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**PLANNING FOR SEQUESTRATION IN  
FISCAL YEAR 2014 AND PERSPECTIVES  
OF THE MILITARY SERVICES ON  
THE STRATEGIC CHOICES AND  
MANAGEMENT REVIEW**

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**COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES**

**ONE HUNDRED THIRTEENTH CONGRESS**

**FIRST SESSION**

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**HEARING HELD  
SEPTEMBER 18, 2013**



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ONE HUNDRED THIRTEENTH CONGRESS

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**PLANNING FOR SEQUESTRATION IN FISCAL YEAR 2014  
AND PERSPECTIVES OF THE MILITARY SERVICES ON  
THE STRATEGIC CHOICES AND MANAGEMENT REVIEW**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,

*Washington, DC, Wednesday, September 18, 2013.*

The committee met, pursuant to call, at 10:05 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

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

The CHAIRMAN. The committee will come to order.

Good morning, ladies and gentlemen. The House Armed Services Committee meets today to receive testimony on "Planning for Sequestration in Fiscal Year 2014 and Perspectives of the Military Services on the Strategic Choices and Management Review."

I would like to begin by expressing the committee's shock and sadness about this week's tragic shooting at the Washington Navy Yard. The victims and their families continue to be in our thoughts and prayers. At this time, I request the committee hold a moment of silence to honor those patriots who lost their lives.

[Moment of silence observed.]

The CHAIRMAN. Thank you.

Admiral Greenert, I hope you will convey the committee's deepest sympathies for all those who were affected under your command.

I spoke yesterday to the Secretary and asked him to express our thoughts also to every member of the Naval family that he comes in contact with.

The Nation is grieving with you.

Admiral GREENERT. Thank you, Mr. Chairman, I appreciate it.

The CHAIRMAN. As you are all aware, this committee has held numerous hearings on the impact of sequestration to our national security since 2011.

While many of us have warned about the catastrophic impact these cuts have had to our military readiness and offered specific legislation to fix them, we have nonetheless encouraged the Department of Defense to fully plan for sequestration. Our attitude has been work for the best, but prepare for the worst. With that said, we welcome this review in the hopes that it would answer some of the many unanswered questions we have about how the Department will operate in a post-sequestration budget environment.

While I appreciate the intent of this review as an assessment, frankly, I was disappointed and troubled by the lack of specificity it offered. The review contained little in the way of new information, leaving us only marginally more informed than we were 2 years ago.

Last month, Secretary Hagel directed each service to develop two separate Future Years Defense Programs for fiscal year 2015, one at the President's budget level and an alternate accounting for full sequestration. While we all would agree that the higher budget level would be preferable, our focus today is on the alternate program under development.

Earlier this month, I wrote to Secretary Hagel, urging him to authorize each of you to discuss the specific impacts you have identified in the preparation of your alternate program, including the reductions in size of the force, the modernization programs that will be canceled or curtailed, bases that will have to be closed, capabilities that no longer can be sustained, and training that will be limited.

In your testimony today, I hope you will be frank about the deviations that will have to occur to the President's fiscal year 2015 budget request as a result of sequestration and how those decisions will impact the execution plans for fiscal year 2014.

Gentlemen, for 2 years, you or your predecessors have come to this committee describing the consequences of sequestration in generalities and percentages. The Chairman of the Joint Chiefs told us you can't be cut one more dollar without changing the defense strategy, but when you're cut, administration downplays the impacts. Your credibility with this committee and with me is on the line this morning.

I respect each of you deeply. But now is the time for you to act. Each of you carries the responsibility to give Congress your best and unbiased military advice. Each of you has a higher obligation to provide security for the American people. Today I expect to hear in very clear terms what elements of that security you will no longer be in a position to provide should sequestration continue.

I expect to hear what risk you will have to assume in order to provide it.

Last week we had a hearing with Secretary Kerry, Secretary Hagel and General Dempsey. I have been talking for the last couple of weeks against going into Syria or going anywhere else with this military until the sequestration problem is fixed, until we have back-loaded the money that has been taken from defense over and above the \$487 billion, which all of you said you could live with but not a dollar more. But they each pointed out in their testimony that I was probably focused too much on just money; when things evolve, develop, occur about our national security, we would find the money. There is no question we will find the money. But it comes out of something else, something else that is very important. I would like to hear from you today what that would be.

I look forward to hearing your testimony. I thank all of you for your witness for being here, for your service to this Nation.

And now I recognize Ranking Member Smith for his statement.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 55.]

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

Mr. SMITH. Thank you, Mr. Chairman.

First of all, I join the chairman expressing my condolences to Admiral Greenert and the Navy and to our entire military family for the tragic and horrific incident this week. Our thoughts and prayers are with you. Whatever we can do to help, please let us know.

Admiral GREENERT. Thank you, Mr. Smith.

Mr. SMITH. I thank the chairman for his leadership on that.

And I also thank the chairman for the consistent hearings that we have had on sequestration. This is a significant challenge, and I don't think anybody in this Congress has been more out front than Chairman McKeon and early explaining to us what was coming and the challenges in trying to sound the alarms, so that hopefully we could do something about it. And I appreciate those hearings and those discussions.

I would hope today that we would skip the normal partisan arguments about whose fault it is. We have, gosh, done that back and forth throughout so many times that I think just about everybody in this room could probably repeat what I would say and then what others would say, and so we know all that. We don't need to have that argument. We need to figure out where we are going to go and how are we going to deal with this. And it is a multifaceted problem.

Certainly sequestration, which is set to go on for another 9 and a half years, and we have only been dealing with it now since March. Doing the math in my head, but I think that is roughly 6 months. Those 6 months have been bad, the choices that have had to be made. Members in their individual districts, if you have military bases there, you see the impact on the military; you certainly see the impact on the contractors. But that is 6 months, we have got 9 and a half more years to go of sequestration if we don't do something about it.

In addition, here we go again in terms of another threat of government shutdown as we come up to September 30th. And it is to the point where there is virtually no hope of getting an appropriations bill. We are hoping that we can get a CR [continuing resolution]. And a CR is, in many ways, depending on who you are, as bad as sequestration in terms of how it impacts what money can be spent by the various departments within DOD [Department of Defense]. Then, of course, shortly thereafter, we have the debt ceiling and the debate over whether or not to raise that.

I will just say that you don't have the debate with your credit card once you have incurred the charges; you pay the bill. Then you can have a discussion about whether or not you want to continue to rack up bills that are that high. But if you are the United States Government, I don't think you have the option of not paying your bills. But we will face that as well.

On all of those fronts, we need to figure out what money we have. I would hope that Congress will continue to work to solve sequestration, to pass appropriations bills, to get past the debt ceiling. I know that is going to be a challenge, but it is not something that we can throw up our hands on and say, No, we are not going

to get there. We have to keep trying to get there. And in the meantime, you gentlemen have to try and figure out whether or not we are going to get there or how short of there we are going to wind up and try to figure out how we are going to spend the money.

And I take the chairman's point about, you know, we would like more specifics, but part of the challenge that I do want to remind the committee is you are not free at DOD to simply make the decisions that you want to make. You are, to some degree, reliant on us for a number of those decisions. Personnel costs are an enormous part of what we face. But if you want to do anything with retirement or anything with health care, you have to come through us.

And about the only clear message that Congress has sent you is, Don't cut that. That has been a lot of different things, from the Guard to the retirement of certain ships, and on and on and on. But you are limited by what we allow you to do in many instances, and then you have to sort of backfill from there.

So, as we have this discussion, I hope Members will approach it in that cooperative spirit, not just say What are you going to do but, more accurately, look at it and say, What can we realistically do together? Because I agree with the chairman, with the cuts we are facing, we are going to have a fundamental change in strategy. But to get to that change in strategy, it is the nature of our system, no one person is in charge of it. The executive branch and the legislative branch have to work together to come up with whatever that new system is. And right now, we are not.

