMER: Cyber Command personnel supported NRO’s space and cyber wargame that increased the participant’s understanding of critical space asset capabilities and their vulnerabilities to cyber attacks. Additionally, the wargame highlighted the inter-relationship between space security and cyberspace security.

DHS National Cyber Incident Response Program: Synchronized DHS National Cyber Incident Response Program (NCIRP) with the DOD’s Cyberspace Conditions alert system to facilitate future actions.

Global Cyber Synchronization Conference: Hosted the second Global Cyber Synchronization Conference on behalf of STRATCOM to integrate operational planning requirements across the combatant commands.

#### POLICY AND DOCTRINE

The administration is working with Congress to finalize cybersecurity legislation. Within the administration, there is a strong and unified working relationship between DOD, DHS and NSA on cybersecurity matters; and NSA, NIST and DHS are closely partnered to address cybersecurity standards.

Senate Cybersecurity Exercise: Members of the Senate participated in a cybersecurity exercise on 7 March 2012 as the result of an all-Senate cybersecurity

threat briefing given by the White House and Departmental Secretaries on 1 February 2012.

#### SUPPORT TO OPERATIONS

**Cyber Command Cyber Support Element (CSE) Placements:** Working with the combatant commands to place a CSE at each COCOM tailored to their mission support requirements for cyberspace operations. Cyber Command has a full CSE deployed to U.S. Central Command, a partial CSE to PACOM, and expects to deploy a CSE to AFRICOM and SOCOM within 6 months.

**Cyber Command Force Management Workshop:** The Cyber Command Force Management Workshop held in November brought together service cyber components to discuss Cyber Command support for the Combatant Commanders.

**Trained and Ready Cyber Forces:** Cyber Command, NSA and the military's cyber service components completed development of the Joint Cyberspace Training and Certification Standards (JCT&CS) document that will serve as the common foundation for training all cyber operators to unified standards across the DOD.

#### ENHANCING DEFENSES

**Global Thunder 12:** The Cyber Command Joint Operations Center (JOC) supported STRATCOM's annual Field Training Exercise (FTX) designed to validate our Nuclear Command Control Communications (NC3) OPLAN tasks. The JOC supported this FTX with reporting, analysis, conducting de-confliction, and responding to cyber related events.

**Cyber Command Support to Nimble Ghost:** Cyber Command worked with the Joint Staff for this DOD exercise to provide a forum for senior DOD leaders to examine policies and procedures that enable the defense of DOD critical U.S. networks and explore the department's ability to respond to a major cyberspace attack.

#### BUILDING TEAM CYBER

**DHS Blueprint for a Secure Cyber Future:** Offered substantive comments in response to a review of DHS' draft Blueprint for a Secure Cyber Future; the Cybersecurity Strategy for the Homeland Security Enterprise.

**Enhanced DHS and DOD Cybersecurity Operational Collaboration:** Efforts remain underway by DHS and DOD to clarify responsibilities, assign specific actions, and establish timelines for implementing the DHS-DOD Joint Cybersecurity Vision in a cybersecurity work plan.

**Tri-Lateral Defense Cyber Contact Group:** Cyber Command and NSA personnel attended the Tri-Lateral Defense Cyber Contact Group (DCCG) completing a planning-focused tabletop exercise with the United Kingdom, Australia, STRATCOM, and OSD(P); used to develop a listing of issues that impede our ability to conduct cyberspace operations trilaterally.

#### CONCLUSION

We are working on all five of these focus areas simultaneously because they all demand our attention and because progress in each depends on progress in the others. Our capabilities across the board have to improve together, or good ideas in one area can be undermined by continuing weakness in another. We are moving with all deliberate speed, moreover, because the American people will rightfully want results, not excuses, as we defend our Nation.

In conclusion, allow me to thank you again for inviting me here to talk about the achievements and the plans of Cyber Command. Cyberspace provides both incredible opportunities and significant challenges for the Department of Defense and the Nation. Cyber Command is part of a whole-of-government effort to capitalize on those opportunities, and to reduce and mitigate the uncertainties. With your continued support, I have no doubt that the hardworking and capable men and women of the Command will rise to those challenges and continue to make our Nation proud of their accomplishments. Now I look forward to continuing this dialogue with you, both here and in the months ahead.

Chairman LEVIN. Thank you so much, General. Your statement will be made part of the record.

We will start with a 7-minute first round.

General Kehler, first, do you support the fiscal year 2013 budget request?

General KEHLER. Yes, sir, I do.

Chairman LEVIN. General Kehler, you made reference to an effective nuclear command and control network that needs improvement, I believe, in your opening statement. Are those efforts underway to modernize that command and control network? Can you describe those efforts a little bit?

General KEHLER. Yes, sir, I can. Of course, the nuclear command and control system is composed of many, many parts. There are parts of the nuclear command and control system that are not survivable. However, inherent in the nuclear command and control system is a thin line that ultimately would be survivable under any conditions so that we could always ensure that the President of the United States is connected to the nuclear forces.

Investments are underway in those critical capabilities, the capabilities that are part of the space architecture layer, of course, advanced extremely high frequency satellites. The first one is on orbit. The second one will go to orbit in the next year or so. I do not have the exact date. That will be the satellite-based survivable part of our thin line network as we go forward.

We have some issues with terminals and terminals lagging the deployment of the satellites. That means we are going to have to use older terminals. We will not get the full capability of the satellites at first. We are working that problem.

We have some issues to make sure that our bomber connectivity is maintained. The Air Force program supports that, and so I am comfortable that we are going forward there to maintain the connectivity at the force end of this.

We are also upgrading some of our other components to the network, ground-based parts of the network, et cetera.

So I will always be a little uncomfortable about the network. I will tell you that I think there is more to be done. We are working that inside the Department for future budget requests. In fact, we are undertaking a fairly substantial review at this point in time about the nuclear command and control system and how it does or does not support other issues as well.

Chairman LEVIN. Thank you, General.

The 2010 Nuclear Posture Review called out for studying additional reductions in nuclear weapons. Do you think it is possible to further reduce our nuclear weapons beyond the New START levels?

General KEHLER. Mr. Chairman, I think there are opportunities to reduce further, but I think that there are factors that bear on that ultimate outcome. Rather than get into those, which I do not think would be appropriate, I would just simply say I do think there are opportunities here, but recognizing that there are some factors that bear on this.

I would also mention it is never our view that we start with numbers. We start with an assessment of the situation we find ourselves in, the strategy, our objectives, et cetera, and ultimately then you get to numbers.

Chairman LEVIN. Thank you.

General Alexander, are you advocating for any additional legal authorities that are not included in the cybersecurity legislation that was proposed by the administration to Congress or that is included in the Lieberman-Collins bill?

General ALEXANDER. No, Mr. Chairman.

Chairman LEVIN. I noted the industrial espionage campaign in my opening statement, and you made reference to it in your statement, particularly China's aggressive and relentless industrial espionage campaign through cyberspace.

Can you give us some examples in open session of the technologies that have been stolen through penetration of major DOD contractors and perhaps the Department itself, and do you know whether or not in fact we have raised this issue, particularly Vice President Biden, with the Chinese?

General ALEXANDER. Senator, I am not aware on the last, what Vice President Biden has shared with the Chinese for that discussion.

But we are seeing a great deal of DOD-related equipment stolen by the Chinese. I cannot go into the specifics here, but we do see that from DIB companies throughout.

There are some very public ones, though, that give you a good idea of what is going on. The most recent one, I think, was the RSA exploits. RSA creates the two-factor authentication for things like PayPal. So when you get on and order something and pay for it over the network, the authentication is done by encryption systems that RSA creates. The exploiters took many of those certifications and underlying software which makes it almost impossible to ensure that what you are certifying or what someone else is certifying is in fact correct.

Now, RSA acted quickly and is replacing all those certificates and has done that in priority order for the Defense Department and others.

But when you think about it, the ability to do it against a company like RSA is such a high-order capability, RSA being one of the best, that if they can do it against RSA, that makes most of the other companies vulnerable.

Chairman LEVIN. We took some action in the counterfeiting area in our defense authorization bill to try to stop that type of theft, particularly again by the Chinese when it came to the supply of parts for weapons systems. I think it will be important for you to talk to Vice President Biden or his office so that you can see what steps were taken to inform the Chinese of our position on this.

We have now got to find ways—and I think you are the perfect person to be a spokesman for this—to stop their theft of other kinds of intellectual property through the use of cyber.

I wonder if you could give us some examples or give us some options. I think Senator McCain also made reference to this. What are the options for us in terms of action for them or anyone else who is stealing our information or our intellectual property to pay a price for this?

General ALEXANDER. Well, I suppose using the rest of STRATCOM would be out, Mr. Chairman.

I think the first thing that strikes my mind—and I want to be clear on this because the most important thing that we can do right now is make it more difficult for the Chinese to do what they are doing. The analogy that I put on the table is we have all our money in our banks, but our banks have the money out on tables in New York City at the park. We are losing the money, and we are wondering why. Nobody is protecting it or it is not well-pro-

tected. Our intellectual property is not well-protected and we could do better protecting it. So step one is take those steps to do that.

I do think what the Department is doing—you asked for authorities that would need legislation. I think those are in the legislation. What the Department is doing with the authorities we already have is maturing the standing Rules of Engagement that would allow us to stop some of these exploits as they are going on. I think we can do that with minimal risk, and I think those are some of the things that we can do. Stop them in progress.

As an example, we saw an adversary trying to take about 3 gigabytes, a lot of information, from one of our defense contractors. We saw that in foreign space. The issue was now we had to work in human space to reach out to them to say they are trying to steal something. You have to stop it. There has to be a better way to do that because that is almost like going at network speed now trying to send a regular mail letter to them that you are being attacked. So we have to bring this up into the network age to get these responses out.

So I would advocate—and I think the way we are going is—to, one, build our defense and, two, have options that would stop it.

Beyond that, I think the President and the Secretary need options that would take it to the next step. These are not options that we would take, but these are options that we would propose to the administration. If they exceed certain limits, I think it is our responsibility jointly and with the COCOM's to say here are the options you can now take to stop these acts. Depending on the severity of the act, here is what we would propose to be done.

So I think our job would be to defend and protect and to stop some of these attacks, analogous to the missiles coming in, and give the administration options of what they could do to take it to the next step if they choose. Those include cyber and other options that are available. I think the White House has put that forward in their cybersecurity thoughts.

Chairman LEVIN. Thank you.

Senator McCain.

Senator MCCAIN. I want to thank the witnesses.

I would ask General Alexander, do you agree with what Secretary Panetta and the FBI have said, that cyberattacks may soon be the number one threats to the United States?

General ALEXANDER. Absolutely, Senator.

Senator MCCAIN. Would you agree that the major threats to our national security come from outside the United States specifically, obviously from unclassified information, from China?

General ALEXANDER. Absolutely.

Senator MCCAIN. Absolutely. So then what is the logic in providing the overall authority to the DHS? Anyone who has been through an airport, as I do regularly, as most of us do, have no confidence in the technological capabilities of the DHS. In fact, as an example nothing has changed as far as airport security is concerned since probably September 12, 2011. So the major threat comes from overseas. What would be the logic then in making the lead organization the DHS?

General ALEXANDER. Senator, I think the issue—if I could, I want to break this out into three areas to make sure my response is——

Senator MCCAIN. Make it brief please. I have additional questions.

General ALEXANDER. Yes, sir.

I see three major things. We want DHS to take the lead on resilience in working with civilian agencies and critical infrastructure. We want DOD to take the lead on defending the Nation under cyberattack, FBI under law enforcement and intelligence. I think all three of us need to work together as a joint team to move this forward. If we do not work as a team, then the Nation suffers. So inside the United States, that is where I think DHS has the lead. They do not in terms of the foreign and the things coming in. That is where you would want us to have the lead.

Senator MCCAIN. How many people are under your command?

General ALEXANDER. In CYBERCOM, counting our Service components, a little under 13,000.

Senator MCCAIN. So we now have 13,000 and CYBERCOM was recently formed up. So now we need other agencies. Why should the responsibility not lie with CYBERCOM?

General ALEXANDER. Senator, I do think the responsibility for defending the Nation against attack lies within CYBERCOM. I think the lead for working with critical infrastructure and helping them defend and prepare their networks should lie with DHS.

Senator MCCAIN. That is a curious logic, General, in fact, most curious.

So really all we formed up CYBERCOM for was to worry about external threats. Is that what you are saying? So the DHS should take the lead for anything that happens in the United States from outside, but you are still there with your 13,000 people?

General ALEXANDER. Not quite that way, Senator. Probably I am not clear enough on this. In terms of DHS's roles and responsibility is working with critical infrastructure and other government agencies on developing the standards and the protocols of how they build their networks and to be the public interface. I think that is the role that we want them to do. Their people go out and reach out with critical infrastructure and make sure those government systems are adequately developed.

If they are attacked, no matter where that comes from, now I think the President has options of what he can do. We are one of those sets of options, and if chosen, we are prepared to do that.

More importantly, where those people really come in is in our offensive capabilities. You asked that earlier. So the offensive capabilities would be to support the other combatant commands and their plans and capabilities.

Senator MCCAIN. So your job is to support other commands with their offensive capability. You know something, General? One of the conclusions of the 9/11 Commission was there is too much stovepiping in our Intelligence Community. You are just describing stovepiping to me at its ultimate.

General ALEXANDER. Well, that is not the intent.

If I could go one point further, the bulk of our forces are folks that operate and defend the DOD networks. That is where we are

today. The bulk of them are operating and defending our networks. So if you think about what the Army, Navy, and Air Force do in operating and defending the networks, that is the first mission that CYBERCOM was given. We are developing the second parts of that.

But I would point out, when you say stovepipe, Senator, I do not agree with that because this is an integrated network. It is one network trying to work everything together. So it is just the opposite of a stovepipe.

Senator MCCAIN. Well, it is interesting that Michael McConnell at George Washington University, former Director of National Intelligence, said current U.S. cyber defenses are weak and the bills on Capitol Hill are insufficient. So, obviously, the former Director of National Intelligence has a significant disagreement with your assessment.

So according to a recent article in the Washington Post, the White House blocked draft legislation that would have given NSA or any government entity the authority to monitor private sector networks for computer viruses and to operate active defenses to block them. The NSA supported the authority but the White House did not. According to an administration official, blocking of the draft caused some consternation because NSA wanted to get that authority.

There are some who propose that NSA should be able to detect but not read the cyberattack information. Do you agree or disagree with that?

General ALEXANDER. I disagree. I think the approach that we have put on the table is the appropriate one which is we give that to industry. They can look at that and when they see that, tell us. I think that is the first right step, Senator. I think if we go too far, it sends the wrong message, and I think we can take this journey and learn as we go on it.

Senator MCCAIN. General Cartwright, the former Vice Chairman of the Joint Chiefs of Staff, said DOD is spending 90 percent of its time playing defense against cyberattacks and 10 percent playing offense and that the Department should invert this defense/offense ratio to signify that a cyberattack on the United States will have negative consequences.

Your answer, as I understand it, is, well, we will act in some way or fashion. Perhaps you can be a little more specific how we can gain the offense here.

General ALEXANDER. I actually agree with his statements, and I would like to characterize it in my words, if I could, Senator. More than 90 percent of our force was developed—all of our force in cyber, as we started, was on the defense and operate. We did not have offensive capability. So what we are looking at now is how do we grow that capability. So if you think about what we have within our fleets, air wings, and brigades is the operate and defend capabilities. The offensive capability primarily lies in the exploitation capabilities of NSA and others. We are developing those.

I agree that we need to develop those more and faster, and we are working on that with the services and that is part of our growth plan.



I think, in terms of this, Senator, I do not want to give you the impression that I do not believe we should defend the United States. I do. But I do think we can do that in a way that works with industry without having us in the middle of the network. They share the information with us, and I think that is the right first step to take.

Senator MCCAIN. Industry, according to industry, does not need additional regulations. They need the ability to share information which is our proposal rather than additional new government regulation implemented by probably the most inefficient bureaucracy that I have ever encountered in my number of years here as a Member of Congress. The DHS wasted \$887 million on a virtual fence on the Arizona-Mexico border, that has made not a single technological advance as far as airport security is concerned to ease passengers' transit from one place to another, and has shown an incredible ability to illustrate inefficiency at its best.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman, and thanks to both of you.

Obviously, my friend from Arizona and I have a disagreement here. The first thing I want to do very briefly is come to the defense of the DHS. The fact is that we have not had a major terrorist attack on the United States since September 11, and you have to give the leadership, bipartisan over two administrations, and the thousands of people who work at DHS some credit for that.

Second, in terms of the stovepiping, I think a better analogy here—and it is not a perfect one—is to compare the relationship between the Central Intelligence Agency (CIA) and the FBI to the relationship between CYBERCOM and NSA and DHS. CIA has authority outside of the United States of America. The FBI has authorities—I am speaking about terrorism, for instance, or threats to the Nation—within the country. The problem before September 11 is that they were stovepiped. They were not cooperating enough. In the same way, NSA, CYBERCOM, as you have said, has the responsibility to protect America—it is a jewel. It is a national treasure—from cyberattack, along with many other responsibilities that you have. DHS has a domestic responsibility, a preventive responsibility. In that sense, it is a little different and less expansive than FBI in the other case.

The interesting thing that you have testified to and I think Senator McCain was not hearing is that you are building exactly the kind of cooperative relationship between NSA, CYBERCOM, DHS, and the FBI that did not exist before September 11. The fact is Senator McCain and I introduced an amendment to the National Defense Authorization Act (NDAA) last December that codifies in law the working agreement between NSA and DHS.

Incidentally, I will just say this for the record. I have talked to Admiral McConnell, a former Director of National Intelligence. I have heard him speak in a public setting. He thinks both bills are not strong enough, but if you ask him do you prefer the Cyber Security Act of 2012, which Senator Collins, Feinstein, Rockefeller, and I have put in, or the Strengthening and Enhancing Cyber-

security by Using Research, Education, Information, and Technology Act of 2012 (SECURE IT), which some of my colleagues have put in, he could not be clearer. SECURE IT does not do it because it does not provide for defensive preparation by the private sector.

Look, I know the private sector is lobbying against this. I think there is a terrible trap here. This is not just a question of regulation of business. This is a protection of our homeland. You have told us in response to Senator McCain's question—General Dempsey, Secretary Panetta, Director Mueller—cyberattack is the main area of vulnerability we have today. Shame on us if we look at this as business regulation. This is homeland security. We have to get together before too long and make this happen.

I want to come to the particular difference between the two bills. There are two critical things that have to be done here in my opinion. There are many important things. One is an information sharing authorization section. The other is protection of the most critical cyber infrastructure which is owned by the private sector, 90 percent of it, finance, transportation, electricity, water, all of which is vulnerable to attack by an enemy.

Both bills have information sharing. Only the bill that Senator Collins and I have introduced has a provision for DHS to work with the private sector to require the most critical covered infrastructure, not every business, to take certain actions to defend their network, to defend our country.

General Alexander, I believe I heard you say—I just want to have you confirm it—that you believe we need both of those authorities in government, that is, information sharing and a system for protecting and better defending privately-owned, covered critical infrastructure. Is that right?

General ALEXANDER. Senator, that is correct. As you have stated, the hard part is determining how you do that in such a way as not to burden industry. But I do think we have to set up some standards. We use what we call the gold standard. The gold standard was one that we thought provided our networks the best defensible posture. We give that out for free. We put it on the NSA.GOV Web site as here is a set of standards. I think as we work with industry, the issue is how do you make sure that they are as defensible as possible without being over-burdensome. So I do think that we have to set that up. It is like roads, like cars.

Senator LIEBERMAN. Exactly. This is not regulation actually. These are standards for what we are going to ask them to do to defend our country. They are then going to figure out how to do it.

Incidentally, business is understandably worried about their bottom line. We have to be worried about the security of the American people.

Incidentally, I take it from what you said earlier that the fear of a cyberattack against the United States—I mean a major cyberattack—is not theoretical but real in your mind, General Alexander.