So I guess if I have one hope for this hearing, it is that we can sort of have that cooperative spirit. And if you gentleman tell us, hey, look, here is where we need to cut and if any member of this committee says, no, we can't do that, well, then, where do you want to cut? What advice do we have for you on what would be acceptable to us on how we restructure our military strategy, given the fiscal realities that we have all talked about. So I hope we can have that discussion.

Again, I thank the chairman for his leadership on focusing on this issue. And I would say I look forward to your testimony and the questions, but honestly, I really don't, because this is not an easy subject, and there is no good way out of it. We will deal with it as best we can.

Thank you.

[The prepared statement of Mr. Smith can be found in the Appendix on page 57.]

The CHAIRMAN. Thank you.

Let's start with General Odierno and go right down the line please.

General.

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

General ODIERNO. Chairman McKeon, Ranking Member Smith and other distinguished members of this committee, thank you for the opportunity to speak with you about sequestration in fiscal year 2014 and the strategic choices facing the Army.



The United States has drawn down military forces at the close of every war, and today is no different. This time, however, we are drawing down our Army before a war is over and at a time when there is grave uncertainty in the international security environment that we witness every single day.

Today, the total Army, the Active Army, the Army National Guard, and the U.S. Army Reserves remains heavily committed in operations overseas and at home. More than 70,000 soldiers are deployed as we sit here today, including 50,000 soldiers in Afghanistan and nearly 88,000 soldiers are forward-stationed across the globe.

During my more than 37 years of service, the U.S. Army has deployed soldiers to fight in more than 10 conflicts, including the longest war in our Nation's history, in Afghanistan. No one can predict where the next contingency will arise that will require the employment of ground forces. We only know the lessons of the past. In every decade since World War II, the United States has deployed U.S. Army soldiers to defend our national security interests. There are some who have suggested there will be no land wars in the future. While I wish that were true, unfortunately, there is little to convince me that we will not ask our soldiers to deploy again in the future.

We have also learned from previous drawdowns that the full burden of an unprepared and hollow force will fall directly on the shoulders of our men and women in uniform. We have experienced this too many times in our Nation's history to repeat this egregious error again.

As Chief of Staff, it is my responsibility to provide my best military advice in order to ensure that we have an Army that will meet our national security needs in the complex, uncertain environment of the future. It is imperative that we reserve the full range of strategic options for the Commander in Chief, the Secretary of Defense and the Congress. Together, we must ensure our Army can deliver a trained and ready force that deters conflict but, when necessary, has the capability and capacity to execute a sustained, successful major combat operation.

The Budget Control Act [BCA] with sequestration simply does not allow us to do this. If Congress does not act to mitigate the magnitude and speed of the reductions under the BCA with sequestration, the Army will not be able to fully execute the requirements of the 2012 Defense Strategic Guidance. By the end of FY14 [fiscal year 2014], we will have significantly degraded readiness in which 85 percent of our Active and Reserve brigade combat teams will not be prepared for contingency requirements.

From fiscal year 2014 to fiscal year 2017, as we continue to draw down and restructure the Army into a smaller force, the Army will continue to have degraded readiness and extensive modernization program shortfalls. We will be required to end, restructure or delay over 100 acquisition programs, putting at risk the Ground Combat Vehicle Program, the Armed Aerial Scout, the production and modernization of our other aviation programs, system upgrades for unmanned aerial vehicles and the modernization of our air defense command and control systems, just to name a few.

Only in fiscal year 2018 to fiscal year 2023 will we begin to rebalance readiness and modernization. But this will come at the expense of significant reductions in end strength and force structure. The Army will be faced to take further end strength cuts from a wartime high of 570,000 in the Active Army, 358,000 in the Army National Guard, and 205,000 in the U.S. Army Reserves to no more than 420,000 in the Active Army, 315,000 in the Army National Guard and 185,000 in the U.S. Army Reserves.

This will represent a total Army end strength reduction of more than 18 percent over 7 years, a 26 percent reduction in the Army, in the Active Army, a 12 percent reduction in the Army National Guard, and a 9 percent reduction in the U.S. Army Reserves.

Additionally, this will result in a 45 percent reduction in Active Army brigade combat teams. In my view, these reductions will put at substantial risk our ability to conduct even one sustained major combat operation.

Ultimately, the size of the Army will be determined by the guidance and funding provided by Congress. It is imperative that Congress not implement the tool of sequestration. I do not consider myself an alarmist. I consider myself a realist. Today's international environment and its emerging threats require a joint force with a ground component that has the capability and the capacity to deter and compel our adversaries who threaten our national security interests.

The Budget Control Act and sequestration severely threaten our ability to do this.

I want to thank you for the opportunity to speak with you today, and I look forward to your questions to expand on the comments that I made. Thank you very much, Chairman.

[The prepared statement of General Odierno can be found in the Appendix on page 59.]

The CHAIRMAN. Thank you.

Admiral.

#### **STATEMENT OF ADM JONATHAN W. GREENERT, USN, CHIEF OF NAVAL OPERATIONS, U.S. NAVY**

Admiral GREENERT. Chairman McKeon, Ranking Member Smith, and distinguished members of the committee, thank you for the opportunity to testify about the Navy situation in fiscal year 2014 and our perspective on the recent Strategic Choices and Management Review.

But Chairman, before I address that and this statement of mine, please indulge me.

I would like to extend my deep condolences to the families, the friends, and the coworkers of the victims of Monday's events at the Washington Navy Yard.

Chairman, we lost shipmates on Monday. The Secretary of the Navy and I and our leadership have our full attention on ensuring that the victims' families and their coworkers are provided with the care and the support that they need and that they deserve during this difficult time.

We are grateful for the teamwork and the heroism which the first responders showed when they reacted, and we are working

closely with the FBI [Federal Bureau of Investigation] and other law enforcement authorities to conclude this investigation.

Now, as directed yesterday by the Secretary of Defense, the Secretary of the Navy and me, we are reviewing the security procedures and the access control for all our Navy installations around the world. I expect to have a rapid review completed within 2 weeks, which, of course, we will share with you. Nothing matters more to us than the safety and security of our people.

I know you are aware of the DOD, the Department of Defense IG [Inspector General] report released yesterday that cites cost-control measures as a potential cause for vulnerabilities in contractor access procedures for our bases.

Chairman, I have read the report. We are reviewing it right now. And to the degree we have vulnerabilities, we will correct them, and we will do it expeditiously. We are grateful to the DOD IG for working with us on this, and I can assure you, however, that the cost-control measures that were mentioned in this report have nothing to do with budget shortfalls or sequestration itself.

We don't cut budgetary corners for security, Chairman. The two are unrelated.

Now if something needs added or changed, we will fix it right away. Further, we will continue to work closely with the Department of Defense IG staff, and we will reconcile all these recommendations in this report I just held in my hand.

Again, nothing is more important to me, Chairman.

Now I would like to address with the time remaining two more points, our budget situation and our plan in fiscal year 2014 and the long-term impacts of sequestration.

Mr. Chairman, presence remains the mandate for the Navy. We have to operate forward where it matters, and we got to be ready when it matters. Recent events have clearly demonstrated our ability to do that. Quickly, we positioned ourselves, and we offered options to the President in this past month. This ability also reassures our allies, and it ensures that U.S. interests around the world are properly served.

Now, as we prepare for 2014, sequestration is going to further reduce our readiness. The impacts of sequestration will be realized in two main categories, operations and maintenance, and our investments. There are several operational impacts, but the most concerning to me is that reductions in operation and maintenance accounts are going to result in having only one nondeployed carrier strike group and one amphibious ready group trained and ready for surge operations. We will be forced to cancel maintenance. This will inevitably lead to reduced life for our ships and for our aircraft; assure we will only conduct safety-essential renovation of facilities; and it will further increase the backlog in this area. We will probably be compelled to keep the hiring freeze in place for most of our civilian positions, and that will, of course, effect the spectrum and the balance of our civilian force.

We will not be able to use prior year funds to mitigate sequestration cuts in our investment accounts like we could in fiscal year 2013. So, without congressional action, we will lose at least a *Virginia*-class submarine, a littoral combat ship and a float-forward staging base. And we will be forced to delay the delivery of the next

aircraft carrier, the *Ford*, and we will delay the mid-life overhaul of the *George Washington* aircraft carrier. Also, we will cancel procurement of 11 tactical aircraft.

The key to a balanced portfolio, Chairman, is a spending bill and the ability to transfer money. We need to transfer I think about \$1 billion into the operations and maintenance account and about \$1 billion into our procurement accounts post sequestration, mostly so we can get shipbuilding back on track and to meet our essential needs. We will need to do this by January.

Other program deliveries of programs and weapons systems may be delayed regardless, depending on the authority that we are granted to reappropriation funds between accounts.

Now when it comes to the Strategic Choices and Management Review, it is complete. And the Navy's focus now is on crafting a balanced portfolio of programs within the fiscal guidance that we were provided. More details of what we are doing there are outlined in my written statement, which I request be entered for the record.

In summary, we will maintain a credible and modern sea-based strategic deterrence. That is our number one program. We will maximize forward presence, as I passed to you before. That is what we need to do. And we will use ready deployed forces to do that. And we will continue investing in asymmetric capabilities while, with this committee's help, we will do our best to sustain a relevant industrial base.

However, in a given fiscal scenario, within the Budget Control Act cost caps, there are numerous missions that are in the Defense Strategic Guidance passed that we signed up to a few years ago we can't perform. These are laid out in great detail in my written statement, and I will save you going through each and every one of these in my oral statement here.

But applying one fiscal and programmatic scenario, we would result in a fleet inventory of about 255 ships in 2020. That is our benchmark year for the Defense Strategic Guidance. That is about 30 less than today. It is about 40 less than was in our Pres bud [President's budget] submission, and it is 51 less than our force structure assessment of 306 ships.

So, Mr. Chairman, I understand the pressing need for the Nation to get its fiscal house in order. And I am on board with that, but I think we need to do it—I think it is imperative that we do it in a thoughtful manner to ensure that we sustain appropriate warfighting capability, that we have proper forward presence and readiness. Those are the attributes we depend on from our Navy—from your Navy.

I look forward to working with the Congress to find solutions that will ensure our Navy retains the ability to organize, to train, and to equip the great sailors in defense of our Nation who operate in concert with the Marine Corps.

My thanks to you and this committee for the support and care you have shown our Navy during this difficult time and in many other times. Clearly, you continue to have our best interests at heart. Thank you.

[The prepared statement of Admiral Greenert can be found in the Appendix on page 69.]

The CHAIRMAN. Thank you.  
General.

**STATEMENT OF GEN MARK A. WELSH III, USAF, CHIEF OF  
STAFF, U.S. AIR FORCE**

General WELSH. Thank you, Mr. Chairman, Ranking Member Smith, and distinguished members of the committee.

It is always an honor to appear before you. I thank you for your continued support of airmen and their families. The results of the SCMR [Strategic Choices and Management Review] were sobering, I think, to all of us, and if sequestration remains in place for fiscal year 2014, the Air Force will be forced to cut flying hours by up to 15 percent. And within 3 to 4 months, many of our flying units will not be able to maintain mission readiness; will cancel or significantly curtail major exercises again; and will reduce our initial pilot production targets, which we were able to avoid in fiscal year 2013.

Over the long term, of course, it will significantly impact our force structure, readiness and modernization. For force structure, over the next 5 years, we could be forced to cut up to 25,000 total force airmen, which is about 4 percent of our people. We also will probably have to cut up to 550 aircraft, about 9 percent of our inventory. And to achieve the necessary savings in aircraft force structure, we will be forced to divest entire fleets of aircraft. We can't do it by cutting a few aircraft from each fleet.

As we look at which force structure we need to maintain, we will prioritize global, long-range capabilities and multirole platforms required to operate in a highly contested environment. Other platforms will be at risk.

We plan to protect readiness to the maximum extent possible. We also plan to prioritize full spectrum training because if we are not ready for all possible scenarios, we will be forced to accept what I believe is unnecessary risk, which means we may not get there in time; it may take the joint team longer to win; and our people will be placed at greater risk.

If sequestration continues, our modernization recapitalization forecasts are bleak. It will impact every one of our programs.

These disruptions will, over time, cost more money to rectify contract breaches, raise unit costs and delay delivery of critical equipment. We are looking at cutting as many as 50 percent of our modernization programs if the ALTPOM [Alternative Program Objectives Memorandum] is actually the way we go.

We will favor recapitalization over modernization whenever that decision is required. That is why our top three acquisition priorities will remain the KC-46, F-35 and the Long Range Strike Bomber.

The United States Air Force is the best in the world and is a vital piece of the world's best military team. That won't change even if sequester persists. And when called, we will answer, and we will win, but the impacts are going to be significant, and the risk occurs from readiness in the ways that impacts our airmen.

Thank you for your efforts to pass a funding bill that gives us some stability and predictability over time, which is the thing we need most.

I look forward to your specific questions.

[The prepared statement of General Welsh can be found in the Appendix on page 84.]

The CHAIRMAN. Thank you. General.

**STATEMENT OF GEN JAMES F. AMOS, USMC, COMMANDANT OF  
THE MARINE CORPS, U.S. MARINE CORPS**

General AMOS. Chairman McKeon, Ranking Member Smith, committee members, thank you again for the opportunity to speak to you regarding sequestration and the Strategic Choices Management Review. Sequestration by its scale and inflexibility will significantly stress our force, degrade readiness and create a significant risk to our national security, all at a time of strategic rebalancing, all done on a world stage that is chaotic and volatile.

I urge this committee and the Members of Congress to consider the full range of risks across the joint force, not just for my service but for all of us, and ask for your continued assistance in mitigating the effects of sequestration.

Our Nation expects a force capable of responding to a crisis anywhere around the globe at a moment's notice. Readiness is the critical measure of our ability to be able to do that. This is our Nation's strategic hedge against uncertainty.

In times of crisis, forward-deployed naval forces provide decision-makers with immediate options that can control escalation, buy time, create decision space for our national leaders and enable joint follow-on forces. The Marine Corps' high readiness levels mitigate the risks inherent in an uncertain world by responding to a wide range of capabilities across real-world scenarios.

Your Marines remain a constant, effective hedge against the unexpected and provide the American people a national insurance policy.

Our world is a dangerous place, and America must always be ready to meet emerging crises that threaten our national security interests.

As a member of the Joint Chiefs, I am particularly concerned about the long-lasting and devastating impacts of sequestration. The very nature of sequestration erodes both Marine Corps readiness and that of the joint force.

Scheduled tiered readiness is not an option for the United States Marine Corps. We must be prepared when a crisis erupts. Over the last year, we have maintained our equipment readiness to the maximum extent possible. Maintenance costs are increasing, and our Marines are working longer hours to keep aging equipment running. We have maintained the near-term readiness of our forward-deployed forces and our next-to-deploy forces at the expense of infrastructure and sustainment and modernization programs.

This can't continue over the long haul. We are in a Catch-22. If we are to succeed on future battlefields, we must modernize, and we must care for our infrastructure and our training facilities.

Sequestration has already started to degrade our infrastructure. We have been forced to reprioritize infrastructure maintenance and recapitalization efforts on our facilities to be able to sustain a ready force. Soon, there will be little left within these accounts to offset our readiness requirements.