General ALEXANDER. That is correct, Senator.

Senator LIEBERMAN. It literally could happen any day. I am not predicting that it will. But right now our privately-owned cyber-

space infrastructure, as compared and distinguished from DOD's, is vulnerable to attack. Is that correct?

General ALEXANDER. That is correct, Senator. In fact, if I could add, it is my opinion that every day the probability of an attack increases as more tools and capabilities are out on the Internet.

Senator LIEBERMAN. Right. It is very important for people to hear that.

I want to relate the requirement on the most critical covered infrastructure to take some defensive action to your description that I thought was excellent about what you mean when you say you want to see an cyberattack coming. You have made very clear that you do not want NSA into our private cyber systems, but you need to have the private cyber systems be able to tell you when an enemy attack is coming. Right?

General ALEXANDER. That is correct.

Senator LIEBERMAN. So you can act. To me, that is probably the most significant gain that we will have from DHS, informed by you, setting these standards for defense for the privately owned cyberspace. Look, I hear so many stories about critical infrastructure operating systems using defensive systems that are 15 years old without even basic detection capabilities. I think one of the most important things that is going to happen, as a result of the system we are talking about, is that the most critical infrastructure—not every business at home, but the most critical infrastructure—will have to develop within itself or hire some of the private companies that do this the defensive systems that will let them know, which a lot of them do not now, when they are being attacked so they can immediately get to you so you can spring into action to essentially counter-attack. Is that correct?

General ALEXANDER. That is correct. Under those conditions is what the administration and the Department is looking at on the Rules of Engagement. So when we actually do that, those will become the Rules of Engagement that we are working on.

Senator LIEBERMAN. Let me just ask finally is your relationship under the memorandum that we codified into law with DHS working well as far as you are concerned.

General ALEXANDER. It is. It is growing. Secretary Napolitano is wonderful to work with. She came out to NSA and CYBERCOM and had a chance to sit down with all of us. Absolutely her heart is in the right direction. She understands what we bring to the table. She leverages that not only in the cyber mission but across the board. I think we are making the correct strides.

When you add FBI's tremendous technical capabilities in there, that is the team that I think the government wants and needs in place. The reality is we can put all of our manpower internal and it will not solve the problem. We have to work together as a team. I do believe that is the best way to approach it. To answer your response, DHS has been good to work with. They are growing their capabilities. It will take time. We provide a lot of assistance to that, and we think that is a good relationship.

Senator LIEBERMAN. That is exactly what they tell me: good relationship and they are benefitting enormously from your extraordinary expertise. Thanks, General.

Thanks, Mr. Chairman.

General KEHLER. Senator Lieberman, could I add a comment?

Chairman LEVIN. If you make it brief.

General KEHLER. It will be very brief.

This is really about balanced responsibilities. When you look at balancing the responsibilities between the military, the Intelligence Community, law enforcement, and DHS, if we were not talking about cyber, we know how to do that. We understand what that balance looks like. We understand that when DHS needs military support, we have what we call defense support of civil authorities. We have ways that we can provide support to them.

The question is what happens when you add cyberspace to this mixture, and that is the balance that we are trying to make sure that we are striking. I think that is an important point for us as we go forward. The bottom line here is all of us working together to improve the protection of our Nation and the national security.

The second point that I would make quickly is there are basically three things we are going to have to do here. One is protect ourselves better related to cyberspace for the very reasons that you mentioned. The second is we have to become more resilient, recognizing that we are not going to be perfect at protection or defense. We have to be more resilient, particularly on the military side. Then lastly, we have to do better at an offensive capability and balance that in a better fashion as we go forward.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

The first question I am going to ask I already know the answer, but I am going to have to ask it just to get it in the record.

In yesterday's Wall Street Journal, they talked about President Obama's meeting with Russian President Medvedev yesterday, Monday, when President Obama said—and I assume he said this without knowing that the mic was on, but this needs to be in the record. I would ask the record to reflect this accurately. On all these issues, but particularly missile defense, this—this can be solved, but it is important for him, incoming Russian President Vladimir Putin, to give me space. "This is my last election, and after my election, I'll have more flexibility."

[The information referred to follows:]

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## Obama to Medvedev: No Missile Deal Before Election

By CAROL E. LEE

SEOUL—U.S. President Barack Obama told Russian President Dmitry Medvedev on Monday that his re-election campaign has tied his hands in resolving differences with Russia over U.S. plans for a missile-defense system in Europe, and suggested an agreement would be more likely after November.



European Pressphoto Agency  
President Barack Obama speaks with Russian President Dmitry Medvedev during their meeting in Seoul Monday.

"This is my last election, and after my election I'll have more flexibility," Mr. Obama said to Mr. Medvedev after a meeting in Seoul, according to audio picked up by television cameras that apparently wasn't intended to be heard by reporters.

"I understand," Mr. Medvedev replied.

"I transmit this information to Vladimir," he added, referring to incoming Russian President Vladimir Putin.

The White House confirmed that the exchange came after a discussion about the missile-defense shield, saying in a statement that the issue, which has strained U.S.-Russia relations, won't be resolved before Americans vote in November.

Mr. Medvedev said on Friday that Russia was unconvinced that a planned U.S.-led missile defense shield in Europe is meant to deter an attack by countries such as Iran.

A U.S. official agreed Monday that a breakthrough on the issue shouldn't be expected this year. "Since 2012 is an election year in both countries, with an election and leadership transition in Russia and an election in the United States, it is clearly not a year in which we are going to achieve a breakthrough," Ben Rhodes, a U.S. deputy national-security adviser, said in a statement.

"Therefore, President Obama and President Medvedev agreed that it was best to instruct our technical experts to do the work of better understanding our respective positions, providing space for continued discussions on missile-defense cooperation going forward."

Mr. Obama met for 90 minutes with Mr. Medvedev on the sidelines of a nuclear-security summit in Seoul. Their exchange about Mr. Obama's election came as they were seated in chairs and leaning in to speak privately to each other while shaking hands.

Mr. Obama is scheduled to have his first meeting with Mr. Putin in May when he hosts him at Camp David for the Group of Eight summit.

Senator INHOFE. So the question is do either one of you want to comment? [No response.]

I did not think so.

The second thing that I would like to mention is to thank General Alexander for making the trip that you made to Tulsa University. Just real briefly, tell me what you found out during your visit.

General ALEXANDER. Thank you, Senator. First, there are two things.

I am really impressed with the way the American people, especially in Tulsa, have come together to help fund that university and the young folks that go there. From my perspective, one of the key things—and I should have thought about this earlier—that Tulsa University is doing is in the information assurance area, coming up with better ways to defend networks. When you think about that, that is exactly what we are talking about on the resilience side. So

when you look at what those young people do, they find problems in networks. They showed us some in the Supervisory Control and Data Acquisition (SCADA) system and others that if we now made some slight changes, I think those changes and upgrades in the security of those networks would make them more secure.

So what I found was tremendous young people doing great things, some of whom we have hired, and we continue to hire from Tulsa and other universities throughout the country that are doing programs like that in the information assurance area. So thank you.

Senator INHOFE. I thank you for going out. One of the things that we do have that you probably witnessed was the community support behind the program, behind the university. So anyway, it is a good program.

General Kehler, back during the time that we were considering the bill a year ago, we were talking about the fact that President Obama was weighing options for sharp new cuts in our nuclear arsenal unilaterally. Then, of course, that was an agreement with Russia to bring it down to the 1,550. I guess it was a month ago, it was reported that President Obama is weighing the options of sharp new cuts to our nuclear arsenal unilaterally, potentially up to—and these are the figures they used—80 percent proposing three plans that could limit the number as low as 300.

Now, it was in 2008—I always remember and I carry this with me—Secretary Gates stated as long as others have nuclear weapons, we must maintain some level of these weapons ourselves to deter potential adversaries and to reassure over 2 dozen—that is about 30, as I understand it—allies and partners who rely on our nuclear umbrella for their security, making it unnecessary for them to develop their own.

Now, I would like to ask what kind of implications this would come up with in terms of our allies, those 30 other countries that are depending upon our umbrella, if we were to voluntarily bring it down 80 percent.

General KEHLER. Sir, I would make a couple of points.

The first thing I would say is, as I said earlier, we do not start with numbers. We have been starting with strategy objectives, national security objectives, et cetera.

The study that you referred to is still ongoing. No conclusions have been reached yet, and so it is not appropriate for me to comment on the study. STRATCOM has been a full participant in the study, and I believe that, as I said earlier, there are opportunities here for additional reductions.

Senator INHOFE. Unilateral reductions.

General KEHLER. Well, sir, all along here and going all the way back to the Nuclear Posture Review, I think the viewpoint has been that it is best to do this with Russia. The Russian and the U.S. arsenals still really drive this conversation, and so doing this with Russia is certainly the preferred way forward. I think that the need to continue to deter and assure allies remains.

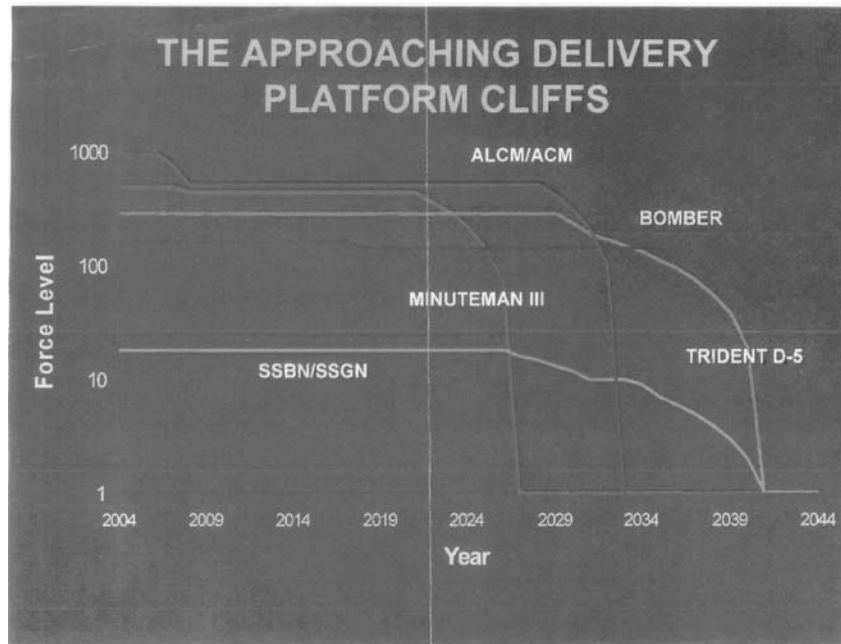
Senator INHOFE. Okay, the point I am getting to, though, is the key word is “unilateral,” and that is what concerns me.

General KEHLER. Yes, sir.

Senator INHOFE. Let me, just real quickly, cover just a couple of other things here.

This, General Kehler, was the triad—I think it was about 2004 or 2005—showing the cliff.

[The information referred to follows:]



Senator INHOFE. You are somewhat familiar with that. Now, I am wondering if we could get this updated. First of all, during the consideration of the New START, the President said: I intend to modernize or replace the triad strategic nuclear delivery system, a heavy bomber, air launch cruise missiles, and Intercontinental Ballistic Missile (ICBM), and nuclear powered ballistic missile submarine and Submarine Launched Ballistic Missile, and maintain the United States' rocket motor industrial base. He goes on and elaborates on that.

Now, this statement was made after this chart. Do you have an updated chart on this that would reflect what is happening today?

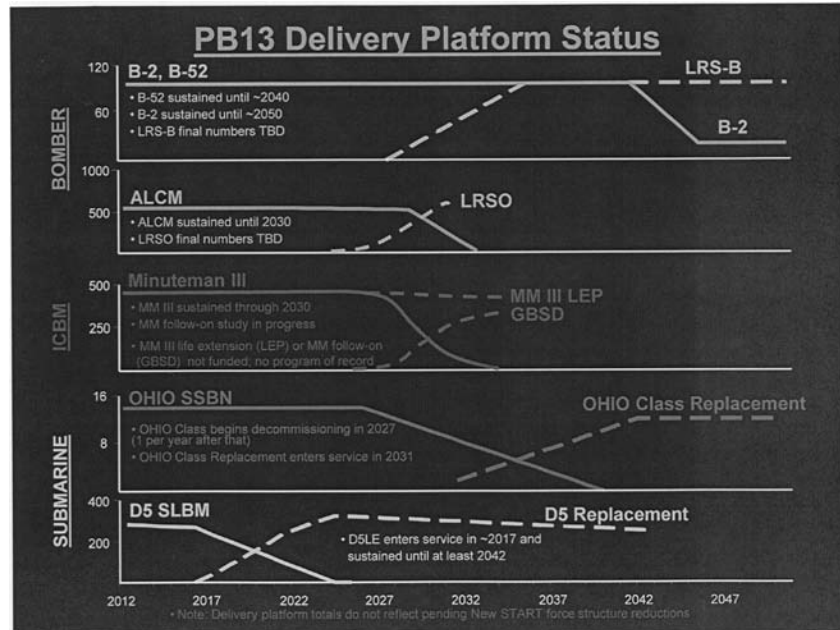
General KEHLER. Sir, may I take that for the record and get back to you?

Senator INHOFE. Yes, you certainly may. That is very reasonable.

General KEHLER. I am happy to do that.

[The information referred to follows:]

See attached chart.



Senator INHOFE. Then the last thing on that is something that no one ever talks about but I have always been concerned, and that is relating to the tactical nuclear weapons. Several of us on this side of the aisle and on the other side of the aisle made an effort to include tactical nuclear weapons at the time that we were looking at the New START program. As it is right now, it is about a 10 to 1 advantage of Russia over ourselves. Do you agree or disagree with me that that should be a part of the plan?

General KEHLER. I agree that it should be a part of the plan. Yes, sir.

Senator INHOFE. All right. Thank you very much, Mr. Chairman. Chairman LEVIN. Thank you, Senator Inhofe.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Thanks to both of you for your service and for your kind remarks this morning. I appreciate that very much.

General Kehler and General Alexander, the comments today and all the discussion for some period of time has indicated the growing threat of cyber warfare threat to the United States' national security. As we engage in this discussion, there is an ongoing restructuring of STRATCOM's headquarters with a new headquarters at Offutt.

General Kehler, can you give us some indication why an aging facility would not be an appropriate facility as we take on new responsibilities but particularly as it relates to the high-tech cyber situation?

General Alexander, if you had some thoughts about that, it would be helpful too. Thank you.



General KEHLER. Sir, the activities that go on at STRATCOM are unique activities. We perform those activities, particularly the command and control that we have for our strategic forces, the planning that we do for our strategic forces, the intelligence support that is required behind our continuing need for strategic-level deterrence and being able to command and control forces under high stress. All of those really come together at STRATCOM headquarters.

The demand that today's systems place on that headquarters building have far outpaced the ability of the building to keep up. Not only do we have vulnerabilities because of the cyber concerns that we have expressed earlier, but we have physical plant vulnerabilities there. You are well aware of some of the failures that we have had, catastrophic failures, in the building systems themselves that have threatened to take that one-of-a-kind location and really make it inoperable for months. We barely averted that kind of a catastrophe a year ago in December with a flood, of all things, in the basement, a burst water line.

So as we looked at ways forward, given the unique nature of what we do, given the one-of-a-kind responsibilities that are performed there and given the continued importance of all of that in our deterrence posture, the conclusion that the engineers reached was that you could not modify the building, that basically what you needed to do was go and build a new command and control facility that houses all of the activities that we are going to need to perform.

That remains my assessment today, that we need to get moving on this. I think that it is proceeding well. I believe that we are headed toward contract award. I know the Corps of Engineers has responsibility in this regard, and things seem to be moving forward, at least everything that I can be aware of. Much of this, of course, needs to be in the realm of the Corps and others.

So from my perspective, Senator, the bottom line is the recognition that we do something unique there, that it is not about a brick and mortar building. It is about what goes on there in the computer systems and the need for support systems, information technology, and the supporting networks that put all of that together so that we are prepared to continue to perform this deterrence mission as far into the future as we can see.

Senator NELSON. Thank you.

When it comes to the Chemistry and Metallurgy Research Replacement (CMRR) facility, the NNSA has deferred for 5 years the construction of the CMRR facility. Is this, the CMRR facility, a concern for you in not only meeting our responsibilities and obligations and commitments on the New START treaty but just in general keeping our arsenal current?

General KEHLER. Senator, it is a concern for me. I think of all of the items in the 2013 budget, those items that would be associated with STRATCOM's portfolio of mission responsibilities, fare generally pretty well. There were some delays and programmatic adjustments and other things that were made. I think we can manage risk across all of that.

When I look specifically at the weapons complex, the ability of the complex to provide us the weapons that we need that have the

appropriate life extensions provided, that give us the flexibility to manage the hedge and allows us to look at potential reductions, as we go to the future, in the stockpile, I think the thing that concerns me the most is our continued investment in the weapons complex. So the issue with CMRR does concern me. I understand the 2013 budget does provide for us to get moving in a number of areas.

The Secretary of Energy and the Secretary of Defense sent a letter to Congress that reminded them that we are not ready yet to lay out what happens in 2014 and beyond. Until we are ready to lay all of that out, I remain concerned.

Senator NELSON. It could be appropriate to at least start the process as in the case of the STRATCOM headquarters which is going to be a phased-in funding over several years. At least a start could be made on CMRR in a similar fashion. Otherwise, it looks like we have just put together baling wire and maybe a duct tape structure to get us through 2013 budget-wise.

General KEHLER. Senator, this is ultimately a due-out from the Departments of Energy and Defense, and we owe you the alternatives. I do not have with me today, because we do not have yet, a set of viable alternatives that we can come and present. I do agree, though, with the main thrust here and that is I see no alternative, as we look to the future, aside from modernizing the complex.

Regardless of what happens, we have a fairly extensive backlog of weapons awaiting dismantlement that require the same kind of a modern complex to dismantle. So I think from both sides of this equation, we need a modern weapons industrial complex. It is highly unique and it is very specialized. We need that kind of a complex so that we have a safe, secure, and effective deterrent.

Senator NELSON. It is hard to draw an analogy other than to say that trying to put together something on a stop-gap basis might get us through 2013 but does not position us for what we might do years beyond and particularly with an aging stockpile.

General KEHLER. Senator, we owe you some answers, and the study to produce those is underway.

Senator NELSON. Thank you.

General Alexander, as you relate to the responsibilities with cyber, I think you made it very clear that there is a role for the DOD. There is a role for Homeland Security. There is a role for our law enforcement agencies, and continuing to find ways to work together is a reduction of stovepiping that has been so predominant in the past.

Are you comfortable that the agencies that are all trying to work together understand the important need not to stovepipe and to break down even with some comparable authorities that will go to different agencies, but to continue to work together on this important threat to our country and to our business, which is also a threat to our country?

General ALEXANDER. Senator, I do.

Senator NELSON. Thank you. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Nelson.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

General Kehler, would you consider the air operations groups currently supporting the Global Strike Command a valuable resource?

General KEHLER. Senator, yes, we sure do.

Senator BROWN. Are they irreplaceable? Are they such an integral part of what you are doing that if you did not have them, we would be in trouble?

General KEHLER. The entire force that Global Strike Command brings to STRATCOM—in fact, that is one of Air Force components, one of our major components as a matter of fact. They bring us the entire dual-capable bomber force, the B-52s and the B-2s. They also bring us the entire ICBM force. They bring us an air operations center that allows us to manage all of our air activities in STRATCOM. So what Global Strike brings—and all of its subordinates are all very valuable to us.

Senator BROWN. That actually provides real-world, time-sensitive planning support as well. Correct?

General KEHLER. Yes, sir.

Senator BROWN. When you are answering those questions like that, that is why I am a little concerned with the Otis Air National Guard Base. I was there a couple of months ago, and they have a great mission and their air operations group supports STRATCOM's Global Strike Command by providing exactly what you have indicated, the irreplaceable, real-time, sensitive support. Yet, I have heard that the Air Force wants to break up this very valuable, irreplaceable unit to save money. I was wondering if, number one, you were aware of or were given the opportunity to comment on that proposal affecting that group and Otis in particular.