Over my 43-year career as a United States Marine, I have seen the effects of strategic miscalculations resulting from declining resources and budget-driven strategies that resulted in wholesale force cuts. We only need to look back to the 1990s, when our Nation executed the first drawdown of the All-Volunteer Force.

Following the Gulf War, we saw firsthand how deep cuts in our military produced unintended consequences and increased risk to our Nation. During the mid to late 1990s, we were challenged by a host of limited conflicts in Liberia, Somalia, Kosovo, along with the bombing of our East African embassies. By the end of the decade, the U.S. military had reduced its Active Duty force by 25 percent. Operations and maintenance funds were slashed. Peacetime deployment tempo increased, wearing down the force and wearing down our families. For this very reason, Congress began to require the services to track and to report our deployment tempo. The force was overly stressed, and we considered this to be peacetime.

We see these same problems today. In order to meet the requirements of the Defense Strategic Guidance, I need a Marine Corps of 186,800 Active Duty Marines. A force of 186.8 allows us to meet our steady-state requirements as well as be able to go to war. It preserves a 1:3 dwell for our Marines. Our share of the 2011 Budget Control Act's \$487 billion reduction cut our end strength to 182,000. Based on sequestration, I simply cannot afford a force that size. Sequestration will force us to plow through scarce resources, funding our old equipment and weapons systems in an attempt to keep them alive and functional. We will be forced to reduce or cancel modernization programs and infrastructure investments in order to maintain readiness for those deployed and next-to-deploy units. Money that should be available for procuring new equipment will be rerouted into maintenance and spare accounts for our legacy equipment. This includes our 42-year-old Nixon-era amphibious assault vehicle.

In February, we initiated a parallel study to the Department of Defense's Strategic Choices Management Review. Our internal review redesigned the Marine Corps to a force that I could simply afford under sequestration. This was not a strategy-driven effort. This was a budget-driven effort. Our exhaustive research backed by independent analysis determined that a force of 174,000 Marines is the smallest force that can meet mission requirements. This is a force with levels of risk that are minimally acceptable. For instance, assuming that global requirements for Marine forces remain the same over the foreseeable future, a force of 174,000 will drive the Marine Corps to a 1:2 dwell for virtually all Marine units; gone 6 months, home 12 months, gone 6 months. Furthermore, the 174K force accepts risk when our Nation commits itself to its next major theater war.

In plain terms, we will have 11 fewer combat arms battalions, 14 fewer aircraft squadrons to swiftly defeat our adversary. This is a single major contingency operation force that would deploy and fight until the war's end. In other words, we would come home when the war was over.

Marines who joined the corps during that period would likely go from drill field to battlefield. Across the joint force, America will

begin to see shortfalls in the military's ability to accomplish its national strategy.

Today we are seeing only the tip of the iceberg. Tomorrow's Marines will face violent extremism, battles for influence and natural disasters. Developing states and non-state actors will require new technology and advanced conventional weapons that will challenge our ability to project power and gain access.

In order to be effective in this new environment, we must maintain our forward influence, our strategic mobility, power projection and rapid response capabilities that Marines are known for today.

We will balance an increasing focus on the Asia-Pacific region with a sustainable emphasis in the Middle East and Africa littorals. I will continue to work with the members of this committee to fix the problems we are faced with today. I thank you for this opportunity to appear before you, and I am prepared to take your questions.

[The prepared statement of General Amos can be found in the Appendix on page 97.]

The CHAIRMAN. Thank you very much again for your service and for your testimonies.

I'm going to yield my time this morning to the gentlelady from South Dakota, Kristi Noem.

Mrs. NOEM. Thank you, Mr. Chairman, for yielding, and I want to thank all of our service chiefs for being here today and for your service to this great country.

Admiral, my thoughts and prayers are with you and the Navy during this difficult time. We appreciate your service.

We are again confronting the difficult choices and tradeoffs that we have in the face of sequestration. Like you, I have heard from service members about their concerns with sequestration. I have found that their personal impact is secondary to their concerns about continuing to defend this great country.

As you mentioned, General Welsh, we have had our B-1 bomber squadrons grounded, which is eroding our readiness and costing more in the long run. Our National Guard military technicians were furloughed. While many of the technicians that I talked with were extremely concerned about the inconvenience for them and how hard it was on their personal budgets, they also mentioned that if we continue to break faith with them in the coming year and beyond, they have told me that they will find the need to start looking for another line of work. The thought of losing such highly trained individuals, service men and women, is very troubling to me and I am sure that it is with you as well.

Clearly, the options that are presented in the SCMR are not pleasant ones. I hope we can rally around what is our most important duty, and that is to provide for the common defense and to protect our national security.

General Welsh, my first question will go to you. As you know, Ellsworth Air Force Base is located in South Dakota. It is home to part of the B-1 bomber fleet. The SCMR contemplated all of the B-1s being retired. Given the B-1's strong track record and our operations in Afghanistan and elsewhere, I believe it would be very shortsighted.



Are there foreseeable missions that would go unsupported if this aircraft is, in fact, retired? And how would you mitigate that loss of the aircraft group in this overall strategy?

General WELSH. Yes, ma'am. We have a problem with mitigating losses in the bomber fleet, as you know, especially over time. Were we to make a major reduction to the bomber fleet, we would have extreme difficulty meeting some of the guidance in the Defense Strategic Guidance, and as a result, I don't think there is major discussions inside the Air Force on that being a fleet that we would eliminate.

Mrs. NOEM. In your testimony, you talked about, in fact you quoted that we cannot continue to bandage, in your written testimony, old airplanes as potential adversaries roll new ones off the assembly line. Then you go on to mention that the B-52 is as old as you are, which I won't speculate on that today, but why then would you consider retiring the B-1 bombers that are about half the age of the B-52s?

General WELSH. Ma'am, right now, we cannot retire a major portion of the bomber fleet at all and meet the Defense Strategic Guidance. I think when we look at what we can do over time, we have to look at every platform, and we are looking at every platform, every upgraded program to those platforms and the impact of divesting an entire fleet. And what we will need to do is balance the requirement to conduct an operation globally, which is something the entire bomber fleet is engaged in, the requirement to conduct that operation over time if, God forbid, we were in a major conflict requiring that fleet to be operated that way versus the short-term risk to readiness and modernization the sequestration has presented us with. Those are the only two places we can go to to have an impact on this right now and to take money to pay for the bill over the first couple of years. So that is why we are having the discussion, not because we think strategically it is a good idea.

Mrs. NOEM. I was glad to see within your testimony that you talked about the long-range bombers being a priority and something that you have identified as well, although I did have concerns with some of the ideas that were laid out within the SCMR as it was portrayed to us. So I will open up the questioning to anyone else or who whoever would wish to answer this question.

We understand that prior year funds can be used to reduce the impact of sequestration on current year accounts. However, many available prior year funds have already been utilized to buy down fiscal year 2013 sequestration. To what magnitude does the lack of available prior year funds impact fiscal year 2014? I will open it up to General Amos, first, if he would like to speculate on that.

General AMOS. Congresswoman, we have been successful in doing that in the past. And as you implied in your statement, as we move into fully sequester budget, that flexibility is not there. As we move into procurement, and even in some cases, military construction accounts, there are opportunities to be able to realign moneys and be able to reach and move moneys across what might be a boundary, a rule boundary.

All I would like to see in the future, especially as we go into a sequester budget, would be the ability to be able to take a look at how we are doing in execution. And as things, it becomes apparent

that you can't do things, I would like the opportunity and the flexibility to be able to move that.

Mrs. NOEM. And that flexibility does erode as we get deeper and deeper into sequestration, is that correct?

General AMOS. Yes. Yes.

Mrs. NOEM. Thank you.

With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Ranking Member Smith.