General KEHLER. Senator, if I could take that for the record, I would appreciate that. I do not know enough about the details.

Senator BROWN. Okay, that would be helpful because I agree with you.

[The information referred to follows:]

The combatant command develops requirements from Operational Plans. The Services provide forces or resources to fulfill those requirements. In this case, the National Guard Bureau serves as a force provider for this particular capability and has provided the following statement in regards to the 102nd AOG: The Air National Guard (ANG) had to make difficult decisions as a result of PB13 Force Structure announcements. Specifically, the ANG did not receive additional manpower for the MC-12 and the new Remotely Piloted Aircraft missions. The four component Numbered Air Force units were slated for divestment to provide needed manpower for higher priority missions.

Senator BROWN. I agree with everything you just said in your opening response to my questions, that it is irreplaceable. It is valuable, and I know what these folks do there, and especially being on the eastern seaboard of the United States and covering all of the eastern United States in some respects, I mean the Air Guard, in particular, and Army Guard, as well and Reserves—they give you great value for the dollar. I am deeply concerned that we are cutting off our nose to spite our face. It is kind of like the Air Force is saying, okay, I am going to keep all my toys here, and by the way, the Guard and Reserves—we are going to take away what you have. I have not been yet convinced that these cuts represent either an acceptable level of risk or an efficient use of the money. So

I would ask—and I will get you the very specifics questions for the record. I appreciate that.

I know we are talking about cybersecurity. I know there are many proposals. We have one in government regulations and the administration. The military is working on a whole host of things. How are the Rules of Engagement actually working or being implemented or coming along with regard to the CYBERCOM operation?

General Alexander?

General ALEXANDER. Right now we are updating, if you will, the Rules of Engagement that the chairman has put out dated in 2005. Given where we are today, what the Joint Staff has taken on is to update those. Right now all our measures are internal to our networks, what DOD is authorized to do. What we are looking at within DOD and then within the interagency what are the next steps that we should have and how do we take those steps. I think over the next month or 2, the Joint Staff will complete those standing Rules of Engagement and then move those to the interagency and share those.

Senator BROWN. What role do you see or what segments of the private sector should fall into DOD's responsibility, if any?

General ALEXANDER. This is where the discussion comes in. First—

Senator BROWN. Let me just extend on that. If attacked, what entities would be considered an extension of U.S. Government facilities?

General ALEXANDER. I think those are decisions that you in the bills and the administration would make on when we actually implement response options or response options to defend against an attack. That is the first step.

So let me start with technically what we are doing. I think the first part of that, Senator, is to have the information sharing, to know that an attack is going on. We discussed that a little bit previously. That is the ability for industry to tell us that something is happening and that either FBI, if it is domestic, DHS, or if it is foreign, that FBI and CYBERCOM and NSA would respond to.

The issue and I think what we are going to walk our way through candidly is we have to start someplace. I think putting out where we are on the information sharing and having industry take the lead with DHS on providing us the insights of what is going on is the first right step. I think that is the best step that we can take.

More importantly, I think we need to take that step. What we cannot do is wait. I think your question and where you are going on this is absolutely right. We have to take measures now, and I think those are absolutely important because my concern and the statements that go to that is that if somebody is attacked, the way we find out about it today is after the fact. You cannot stop it then. Now you are in the forensics mode. So I think what everybody agrees is so we have to get to a point where industry can tell us when something is going on so that we can help prevent it.

Then the options come up to what industry has included in that, and those are parts of the bills that I know that you are all considering.

Senator BROWN. That's great, but I tell you what. We do not have all the answers. I can tell you that firsthand. What I am concerned about is that we create a bill that has so much red tape and so much overlap and duplication that you cannot get out of your own way. So I would ask for your recommendations and guidance as well to be part of the process and let us know what your thoughts are and where you feel the weaknesses or strengths lie so we can expand or detract from that.

I am deeply concerned, and I think you are right. I know you are right in the fact that we are always reacting instead of being proactive, and when that attack happens, we find out about it after, after our technology and intellectual property and military secrets and plans are stolen. That deeply concerns me.

I was wondering as the technology continues to advance, potential cyberattacks are capable, as I think have referenced, and executed at increasing speeds. Do you have enough leg room from the authorization standpoint to act at the earliest possible opportunity to defeat a cyberattack before it is launched? Do you have enough flexibility do you think?

General ALEXANDER. Those are some of the issues that are being considered in the Rules of Engagement. So I will not know until we are complete with that. We are pushing for what we think we need, and I think what the Chairman and the Joint Staff and then OSD will do is say, okay, what makes sense.

Being extremely candid on this, it really comes down to what are those actions that make the sense that we could do defensively, analogous to the missile shoot-down. I think there are some there that we are getting agreement on, yup, it makes sense to stop that attack from going. But if you were to go after a computer in foreign space or some other thing, that might be a response option that would now take, I think, the President and the Secretary to step in and start making decisions versus us taking that on. I think that is probably where we will end up. That makes a lot of sense from my perspective.

Senator BROWN. Thank you very much, both of you. This is an issue that deeply concerns me and many other members of the committee. I will be submitting some questions for the record or maybe we can speak offline. I do not want you to have to reinvent the wheel, just some certain areas that I think I need a little bit more understanding of. Thank you very much.

Chairman LEVIN. Thank you, Senator Brown.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

I thank both of you for your testimony today and certainly for your service to our country.

General Alexander, the administration believes that it is crucial for critical infrastructure companies to carefully diagnose their cyber vulnerabilities and the risk posed to the American people should these vulnerabilities be exploited and to take steps to eliminate these vulnerabilities. The administration has proposed legislation to ensure that industry stands up to these responsibilities as a matter of national security. The administration is also seeking to extend the signature-based defense that the NSA and that CYBERCOM have developed for DOD's critical infrastructure.

Since the administration is seeking to implement both approaches, the implication is that neither one alone is seen as sufficient to meet the threat. Others, however, take the position that information sharing, in conjunction with NSA's defensive solution, would be enough, that it is not necessary to require critical infrastructure companies to build up their own defenses.

Do you believe that NSA's signature-based defense deployed recently in the DIB pilot program can defend our Nation's critical infrastructure against nation state cyberthreats, or do you believe that the critical infrastructure companies also need to close their vulnerabilities?

General ALEXANDER. Senator, first, I think it is the latter. We need both. But I would like to take it one step further because I do not think what we are talking about is having NSA deploy capabilities out there. Rather, what we are talking about is NSA providing technical capability to others to run, so we do not want, to run stuff within industry. So I want to make that clear. It is not us putting stuff out there for us to operate. What we are really saying is industry has a bunch of signatures that can detect foreign actors that are coming against them. Government has some of those. NSA, DHS, and FBI, all of us need to work together to provide the best set of signatures to protect that critical infrastructure. Industry can actually operate that and tell us when that occurs.

I also think that you need to set a set of standards for how those systems are operated to give you the best and I will call that—and General Kehler mentioned it and it is in there—resilience. We need the resilience in those networks to ensure that they can operate and be defensible while we are trying to defend the country outside.

Does that make sense?

Senator HAGAN. Yes.

Just last Friday—and I read about it yesterday—Microsoft was accompanied by U.S. marshals and they raided office buildings in Pennsylvania and in Illinois to disrupt a group of computers, a botnet, that was harvesting bank accounts, passwords, and other personal information from millions of computers. Microsoft's actions show what is possible and some say is certainly necessary now to stop cyber crimes.

What are your thoughts on these actions taken recently, and should they serve as a model for other private industries? Is there a take-away for DOD on this recent raid?

General ALEXANDER. Senator, I think it shows how we can work together, industry and Government, to do what is right here, and by bringing both of those together, we are better off for it. I think what we have to do is we have to come up with that solution in this area too, and I know both bills are looking at that. I think that information sharing is critical.

Senator HAGAN. Thank you.

General Alexander, it is often argued that terrorist groups and rogue nations, such as North Korea, for example, do not yet possess the sophisticated and extensive cyber capabilities to effectively cripple our Nation's critical infrastructure. For example, General Cartwright, the former Vice Chairman of the Joint Chiefs, has pub-

licly expressed doubt that this class of actors could carry out such attacks today. However, we are aware of what is described as a thriving international black market where it is possible to buy or to rent cyberattack tools and large-scale supporting infrastructure such as thousands or even millions of compromised computers that are deemed to be effective against almost any type of network or information system.

This black market has developed to support the vast cyber criminal activities that have been estimated by some to now yield more revenue than the global illegal narcotics trade. This criminal money then, obviously, fuels research and development of modern and up-to-date cyberattack tools.

Could this black market in cyberattack tools and infrastructure now or in the future enable terrorists or rogue nations to acquire ready-made capabilities to inflict significant damage on the U.S. economy and our critical infrastructure? Are you worried about that?

General ALEXANDER. Senator, that is my greatest worry. I would go beyond that group. I think the proliferation of cyber weapons, if you will, grows, that we cannot discount the actions that one smart person can do. From my perspective, when we see what our folks are capable of doing, we need to look back and say there are other smart people out there that can do things to this country. We need to look at this and say how are we going to defend. From my opinion, as you described accurately and I agree with it, it could be non-nation state actors all the way up to nation state actors like North Korea. I would not discount any of them. We have to be prepared for all of them. Only one of them could do tremendous damage to this country.

Senator HAGAN. Last July, General Cartwright, also speaking as the Vice Chairman, noted the challenges of recapitalizing all three legs of the triad with constrained resources. General Kehler, you have raised a similar point, that we are not going to be able to go forward with weapons systems that cost what weapons systems currently are costing today. In the search for a solution to these challenges, options seem to take the form of delaying the current programs or reducing the size of the planned programs.

What are your thoughts on the pluses and minuses of each of these options?

General KEHLER. Senator, first of all, I continue to support the need for a balanced triad of strategic deterrent forces. I think the triad has served us well. I think it continues to serve us well. I think that as we look to the future, there are attributes that are spread across the triad that continue to make sense for our national security.

Having said that, I am concerned about the costs. So I think there are a couple of things that we need to keep in mind. We need to phase these programs appropriately. We need to make sure that we have matched the investment with the needs. We need to control costs. I think there are a number of programmatic steps to take as we go forward.

When I look at the *Ohio*-class replacement program, I know that we are making decisions here today that will be with us for decades to come. The *Ohio*-class replacement program, as far as we

can see into the future, we believe that we see the strategic need for a submarine-based part of our deterrent. So moving forward with that, even though we have had to delay the program some, is going to be important. That is also important with our allies, the British.

I think it important that we have a dual-capable long-range bomber. It needs to be nuclear capable but it will not just be used for nuclear purposes. If we do our deterrence job right, it will never be used for that purpose. It may very likely be used to employ conventional weapons which is what B-52s and B-2s and B-1s have done. That program is underway. I think controlling costs is going to be a big issue in both of those programs.

The next question then becomes the future ICBM, and we have begun an analysis of alternatives to look at what shape, form that might take. Then as we go to the future, I think we will get to a number of decision points on all of these systems that will allow the future environment to shape what the ultimate force outcome becomes.

Senator HAGAN. My time is up. Both of you, thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, General Alexander, and thank you, General Kehler, for being here today and for your service.

General Kehler, the Senate support for the New START treaty was tied to modernization of the United States' nuclear complex and strategic delivery system. Specifically during the Senate confirmation, the President committed to modernization in what became known as the 1251 plan that was incorporated in the 2010 NDAA. Is that not right?

General KEHLER. Senator, yes.

Senator AYOTTE. If you look at that commitment in the 1251 plan, there was an initial plan submitted in May 2010 and then a month before the ratification of the Senate treaty, there was \$4.1 billion added over 5 years to the plan. Is that not right?

General KEHLER. Yes. Are you talking about the DOD?

Senator AYOTTE. Yes. But that was specifically reflected a month before the ratification of the START treaty put into the 1251 plan as incorporated in the 2010 NDAA.

General KEHLER. Senator, I think that is right. That is a little before my time, but I think that is right.

Senator AYOTTE. The reason that was done is because modernization was such an important issue to getting that treaty through the U.S. Senate because modernization is very, very important for our nuclear program. Is that not correct?

General KEHLER. Yes, it is.

Senator AYOTTE. The 2013 budget request underfunds the commitment made that was expressly made in conjunction with the ratification of the START treaty by over \$4 billion over the next 5 years. Is that not the case?

General KEHLER. It is lower than the level of the 1251 report. Yes, it is.

Senator AYOTTE. It is \$4 billion lower, roughly.

General KEHLER. I think that is right, yes.



Senator AYOTTE. The President, a month before ratification to get the Senate to sign on to the reductions in the START treaty, added \$4 billion because we were so worried. I was not here at the time, but I know many of my colleagues were very worried about modernization of the program if we were going to make the reductions required by the START treaty.

If the President is not following through, why did we not include the \$4 billion in the commitment on modernization? In particular, just to break that down, Senator Nelson had asked you about the Chemical and Metallurgy Research Replacement Facility. That is an 83 percent cut in that facility. In fact, we are not following through at all in our commitment to that facility. Are we?

General KEHLER. The commitment has been delayed, if I understand the budget correctly. The building has been slipped to the right 5 to 7 years I believe was the number.

Senator AYOTTE. Would that not be a broken promise from what was required by the 2010 NDAA and what was specifically contained within the 1251 plan?

General KEHLER. It is certainly different than the 1251 plan, yes, clearly.

Senator AYOTTE. If my colleagues signed on to the START treaty concerned about modernization, with a commitment from the administration of a certain level of resources, particularly this facility that we have talked about, the CMRR facility. It is critical, is it not, to modernization?

General KEHLER. Yes, it is.

Senator AYOTTE. So no doubt that we need it to modernize.

General KEHLER. In the long run, there is no doubt we need it.

Senator AYOTTE. So when you were being questioned by Senator Nelson, you said you owe us answers to this. Is that true?

General KEHLER. Yes.

Senator AYOTTE. I guess I would reframe it. I think what we need is a commitment from the administration to follow through on what they promised in conjunction with the ratification of the START treaty. What are the concerns that you have if we do not modernize?

General KEHLER. I have a lot of concerns if we do not modernize. There are four pieces to this from my vantage point anyway.

Piece number one is the delivery systems, and I just mentioned that there are modernization plans in place for the delivery systems or there is a study underway to take a look at the ICBM leg and what we might need as we go to the future.

There is command and control and the commitment to both of those.

The real issue for me is the weapons end of this and the weapons complex that supports those. In an era that we are in today, without nuclear explosive package testing where we do not do any yield testing, that puts a strain on the industrial base in a way that I believe has not been strained in the past. It strains the science and engineering skills that we have to make sure that as we do life extensions, that we have the appropriate science bases and understanding to be able to do those extensions without nuclear testing.

We have issues with aging. Most of the problems with the weapons that we have today is that they are reaching the end of their

lifetimes in various stages. So being able to have life extension for those weapons is also very important.

At the end of the day, if you have a more modern complex, we think that we probably can have a smaller stockpile because the way we would hedge against failure would be different as we go to the future.

Senator AYOTTE. But if we just reduce our stockpile and we do not modernize, are we not taking on additional risk?

General KEHLER. I think there are scenarios there where that can be additional risk, yes.

Senator AYOTTE. I certainly would like to know why, as reflected in the DOD fiscal year 2013 budget, the administration has not followed through on its commitment to modernization because I think that was critical, as I understand it, to many individuals around here. They were concerned about that in the debate over the START treaty. So it was a very important issue, and that is why it was specifically incorporated and tied to the START treaty in the 2010 NDAA. I would hope you would take that for the record and get back to us on that.

[The information referred to follows:]

The fiscal year 2013 budget request reflects the administration's commitment to the Nuclear Enterprise and is sufficient to certify the stockpile, conduct required maintenance, and support fiscal year 2013 activities for ongoing and planned life extensions. The Budget Control Act required responsible choices, to include a construction sequencing adjustment between the Uranium Processing Facility and the Chemistry and Metallurgy Research Replacement-Nuclear Facility. The Department of Defense and Department of Energy are committed to maintaining a safe, effective, and secure nuclear deterrent and are working to develop an executable, long-term plan.

General KEHLER. We will certainly do that. I fully understand the concern, recognizing that nothing was immune when we went through the budget reduction to include the nuclear force. I believe that we balanced the investments in much of the portfolio. It does not look like the 1251 report, but I think we balanced much of it. What concerns me the most, I think, is the industrial complex.

Senator AYOTTE. Thank you very much.

I also wanted to follow up with a question about Russia. As I understand it historically, General Kehler, why did the Russians not want us to improve our missile defense system in Europe and expand it? They have been very concerned about that. Why is that?

General KEHLER. I could give you my understanding of where I think they are. They are very concerned. At least in the informal contacts that I have had with some Russian officials, they continue to say that they are concerned that our deployment of a missile defense system will tip the strategic balance in our favor, that it will render their offensive capabilities irrelevant. Our contention is that is not at all true, and therein has been the conversation back and forth.

Senator AYOTTE. My time is up.

So when the President said that essentially he had to be given space to the Russians the other day, what he was really talking about is their concerns about us expanding or enhancing our missile defense system in Europe. Even on the continental United States, it could be interpreted that way because the Russians do not want us to do that.

So I am really concerned about that statement that Senator Inhofe asked you about in the context of what it means in terms of what we would be conceding to the Russians going forward in protecting the United States of America and our allies.

So thank you very much for appearing today. I appreciate it.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Blumenthal?

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you both for your extraordinary service to our Nation in each of your commands and responsibilities and to the men and women who serve under you.

General Kehler, if I could begin just briefly following up on a remark that you just made about the *Ohio*-class submarine which you have said is going to be of strategic vital importance as far as we can see into the future. I probably am paraphrasing you, not quoting you directly. But I agree completely, and I wonder if you could speak to the significance of the *Ohio*-class submarine replacement in terms of what its value is. How does it add value to our strategic force and why is it so important to continue building it without further delay?

General KEHLER. Senator, each of the elements of our nuclear deterrent force brings something unique to the mixture, and the strength of the overall deterrent has always been in the sum of its parts. So as we look at this today and as we go to the future, the inherent survivability of the submarine-based deterrent has been of great value to us. It continues to be of great value as we go forward at many levels. Strategic stability is really built on survivability. The understanding that neither side possesses an overwhelming advantage to strike first, that even in the event of that kind of a highly unlikely—I mean, the world is different today and we understand that. But stability, particularly in an unforeseen crisis as we look to the future, something that would arise that would put us in crisis with any of the nuclear contenders, having a survivable element of our strategic deterrent is extraordinarily valuable. We believe that that remains valuable as we look to the future.

Now, you can get survivability a lot of ways. An airborne aircraft is a pretty survivable platform, and if it stands off or it can penetrate or it has stealth—I mean, there are lots of attributes there that get to survivability.

But we have looked at our submarine force as providing the bulk of our survivable deterrent, in particular the day-to-day survivable deterrent. Submarines that are at sea are inherently survivable.

The issue will be with *Ohio*-class replacement is making sure it stays that way and making sure that we can deploy a platform that has those attributes that is perhaps lower in cost to operate when it is fielded, and we can guarantee, as we look to the future, that it can stay a step ahead of any developing technologies that might threaten it.

Senator BLUMENTHAL. So you would say that the commitment of our military, our Defense Department, and our strategic planners is undiluted when it comes to the *Ohio*-class replacement.

General KEHLER. Within the modernization efforts that we are undertaking in our strategic deterrent, this one and the long-range strike bomber are both at the top of my list.

By the way, we do not talk much about the need, but the need for a replacement tanker is equally important to STRATCOM, and that is, of course, underway with the Air Force today as well.

Senator BLUMENTHAL. Thank you.

General Alexander, I was struck by your extraordinarily insightful and helpful testimony about the wide ranging breadth of potential cyberthreats relating to industrial espionage and intellectual property theft, as well as the potential infiltration of social media. It reminded me of a separate and perhaps unrelated aspect of problematic conduct involving social media that I have highlighted recently which is the demands that employers have made for passwords, log-in information from prospective job applicants or from employees which enables them to invade the private communications, e-mails, g-chats, private accounts of their employees and potentially people with whom their employees communicate, including potentially service men and women or loved ones or family or service men and women who are applying for jobs.

I wonder if you could comment on the potential security threats apart from the invasions of privacy that may occur from the demand for information from employees about their security accounts and also what the needs are in terms of background checks on the part of your agency.

General ALEXANDER. I think, Senator, that is a great question. I think, first of all, asking for potential employees for their passwords and other things is odd from my perspective, to say the minimum.

I think the issue that I see in here is a couple things. One, how do you secure those so that somebody else does not gain access to all of them. One of the Senators—I think Senator Hagan—had a great comment about the theft of bank records and what was going on about what she is seeing what Microsoft and the authorities are doing to make that easier. I am concerned about that. I am not sure about the foreign threats to this as I am to what that means to the future.

We have some tremendous capabilities in cyberspace, we as a Nation, the iPads, the iPhones. I think our people should feel free to use those and know that they are going to be protected in using them. Both their civil liberties and privacy and as a country. I think we can do both, and I think we should push for both.

This is a new area, and you can see. I mean, you are hitting right on some of the key parts when you look at how the companies are wrestling with this too. How do you provide maximum benefit without intruding. I think that is going to be an issue that we are going to wrestle with for several years.

Senator BLUMENTHAL. When it strikes you as odd, I assume that “odd”—and it is a very well chosen word—may be a euphemism for strange or unnecessary or invasive, unacceptable.

General ALEXANDER. Senator, I am not completely up to speed on all of it. I did read it. So I do not know all the facts that go with it. My initial reaction was this does not seem right. That is what I mean by “odd.” But I do not have all the facts.

Senator BLUMENTHAL. Thank you, General, and thank you for your great work on this issue. I hope you will give thought as well—and I may ask you a question in writing about it—regarding

the potential uses of the National Guard cyber units and how they can better assist you and the cost-effectiveness of building those programs through our National Guard.

General ALEXANDER. We are working with the National Guard, and there are a number of those. I will start right with the Maryland National Guard, the Delaware National Guard, go out to Washington. There are some great ones. I am sure Connecticut too. I did not want to miss that. But I do think this is an opportunity where the National Guard has some technical expertise as civilians working in this area, especially when you look in the high-tech areas. So this is something that we can leverage and we are working on that.

Senator BLUMENTHAL. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

General Alexander, I very much appreciate the attempts you have made today to clarify the roles of DOD versus DHS versus the FBI when it comes to dealing with cybersecurity. As the discussion today has indicated, I believe there is a lot of confusion over who does what and who should do what. As you correctly said, this has to be a team approach, and DOD, DHS, and the FBI have different but complementary roles.

So what I would like to do since, based on some of the questioning I heard today, I think there is still a little bit of confusion, is just take you through a series of questions in the hopes of clarifying who does what.

First, let me say do you agree that our critical infrastructure today is not as secure as it should be.

General ALEXANDER. Senator, I do.

Senator COLLINS. Second and related to that, several studies and experts have told us on the Homeland Security Committee that critical infrastructure operators are not taking, in some cases, even the most basic measures such as regularly installing patches or software updates or changing passwords from default settings. Those are pretty basic and known vulnerabilities. Would you agree with that assessment?

General ALEXANDER. I think those are basic vulnerabilities. I would add to that we see that in a number of cases in other areas as well.

Senator COLLINS. In addition to just critical infrastructure. The reason I am focused on critical infrastructure is, obviously, if there is an attack on critical infrastructure, the consequences are so much greater than if there is an attack on one particular business even though that too can have significant economic consequences and cause many problems.

So my third question is to try to better define the roles. Would you agree that DHS has the lead role in interacting with the owners and operators of critical infrastructure to get them to strengthen their protections, harden their defenses up front as opposed to when an attack occurs?

General ALEXANDER. I do agree with that, Senator.

Senator COLLINS. The distinction that I am trying to make is once there is an attack that has significant consequences, DOD would become the lead agency just as you would if we were attacked by missiles. Is that an accurate assessment?

General ALEXANDER. That is correct.

Senator COLLINS. There is where I think the confusion lies. It is the role of DHS under the current practice of this administration and under the legislation that Senator Lieberman and I have authored to try to strengthen the defenses of our critical infrastructure. In our legislation and in a collaborative effort with industry, which is absolutely critical that it be collaborative, the Department with industry would develop risk-based performance standards. Is that your understanding?

General ALEXANDER. That is my understanding, Senator.

Senator COLLINS. The reason for that is to ensure that the owners of critical infrastructure implement these risk-based performance standards. But I would point out to my colleagues this is not some new bureaucracy as we have heard today. It would be a collaborative effort, and the owners and operators of the critical infrastructure would decide how to meet those standards. It would not be dictated by the Department. Is that your understanding?

General ALEXANDER. That is my understanding.

Senator, if I could, I think that is the key point because I think the concern that I hear, that we all hear, is just that key point. How do you do this in such a way that helps industry without—I will use the term “over-regulating.” This is outside of my area of expertise, but how do you get them the standards and help them build a more resilient network, a more defensible network, if you will? That is the key to this, and I do think that is the key issue that you are wrestling with. I think that is where we can provide technical expertise to DHS and others. I think that is where we have to partner with industry and just as you said. I agree with the way that you have stated that, and I think that is extremely important, that bringing the industry folks together to help decide is what I get because they want to be a player in this because this is, from their perspective, important as well.

Senator COLLINS. In fact, we need the expertise of industry, of NSA, of DHS, of everybody working together, the results of the investigations from the FBI because this is a huge problem, and it has consequences for our national security and our economic prosperity. It is so critical that we work together to solve this problem. I know that is what you are committing to doing and that is what you are doing.

That is the one final point that I want to make today. NSA is already working with DHS, for example, at what is called the National Cybersecurity and Communications Integration Center, which is the 24-hour/7-day-a-week entity that has been set up. There is an exchange of personnel between DHS and NSA. Is there not?

General ALEXANDER. There is.

Senator COLLINS. Under the bill that Senator Lieberman and I have introduced, to try to get that essential visibility that you have emphasized is so important, we would require mandatory reporting in the event of an attack because this cannot be discretionary if in

fact there is a significant attack on critical infrastructure. Critical infrastructure is defined as infrastructure, an attack upon which, would cause mass casualties, a severe economic impact, or a serious degradation of our national security.

So do you support requiring that mandatory reporting in such cases?

General ALEXANDER. I do, Senator, and I think I would add, as we discussed earlier, that in order for us to help prevent it, it has to be in real-time. I think that is absolutely vital to the defense.

Senator COLLINS. The reporting and information sharing under our bill is bi-directional, as has become the latest phrase to be used in this. In other words, it is in both directions. Even NSA, the capabilities of which are unparalleled, can learn from the private sector. I think you learned that in the DIB study where there were some signatures that the private sector had that NSA may not have had. Is that accurate?

General ALEXANDER. That is accurate and logical when you think about it. Adversaries will do different things for different sectors of the Government, will use different tools for different sectors of the Government. That is one of the great things that we learned on it and how we have to go forward on the DIB pilot.

Senator COLLINS. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Collins.

Senator UDALL.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. Thank you for being here.

General Alexander, let me turn to you first. I have been concerned, as we all have, for some years about the potential of cyberattacks on our electricity grid here in the United States and the potential effects that such attacks would have on the critical missions, especially during an emergency or during periods of prolonged power outages.

Given the uptick of tensions in the Persian Gulf and the presence of our military in the region, I am interested to know about our potential vulnerabilities of our own military to cyberattacks in the Gulf on that electrical infrastructure that our military depends on. I am thinking about this from the perspective of the U.S. military's reliance on fuel in the region, fuel that cannot be produced without the electricity that runs oil extraction wells and refineries and that powers pumps for offloading fuel for storage and use.

Do we have an assessment of how dependent the U.S. military in the Gulf is on electricity infrastructure? Do we have a backup plan if there were to be a prolonged grid outage? Do we understand the constitution and the vulnerability of the electricity grid in the Persian Gulf well enough to measure the effect on the oil production and transportation system especially but not limited to the oil refineries there?

Thank you for letting me direct that trio of questions at you.

General ALEXANDER. Senator, I thought you were going to ask me if I got the new iPad. I thought that is how we were going to start this out. So I did. I got the new iPad. It is wonderful.

Senator UDALL. Well, we are envious.

General ALEXANDER. That is a really good and complex question. So let me expand it, if I could, not to make it harder.

The underlying grids that are in the Gulf States and other parts of the region—the military will normally have backup power for military operations, generator power and other things, to operate all our critical capabilities. So for the most part, both for our computer networks and for our operations, we have backup power for our critical infrastructure.

That is not the same for the flow of oil and electricity per se throughout the region. I think the concern that we have, the concern that I think everyone shares here is what you were driving at. Note that this is one network, one global network, with a lot of little pieces but all interconnected. So you can be anywhere on the network. My concern is not only in the Gulf but here in the United States. So as we go forward, in a crisis, no matter where it erupts, is that increasingly the probability that cyber will be part of that crisis grows and we have to be prepared for it. It will cover all the things that you mentioned because those are the easier things to attack and have some significant advantage for the adversary.

Senator UDALL. So you are saying we have more work to do here to understand the potential threat and to prepare for it.

General ALEXANDER. We do. Senator, I think we are looking at it both from how do we defend the DOD networks. Great progress there. With Senator Collins, we just talked about defending the critical infrastructure and support to our allies. I think all of those have to be laid out and discussed, and it is growing.

Senator UDALL. Also what I was saying and I think you agreed with was the flow of oil on which the world's economy depends could also be affected by something in this realm of cyberattacks, and we also need to be prepared for that.

General ALEXANDER. It could be. I would not put that highest on the list. I think the electricity and the other—but you can see how that would—it all depends on flow and things opening up and SCADA systems, if you will.

Senator UDALL. So SCADA systems in that part of the world are vulnerable and we are also dependent on them at the far reach of the United States or Europe or the Asian oil markets as well.

Thank you for that. Obviously, more attention needs to be paid to that.

Let me move to a question dealing with computer network exploitation (CNE) versus computer network attack (CNA). How do you exactly draw the line between those two, and how does the Government change legal authorities funding personnel and infrastructure when moving from CNE to CNA?

General ALEXANDER. CNE is largely done under title 50. I say largely, not solely, but largely done under title 50. So that would go to the Intelligence Community and fall under the Executive Order 12333. While title 10 is normally where we would conduct CNA, you could also do it under covert action. In times of crisis and war, our forward operating elements would operate CNA and exploit under title 10, and it would be done in conjunction with title 50 so the deconfliction would have to do.



The good part about training our forces together and operating together is to ensure that we can deconflict those kinds of things. It flows back to the defense. The same thing on the defense. That is why I think the good part about putting the defense to operate with the exploit and attack puts it as one team, not two different teams, which is what we largely had up until 2008.

Senator UDALL. So you sound as if we are well prepared to deal with those differences.

General ALEXANDER. No. I think we are well prepared to state how, Senator, we would deal with those. I think there is a lot that we have to do, and that begins with grow the force and train them. That is the most important thing that I think we can do right now.

I think the partnership with industry is critical on learning and protecting the critical infrastructure. I think those are the right steps to make.

I think all of these are in motion. I would just like it to go faster.

Senator UDALL. Have we conducted—I say “we”—the U.S. Government, your command and so on—some exercises to get at this CNA/CNE hand-off, if you will, and relationship that you just outlined?

General ALEXANDER. We did have a great exercise out in Las Vegas, Nellis. Yes, outside Las Vegas. We actually never got to Las Vegas. Let the record state that.

Senator UDALL. Your iPad would have been handy in Las Vegas, by the way.

General ALEXANDER. What we did learn is just some of the things you say. While I cannot go into all of that here, it was a tremendous exercise. I will give the Air Force credit for helping to set it up there. They did a wonderful job. We brought in all of our capabilities and our components, and some tremendous lessons learned. I think at a classified level, we could go into those. When you see that, you would say, okay, so you are headed in the right direction. I think, Senator, we are.

Senator UDALL. I assume I will see you in a classified setting at some point in the near future where we can discuss it further.

General ALEXANDER. I think this afternoon, Senator.

Senator UDALL. My time is about to expire. But long-term—and you may want to take part of this for the record—how do you see the relationship between the NSA and CYBERCOM evolving and changing?

General ALEXANDER. I think, Senator, they are inextricably linked. I would put it as a platform. You do not want—any more than we want DHS to recreate an NSA, we do not want CYBERCOM to recreate an NSA. So we need these two components of DOD to work closely together. NSA has the technical talent. It has the access, got the capability. CYBERCOM will have the forces to deploy and the capability to leverage that platform and work with the intelligence side of NSA to further support the combatant commands. So I think that that relationship is growing, is headed in the right direction. I think that is one of the things that we have talked about and we both strongly agree is something that we have to maintain.

Senator UDALL. Thank you for that.

General Kehler, I know my time has run out, but if you want to reply further for the record, I would certainly appreciate it; thank you for your service as well.

[The information referred to follows:]

I concur with General Alexander's comments.

Senator UDALL. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Udall.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Gentlemen, thank you for your service.

General Alexander, I thank you particularly for your recent trip down to Fort Gordon where you gave a pat on the back and a morale boost to some of the smartest, hardest working, most committed Americans who are doing a great job of helping to protect our great country. I thank you for doing that at NSA/Fort Gordon.

General Alexander, CYBERCOM you said had 13,000 employees. Let me make sure I get this right in my mind. Actually you have 13,000 personnel under your direction. CYBERCOM itself has what? Maybe 1,000 or so personnel?

General ALEXANDER. A little under 1,000 authorized, about 900 and some, and that is not only the CYBERCOM staff but also operates and directs the defense of the DOD networks. But that is correct. So what I counted in that other 12,000 is our cyber, Army CYBERCOM, Air Force CYBERCOM—

Senator CHAMBLISS. Various Services.

General ALEXANDER. That is right.

Senator CHAMBLISS. Okay. I wanted to make sure I understood that.

NSA today does a pretty good job of intercepting and protecting the dot gov, the dot mil networks. In fact, I have heard you say that the DOD information systems are probed as many as 250,000 times an hour, over 6 million times a day from criminals, terrorist organizations, including 100 foreign intelligence organizations. Even with that huge magnitude of hacks into the system, General, NSA has done a remarkable job of protecting that system. Are you satisfied with where you are in that regard today?

General ALEXANDER. Actually I am going to answer this twice and contradict myself. We are making progress and I think we are doing a good job on it, but we are not where we need to be, Senator. There are two reasons I say that. I do think we have the best defense right there, but it could be better, and I think for the future for military command and control it must be better. So I think the IT modernization that the Defense Department is looking at is a key part to even make it better.

Senator CHAMBLISS. The legislation that we are talking about, whether it is the administration's proposal or Lieberman-Collins bill, one and the same, or the alternative legislation—neither one of those really address that issue. This is work that you are doing protecting dot gov and dot mil. Right?

General ALEXANDER. That is correct in part. If I could say, the slight difference is the information sharing of those things that we do to protect our networks that go beyond what you would normally do for a civilian network are the things that we think should

be included in the information sharing parts that both of those have.

Senator CHAMBLISS. I am going to get to information sharing in just a minute.

Now, going one step further there, NSA also monitors the DIB. There have been numerous attempts, and it may be within those numbers that I have heard you use before. Hacks into the DIB have happened, and NSA does a good job of protecting those scenarios. Where that has happened, you have been notified and you are able to respond to it. Am I correct?

General ALEXANDER. Not quite. There is an innuendo that I think is extremely important. The ISPs operate that. We provide them signatures, as do the other industry players, and the ISPs actually do the work. The reason that that is important is that I believe that is how we can scale in protecting other critical infrastructure and the mechanisms that Homeland Security and others are working with. So what we bring to the table and what the FBI and others would bring is specific things that we see going on in the network that may be sensitive or classified. So we bring that, but they actually operate it. The part that we are able to work with the DIB is to understand that they will protect and safeguard classified information. That is a key element of this approach.

Senator CHAMBLISS. My point being that your relationship with the ISPs today allows the DIB to have that protection.

General ALEXANDER. That is correct. Now it has been taken over by DHS. So they actually lead. They are the lead interface for the new DIB pilot and have been doing that for 6 weeks. We are at the table and provide technical support, but they are actually the lead on that as well.

Senator CHAMBLISS. I am looking at another what I would assume you would consider critical infrastructure, our electric grid. If the electric grid is hacked into today, there is a mechanism in place that was developed by industry where if they see something unusual, then they notify the North American Electric Reliability Corporation (NERC) and NERC immediately goes to U.S. Computer Emergency Readiness Team (USCERT) and notifies USCERT about it, which is under DHS. They are able to provide protection to the grid under voluntary standards that the industry put forth. Am I correct?

General ALEXANDER. Yes, but I think, Senator, that is slightly different, if I could, because in those notifications, you have gone out of real time to now a part where actually we are in the forensics mode. So what they are telling is something has occurred, and by the time it gets to USCERT, what USCERT could do is not prevent it but only help them understand it.

So I think the information sharing part of what you and others have proposed would take that to a more real-time capability or at least allow that where they could say I see X happening and they, industry, could tell the government that that event is occurring so that you could take it from the forensics side to the prevention side, which is I believe hugely important for the protection of the country.

Senator CHAMBLISS. Now coming back to what you just alluded to and you stated earlier and that is on information sharing. This

is really the key, as I understand it, from the standpoint of being able to provide blanket protection to virtually every segment of the economy or every industry that wants the protection out there or that needs the protection. If they have the capability of sharing proprietary information with both the government, as well as with other like industries, then is that not the crux of what it is going to take to be able to protect all of the industrial base from a cyberattack in the short run, as well as in the long run?

General ALEXANDER. Not actually. From my perspective, Senator, the issue in this part really lies in two great capabilities. The one that we provide, I agree, they want that. They want to know what are the foreign, state, and other sensitive things that could attack them. Industry also brings together the McAfees, the Symantecs, the Lockheed Martins, and all those that work in this area, also bring a wealth of knowledge in how to configure and operate their networks to a certain standard. It is our assumption in going into this that those networks like the DOD networks would be operated to a standard. If they are not operated to a standard, then what happens is you have other ways of getting into the network that we probably are not looking at. We assume that the doors will be locked. If the doors are not locked, then somebody would get in or if the window was open. What we would be doing is looking for other types of nation state threats and assume that what I will call the stuff that the antivirus community generally sees and is working on today is taken care of.

What that means, I think, as you put all that on the table, is, one, we all have to work together and share information. I agree with that part. I do think we have to have some set of standards. I think that is where working with the industry, just as you said—so how do you get to that standard and how do you have the industry players work with the government and say, so what is the right way to approach it?

As you may know, we had a meeting a few years ago with a number of the electric companies who asked just that question. So how do we do this and who is going to tell us how we work it? I think that is the approach that we have to take, help them get there in such a way that it is not burdensome but helpful.

Senator CHAMBLISS. I think that part of both pieces of legislation is about the same. With respect to getting voluntary participation versus mandatory is a little bit different. But the fact of getting the industry to set the standards is the key, and getting the industry to share the information is the other piece of that both pieces of legislation have that is a critical part of it.

Mr. Chairman, my time is up. I did want to say to General Kehler I did not vote for the START treaty. One reason I did not is because I was apprehensive about the administration not being able to do what they said they would do on modernization. I thank you for your specific comment on that about the fact that you are concerned about it. That is a critical aspect of this, and we look forward to working with you as we go forward. It has to be done. Thank you.

Thanks, Mr. Chairman.

General KEHLER. Senator, thank you.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Sessions.

Senator SESSIONS. Thank you, Senator Chambliss, for that comment.