Mr. SMITH. Thank you, Mr. Chairman, just one question, two parts. I know we are supposed to be talking about sequestration, and I know we will continue to do that. But could you give us just a little bit of a flavor of the impact of having to live with a CR, assuming we can get one before the end of the year, and then also the impact of the threat of what if we don't raise the debt ceiling? How do those two things impact all of what we are talking about here today? And I will throw that open, whoever wants to dive in.

Admiral GREENERT. Well, as we talked in this room before, Mr. Smith, the issue with the continuing resolution is you can't get any new starts going. And so, every year, we would like to do new projects, from repair barracks to runways to get shipbuilding started to even overhaul an aircraft carrier. That is a new start. Under a continuing resolution, you can't do any of that.

You are also limited to the prior year funding. And when you are limited to a prior year funding level, well, when it comes to maintenance and operations, they are not consistent. And so, to the extent they are greater, we are out of luck. We just don't have that money because we are spending that, the previous year's level.

When it comes to personnel, in order to shape our force and do the things we need to do for our people, those are new starts, too. So that can be anywhere from bonuses to changing re-enlistment factors, if you will; somebody gets more than less. And it is about shaping the force. And you lose a lot of flexibility and the ability to operate the force.

Mr. SMITH. Thank you.

General.

General ODIERNO. Congressman, as you know, it depends on how long the CR is. Then all of a sudden you have a CR plus sequestration, which will pile on to what occurred in 2013. And we have already pushed \$400 million worth of problems from 2013 to 2014 in our depots; \$100 million of problems in our maintenance accounts to 2014. We pushed over \$100 million of training readiness to 2014. And now you get a continuing resolution, and now you get continued sequestration, and so it starts to build and build and build. And it gets to a point, as I mentioned, by the end of fiscal year 2014, if that occurs, 85 percent of our Army brigade combat teams are now unready because of this continued pressure on our budget.

And the reason that is the case for the Army is I can't take the end strength down fast enough. And the way the budget has been written, any end strength above 490 is in OCO [Overseas Contingency Operations], and so I gain nothing in our base budget, even though we continue to reduce the size of our Army over the next several years.

So, for us, it is a huge problem, and that is one of the real issues that we face. And we are planning for that because, frankly, that is the worst-case scenario, and so that is what we are planning for this year. So I am looking for, right now, a significant degradation.

My biggest fear—I have been asked what keeps me up at night—is I have to, I am asked to deploy soldiers on some unknown contingency, and they are not ready. And so we are going to have to severely tier our readiness to say I am going to have—we are going to now—maybe I can get seven brigades trained, so if we have to go, at least I have seven brigades that are highly trained, ready to go. And if we have to go more than that, we now have a significant problem. So that is the impact on us.

General WELSH. If I could add one of the things that affects all of us is the longer the CR goes, the greater the impact. And so the length of that period makes a major difference.

The prior year unobligated funds question that was asked a moment ago is significant. We paid a full 25 percent of our fiscal year 2013 sequestration bill with prior year unobligated funds, which are now not available.

The other thing that the CR does to us is we have all deferred infrastructure maintenance sustainment, and we are down to only doing critical infrastructure sustainment. The CR keeps us from doing that as well, which adds in to greater costs in the future and adds to the buy wave that we experienced last year.

General AMOS. Congressman, one last, I am in sync with all my colleagues here. Just a point of reference, from just last year's CR effort, as we finally got that fixed in the H.R. 933, because there are no new starts, last year I had \$850 million worth of military construction that was in jeopardy because I couldn't execute it. H.R. 933 helped me.

This year, because of the way the budget is written under sequestration, I dropped my military construction by 40 percent. So if we get CR and I can't execute those military construction contracts, I have gone from 60 percent of the requirement to, perhaps, nothing. And in many cases, I can't roll that in—in fact, I can't. We will just have to restart it again the next year, and it will pile on those requirements.

Mr. SMITH. Thank you, gentlemen.

I yield back.

The CHAIRMAN. Thank you.

Mr. Jones.

Mr. JONES. Thank you, Mr. Chairman.

General Amos, the Marine Corps has recently issued correspondence to the families of Marines who died in the MV-22 crash in Marana, Arizona, in April of 2000. The correspondence seems to acknowledge for the first time that problems with the MV-22 program may have contributed to this tragic mishap.

Can you please comment on that statement by me?

General AMOS. Congressman Jones, you are absolutely correct. The letter was sent to the families of both those great pioneers that lost their lives in that airplane in Marana. It acknowledged a series, a complex series of programmatic program execution, monetary, unsubstantial monetary support in—there is just a series of things that were all happening during the V-22 program during

the summer of 2000, the springtime and summer of 2000. That is what the letter acknowledged.

There was also challenges aerodynamically with the airplane because the test program had been cut back in some areas to the point where it was on bare minimum. Those pilots were the pilots who were flying that airplane using the data that they had at the time. So it is an acknowledgment of that.

Congressman, as I have said to you in private, I am going back through all of that right now. I mean, it was a complicated period of time; and interesting, because we are talking about budgets and we are talking sequestration and reducing costs, that program was about as anemic as any program that I have ever seen for a major acquisition program. And that is part of how we ended up getting where we were, not only during the March timeframe but as we went through the summer and the fall.

So, Congressman, I am going back in there again and not only the aerodynamics but the programmatics and the reality of what was taking place with that period of time, and I intend to come back to you in this House with my final resolution on that.

Mr. JONES. Mr. Chairman, I would like to thank the Commandant.

One of the wives lives in my district, Connie Gruber, and her husband was the co-pilot. The co-pilot's wife, Connie Gruber lives in my district. The pilot's wife lives in Steny Hoyer's district. And I want to thank the Commandant publicly for making this statement and taking this position because I have always believed that the dead cannot speak for themselves. And for the Commandant to take this position, I want to thank you on behalf of the two wives, the 17 Marine families who were sitting in the back of that plane who were burned to death.

And sir, this shows that you are a man of integrity, who seeks the honesty into what happened, and I want to say that I have great respect for you for making the statement that you just made to the committee.

Thank you so much, sir.

General AMOS. Thank you, Congressman.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

I certainly want to thank you all for being here, and I especially want to thank you for continuing to sound the alarm. Because I think that we hear what you are saying, we know that readiness is at risk, and yet I do sincerely worry that we are not acting on that, on what we are hearing, and this is really getting serious.

I wonder if you could talk about some of the decisionmaking that goes on when you are dealing with capacity and capability at the same time.

And I know that, Admiral Greenert, you particularly mentioned the need for cyber operators, and yet we also have fleet maintenance. We also have a whole number of other areas that you have to focus on. So I think just trying to, the short term and the long term, what else do we need to know to be able to act on what you are telling us?

Admiral GREENERT. Well, you have to prioritize, Congresswoman. I mean, that is obvious. So, as I said, we have, my job is to provide strategic nuclear deterrent, safe and credible, number one. Right behind that is cyber, and we have talked in this room quite a bit about the importance.

We are staying the course on our cyber warrior plan that we briefed in here. Through any budget scenario that I see out there, we have got to maintain that. That is critical.

Number three, as I have mentioned before, I have got to be where it matters when it matters, and we do everything we can using whatever innovative means we can to be forward, but we have got to be ready. So whatever we have forward has to be ready.

Then, you say, what about the rest of it? The rest of it becomes that surge issue I talked about. What do we have to surge? And it is getting less and less. And I am very concerned about it.

Today, one carrier strike group, one amphibious ready group is ready to surge with their organized, trained, and equipped. Normally, ma'am, we have three. So you can see that. In the future, I am not sure. I have to look at those scenarios, and that is an important attribute.

The undersea domain is critically important. We have to own that. We do today. We have to do that in the future. So it is about prioritizing and then deciding within, you know, you have to have a certain capacity to have a capability, but then once you have the capability, how much of it can you, can we afford to have, and that is the conundrum that we are dealing with today.

Mrs. DAVIS. General Odierno.

General ODIERNO. So part of it is the process of the budget that you have to put the puzzle together properly. And so, for the Army, as we face just the reductions from the \$487 billion, which, by the way, we are still implementing, as we implement that, we have to, in order to get our end strength down to the levels of 490 from 570, which is just the first increment, based on potential decisions that we have in the budget, we have to take risk and readiness in modernization because, until we get at the 490, we don't gain any savings from that in the budget process. So, as we get continued cuts, all of our cuts for the next 3 years almost all come out of readiness and modernization, until I can reduce end strength further.

And then what happens is we are going to get our end strength reduced to a level that I believe makes our Army too small, in order to get it in line with the readiness and modernization efforts that we have.

The other thing is, there are fixed costs to operating a service that we tend to overlook. Just the fact of how we recruit, how we initially train, how we educate. There is a huge fixed cost within our service that we have to fund first because if we don't do that, we fundamentally lose our ability to develop an Army.

So then you have got to take what is left. And all the cuts have to come out of that area. And that is the problems we are facing as we move forward.

Mrs. DAVIS. And General Amos, I know that 174,000 is a figure that sounds like, not a figure that people feel good about, but I am wondering, how much lower do you think that can go?

General AMOS. Congresswoman, at the end of the day, we will go as low as Congress is willing to, I guess, pay for.

The 174 force is the floor, as far as I am concerned, in several ways. First of all, it does meet a major theater war. History has proven that over time, we will probably commit our Nation again, even though it is hard to imagine right now, but we will probably do that again. And when that happens, that force is the minimum size force to go off to war.

And as I said in my opening statement, they will go to war, and they will come home when it is over.

But even greater than that, the day-to-day steady-state operations, the requirements around the world require a force that is no lower than 174,000.

That is the stuff that is happening in the—off the African littorals right now. That is what is happening aboard our ships with the Navy. That is what is happening in Afghanistan. That is what was happening in the Far East and the Pacific down in Australia. That is the steady-state requirements.

Inside that 174 force, which I think is an alarm bell, is that is designed to be a 1:2 dwell force. I referred to that in my opening statement. That is a critical point because, as the assistant commandant, I testified we want to build a force post-Afghanistan that is at least 1:3 so that you give the force the opportunity to come back and reset; you give families the opportunity to come back and reset with their loved ones. This force is 1:2. That is unprecedented, unless in a time of peace.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Gentlemen, thank you for being here. And not just to flatter you, but any one of the four of you have more experience defending this country than any other member sitting on this committee. And if we took the four of you collectively, you have more knowledge right now of what we need to defend the country and the resources that we have than this entire committee together.

Most of us on the committee, some of us will disagree on how we got to sequestration. We disagree on a way forward, but we are at least unified in the fact that we need to do away with sequestration.

Unfortunately, that is not true for all the leadership in Congress. It is not true for every Member outside of this committee. And part of that reason is because our message has not always been spoken with clarity. When we had these cuts that we can argue whether it is \$487 or \$778 billion, which our staff believes it to be, we weren't real clear from this committee; we weren't real clear from the Pentagon.

But we are where we are today, and that is why I want to ask you this question so we can speak with clarity to those who may think sequestration is good to go forward. The Defense Strategic Guidance, General, that you talked about in 2012, before that, we had a win-win situation as our defense strategy. And because of cuts that we made, we basically felt we needed to go to the new Defense Strategic Guidance, which was really somewhat of a minimalist approach where we said we would win one encounter and hold another one.

My question to each of the four of you in as close to a yes or no answer, not to box you in, but just so we can be clear in communicating this, if sequestration goes forward, can you meet the requirements necessary that you have to meet to comply with that minimal Defense Strategic Guidance of 2012?

And General, if you would give us your assessment first.

General ODIERNO. Congressman, I mentioned it in my opening statement—I will just repeat it—is that I believe at full sequestration, we cannot meet the Defense Strategic Guidance. In fact, it is my opinion that we would struggle to even meet one major contingency operation. It depends on assumptions, and I believe some of the assumptions that were made are not good assumptions. They are very unrealistic and very positive assumptions. And for that, they would all have to come true for us to even come close to being able to meet that.

Mr. FORBES. Thank you, General.

Admiral, I know you have looked at this. You have agonized over it. It has kept you up at night. Can the Navy meet the requirements necessary if sequestration continues?

Admiral GREENERT. No, sir. We cannot. And, in fact, I am concerned in sequestration in 2014 about that. I am very concerned, particularly about our strategic nuclear, our SSBN(X) [ballistic missile submarine] replacement. If that program is sequestered, it falls behind. It cannot fall behind. And so I am concerned about 2014 as well.

Mr. FORBES. And General, same thing with the Air Force.

Can you meet the requirements if we continue sequestration the way it is going forward?

General WELSH. No, Congressman, we cannot. I believe any executable strategy will always be resource-constrained or at least informed. If the resources change significantly, you have to relook at strategy.

Mr. FORBES. And General Amos, what about the Marines? Can we meet the requirements necessary, the minimal requirements for the Defense Strategic Guidance of 2012 if sequestration continues forward?

General AMOS. Congressman, we can't—I came from a one MCO [major contingency operation] perspective, but if it is a one MCO and do something else somewhere else, I cannot. I simply don't have the depth on the bench. We are going to continue with the rebalancing in the Pacific. That comes at the price of readiness back home. So, over time, our readiness back home will become unacceptable. So the answer in both cases is no.

Mr. FORBES. Yeah.

Mr. Chairman, I would just state that if nothing else, that message ought to be communicated and we ought to have a commitment, as I know we all do in this committee, to make sure that we are doing whatever we can in Congress to get this foolish thing stopped so we can meet those requirements. And with that, I yield back.

The CHAIRMAN. You know, I think some of us last week met with Mr. Luntz, who had just gone into the field with a poll asking the American people if they felt like they would be more safe or less safe in the next 10 years, and they said 83 percent felt like they

would be less safe 10 years from now than they are now, and that was before they heard this testimony. You can see, if the American people are tuned in, if they are listening to this, that probably will go up to 95 to 100 percent, and with great reason.

Mr. Cooper.

Mr. COOPER. Thank you, Mr. Chairman.

I admire you gentlemen for your service to the Nation, and I admire your work, particularly since you are having to operate in an irrational budget environment. And almost none of your predecessors have ever had to do that. There were drawdowns, there were cutbacks, but seldom has it been this completely arbitrary as sequestration is forcing you to operate.

I really think that you gentlemen should be questioning us, because we are the parties at fault here. Congress is failing to adequately fund our military in a responsible and reliable fashion, and that is a significant charge. Past generations have done a better job of funding our military needs. We are failing, and this Congress and both parties and both Houses of Congress need to get their acts together so we do a better job and do a better job quickly.

The challenge is great when we have a House of Representatives that refuses to even open discussions with the Senate on a budget for America. In our degraded media environment, many folks back home are unaware of this. They are mad at Congress in general and they don't understand that one House of Congress is unwilling to talk to the other House of Congress about having a budget for America. Somehow we have gotten into our heads, especially the younger Members, that it is okay for the House to have a budget and for the Senate a separate budget and never the two shall meet. Well, we are supposed to have a budget for America.

This committee in markup, it was my amendment, voted overwhelmingly by voice to give the Pentagon flexibility so that it could address its most pressing defense needs, but when a recorded vote was asked for people put on their partisan jerseys and the same vote failed. This is the largest committee in the House of Representatives. Presumably we have some influence, if only by Members, on our colleagues, and yet we are somehow unable to behave responsibly ourselves, much less encourage our colleagues in the House to behave responsibly.