General Kehler, it was great to be with you yesterday and talk about some of the issues you just mentioned because the understanding that Senator Kyl had, Senator Chambliss, about the START and what kind of funding would be laid out for the next decade to modernize our nuclear weapons has not been funded and Senator Kyl was deeply disappointed about that.

Mr. Chairman, I am troubled today about this little overheard conversation between the President and Mr. Medvedev where President Obama says of all these things, but particularly missile defense, this can be solved, but it is important for him to give me space. Mr. Medvedev said I understand. I understand your message about space, space for you. This is my last election. After my election, I will have more flexibility. I understand. I will transmit this information to Vladimir.

This is not a little matter. I will tell you why it is not a little matter. We had a long debate over the missile defense. The left has never favored missile defense. President Bush was preparing to place a system in Poland. Out of the blue, it was canceled. The Poles were deeply shocked and disappointed. So were the Czechs. We were promised do not worry about it. We will have another system when, in effect, I felt that they were trying to change the course of things, and Standard Missile-3 (SM-3) Block IIB, and we were going to have that, something that was not even on the drawing board then. But we were about to implant in Poland a system that we had proven, the Ground-based Midcourse Defense system that we had already placed in the United States.

So I guess what it says to me, the President makes us assurances that we are going to implant a new system. It will be an SM-3 system. It will protect America. Sure, we canceled that one, but we are going to build this new one. But the Russians object to the new one. They have objected steadfastly for no good reason that I can see other than maybe domestic Russian politics or use leverage against the United States.

So now it looks like the President is saying we are going to take care of those concerns too. We are not going to build the new system. We are not going to place it there. After the election, I will take care of it, Vladimir. But that is not what he told the American people, what he told Congress. He told Congress we were going to build this system.

So I am worried about it. I know the significance of this little conversation, and it concerns me.

I am also concerned that the policy of the Defense Department of the United States, when it comes to the nuclear weapons you control, General Kehler, is that we are moving to a world without nuclear weapons, the complete elimination of them. The Defense Department's Nuclear Posture Review has 30 references to a world without nuclear weapons in it. This was directly driven by the policy of the President. He is the Commander in Chief. That is what he wanted. That is what DOD put in there.

So that is one reason Congress insisted that we budget sufficient money to modernize the aging nuclear weapons that we have. We

insisted on that and it came up as a part of the New START debate. The President sent a letter to us and promised it. But it is not occurring. The money is not there.

So we are at a time of great danger, as I see it. The defense budget is under great stress. We are looking to save money wherever we can save money, and it appears to me that the administration does not have the kind of rigorous intellectual support for missile defense or nuclear weapons necessary to ensure we keep these programs on track.

So with regard to that system, let me ask you a few questions, and if you have answered these, let me know because I am ranking member on another committee that I had to attend this morning.

Tell me about the nuclear weapons that we have for the submarines, aircraft, and so forth. You explained to me several of them were being delayed under the budget plans that you have. Would you just tell us what the budget has caused you to delay?

General KEHLER. Senator, first let me make the point that the stockpile and the deployed force that we have today I am confident is safe, secure, and effective. Those are the three watchwords that we tend to use when we are talking about this, and so today I believe that that deterrent force could meet its objectives and that it is safe, secure, and effective.

However, we have weapons that are beginning to reach their end of life. It is not classified information that the W-76 submarine weapon life extension program is underway as we sit here today. I am very encouraged by that, and the program seems to be moving forward successfully.

What the budget reductions did was it slowed the delivery of those weapons. I believe while all of these budget reductions I think in a perfect world we would say we really wish we did not have to deal with budget reductions, but the fact of the matter is that they are there and the nuclear force was not immune. So I believe that we can manage that delay in the W-76 because it is toward the end of the program that we can manage this. I think that that is manageable.

The aircraft-delivered weapons are also reaching a critical point in terms of their age. The B-61 in particular needs to go through life extension. The fiscal year 2013 budget begins that life extension effort, although it will give us the first unit, what we call the first production unit, most likely in 2019 instead of 2017, which is what the 1251 report had suggested. I believe that is manageable risk as well.

Senator SESSIONS. I would just add a political risk that when you push things out—and you are assuming Congress will act rationally and predictably in the future, but I would just say the more things are pushed out and they are not done when you planned to do them, the greater the danger is that somehow it will not happen.

But go ahead.

General KEHLER. Yes, sir. In terms of operational risk, I believe we can manage operational risk on both of those.

We are beginning a study to look at the ICBM and remaining submarine warheads to see whether or not we can get commonality out of those as we look to a future life extension program. We be-

lieve that there are some possibilities there. We would like to go study that and see.

So in terms of the weapons for the fiscal year 2012 budget that we are executing now that you all appropriated last year—for the fiscal year 2013 budget that is laying on the table, I believe that we can go forward with manageable operational risk.

The issue is what happens beyond 2013, and that is where the Secretaries of Energy and Defense have said that we do not have the complete plan in place for what happens beyond 2013. That concerns me. When I look to the infrastructure, the industrial complex—and as I mentioned earlier to another question, it is a very unique, highly specialized industrial complex—the plan to upgrade the uranium processing facility remains in place. The plan to upgrade what we call CMRR, or the chemical and metallurgical building that allows us to process plutonium, is not in place. That has been slipped fairly far to the right, 5 to 7 years depending on which of the documents you look at. I am concerned about that. I am concerned about our ability to provide for the deployed stockpile, and that is my number one concern here. So I have some concerns.

We owe you answers. The two Departments are working together to look at what alternatives might exist. We are participating in that review, and as the customer, if you will, for all of this at the deterrence end of this street, I will be concerned until someone presents a plan that we can look at and be comfortable with and understand that it is being supported.

So I am not saying there is not a way forward. I am hopeful that there is. We just do not have it yet, and until we do, as the customer I am concerned and I will remain concerned until we go a little farther down the road.

Senator SESSIONS. Thank you. You are the customer. You are the person for whom these weapons are delivered. You need to share with us—and I believe you have honestly—both the good and the bad news. I think it is up to Congress to make sure that out of all the money we spend on national defense, we make sure that we have sufficient funds to maintain a credible nuclear stockpile.

So thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here this morning and for your service, and hopefully I will not keep you too much past lunch.

I wanted to start, General Kehler, if I could, with talking about New START treaty implementation. The treaty was an extremely difficult and contentious debate here in the Senate, and your predecessor, General Chilton, as well as seven of the last eight commanders of STRATCOM, voiced their support for the treaty, which I think was very helpful in getting it done.

But can you tell us a little bit about how the implementation of the treaty is progressing?

General KEHLER. Senator, I can. There are a number of segments in implementation of the New START treaty that have to move forward together.

The first segment is that we need to eliminate those launchers that count against the overall treaty limits that have not been in

use for a very, very long time. We call them “phantoms” simply because they count on the books, but they have been deactivated a very long time ago. Some number of bombers, B-52s are in the bone yard and need to be dismantled. There are 100 ICBM silos that have been empty now for a number of years that we do not have any plans to go back to that need to be eliminated as well, not converted from nuclear to non-nuclear, but completely eliminated. Those processes are underway. The wheels are turning. They are about to finish the environmental impact studies that go along with eliminating those silos. So I am comfortable that those pieces are moving forward correctly.

The second thing is we have to get ourselves down to the central limits of the treaty, and that is 1,550 deployed warheads, 700 deployed launchers, and up to 800 deployed and nondeployed launchers. That requires us to select a force structure mixture and we have gone through the joint chiefs with proposals. We believe that we are settling on a final proposal that the chairman and I can take to the Secretary of Defense.

In the meantime, we have begun reconfiguration activities. We are de-MIRVing (multiple independent reentry vehicle) all of the ICBMs. That work has begun and it is going to continue. We are reconfiguring the numbers of warheads on the submarines so that we can get our warheads down to certain limits. So all of these steps are underway, Senator.

I will tell you that we know that there is a clock running here. We have to be at those central limits not later than February 5, 2018, and the goal we have set for ourselves is a year in advance of that so that we have time. The ICBM fields, for example, reconfiguring those—we know we will have to make some adjustments in the ICBM force. We know we will have to make some adjustments in the SSBN forces, the submarine force. There is a long lead time on being able to do that. The ICBM fields are sensitive to weather, of course, and so we have to leave ourselves some slack. I am okay with that, but we are getting to the point now where we need to make some final force structure decisions, and I believe we are poised to make those.

Senator SHAHEEN. So based on that, you are comfortable on the central limits that we will meet the deadlines?

General KEHLER. Yes, I am comfortable we are going to do that.

Senator SHAHEEN. The Russians are also meeting their requirements under the treaty, as far as we know?

General KEHLER. They are.

Senator SHAHEEN. Good. Thank you.

I want to switch now to the refueling tankers because, General Kehler, as I know you have commented, one of the important support elements of the long-range bomber is obviously a refueling capability. We have seen that at Pease Air Force Base (AFB) where we have the 157th Air Refueling Wing, and I have had a chance to ride along on some of those planes. So I appreciate the skill and the importance of having that component.

So can you talk very briefly about how critical it is for the Air Force to modernize that refueling capability and how important it is that we have the new KC-46A tanker for those long-range bomber operations?



General KEHLER. Senator, the one word that we typically use to describe STRATCOM is “global.” That word has been used for STRATCOM since it was Strategic Air Command, and so I think we appreciate the value of what makes us a global command.

In large part, what makes us a global command is our ability to project power. In large part, our ability to project power is based upon our tankers. It is not the only thing that allows us to project power. By the way, I think that the big advantage that the entire United States military has is our ability to project power, which is why anti-access area denial counter-strategies against us are so concerning.

In that mixture, when I look at my friends in Air Mobility Command and our colleagues in U.S. Transportation Command, I think there is probably no more valuable military assets that we have than our long-range aircraft that can give us strategic mobility and the tankers that make it so. So when I look at important things for us in the future, a modern tanker fleet is irreplaceable and is crucial for our success. I think that the United States’ ability to project power relies on that as well. By the way, it relies pretty extensively on space and cyberspace as well for us to be able to project power.

So all these pieces go together, and anymore, it is almost impossible to say that one platform only exists in the air. They are connected by cyber. They are relayed by space. They are really truly global in nature and being able to move a lot of fuel to power projection forces is critically important.

Senator SHAHEEN. I know it goes without saying that in addition to the equipment that is required for all of that, the skills of the human talent that is required to do that is also critical.

General KEHLER. The most critical part.

Senator SHAHEEN. Given that, one of the things that I have worked on in my civilian life before I came to the Senate was the importance of education, and obviously, one of the things that we are struggling both in the private sector now and the public sector—and I think it is particularly true in the defense arena—is making sure that we have the trained engineers, scientists, mathematicians, technicians that it is going to take for all of these jobs in the future.

So could I ask maybe if both of you might comment on what your commitment is to making sure that we have the Science, Technology, Engineering, and Mathematics (STEM)-trained people that we are going to need for the future and whether there are any particular efforts that you see that the military is involved in to help make that happen?

General KEHLER. Senator, again, having people who are STEM people who have that set of skills is irreplaceable for us. Anything we can do to support the development of our young people in that regard we need to go do. I would say it this way. In all of our combatant commands, you can look and you can see who the warriors are. Typically they are someone with a set of warfighting that you would recognize on television. They carry a rifle. They fly an airplane, et cetera. In STRATCOM—and General Alexander can speak to CYBERCOM—but across STRATCOM, whether it is space or any of the other things that we do, the engineers and the sci-

entists very often are people with that kind of background. Those are our warriors. So it is even more magnified, I believe, in STRATCOM the value of people with that kind of background than it may be in other places.

General ALEXANDER. Senator, I would just add NSA has a program with over 100-plus universities for information assurance and cyber-related stuff. We do that in conjunction with DHS, and now we bring CYBERCOM into that. So that offers us a wealth. Tulsa University was one of those that we work with, and there are many others.

But I think the issue with science, technology, engineering, and math, the STEM program, is critical for our country. We, the military, cannot do this. It is going to take you in Congress to help generate that. We need more scientists, and we need to start that in fourth grade. It is the things that we have absolutely got to push. I have 14 grandchildren. All of them should be engineers and scientists and mathematicians. Maybe one could be a lawyer.

Chairman LEVIN. Thank you for leaving us a little room here.

General ALEXANDER. Yes, sir.

Senator SHAHEEN. I would go for a doctor myself.

Thank you. I think as you point out, this is an area where the military and the civilian sector really need to work more closely than we have in the past. I think as we talk about what we need to do in our education system, I think it is important to point out that this is a national security issue as well. So thank you all very much.

Chairman LEVIN. Thank you, Senator Shaheen.

I happen to agree with Senator Shaheen about her efforts in the STEM skills. I happen to also agree, despite that I am a lawyer and married to a lawyer, with your comment about engineers. We need a heck of a lot more of them. I will not be negative about whether we need more lawyers. I will just be positive about needing more engineers.

Both of you, we are very grateful for your comments.

The only thing I think I would add probably, General Alexander, is that you make repeated reference to what we need to do in the area of cyber in terms of working with industry. I obviously agree with that in terms of needing performance standards. They are going to work to try to come up with performance standards. I think it is important, however, to emphasize that even though they will be adopted, that they are going to have to be followed. The industry can decide how to meet those standards but there will be standards. I do not think you should shy away from that. I think we are talking about national security here, and this is not a question of pro-business/anti-business. This is the security of the United States we are talking about. We want to work with business, but we cannot just allow business here to dictate what the security of this country is by saying that they oppose standards. Instead, we would hope that they would work with us on those standards and understand that there is plenty of flexibility in deciding how to meet those standards, but not whether to meet those standards.

Are you with me so far?

General ALEXANDER. I am, Senator. Mr. Chairman, I agree.

Chairman LEVIN. Also another piece is the information sharing piece. As you point out, you want them to get to the point where they can tell us about an attack. The bills make it easy for them to tell us because, I guess, we are addressing some of the issues about proprietary information, for instance, so that they will be protected on that.

But I think, as your answers to Senator Collins made clear, that whether or not they share—and we are talking here about the major infrastructure in this country—whether or not they share information with us is not a question of whether they agree to it or not. At some point, with major infrastructure there is going to be a requirement that they share information relative to attacks with us. We will protect them in terms of proprietary information, but they have to help protect the country by understanding that there should be, and I believe hopefully will be, requirements that they share information of attacks on that major infrastructure with us.

I would just urge that you not be reluctant about talking about their obligation, not only that they will get to the point where they will share, but that there is a responsibility that needs to be placed upon them, and again talking here about major infrastructure, responsibility that will be placed upon them to share that information of major attacks with us.

Would you agree with that?

General ALEXANDER. Chairman, I do.

Chairman LEVIN. Okay.

We thank you both. It has been a very, very helpful hearing.

We will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### SPACE DEBRIS

1. Senator LEVIN. General Kehler, are you concerned about our ability to track and maneuver Department of Defense (DOD) satellites with the increasing amount of debris in space?

General KEHLER. Yes. The increasing amount of debris in space and its potential impact to daily operations is an issue U.S. Strategic Command (STRATCOM) is continuously addressing. While we are currently effective in ensuring we can operate in the domain, we need to continually upgrade our equipment, space situational awareness systems and relationships with allies and partners to ensure we are effectively sharing necessary information to meet this growing challenge to preserve the advantages that space provides.

2. Senator LEVIN. General Kehler, are you concerned about other nations denying us access to space?

General KEHLER. Yes. Our forces derive significant advantages from our space capabilities. Potential adversaries understand this and are actively seeking capabilities to deny our full use of space. We are working diligently to ensure our access to and use of space cannot be denied.

3. Senator LEVIN. General Kehler, does DOD have a plan to defend satellites in space if they come under threat?

General KEHLER. Yes. Military planners, in conjunction with the Intelligence Community continue to work aggressively to find solutions to counter any hostile actions in space. We have various plans in place to improve our protection posture.

4. Senator LEVIN. General Kehler, we are negotiating with the European Union (EU) a code of conduct on space operations to avoid collisions with other satellites and share space data. Do you support such a concept?

General KEHLER. Yes. Ensuring the stability, safety, and security of our space systems is of vital interest to the United States and the global community. The time is right for the development of a structure for space activities that encourages all spacefaring nations to act responsibly in a space environment that is increasingly congested and contested. Through voluntary and pragmatic transparency and confidence-building measures, an International Code of Conduct for Outer Space Activities could contribute to enhancing the long-term sustainability, stability, safety, and security of the space environment, as well as help reduce the risk of mishaps, misperceptions, mistrust, and misconduct. While such an approach will not eliminate the possibility of intentional threats, it will help reduce unintentional threats due to unsafe behavior.

#### SPECTRUM

5. Senator LEVIN. General Kehler, in February it was legislatively proposed that DOD move operations from a block of spectrum you now use. The cost to DOD, I understand, would have been about \$14 billion. Can you please explain the importance to DOD of its operating spectrum and how any movement from it should be paid for and coordinated?

General KEHLER. Answer: The operating spectrum utilized by DOD is critical to national security and any transition into, or out of, any bandwidth must be assessed for impact to operations, relocation, implementation and administration costs, timelines, and coordinated among all effected organizations. The National Telecommunications and Information Administration's Assessment of the Viability of Accommodating Wireless Broadband in the 1755–1850 MHz Band Report, dated March 2012 concluded it is possible to repurpose the entire 95 MHz block of spectrum, but cites challenges with the estimated relocation cost/timeline of \$18 billion over 10 years. This does not include costs to incumbent systems in comparable bands or implementation and administration costs for DOD, which it estimates at an additional \$272 million for vacating the identified spectrum.

The identified block of spectrum is used to conduct uplink operations for 140+ active satellite systems representing 45+ operational constellations or programs currently being developed including Global Positioning Satellite, Wideband Global Satellite Communication, Advanced Extremely High Frequency, Mobile User Objective System, Space Based Infrared System, and Intelligence, Surveillance, and Reconnaissance programs.

The report highlights that some systems will remain in the band indefinitely. To ensure maximum flexibility, DOD seeks to maintain the 1755–1850 MHz band for satellite tracking, telemetry, and commanding (TT&C) operations including, but not limited to, vehicle anomalies and emergencies. Further, testing and training for electronic warfare and some software defined radios will require continued operation within the band. Collectively, these programs provide space effects to combatant commands, deployed forces, national leadership, and the general populace.

6. Senator LEVIN. General Kehler, you are the combatant command who advocates for preserving our electromagnetic spectrum. What actions can you as the combatant commander for spectrum operations take to help preserve DOD's access to it?

General KEHLER. STRATCOM provides warfighter operational impact assessments to all proposed frequency auctions and advocates for the spectrum needs of the combatant commands. Our justification of exclusive use protects the DOD from immediate loss of spectrum. Our assessments also identify, where possible, the timeframe for which frequency coexistence would be possible or, when to vacate a frequency band once older systems are replaced.

#### OPERATIONALLY RESPONSIVE SPACE

7. Senator LEVIN. General Kehler, does STRATCOM support the initial requirement that led to the development of the Operationally Responsive Space (ORS) program?

General KEHLER. Yes, I fully support the requirement for Operationally Responsive Space. ORS was initiated to meet an immediate, urgent need using a highly responsive process for delivering capabilities. The ORS process was designed to deliver solution concepts within about 60 days, and (when directed) field space capabilities within about 24 months.

8. Senator LEVIN. General Kehler, does the ORS program still meet a valid STRATCOM requirement?

General KEHLER. STRATCOM maintains a requirement to rapidly improve, augment, or reconstitute on-orbit capability.

9. Senator LEVIN. General Kehler, I understand that the satellite ORS-1 is directly tasked by U.S. Central Command (CENTCOM) in contrast to the normal tasking process for large overhead systems—do you find that is a new paradigm that is beneficial to DOD?