We have the end of the fiscal year coming up. Many of the pundits are predicting that there will be at least a government shutdown, perhaps a default on our national credit, all because of political bickering. And you gentlemen, and most of all the men and women in uniform, should not have to suffer as a result of this fighting. So why aren't the compromises more forthcoming on this side of the aisle? You gentlemen have to resolve your differences in the tank. You gentlemen have to make very important life-and-death decisions almost every day. But we on this side of the dais are unwilling to even come up with a budget for America. We saw near default on American credit in 2011, we lost our AAA credit rating, and that looks to be happening again.

The best case circumstance for you is you get a short-term CR, so as you gentlemen have testified, you are not able to start any new projects, you are having to operate in an incredibly irrational and constrained budget environment for, what, 2, 3 months at a



time, in addition to having to probably furlough again all your civilian military employees.

So the message of this hearing really should be to take the valuable information you have given us, for us on this side to resolve to do better, to come up with bipartisan and bicameral compromises that get budgets for America, budgets for our military, budgets for the national defense, because as I said in my committee markup amendment, if sequestration were foisted on us by a foreign enemy, we would declare it an act of war, and yet we have done it to ourselves, because the super committee was unable to come up with a bipartisan agreement, because we have been unable to unravel that knot since, even though we have had some of our generals testify to us that their Departments are in chaos. This should not be happening in America.

So I am hopeful that this committee with its large membership will take this message to heart ourselves and to other Members so that we can do better, can get a budget for America before the end of the fiscal year, can get the proper appropriations bills passed, can have a sensible HASC [House Armed Services Committee] markup that actually provides you gentlemen with the resources that you need to do the job you need to defend our country.

So I thank the chairman for his indulgence. I see my time has expired. I hope for better things for our country.

The CHAIRMAN. I have the greatest respect for the gentleman, but there are just a couple of things I would like to clarify for the record. One is there is another body, and while we haven't worked together to resolve our budget, they didn't pass one for about 3 or 4 years. And this time the one they passed, they have \$91 billion more in their budget than we have in ours. And we followed the Budget Control Act, which gave us a number that we had to work with. So I agree that we haven't done the type of job that we should, and we need to dig in and really work hard on this problem. And it is not any of your fault. It is us, and we need to work together on it.

The other thing for the record was the voice vote on the gentleman's amendment, he is correct, but it was not, when we did a roll call vote, it was not a partisan vote, it was something we all worked together on and did change for several reasons.

So next we have Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman.

Gentlemen, I appreciate you being here. I have empathy for the job you have, but I am grateful that you are having that job at this time. I hope you find it a challenging and enjoyable situation, or at least challenging situation, especially in an era, as the chairman and the other member recently said, when the military has gone through three cuts in its budget. You have had to manage through all of those. Had we not had the two prior cuts, then the third one, which we call sequestration, may not have caused the cup to overflow, causing some of the problems that we are facing. So I recognize you have to realize and manage all three of those cuts, and you have done it well.

I happen to be very proud of the House. At least in our budget and our defense authorization bill from this committee, as well as the defense appropriation bill, recognized that situation and stay-

ing within the sequestration number reprioritized the military up to where it needs to be. And I would hope that the Senate would actually pass that appropriation bill so that we could move forward with it.

I have, General Welsh, three rather parochial questions I would like to add on you, and then one for Admiral Greenert. Let me see if I can actually get through those in a relatively quick fashion.

General Welsh, first of all, I had the opportunity of hearing from Generals Wolfenbarger, Moore, and Litchfield this morning. You have a good team under you. I am very proud of what they are doing. And I asked some of these questions of them as well, but, as you know, in the last sequestration issue, there was an issue with the FAA [Federal Aviation Administration] and contract towers that were critical to some of the bases within the Air Force. There was not a good communication between them until we told the FAA they could do what they always could have been done anyway had they not been told to do it.

Are you either having a new updated list or are going to engage earlier with the FAA on dealing with those towers that have an impact on the military bases we have in the Air Force?

General WELSH. Yes, Congressman, we are. After our last discussion on this topic, actually we have established a process with the FAA where as soon as they come up with a list of contract towers it comes to the Department. The Air Force takes the lead on that, just because we are connected to them. We share it with all the other services who do aviation work.

Mr. BISHOP. Thank you.

General WELSH. And we will continue that cycle.

Mr. BISHOP. Appreciate that. Let me also talk about the record of decision for OPS 1 location for the F-35, which has been postponed again. My concern is obviously that every delay you have in signing that record of decision causes problems in financing the capital improvements that need to go along with it. I understood that now the idea is to wait until there is a new Secretary before you are actually signing that. Is there some way we could actually speed up that process? Are you looking at that still as the timetable, that when the next Secretary comes in it will be signed?

General WELSH. Congressman, we are not waiting on the next Secretary. The timetable to get the data put together to complete the EIS [Environmental Impact Statement] report and findings with the updated census data just is after the new Secretary hopefully will be confirmed, if that goes well. If not, we will not delay the decision waiting on the new Secretary.

Mr. BISHOP. Pending a Secretary.

General WELSH. I have not heard that intent expressed, and it certainly wasn't a discussion between the Acting Secretary and myself.

Mr. BISHOP. That is good news, and I am looking anxiously for that actually to be decided so we can move forward in that. It is a wonderful thing that will help the Air Force.

In the appropriations act, we went through great statements to restate what I think is still Federal law in Title 10, Section 2742 that deals with the working-capital fund. If indeed we have a problem going forward in the next and we do not actually have the Sen-

ate passing our appropriation bill, are you looking towards once again using furloughs, especially in that working-capital fund, in which I still think is being prohibited by the section I just mentioned?

General WELSH. Sir, we are not planning to do furloughs at all in fiscal year 2014. If the CR is 6 months or less, if there is one, then I think it is completely avoidable.

Mr. BISHOP. That is a better answer than I would have hoped for.

Let me go to Admiral Greenert. Representative Forbes, I thought, did great questions in presenting as to what the concept could be. Our policy has always been to be able to deter and defeat any adversary in any area. In your written testimony you stated we would not be able to conduct one large-scale operation and also counter aggression by an opportunistic aggressor in a second theater. Are you stating before this committee that under sequestration you would not be able to deter and defeat aggression specifically in one theater if our forces were committed to a large-scale operation elsewhere?

Admiral GREENERT. Yes, sir, I am. And let me clarify, if I may. The Defense Strategic Guidance says just what you stated. The reduced surge that I described, the readiness of those carrier strike groups, amphibious strike groups, et cetera, I believe can react to one major contingency operation or can in each theater, the two major theaters, deny. So that is an "or" statement—deny in two theaters or respond to one. That is what I have concluded based on what I know right now.

Mr. BISHOP. Are you using deny and defeat interchangeably?

Admiral GREENERT. No, I am not. Deny would be the alleged aggressor would look and say, I don't think this would work out very well, there seem to be good forces here. And I am not saying deter. That is a tough one. Deter, deny. I don't do very well trying to pull those together. But the point is you preclude in each theater, you know, small contingencies, or you come together and roll into one and do a major contingency operation.

Mr. BISHOP. Thank you. I appreciate your answers very much. And, General Welsh, I appreciate your leadership. I have an Air Force base in my district. We appreciate very much what you are doing up there for us. Thank you, sir.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Again, I just want to at the outset express again my condolences and outrage actually in terms of what happened on Monday at Sea Systems Command. I have had a chance up close to deal with Admiral Hilarides and his predecessor, Admiral McCoy, and the great team that is over there.

We talk a lot in this committee about protecting the industrial base. That is what they do every single day. And a lot of them don't wear uniforms. They are civilian employees who took a hit with sequester and furloughs already. And, again, I just have the highest regard and admiration for all of them, and it was just incredible to see, you know, the events unfold on Monday.

So please convey, I am sure from the whole committee and myself, again, our thoughts and prayers are with that great group of individuals.

Admiral GREENERT. Yeah. I will do that, Congressman. And I know you are a good friend of NAVSEA [Naval Sea Systems Command]. You go there often. These are our shipmates, and I appreciate that and I will pass it along.