General KEHLER. ORS-1 was just recently declared operational, and we are currently in the process of evaluating the overall utility of the mission, including its tasking process. The original requirements for ORS-1 were to support CENTCOM, so this system is operating exactly as it was designed. CENTCOM values their ability to fully manage collection operations for the ORS-1 satellite, and appreciates the ability to task ORS-1 for high-value image collection where the priority of that collection is certain. We are still evaluating the overall return-on-investment for space capabilities designed to support and be tasked by a single regional commander.

#### COMBINED SPECTRUM OPERATIONS

10. Senator LEVIN. General Kehler, you have under your command three operations that can be used together: space, cyber, and electronic warfare. Are you developing an operations plan to synchronize all three elements?

General KEHLER. Yes. STRATCOM continually reviews the adequacy of operational plans to ensure our ability to leverage capabilities across all domains to best meet national policy and strategy objectives. As necessary, we make changes or develop new plans to synchronize all available elements to ensure national security.

11. Senator LEVIN. General Kehler, what do you judge as the largest policy issue in such a combined operation?

General KEHLER. In my judgment, the largest policy issue in such a combined operation would be the lack of policy precedent regarding military action in cyberspace.

12. Senator LEVIN. General Kehler, where do you judge the Services are in their cyber efforts and would they be capable today of synchronizing cyber, space, and electronic warfare?

General KEHLER. One of our greatest challenges in cyberspace is to build and sustain a cyber-workforce which can bring the capacity and capabilities required to conduct operations quickly across the full range of our missions and threats. STRATCOM, CYBERCOM, and the Service Cyber components are working hard to identify critical capability gaps within our cyber-workforce related specifically to emerging threats and our ability to integrate cyber, space, and electronic warfare efforts. These domains require technically demanding expertise in a highly competitive environment to continue to build capability and capacity. Efforts to synchronize cyber, space and electronic warfare are ongoing to achieve the requirements and meet mission demands.

#### GLOBAL MISSILE DEFENSE INTEGRATION

13. Senator LEVIN. General Kehler, one of your functional commands is the Joint Functional Component Command for Integrated Missile Defense (JFCC-IMD). As your prepared statement indicates, STRATCOM leads an annual global ballistic missile defense assessment and considers the missile defense priorities of all the combatant commands. You also state that over the past year, our efforts “substantially improved our overall missile defenses.” Based on this assessment, do you believe the current and planned missile defense capabilities, such as the Ground-based Midcourse Defense (GMD) system and the European Phased Adaptive Approach (EPAA) to missile defense, are providing capabilities needed to protect our Homeland, our forward-based forces, and our allies?

General KEHLER. Based on STRATCOM annual assessments, I am confident national and regional missile defense systems adequately protect our homeland, deployed forces, allies, and friends against the intended threat. However, as adversaries’ ballistic missile capabilities improve in range, accuracy, countermeasures, numbers, and ability to conduct structured attacks, it becomes increasingly important to continue improving GMD system capabilities and reliability, and to deploy the remaining phases of the EPAA on schedule.

## PRECISION TRACKING SPACE SYSTEM

14. Senator LEVIN. General Kehler, STRATCOM has expertise and responsibilities for a variety of intersecting issues, including missile defense and space-based sensors that provide missile warning. Your prepared statement mentions our “efforts to provide persistent detection” of missiles. I gather STRATCOM has done an analysis of the Precision Tracking Space System being developed by the Missile Defense Agency (MDA). Do you believe that system would provide a useful and persistent capability to detect and track ballistic missiles?

General KEHLER. We conducted a remote sensor assessment during the fiscal year 2013 Program Review. The assessment compared PTSS operational capabilities and attributes with airborne infrared sensor and ground-based sensor capabilities and limitations. The results showed PTSS can significantly contribute to both homeland and regional missile defense by providing continuous threat tracking to facilitate large raid handling, engage-on-remote capability, and shoot-assess-shoot tactics against post-boost targets. Placing persistent sensors in space offers the opportunity to engage threats launched from land or sea, free of geographic, strategic warning time, or host nation basing complexity constraints.

## KILL VEHICLE TEST PLAN

15. Senator LEVIN. General Kehler, the MDA has designed a fix to the problem that caused a flight test failure of the GMD system, using the newest model of kill vehicle. MDA plans a flight test in December to demonstrate that the fix works—using the hardware planned for operational deployment—before we build, refurbish, or assemble more of the kill vehicles that failed. On March 13, the Commander of U.S. Northern Command (NORTHCOM), General Jacoby, told this committee he supports that plan to test and demonstrate the system. Do you support the MDA plan to test and demonstrate that the fix to the GMD kill vehicle works before producing or deploying more of them?

General KEHLER. I support MDA plans to conduct a non-intercept GBI flight test and performance demonstration with an upgraded kill vehicle prior to resuming deployment of the system.

## MISSILE DEFENSE COOPERATION WITH RUSSIA

16. Senator LEVIN. General Kehler, in February, an international group of experts, called the Euro-Atlantic Security Initiative, issued a report advocating missile defense cooperation between Russia and the United States, with our North Atlantic Treaty Organization (NATO) allies. The group proposed that the partners should share satellite and radar early warning data, thus improving their ability to detect, track, and defeat ballistic missiles from the Middle East. This is consistent with U.S. and NATO proposals for cooperation with Russia on missile defense. Do you agree that sharing such early warning data, which would involve sharing classified information subject to national disclosure policy, could improve our ability to defeat ballistic missiles launched from Iran, and that such cooperation could benefit our security?

General KEHLER. Sharing satellite and early warning data with Russia as part of the principal of information sharing, is beneficial in increasing transparency and building confidence in Russia that the European Missile Defense system is not directed at them. In order to improve our ability to defeat ballistic missiles launched from Iran, only Russian radars which are both technically interoperable with our IMD systems and in the right geographic position could aid in the defeat of these missiles. Our ability to defeat Ballistic Missile (BM) launches from Iran may be improved through integration of U.S. and Russian BM warning systems and the sharing of classified information. However, section 1244 of the fiscal year National Defense Authorization Act requires congressional notification by the President 60 days prior to any instance in which the U.S. Government plans to provide such information to the Russian Federation.

17. Senator LEVIN. General Kehler, do you agree that such cooperation with Russia could send a powerful signal to Iran that the United States and Russia are united in opposing Iran's acquisition of long-range missiles and nuclear weapons?

General KEHLER. The inclusion of Russia as part of the international communities' opposition to the proliferation and use of ballistic-missile technologies would be a welcome addition and demonstrate a united stance against the pursuit of weapons of mass destruction.

## QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

## NUCLEAR PIT PRODUCTION SHORTFALL

18. Senator LIEBERMAN. General Kehler, I share many of the concerns my colleagues have already expressed concerning the shortfalls in funding and capacity for the modernization of our nuclear weapons. Does STRATCOM still have a validated requirement for the production of 50 to 80 plutonium pits per year starting in 2021?

General KEHLER. Yes, DOD's current plutonium pit production requirement is 50 to 80 pits per year to respond to technical failure of a warhead and remove reliance on the nondeployed stockpile for hedging. The President's Budget submission for 2013 delays this capability until at least 2028.

19. Senator LIEBERMAN. General Kehler, the fiscal year 2013 National Nuclear Security Administration (NNSA) budget request proposes to delay the construction of the Chemistry and Metallurgy Research Replacement-Nuclear Facility (CMRR-NF) for 5 years. The director of Los Alamos National Laboratory has stated that without the CMRR-NF he cannot meet the requirement of 50 to 80 pits per year. What steps are you taking to try to mitigate the expected shortfall in pit production capability?

General KEHLER. We are working in an interagency forum to identify options to mitigate this delay, including increasing interim pit production capability at existing facilities. The Nation needs to have a plutonium capability to support our deterrent, dismantle retired weapons, and support non-proliferation initiatives.

20. Senator LIEBERMAN. General Kehler, do you believe that there is any risk that this stated 5-year delay to the CMRR-NF will become lengthier or turn into a permanent cancellation?

General KEHLER. The nation requires an executable plutonium production strategy to support the deployed force and reduce reliance on the nondeployed stockpile. DOD and the Department of Energy (DOE) are currently working on a revised nuclear weapons and infrastructure modernization plan to address such risk.

21. Senator LIEBERMAN. General Kehler, in that event, how would you address the pit production shortfall to ensure the continued reliability and credibility of our nuclear deterrent?

General KEHLER. Today's stockpile is safe, secure, and effective and can be certified without CMRR-NF. Both Departments are examining options to provide an interim pit production capability within the existing facilities. Until CMRR-NF or an equivalent capability is available, life extension options may be limited and we will continue to rely on the nondeployed stockpile to manage risk.

22. Senator LIEBERMAN. General Kehler, do you believe there is a risk to the long-term reliability and credibility of the U.S. nuclear arsenal if we continue to defer modernization?

General KEHLER. While I am extremely confident in today's deterrent force, deferring modernization does increase risk across the nuclear enterprise. Maintaining the credibility and long-term reliability of the nuclear force will require continued investments in sustainment, modernization, life extension, and replacement programs. While the fiscal environment may impose difficult choices, we are prioritizing our investments to maintain a safe, secure, and effective nuclear deterrent force.

23. Senator LIEBERMAN. General Kehler, can you highlight some of the specific manifestations of that risk for us?

General KEHLER. As the force continues to age, the risk of technical failure increases, certifying the stockpile will likely become more difficult, and sustainment costs will rise. One specific risk of delayed NNSA infrastructure modernization is our inability to respond to an unexpected technical failure in a timely way.

## QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

## RECRUITMENT AND RETENTION

24. Senator McCASKILL. General Alexander, you stated in your testimony that U.S. Cyber Command (CYBERCOM) is critically short of the skills and the skilled people necessary to manage our networks and protect U.S. interests in cyberspace. Our prosperity and our security now depend on a very skilled technical workforce, which is in high demand both in government and industry. You stated that you are

reviewing recruitment and incentive programs in order to build and retain the best-of-the-best cyber defenders. Can you please provide specific details on what CYBERCOM is doing to compete with the private sector when it comes to hiring and retaining the top talent in cyber operations?

General ALEXANDER. Initial assessment and recruiting to identify the best candidates possible to support the cyberspace mission is critical. The Joint Cyberspace Training and Certification Standards (JCT&CS) provides the Services an overarching framework for training the current and future cyberspace workforce spanning a career. JCT&CS also provides key insights into the preliminary knowledge, skills, and abilities needed to ensure success. Service recruiting efforts are advised by these standards and special screening techniques and evaluations will be developed to identify suitable candidates. In addition, it appears that talented personnel are drawn to the newness of this command and our challenging mission. We anticipate the competition for cyber talent to become more intense. We are working with DOD to ensure appropriate recruiting/retention policies and incentives are developed so we can recruit top quality talent. To address the anticipated challenges in the short-term, we are collaborating with STRATCOM and the Office of the Secretary of Defense to permanently extend the temporary hiring authorities granted to us (e.g. Schedule A—which is set to expire December 2012). In the long-term, we are advocating for: special salary rates, tuition reimbursement, access to specialized training and robust professional development opportunities as incentives for potential employees and to retain them once they are hired. Underlying all of these initiatives, we support the development of separate cyber operations/planner career fields for our civilian and military personnel. Delays in recruiting and retaining cyber talent could adversely affect the command's future operational capability.

25. Senator McCASKILL. General Alexander, does CYBERCOM have the necessary authority to adjust policies to attract and retain the level of talent that is necessary to operate our networks and protect U.S. interests in cyberspace?

General ALEXANDER. Currently, CYBERCOM does not have all of the necessary authorities to adjust policies aimed at attracting and retaining skilled military and civilian cyber professionals. The responsibility to recruit and retain military members lies with each of the Services. While CYBERCOM can influence the skill-levels and training required to accomplish the cyber mission, the Services are responsible for the recruitment, retention, organization, training and equipping functions for their personnel. The ability to adjust civilian personnel policies requires approval from agencies and offices outside of CYBERCOM. The extension or permanent institution of direct hiring authorities for CYBERCOM will require coordination and approval from offices within DOD and Office of Personnel Management (OPM). Likewise, the creation of a more flexible personnel system, which would help CYBERCOM keep pace with market demand for high-demand skill sets, will require coordination and approval from our Executive Agency (the Department of the Air Force), OPM, and perhaps Congress. For example, I require the ability to dynamically adjust duty responsibilities and pay commensurate with changing skills, mission requirements, and organizational structure. Unfortunately, the tools at my immediate disposal are not flexible enough to guarantee CYBERCOM has the type of force necessary to operate our networks and protect U.S. interests in cyberspace.

#### COORDINATION

26. Senator McCASKILL. General Alexander, CYBERCOM is tasked with centralizing and coordinating the cyber activities of DOD. However, each of the Services, along with each of the combatant commands, have cyber capabilities and responsibilities that do not fall within the chain of command of CYBERCOM. What is CYBERCOM's relationship to each of the Services?

General ALEXANDER. Currently, CYBERCOM does not have all of the necessary authorities to adjust policies aimed at attracting and retaining skilled military and civilian cyber professionals. The responsibility to recruit and retain military members lies with each of the Services. While CYBERCOM can influence the skill-levels and training required to accomplish the cyber mission, the Services are responsible for the recruitment, retention, organization, training and equipping functions for their personnel. The ability to adjust civilian personnel policies requires approval from agencies and offices outside of CYBERCOM. The extension or permanent institution of direct hiring authorities for CYBERCOM will require coordination and approval from offices within DOD and OPM. Likewise, the creation of a more flexible personnel system, which would help CYBERCOM keep pace with market demand for high-demand skill sets, will require coordination and approval from our Execu-



tive Agency (the Department of the Air Force), OPM, and perhaps Congress. For example, I require the ability to dynamically adjust duty responsibilities and pay commensurate with changing skills, mission requirements, and organizational structure. Unfortunately, the tools at my immediate disposal are not flexible enough to guarantee CYBERCOM has the type of force necessary to operate our networks and protect U.S. interests in cyberspace.

27. Senator McCASKILL. General Alexander, how does CYBERCOM coordinate the various cyber activities and responsibilities of the Services?

General ALEXANDER. CYBERCOM maintains a mutually supportive relationship with each of the Services through the established CYBERCOM Service components that I mentioned in my response to Question #26. All CYBERCOM Service components are under Operational Control (OPCON) of CYBERCOM. The Transitional Cyberspace Operations Command and Control Concept of Operations, signed by the Office of the Secretary of Defense on 1 May 2012, provides guidance for responsibilities. The Services are responsible for protecting and sustaining their core business functions of recruiting, organizing, training, and equipping their forces. They are also responsible for executing information assurance, network operations, certification and accreditation, and computer network defense functions assigned to them in accordance with DOD regulations, orders, or directives. We will continue to work closely with the Services to develop mutually acceptable ways to satisfy both Service and Joint warfighting requirements. Effective command and control is critical to achieve unity of effort across cyberspace. Partnership, collaboration, and cooperation amongst the Services, combatant commands, and other agencies are the keys to successful cyberspace operations.

28. Senator McCASKILL. General Alexander, does CYBERCOM have the authority to override decisions regarding cyber activities carried out by each of the Services?

General ALEXANDER. Yes, CYBERCOM has the authority to override any decisions regarding cyber activities carried out by each of the Services. The DOD Global Information Grid (GIG) is a series of interconnected networks, and actions on one portion of the GIG could cause cascading negative effects on other portions of the GIG. CYBERCOM enacts this authority through the publishing of Operations Orders and Directives to each of the Services. CYBERCOM will work closely with the Services on all aspects of cyberspace operations that may affect Service equities or missions. The Services have the responsibility to execute information assurance tasks, operate Service specific networks, conduct certification and accreditation, and computer network defense functions assigned to them in accordance with DOD regulations, orders, or directives. Under the Unified Command Plan, CYBERCOM is tasked with synchronizing planning for cyberspace operations, and will do so in coordination with other combatant commands, the Services, and as directed, appropriate U.S. Government agencies.

29. Senator McCASKILL. General Alexander, what is CYBERCOM's relationship to each of the combatant commands?

General ALEXANDER. We have an ongoing and maturing operational relationship with each of the combatant commands. CYBERCOM has deployed Cyberspace Support Elements (CSEs) to PACOM and CENTCOM and will eventually place CSEs at the other combatant commands as resources permit, and as directed by the Office of the Secretary of Defense approved Transitional Cyberspace Operations Command and Control Concept of Operations (dated 1 May 2012). The CSEs link our global and regional planning with the theater and operational planning conducted by each combatant command, provide significant and timely insight and assistance in defining combatant command cyber operational requirements, facilitate critical reach-back to Fort Meade, and become the combatant command's advocate among competing priorities for access and intelligence to support cyberspace operations. I have tasked each CYBERCOM Service component to "lead the joint effort to provide cyber support" for a specific combatant command. For example, U.S. Army CYBERCOM is tasked to provide support to CENTCOM and U.S. Air Force CYBERCOM is tasked to support EUCOM. In efforts of a global or trans-regional nature, CYBERCOM generally is designated as the supported command with the appropriate combatant commands designated as supporting command. Where operations are projected within a specific area of operations, it is more common for the geographic combatant commander to have the lead as supported command, with CYBERCOM designated as the supporting command. While each operational situation is different, I have confidence in our ability to synchronize our activities with the combatant commands.

30. Senator McCASKILL. General Alexander, how does CYBERCOM coordinate the various cyber activities and responsibilities of the combatant commands?

General ALEXANDER. The Office of the Secretary of Defense newly published Transitional Cyberspace Operations Command and Control Concept of Operations, dated 1 May 2012, directs CYBERCOM to coordinate various cyber activities and responsibilities of the combatant commands through CYBERCOM Cyber Support Elements (CSE). Each combatant command will have a fully functioning CSE which remains under OPCON of CYBERCOM, but is in direct support of its assigned combatant command through the Joint Cyber Center (JCC). The JCC functions as the nexus for the combatant command cyberspace enterprise. CYBERCOM has deployed CSEs to PACOM and CENTCOM and will eventually place CSEs at the other combatant commands as resources permit. The CSE's mission is to facilitate geographic/functional cyber operations for the combatant commander and enable CYBERCOM to support global cyberspace operations. When resourced, CYBERCOM CSEs will perform forward liaison function and will assist the supported combatant command and CYBERCOM by performing the following tasks:

- (1) Provide functional and technical expertise to the combatant command/JCC staff on the subjects of cyberspace planning, operations, exercises, development of cyber joint intelligence assessment products, intelligence collection and analysis, targeting, and assessment of operational readiness.
- (2) Reach back to Headquarters, CYBERCOM and CYBERCOM Service components to enable coordination, deconfliction, and synchronization of supporting CYBERCOM effects as requested by the combatant command.
- (3) Inform the combatant commander of orders issues by CYBERCOM, and inform CYBERCOM of combatant command network events.
- (4) Ensure combatant command's requirements for global and regional threat warnings are clearly communicated to CYBERCOM.
- (5) Relay to CYBERCOM the impacts to combatant command and its subordinate component's mission critical operations that result from capability and capacity gaps in assigned or attached cyberspace units, as identified by the combatant command.
- (6) Report CYBERCOM readiness information relevant to the combatant command JCC, and monitor status reporting of combatant command assigned or attached cyberspace units and capabilities for CYBERCOM.

31. Senator McCASKILL. General Alexander, does CYBERCOM have the authority to override decisions regarding cyber activities carried out by each of the combatant commands?

General ALEXANDER. Yes, CYBERCOM has the authority to override decisions regarding cyber activities carried out on the DOD GIG by the combatant commands. The GIG is a series of interconnected networks, and actions on one portion of the GIG could cause cascading negative effects on other portions of the GIG. CYBERCOM enacts this authority through the publishing of Operations Orders and Directives to each of the combatant commands. CYBERCOM will work closely with the combatant commands on all aspects of cyber operations that may affect combatant command equities or missions.

#### NUCLEAR TRIAD

32. Senator McCASKILL. General Kehler, you have stated that our Nation needs to maintain the current nuclear triad of Submarine Ballistic Missile, Intercontinental Ballistic Missiles (ICBM), and nuclear-capable heavy bombers. A viable nuclear force requires sufficient force structure, expertise, and industrial-based support for weapons. What is being done to ensure that the industrial base for nuclear weapons is being maintained?

General KEHLER. The fiscal year 2013 budget request continues to fund numerous delivery platform, weapon, and facility sustainment and modernization programs that exercise critical scientific, engineering, and production skills across the industrial base. Specifically, NNSA's weapons infrastructure continues to be transformed with facility improvements in uranium processing and handling, non-nuclear component production, high explosive manufacturing, and radiological research. The most effective steps we can take to ensure the industrial base for nuclear weapons is being maintained is by continuing to support the life extension, surveillance, and sustainment programs needed to ensure a safe, secure, and effective deterrent force.

33. Senator McCASKILL. General Kehler, how can we ensure that the nuclear force is not hollowed out?

General KEHLER. To avoid a hollow force, DOD and DOE must ensure adequate sustainment, modernization, and recapitalization of the Triad; ongoing surveillance and maintenance of the stockpile; and sustained investments in supporting infrastructure and the highly specialized and experienced human capital needed take us to the future.

34. Senator MCCASKILL. General Kehler, can you talk about what role the B-2 bomber plays in contributing to the nuclear triad and its enduring value to U.S. national security as the U.S. nuclear strategy continues to evolve for 21st century missions?

General KEHLER. The B-2 is an integral part of the nuclear triad and our Nation's sole penetrating dual-capable bomber. It provides the President a flexible capability to project conventional and nuclear power worldwide regardless of adversary anti-access/area denial strategies.

#### NEW START

35. Senator MCCASKILL. General Kehler, in April 2010, the United States and Russia signed the New Strategic Arms Reduction Treaty (New START). The Treaty places certain limits on U.S. and Russian strategic offensive nuclear forces, including limits on delivery vehicles and numbers of warheads. As commander of STRATCOM, what is your assessment of the New START's effects on U.S. national security interests?

General KEHLER. New START enhances U.S. national security interests because it constrains future Russian strategic nuclear force levels and provides us transparency into Russian strategic forces via outside access in order to verify compliance. The treaty permits us to sustain and modernize our nuclear force and to mix and posture that force as needed to meet national security objectives.

36. Senator MCCASKILL. General Kehler, how will U.S. national security be strengthened as the United States and Russia complete implementation of the New START?

General KEHLER. U.S. national security will be strengthened as the United States and Russia complete the implementation of New START because it will provide transparency and limit the potential future growth of strategic arsenals.

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#### QUESTIONS SUBMITTED BY SENATOR MARK UDALL

##### CYBER ATTACK IN THE PERSIAN GULF

37. Senator UDALL. General Alexander, what do we understand about the Iranian capability to conduct a cyber attack on the electricity grid or Supervisory Control and Data Acquisition (SCADA) systems in the Persian Gulf?

General ALEXANDER. [Deleted.]

38. Senator UDALL. General Alexander, are we monitoring that capability and their interest in it closely enough to get ahead of a problem?

General ALEXANDER. [Deleted.]

39. Senator UDALL. General Alexander, who gets those reports, how often are they generated, and who else should see these reports?

General ALEXANDER. [Deleted.]

40. Senator UDALL. General Alexander, who besides the Iranians is being monitored for this capability and are we monitoring all potential cyber attackers on this very precious region?

General ALEXANDER. [Deleted.]

##### VULNERABILITY OF ELECTRICAL GRID IN THE MIDDLE EAST

41. Senator UDALL. General Alexander, do we understand the constitution and the vulnerability of the electricity grid in the Persian Gulf well enough to measure the potential impact on the oil production and transportation system, especially but not limited to the oil refineries there?

General ALEXANDER. [Deleted.]

42. Senator UDALL. General Alexander, do the Gulf Cooperation Council (GCC) countries (Saudi Arabia, Qatar, Bahrain, United Arab Emirates, Kuwait, and Oman) or a subset of those have a single grid?

General ALEXANDER. [Deleted.]

43. Senator UDALL. General Alexander, are those country grids interconnected as they are here in the United States between Canada and Mexico, or is each country's grid separate both physically and by SCADA system management, so a cyber attack might take out one country's power and refining but not the next?

General ALEXANDER. [Deleted.]

44. Senator UDALL. General Alexander, does anyone keep spare large electric transformers in a safe and invulnerable location for grid reconstitution?

General ALEXANDER. [Deleted.]

#### U.S. MILITARY DEPENDENCE ON COMMERCIAL POWER GRID IN MIDDLE EAST

45. Senator UDALL. General Alexander, is the U.S. military in Bahrain, Dubai, and other locations in the Gulf dependent on the electricity generated in the host country, and what's our back-up plan if the electricity suffers a prolonged grid outage?

General ALEXANDER. The U.S. military typically uses various electricity sources, depending on the location and mission, with pre-planned back-up sources. Additionally, we understand both the Joint Staff and the Office of the Secretary of Defense initiated Operational Energy Divisions to address combat capabilities, their respective fuel and energy trade-offs, as well as reliance on commercial infrastructure. This initiative was a result of the 2008 Defense Science Board Task Force on DOD Energy Strategy. Other elements of DOD may be able to provide amplification on this issue.

46. Senator UDALL. General Alexander, how much storage capability do we have there for emergency diesel electric generators and will our back-up electric power capability cover all our mission critical functions or only a subset, and if so, which subsets?

General ALEXANDER. The U.S. military typically maintains various amounts of storage capability, depending on the location and mission, with pre-planned back-up capability. Additionally, we understand both the Joint Staff and the Office of the Secretary of Defense initiated Operational Energy Divisions to address combat capabilities, their respective fuel and energy trade-offs, as well as reliance on commercial infrastructure. This initiative was a result of the 2008 Defense Science Board Task Force on DOD Energy Strategy. Other elements of DOD may be able to provide amplification on this issue.

47. Senator UDALL. General Alexander, have the GCC countries' militaries thought about this problem and are they prepared for it?

General ALEXANDER. After coordination with other elements of the Department, we understand in April 2012 Oman hosted a Cyber Defense conference for the GCC in Muscat (agenda available at [www.cyberdefencesummit.com/summit/agenda](http://www.cyberdefencesummit.com/summit/agenda)). As GCC countries continue to develop their IT infrastructure and heavy reliance on information and communications technology, governments must ensure they protect their critical assets. The repercussions of a cyber-attack against important institutions and sectors including energy and utilities can have an immense impact on the country's economic prosperity and undermine its sovereignty. In many countries given the typical mandate for militaries to protect civilian infrastructure from physical attack, cybersecurity responsibilities are divided between military and civilian leadership, both of which were represented at the Oman conference.

The Middle East and particularly the Gulf remains a significant concern for international cyber warfare. As a specific example, for numerous reasons—including the probability that the fate of the global economy relies on Saudi Arabia, which heavily deploys computer networks to maintain productivity in one of the world's most strategic energy producing regions—strong commitment to Saudi cybersecurity is paramount.

48. Senator UDALL. General Alexander, have the electric companies or their equivalents in the Gulf become aware of the potential for cyber attacks as a part of war, and what are they doing to prepare and respond to the vulnerabilities and the threats?

General ALEXANDER. The concerns over cyber attacks are well known and publicized across the spectrum of conflict, from peacetime to war and across various sectors. Electric power producers can deploy a number of products from a variety of vendors to help protect information systems from cyber attack. After coordination with other elements of the Department, we understand in April 2012, Oman hosted a Cyber Defense conference for the GCC in Muscat (agenda available at [www.cyberdefencesummit.com/summit/agenda](http://www.cyberdefencesummit.com/summit/agenda)). As GCC countries continue to develop their IT infrastructure and heavy reliance on information and communications technology, governments must ensure they protect their critical assets. The repercussions of a cyber-attack against important institutions and sectors including energy and utilities can have an immense impact on the country's economic prosperity and undermine its sovereignty. In many countries given the typical mandate for militaries to protect civilian infrastructure from physical attack, cybersecurity responsibilities are divided between military and civilian leadership, both of which were represented at the Oman conference.

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Additionally, other elements of DOD may be able to provide amplification on this issue.

#### MOVING CRUDE OIL THROUGH THE PERSIAN GULF DURING A PROLONGED POWER OUTAGE

49. Senator UDALL. General Alexander, I understand that 77 percent of the crude oil leaving the Straits of Hormuz travels in one form or another to the Pacific. China gets 50 percent of its crude from inside the Straits, and Japan gets 65 percent of its crude from inside the Straits. Australia, India, Singapore, and the U.S. military in the Pacific and the Indian Ocean are also dependent on that oil for both military tactical fuels and for electricity in many cases. What will a region-wide cyber attack on the electricity grid that results in a prolonged power outage in the Persian Gulf do to the ability to move crude oil in and out of there at the current rate, especially the oil and fuel that supports the U.S. military in the Indian Ocean, such as at Diego Garcia, and all the way into the Pacific Ocean?

General ALEXANDER. The concerns over cyber attacks are well known and publicized across the spectrum of conflict, from peacetime to war and across various sectors. After coordination with other elements of the Department, we understand in April 2012, Oman hosted a Cyber Defense conference for the GCC in Muscat (agenda available at [www.cyberdefencesummit.com/summit/agenda](http://www.cyberdefencesummit.com/summit/agenda)). As GCC countries continue to develop their IT infrastructure and heavy reliance on information and communications technology, governments must ensure they protect their critical assets. The repercussions of a cyberattack against important institutions and sectors including energy and utilities can have an immense impact on the country's economic prosperity and undermine its sovereignty. In many countries given the typical mandate for militaries to protect civilian infrastructure from physical attack, cybersecurity responsibilities are divided between military and civilian leadership, both of which were represented at the Oman conference.

Additionally, we understand both the Joint Staff and the Office of the Secretary of Defense initiated Operational Energy Divisions to address combat capabilities, their respective fuel and energy trade-offs, as well as reliance on commercial infrastructure. This initiative was a result of the 2008 Defense Science Board Task Force on DOD Energy Strategy.

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#### QUESTIONS SUBMITTED BY SENATOR KIRSTEN E. GILLIBRAND

##### ROME LABS

50. Senator GILLIBRAND. General Alexander, I am very pleased to see that cyber is one of the areas where DOD is focusing. So, I was very disappointed to see that the budget documents reflect almost a 20 percent cut in funding for the Information Directorate research at the Air Force Research Lab in Rome, New York. The Rome Lab leverages successful collaborations with universities and companies in what is a very technology-rich environment in central New York. This cut really does not make sense to me. While I know you do not oversee the Rome Lab, you work with

and rely on some of their research. In fact, the National Security Agency (NSA) consistently provides Rome Lab with additional funding. Can you tell me about your experience in collaborating with the Air Force Research Lab in Rome, NY, and what future projects you expect to undertake?

General ALEXANDER. We have a strong collaborative effort with Air Force Research Lab (AFRL) in Rome, NY through U.S. Air Force Cyber/24th Air Force. We have directly invested Research Development Test and Evaluation funds in the past towards eight research efforts at AFRL under a CYBERCOM-run program called “Call for Proposal” and we currently fund one research effort. AFRL is seeking to embed up to two individuals into CYBERCOM to work on advanced concepts and experimentation and technology discovery in support of CYBERCOM’s Science and Technology and R&D roadmaps. CYBERCOM has a seat on the OSD Cyber S&T Priority Steering Council EXCOM governance board which provides the roadmap across the Future Years Defense Program for all labs including AFRL. As the CYBERCOM Service Components continue to organize, train, and equip their respective forces, we will work more with 24th Air Force in supporting their needs. We expect AFRL to undertake more efforts that are in alignment with 24th Air Force priorities (ex. anti-access and area denial support).

51. Senator GILLIBRAND. General Kehler, the Air Force cyber science and technology funding is going down in fiscal year 2013 and fiscal year 2014—why is that?

General KEHLER. The Department’s new strategic guidance highlights the increasing importance of cyber operations which is why it is one of the few areas where investments were increased in the administration’s budget request for fiscal year 2013. We continue to work with the Air Force to ensure our priorities are appropriately addressed, to include the important work being done at Rome Labs and other cyber research facilities.

52. Senator GILLIBRAND. General Kehler, doesn’t decreasing cyber research undermine our ability to stay ahead in this quickly evolving field?

General KEHLER. Cyber research is indeed critical for the United States to maintain its leadership in the cyber domain. While individual programs may have experienced funding decreases, cyber is one of the few areas in which DOD increased its overall investments including offensive and defensive capabilities.

53. Senator GILLIBRAND. General Kehler, where is cyber research being increased if it is decreased in the Services?

General KEHLER. As stated in Defense Budget Priorities and Choices, cyber is one of the few areas in which DOD increased its overall investments including offensive and defensive capabilities. The Defense Advanced Research Projects Agency program funding for cyber science and technology funding has been substantially increased. Additionally, STRATCOM has cosponsored several joint capability technology demonstrations for cyber research and several cyber limited objective experiments.

#### NATIONAL GUARD AND CYBER MISSIONS

54. Senator GILLIBRAND. General Alexander, Secretary Donley has spoken about the Guard’s unique position and assets in contributing to the Nation’s cybersecurity, since Guard members can work on both Title 32 and Title 10 missions, and leverage the training that their information technology professionals received in their civilian jobs. Do you plan to make use of the Guard more robustly for the cyber mission?

General ALEXANDER. CYBERCOM has a Guard and Reserve Directorate (GRD) who is in the initial phases of establishing habitual relationships with the National Guard Joint Force Headquarters (JFHQs) in each of the 54 States and Territories with a planned outcome over the coming years of establishing productive operational relationships. The GRD is also working through the National Guard Bureau (NGB) to scope current National Guard forces and capabilities. Additionally, the GRD is working with the NGB National Guard Coordination Center (NGCC) to establish a process for leveraging CYBERCOM capabilities to a State or Territory JFHQ request for cyber mitigation.

The habitual relationships under development tacitly recognizes that the first military forces likely to respond to a cyber attack are National Guard elements operating under Title 32 to fulfill the immediate tasking by state authorities, frequently in response to municipal needs. CYBERCOM’s developing relationships with the State and Territory JFHQs will reduce the timeline between cyber event and

CYBERCOM's provision of operational information or dynamic actions to support the JFHQ response, even while they function under Title 32 authorities.

CYBERCOM will also increasingly rely upon members of the Reserve and National Guard during steady-state operations. The civilian IT sector provides cutting edge cyber expertise and capabilities. The GRD is working with the Office of the Secretary of Defense and the NGB to develop new or modify existing manpower databases in order to quantify, track, and leverage the cyber expertise among reservists and national guardsmen.

Additionally, we are planning a Cyber Guard exercise this summer. This will demonstrate not only the capabilities of the National Guard, but also explore the command and control interfaces with the National Guard leadership, Department of Homeland Security, U.S. Northern Command and CYBERCOM. Finally, the GRD is working with NGB on looking at developing future National Guard units within the states with available manpower to fulfill identified shortfalls.

55. Senator GILLIBRAND. General Alexander, I understand that sometimes the time that it takes to get people security clearance hinders your ability to work with the Guard. Is that still true?

General ALEXANDER. The security clearance process at CYBERCOM is well established. The standard for entry is to possess a Top Secret clearance with eligibility for Sensitive Compartmented Information and to have successfully passed a counter-intelligence polygraph. There are no additional clearance requirements levied on those National Guard units currently working CYBERCOM-related missions. Future units engaging with CYBERCOM will require the same security requirements as those of the command. We are currently working with U.S. Air Force Space Command and U.S. Army CYBERCOM to establish procedures for existing National Guard units with cyber expertise to meet CYBERCOM security procedures. As the National Guard looks to remission some units towards a cyber capability, the CYBERCOM Guard Reserve Directorate will work with National Guard Bureau to ensure that the correct cyber-focused Air Force and Army occupational specialty structures and requisite security requirements are in place.

56. Senator GILLIBRAND. General Alexander, are there ways we in Congress can assist you, and if so, what does that mean concretely?

General ALEXANDER. I appreciate the collective legislative branch support for cybersecurity legislation that, at a minimum ensures the following; removes existing barriers and disincentives that inhibit the owners of critical infrastructure from sharing cyber threat indicators with the Government; ensures that infrastructure is sufficiently hardened and resilient.

Regarding the National Guard and cyber missions, the States and Territories should be able to track those National Guard units whose personnel require Top Secret Sensitive Compartmented Information (SCI) access. We will ensure that there is sponsorship of an SCI billet (position) and then it will be up to the State Security Managers to track and provide oversight of an individual's timely compliance in submitting the appropriate documentation.

57. Senator GILLIBRAND. General Alexander, I understand that the Washington National Guard's 262nd Network Warfare Squadron, for example, has a cyber mission. Will additional bases around the country receive the cyber mission?

General ALEXANDER. The Washington Air National Guard's 262nd Network Warfare Squadron (NWS) is one of several National Guard units with a cyber mission. Other Air National Guard (ANG) and Army National Guard (ARNG) units working cyber missions include:

- Delaware ANG 166th NWS, New Castle, DE;
- Kansas ANG 177th Information Warfare Squadron, Wichita, KS;
- Maryland ANG 175th NWS, MD;
- Rhode Island ANG 102nd Information Warfare Squadron, North Kingstown, RI;
- Utah ANG 101st Information Operations Flight, Salt Lake City, UT;
- Vermont ANG 229th Information Operations Squadron, Northfield, VT;
- Virginia ARNG Data Processing Unit, Fairfax, VA; and
- Washington ARNG 56th Theater Information Operations Group, Camp Murray, WA

In addition to these units, there are initiatives at the State-level to develop cyber-space capabilities among other existing information operations and communications units.

## QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

## VIRTUALIZED NETWORKS

58. Senator CHAMBLISS. General Alexander, a promising and cost-effective new cybersecurity technology is that of virtualized networks which use virtual machines inserted between the operating system and the network interface to provide a capability analogous to spread-spectrum frequency-hopping radios for Internet protocol-based networks and devices. This capability allows for a multitude of cybersecurity options, including: creation of stealthy networks, permitting multiple peers to relay traffic, isolating attacks and rerouting them for analysis and response, and allowing rapid changes to a device's network identity. In addition, multiple robust offensive options are also available. Can you comment on any work CYBERCOM is doing regarding assessing virtualized network technologies to reduce hardware requirements and costs?

General ALEXANDER. Network virtualization offers tremendous opportunities to reduce cost and streamline our network footprint. Through DOD information technology effectiveness, we assess a large reduction in hardware requirements and associated costs. However, the opportunity to further harden our networks through virtualized technology is just as important. We will improve our ability to command and control DOD networks, standardize security configurations, and minimize the impact of sophisticated attacks. Finally these virtualized networks, can save on power, space, and cooling costs, as they constitute smaller devices that can consolidate more than one standard desktop system.

In November 2011, I briefed the Joint Chiefs of Staff on the difficulty of protecting and defending the heterogeneous make-up of the Department's sprawling, 15,000-network Global Information Grid. I argued that a new Joint data-centric approach is necessary, with one common architecture, governance and operations instead of 4 Service and 10 combatant command approaches. Resulting from this briefing, the DOD CIO's office, the Joint Staff, CYBERCOM and the Services have been busily engaged in defining this vision of the Joint Information Environment (JIE). While CYBERCOM's imperative for establishing the JIE is to establish a more defensible architecture, the use of virtualized network or cloud technologies and services in order to accomplish that goal will inherently reduce costs through standardization and joint use of hardware, software, and network components.

59. Senator CHAMBLISS. General Alexander, would virtualized networking significantly and economically enhance our cyber warfare capabilities by simultaneously providing defensive and offensive capabilities?

General ALEXANDER. Network virtualization offers tremendous opportunities to reduce cost and streamline our network footprint. Through DOD information technology effectiveness, we assess a large reduction in hardware requirements and associated costs. However, the opportunity to further harden our networks through virtualized technology is just as important. We will improve our ability to command and control DOD networks, standardize security configurations, and minimize the impact of sophisticated attacks. Finally these virtualized networks, can save on power, space, and cooling costs, as they constitute smaller devices that can consolidate more than one standard desktop system.

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60. Senator CHAMBLISS. General Alexander, what is CYBERCOM doing with respect to virtualized networking to establish stealth and maneuver in the cyber arena?

General ALEXANDER. Virtualized networking is a key component in the development of infrastructures that will enable CYBERCOM Service Components the ability to execute their mission in contested environments. We are collaborating with



mission partners across the DOD to leverage this technology as a means to quickly establish logical presence around the world ensuring freedom of maneuver in cyberspace.

61. Senator CHAMBLISS. General Alexander, do you believe there is a disproportionate focus in the cybersecurity arena on storage and processing of data versus on protecting networks, and if so, is this appropriate?

General ALEXANDER. The focus in the cybersecurity arena on storage and processing of data versus protecting networks is not disproportionate. When you move into virtualized environments, storage and processing of data become critical to ensuring the integrity of virtualized environments.

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QUESTION SUBMITTED BY SENATOR SCOTT P. BROWN

SECURID

62. Senator BROWN. General Alexander, in your written statement, you refer to details about a cyber attack on RSA (the Security Division of EMC), which is a company headquartered in my home State of Massachusetts. You stated: "Indeed, the systems of some non-DOD users were breached not long after the compromise by intruders exploiting the stolen certificates." I understand that the systems of only one non-DOD user were attacked not long after the compromise by intruders attempting to exploit information stolen from RSA, and that the attack was unsuccessful. It is also my understanding that certificates were not stolen from RSA, nor was the RSA algorithm compromised, but that other information related to RSA's SecurID tokens was stolen. Please clarify your written statement submitted for the record on March 27, 2012.

General ALEXANDER. During the cyber attack against RSA, the Security Division of EMC, the adversaries extracted information related to RSA's SecurID two-factor authentication products. SecurID products apply additional layers of security to systems requiring users to authenticate their identities. Alone, the information extracted during the attack does not put RSA SecurID customers at risk. However, in combination with other user data or incorrect network configurations, networks are more susceptible to attacks.

In the weeks following the cyber attack on RSA, we found evidence of multiple non-DOD users' systems being attacked. The attackers demonstrated similar or equivalent tactics, techniques, and procedures as those used against RSA. In one case, a non-DOD user reported to the NSA that they had been attacked, and that they believed that information extracted from RSA was used to facilitate the attack. Although NSA investigated this intrusion, we were unable to independently verify that information extracted from RSA was used as part of the network intrusion.

The RSA name is shared by the RSA company and a popular encryption algorithm invented by the founders of the RSA company. The cyber attack against the RSA company should not be construed as an attack or compromise of the RSA public key algorithm. In addition, SecurID tokens employ cryptographic algorithms that we believe to be sound. The security of the RSA algorithm and other encryption algorithms used by RSA products have not been affected or degraded in any way by this cyber attack.

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QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

GOAL OF A NUCLEAR-FREE WORLD

63. Senator CORNYN. General Kehler, in December 2010, I opposed ratification of the President's New START treaty, in part because of serious doubt about the President's long-term nuclear weapons policies. The reality is that nuclear weapons are proliferating in the world, not going away. The Russians maintain a sizeable nuclear arsenal. But, more alarmingly, Iran continues to make progress in its pursuit of nuclear weapons, North Korea's nuclear weapons program remains a serious threat to regional security and stability, and the full extent of the Chinese nuclear arsenal is not known. Nuclear weapons exist, and this is not a genie that we can put back in the bottle by unilaterally disarming and dismantling our nuclear weapons. Yet, all the while, the administration is reportedly contemplating deep reductions in U.S. nuclear forces. How realistic is the President's goal of a world without nuclear weapons?

General KEHLER. The administration has said that the goal of a world without nuclear weapons is a long term pursuit and the conditions that would ultimately

permit the United States and other nations to give up all their nuclear weapons without risking greater international instability and insecurity do not exist today. Any future reductions in U.S. nuclear forces must strengthen deterrence of potential regional adversaries, strategic stability vis-a-vis Russia and China, and assurance of our allies and partners. In addition, it is important that Russia join us in any effort to move to lower levels.

64. Senator CORNYN. General Kehler, if President Obama were to succeed in eliminating the entire U.S. nuclear arsenal, what effect do you think that would that have on the global threat picture for the United States?

General KEHLER. I agree with the Nuclear Posture Review (NPR) statement that the conditions which would ultimately permit the United States and others to give up their nuclear weapons without risking greater international instability and insecurity are very demanding and do not exist today. I believe that as long as nuclear weapons exist, the United States must sustain safe, secure, and effective nuclear forces to deter potential adversaries and reassure allies and partners.

#### DEEPER NUCLEAR FORCE REDUCTIONS

65. Senator CORNYN. General Kehler, the administration is conducting a review of U.S. nuclear deterrence requirements, ostensibly to support another round of nuclear arms reductions with Russia. It appears, however, that the President has already determined that additional reductions are necessary. This past weekend, he told an audience in South Korea that he can “already say with confidence that we have more nuclear weapons than we need.” Yet, during consideration of the New START treaty, the then-commander of STRATCOM, General Kevin Chilton, told the Senate: “I think the arsenal that we have is exactly what is needed today to provide the deterrent.” In light of this authoritative statement from a subject matter expert on nuclear forces, how can the President subsequently conclude that we have more nuclear weapons than we need?

General KEHLER. I remain committed to the principle that a well-defined strategy should drive our nuclear force requirements. STRATCOM is a full participant in the ongoing analysis of future deterrence requirements called for in the NPR, and we are providing military advice regarding strategies and their implications for force requirements.

66. Senator CORNYN. General Kehler, we have been told that the deterrence relationship between the United States and Russia is stable. We’ve been told that neither side has an incentive to strike first in a crisis; and there is no arms race. So, in light of this stability achieved by our current approach, why must we reduce below New START levels of 1,550 warheads on 700 strategic delivery systems?

General KEHLER. Any future nuclear reductions below New START levels must be strategy based, continue to strengthen deterrence of potential regional adversaries, sustain strategic stability vis-a-vis Russia and China, and continue to assure our allies and partners. Additionally, implementation of the Stockpile Stewardship Program and the nuclear infrastructure investments recommended in the NPR will allow the United States to shift away from retaining large numbers of nondeployed warheads as a hedge against technical or geopolitical surprise, allowing reductions in the nuclear stockpile. Finally, Russia’s nuclear force will remain a significant factor in determining how much and how fast we are prepared to reduce U.S. forces.

67. Senator CORNYN. General Kehler, what justification can you offer for risking U.S. national security by altering U.S. nuclear strategy in pursuit of deeper reductions?

General KEHLER. A key premise of the 2010 NPR was that any successful strategy for deeper reductions must be balanced, with movement in one area enabling and reinforcing progress in other areas. For example, increased infrastructure investment and a sound Stockpile Stewardship Program will facilitate reductions in both deployed and nondeployed nuclear weapons. The elements of such a strategy must also be integrated, both nationally—across Federal agencies and between the executive and legislative branches—and internationally among a wide range of partner governments. An effective strategy must also be sustained over time, with support from a long succession of U.S. administrations and Congresses.

68. Senator CORNYN. General Kehler, do you believe U.S. allies still feel assured under our nuclear umbrella, and if not, do you foresee them building up their own nuclear capabilities?

General KEHLER. Assuring our allies continues to be a fundamental component of STRATCOM's mission. We continuously work with our allies and partners on extended deterrence issues to ensure they understand the breadth of capability that the United States can employ and are positioned to make contributions to our combined deterrence capability.

69. Senator CORNYN. General Kehler, would a shift in U.S. nuclear doctrine away from counterforce and flexibility toward minimum deterrence weaken the credibility of U.S. nuclear use on behalf of allies?

General KEHLER. The current nuclear employment strategy reflects existing guidance and objectives for the nuclear deterrent force. The number of deployed nuclear weapons under New START supports our current strategy to include extended deterrence to allies. The credibility of the U.S. nuclear deterrent requires we maintain a ready, trained, and effective force with a demonstrated willingness to implement our deterrent capabilities at any force level on behalf of our allies, partners, and the Nation.

70. Senator CORNYN. General Kehler, do you believe that at lower numbers, the implications of cheating become more important?

General KEHLER. Cheating at any force level is cause for concern—in part because it indicates intent. However, it is not always true that cheating provides a significant military advantage. The implications of cheating at lower force levels are functions of the force structures, capabilities, and intent of the two sides. We would analyze the nature of any cheating very carefully and provide a military assessment of the potential implications along with recommendations to address it.

71. Senator CORNYN. General Kehler, would lower strategic nuclear force levels exacerbate the existing disparity in tactical nuclear weapons between Russia and the United States, and if so, wouldn't this affect allied calculations during future crises?

General KEHLER. I agree with the importance the NPR places on Russia joining us in any effort to move to lower nuclear force levels and its recommendation that non-strategic nuclear weapons, together with the nondeployed nuclear weapons of both sides, should be included in any future reduction discussions or agreements between the United States and Russia.

#### CHINA'S NUCLEAR FORCES

72. Senator CORNYN. General Kehler, according to DOD data, since 2001, China has perhaps tripled the size of its ICBM force. Add to this China's ambitions for a submarine-based nuclear force as well as increasing numbers of short- and medium-range ballistic missiles. Dr. James Miller, who is currently the acting Under Secretary of Defense for Policy, testified to Congress in March 2011: "The lack of transparency surrounding China's nuclear programs—their pace and scope, as well as the strategy and doctrine that guide them—raises questions about China's future strategic intentions." His concerns seemed to be confirmed in December 2011, when research by Georgetown University revealed that China could have as many as 3,000 nuclear missiles and thousands of miles of underground tunnels to hide this arsenal. How large is this force likely to be in another 10 years?

General KEHLER. I take very seriously China's nuclear capabilities, intentions, forces, strategy and doctrine. I also agree that increased transparency in nuclear programs reduces ambiguity and the associated risk of misinterpreting intentions. I defer to the Intelligence Community assessments of China's future strategic forces and note DIA Director Lieutenant General Burgess' 12 February 2012 Senate testimony in which he indicated China currently has fewer than 50 ICBMs capable of reaching the United States and will probably double that number by 2025. I do agree that China has extensive underground tunnels.

73. Senator CORNYN. General Kehler, what is your assessment of the incentive that further reductions in U.S. nuclear weapons would provide to China and other nuclear powers to build up to U.S. and Russian levels?

General KEHLER. It is difficult to assess the actions others may take in response to situations which have yet to occur. If Chinese leadership should perceive a political or military advantage, an incentive to increase capacity could result. However, they may choose to maintain their current structure. U.S. nuclear forces are intended to deter any potential nuclear-armed adversary.

74. Senator CORNYN. General Kehler, how many nuclear weapons does the United States need to maintain to convince China not to seek strategic equivalence?

General KEHLER. It is not possible to accurately determine the precise level or conditions at which the PRC leadership might elect to attempt to match the U.S. nuclear inventory.

#### NUCLEAR MODERNIZATION FUNDING

75. Senator CORNYN. General Kehler, in testifying before this committee, you expressed concerns about the funding shortfall for NNSA Weapons Activities. Using the 1251 modernization plan as a baseline, the fiscal year 2013 request falls \$372 million short, and funding between fiscal year 2012 and fiscal year 2017 could fall \$4 billion short of the 1251 commitment. You noted the slips to the B-61 and W-76 Life Extension Programs, and indicated that while it would increase risk, you thought it was manageable. You also expressed concerns about deferring the start of construction of the CMRR-NF and, perhaps most important, you were uncertain about the administration's alternative course of action for producing the necessary number of nuclear pits to maintain a responsive infrastructure. It seems strange that DOD would agree to the fiscal year 2013 funding request and alternative to CMRR-NF without knowing whether it is technically feasible, cost-effective, or whether the funding will be provided in the out-years to accomplish these tasks. In light of these comments, what is the state of thinking in DOD regarding the way forward?

General KEHLER. The President's fiscal year 2013 budget request for NNSA Weapons Activities funds required life extension and stockpile stewardship programs with manageable risk. What concerns me is that we do not yet have an executable program defined for fiscal year 2014 budget and beyond. To that end, STRATCOM is participating in a DOD/DOE interagency team to balance our weapon needs, NNSA's infrastructure and stockpile stewardship requirements, and projected fiscal constraints to ensure we maintain a safe, secure, and effective nuclear deterrent well into the future.

76. Senator CORNYN. General Kehler, how could the Nuclear Weapons Council (NWC) approve the fiscal year 2013 budget request with so much uncertainty?

General KEHLER. The fiscal year 2013 budget request is sufficient to certify the stockpile, conduct required maintenance, and support fiscal year 2013 activities for ongoing and planned life extensions. Given the confluence of a late fiscal year 2012 appropriation and constrained out-year budget targets, the NWC recognized the necessity to move forward in fiscal year 2013 while commissioning an interagency working group to develop an executable plan.

77. Senator CORNYN. General Kehler, this committee supported the full funding request for NNSA Weapons Activities last year. The committee cannot wait until DOD completes its assessment this summer. Will you commit to helping this committee identify efficiencies within the national laboratories or NNSA that could free up funding for the important weapons life extension programs and, perhaps, even to fund the construction of CMRR-NF on its original schedule?

General KEHLER. The committee has my full support to ensure the Nation's nuclear deterrent remains safe, secure, and reliable.

#### MISSILE DEFENSE

78. Senator CORNYN. General Kehler, I am also particularly concerned regarding President Obama's recent unfortunate admission to Russian President Dmitry Medvedev that he is waiting until after the election, when he can exercise more flexibility to deal with issues relating to missile defense. Although not having to worry about the judgment of the American people on this issue may be convenient, allowing the President to make more concessions to the Russians, to do so would be antithetical to our safety and security, as well as dishonest and contrary to the assurances President Obama has given. In order to secure Senate support for the New START treaty, President Obama pledged to continue development and deployment of all stages of the PAA to missile defense in Europe. What is the precise status of the plan to deploy the remaining three phases of the PAA?

General KEHLER. The plan for the remaining three phases of the EPAA is on track. EPAA Phase II will provide a capability against short and medium-range threats by 2015 with the installation of an Aegis Ashore battery in Romania and introduction of the more capable SM-3 IB interceptor. EPAA Phase III will enhance

capability against intermediate-range threats by 2018 with the installation of an Aegis Ashore battery in Poland and SM-3 IIA interceptor at sea and ashore with improved on-board discrimination and reliability. EPAA Phase IV will provide intercept capability against intermediate-range threats and an additional layer for homeland defense against non-advanced intercontinental-range ballistic missiles with the SM-3 IIB, an advanced discrimination and higher velocity interceptor.

79. Senator CORNYN. General Kehler, President Obama's discussions with Russian President Dmitry Medvedev at the Nuclear Security Summit in Seoul do not appear to have produced any fruit, with Medvedev stressing that the United States and Russia remain in their respective, opposing positions on missile defense. Ellen Tauscher, former Under Secretary of State for Arms Control and International Security Affairs, stated at the 10th Annual Missile Defense Conference this week that the administration is committed to "getting Russia inside the missile defense tent now," so that the United States can demonstrate to Russia that missile defense systems "will not threaten Russia's strategic forces." She believes this conversation, and associated exchanges of information that have been discussed, are "essential because Russia has not been convinced by our technical arguments that the NATO system isn't a threat even despite ... detailed technical responses to Russia's inaccurate assumptions about our missile defense capabilities." It seems that Secretary Tauscher is operating based on a flawed assumption that Russia will eventually agree to our missile defense plan, despite already receiving repeated assurances and technical responses from the United States. What is your assessment of the likelihood that further dialogue will placate Russia's fears regarding the deployment of missile defense systems in Europe?

General KEHLER. I will defer to the Department of State to assess the likelihood that further dialogue will succeed in placating Russia's missile defense fears. The United States will proceed with missile defense in concert with our friends and allies. I support the policy and I believe that we can only be better served by working to assuage Russian concerns that our limited capability is not arrayed against their strategic nuclear forces.

80. Senator CORNYN. General Kehler, do you believe that offering them concessions, such as viewing Aegis SM-3 missile defense flight tests, will improve the likelihood that Russia will be willing to cooperate in the future?

General KEHLER. It is important to maintain an open and transparent approach to addressing Russian concerns, which might facilitate or enable future missile defense cooperation. We continue to offer cooperative opportunities, such as inviting Russia to observe our recent Nimble Titan 12 capstone event, in order to further the dialogue on missile defense.

81. Senator CORNYN. General Kehler, in your opinion, what would be the ramifications if the United States were to continue fielding the PAA without Russia's blessing?

General KEHLER. As long as the United States retains the support of our NATO allies in continuing to field these systems as part of our contribution to the NATO territorial missile defense capability, it may have no direct impact. We continue to assure the Russians that they are not our adversary and that we are not building this system in response to their strategic nuclear forces. Russia, however, has indicated that continued deployment could result in a military response or withdrawal from the New START treaty.

#### FUNDING FOR THE STRATEGIC NUCLEAR DETERRENT

82. Senator CORNYN. General Kehler, last year, Dr. James Miller testified to Congress that the 10-year cost of sustaining and modernizing U.S. strategic nuclear forces will be approximately \$125 billion over 10 years, which does not include NNSA funding for the nuclear weapons complex and the warheads. Assuming that amount remains roughly constant, that is about \$12.5 billion per year for the nuclear deterrent, which equates to approximately 3 percent of the defense budget. During the Cold War, we devoted up to 25 percent of the defense budget on nuclear deterrence. We should bear this in mind. It's important for Congress to understand just how much our nuclear deterrent costs. What is the total that DOD plans to spend over the next 10 years to sustain and modernize U.S. strategic forces?

General KEHLER. The pending National Defense Authorization Act (NDAA) for Fiscal Year 2012 Section 1043 Report will include a breakdown of DOD's nuclear

enterprise funding. As stated in the Secretaries' memorandum to the committees, the DOE portion will be delivered later this year.

83. Senator CORNYN. General Kehler, please provide as soon as possible a breakdown of that funding by weapon system or whatever category makes the most sense.

General KEHLER. The pending NDAA for Fiscal Year 2012 Section 1043 Report will include a breakdown of DOD's nuclear enterprise funding. As stated in the Secretaries' memorandum to the committees, the DOE portion will be delivered later this year.

#### CONNECTION BETWEEN NUCLEAR MODERNIZATION AND REDUCTION IN NUCLEAR WEAPONS

84. Senator CORNYN. General Kehler, the 2010 NPR stated: "Implementation of the Stockpile Stewardship program and the nuclear infrastructure investments recommended in the NPR will allow the United States to shift away from retaining large numbers of nondeployed warheads as a hedge against technical or geopolitical surprise, allowing major reductions in the nuclear stockpile. These investments are essential to facilitating reductions while sustaining deterrence under New START and beyond." In other words, the modernization program was intended to give us, among other things, a modern manufacturing capability necessary to extend the life of our nuclear weapons and to be able to respond to unforeseen events that may require the manufacture of nuclear weapons components, such as the nuclear pits. The logic was that once we had this capability, we would eliminate some of the nuclear warheads that are in the nondeployed or hedge category. For example, the United States has approximately 5,000 nuclear warheads of all types; of this, approximately 2,000 are in the operational category, the rest are nondeployed. If the CMRR-NF is delayed from 2021 to 2028, at the earliest, does it not follow that we should similarly delay the elimination of our nondeployed or hedge weapons?

General KEHLER. There is a relationship between our nuclear infrastructure's capacity and responsiveness to the Nation's ability to respond to technical or geopolitical surprise. Today we rely on nondeployed weapons to manage this risk; the capability that CMRR-NF provides is only one of the factors that determine the size of the nondeployed stockpile. I continue to support the retention of nondeployed weapons as a hedge against risk, and believe we must modernize our nuclear infrastructure to sustain our deterrent force for the long term.

[Whereupon, at 12:20 p.m., the committee adjourned.]