Mr. COURTNEY. Thank you.

And, again, I am pleased to hear that the IG's report is something that the Navy is going to incorporate. Frankly, and this is sort of just me speaking, coming from Connecticut, it has been 9 months since Sandy Hook. There are too many mentally ill people getting too easy access to weapons, and it is time for this Congress to pass a background check bill, which would help, frankly, all installations in terms of trying to make sure these incidents don't ever happen again. And hopefully people are going to respond in this Congress to something that is perfectly constitutional and obviously necessary.

Admiral, in your testimony, again, I just want to say, as far as I am concerned, you have been very explicit and specific in terms of what the impact of CR and sequestration has been and will be. We had 85 shipyard workers on Monday who received layoff notices because of the cancellation of the *Miami* repairs. And, again, I think, you know, we spend a lot of time talking about shipbuilding and platforms, but the fact is that the repair and maintenance end of your Department is obviously another critical piece to the industrial base.

Your testimony indicated that you are going to be cancelling 34 of 54 planned maintenance availabilities. Can you describe what that means in terms of, again, protecting critical skills, particularly in some of the private shipyards?

Admiral GREENERT. Well, if I were to quantify it, Congressman, it is about 8,000 jobs. That is our best estimate. And our big areas are the Hampton Roads area and the San Diego area. That is where the big shipyards are. But it is up and down the coast, to your point earlier. And so those individuals, those presidents of those companies, they can't plan.

So as I mentioned, I really want to be able to do a reprogramming or give me an appropriation bill, and we can preclude many of those 34. Half would be my plan. If I get that billion dollars I was mentioning in my oral statement, we could preclude at least half. We would then take to repair the ships that are going to deploy next year or the year after, or the ones that absolutely have to do a life upgrade because it is necessary. In other words, we have a priority and a scheme. Then we can converse with the shipyard, we can make plans and we can recover.

Subject to that, that is where I am, Congressman, and it is really about balance. You know, the CR stops, it puts me at last year, no new starts, sequestration takes everybody down, we go where the money is and we got to operate forward and meet the commitments of today, number one.

Mr. COURTNEY. And the repair and maintenance work is also, I think, a mechanism that you have employed to, again, protect critical skills, again. So if there is, you know, the six or seven ship-

yards around the country, you can actually, again, protect welders, carpenters, machinists, et cetera, if there is maybe a downtick in one of the shipyards. And so losing that, I think, is really, again, going to hit muscle and bone, is that right, in terms of our base?

Admiral GREENERT. Yes, sir, that is correct. You are referring to what we call the "One Shipyard" concept, where we will move workers to another area of the country and they will assist. And there is good cooperation between our public shipyards. Some of the private shipyards are adopting it as well.

Mr. COURTNEY. Right. And, you know, in terms of the operational force, you know, if CR minus sequester goes through, again, we have a 6-month delay on the *Truman*, a number of other deployments. Again, what do you see in 2014 and 2015 for the operational force?

Admiral GREENERT. What I see is we would be able to maintain one carrier on deployment and one in surge. And then the *George Washington* is in the forward-deployed naval force, so she is in Japan. So at any given time you have one carrier in the western Pacific and one carrier in the Arabian Gulf and one carrier strike group that can respond. The others are waiting to get into maintenance, because I just don't have the capacity to move them into maintenance, or they are in maintenance.

Now, key and critical part are the air wings. So when carriers come back, instead of keeping them at a proficiency level able to respond, we will let them gracefully decline and they will shut down for a period of about 3 months, and then we will take them what we call tactical hard deck. That is just a level of flying statistically determined to be safe. It is sort of like driving your car occasionally so that when the time comes you could get in and, you know, practice and maybe become a delivery person or whatever, and that is when these air wings would go into work up.

So we would have on any given time three air wings, a tactical hard deck, two shutdown, and then three getting ready to, well, deploy or on deployment. This is a situation we haven't been in before and it is not our covenant with the combatant commanders.

The CHAIRMAN. Thank you.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Gentlemen, thank you for the clarity that you are providing. I appreciated your very strong answer to Randy Forbes' question as to the effects of a second year of sequestration. The President's sequestration was intended to be a process by which the President would seek, with Congress, alternative offsets so that defense would not bear the brunt of these cuts. The President now, not bringing forth any other offsets, but calling on Congress to repeal it, has placed this stasis, this gridlock that we have.

I opposed this from the beginning because I feared that we would be right here where we are, where the President is not coming to the table with any recommendations for us to be able to find those offsets. But with the clarity that you are providing, this is important, because it is going to help us frame the discussion of how important it is that this process be stopped.

Dr. Miller was before Congress when he was discussing Syria, and he said that the administration is very well aware of the mes-

sage that you provided today, but we need it out in the public, we need the message of clarity that you are sounding the alarm that one more year of sequestration would be absolutely devastating to our military.

I want to go to Hagel's Strategic Choices and Management Review—this is known as the SCMR analysis—which appeared to be largely sequestration driven. And I would like to focus with General Odierno and General Welsh on the effects of the conclusions of the SCMR analysis.

And so, General Odierno, you had said that they had some rosy assumptions. It is my understanding that a number of assumptions underpin the sequester-driven SCMR analysis, such as a 6-month duration for wars, no follow-up for stability and support operations, and a 90-day mobilization for Reserve Component formations. And as you are saying, you know, their readiness is actually declining, not remaining stable.

General Welsh, I am certain you have some concerns as to how it affects Air Force squadrons. And if the two of you might speak of whether or not you also have similar concerns the SCMR analysis conclusions may affect our ability for readiness.

General Odierno.

General ODIERNO. Congressman, you had it just right. I have some concerns. I mentioned that I think some of them are somewhat rosy assumptions that I think can be somewhat dangerous. As you mentioned, conflicts 6 months in duration, no casualties in these conflicts, the fact that we would fully disengage from everything else we are doing. My problem with that is we just got done fighting two wars in Iraq and Afghanistan. We never disengaged from Korea, we didn't disengage from the Sinai, we didn't disengage from Kosovo, so why is there belief that we will disengage in the future when we haven't done it when we got done fighting two wars at the same time?

There is no mission for weapons of mass destruction, that was not considered, which is a significant scenario in many of the scenarios that we have to address.

So all of those are my concerns, that were really put in there so we could say we need a smaller Army, and that is concerning to me. And I have raised those issues very privately in all of our discussions that we have had during the SCMR process.

Mr. TURNER. Thank you. I think it is important for us to know that as part of the discussion, that those conclusions should not just be merely accepted.

General Welsh.

General WELSH. Congressman, I think the SCMR process made some things very clear to me. First is that what sequestration does, the topline reductions over time related to sequestration actually creates a capacity-versus-capability discussion that Admiral Greenert referred to previously. That is a longer-term issue that you can deal with in some kind of methodical and well-planned approach.

What the mechanism of sequestration does—and the SCMR analysis made this very clear—is that it creates a ready force today versus modern force tomorrow dilemma. And that has defined the decisions that the Air Force is making right now, the ones we made

last year, and the ones we will make for the next couple of years. The mechanism, the abrupt arbitrary nature, especially over the first couple of years, prevents you from making wise, long-range planning choices and drives you into this discussion of do you want to be modern in the future or do you want to be ready today. That is a terrible debate to be having.

The other thing that came out of the SCMR analysis that was significant to me is that the cost of having a ready force, whatever the size of that force, the cost of making it ready is marginal compared to the cost of the force structure itself. I see the Air Force as an asymmetric advantage for our country. And by the way, the other services, I think, are the same. But we provide things quickly. We provide mobility rapidly. We provide ISR [intelligence, surveillance, and reconnaissance] support tonight, not in 3 or 4 weeks. And we provide global strike capability right now. That requires a readiness level that is not sometime in the future we will be ready to go. And to me that was a significant takeaway from SCMR. The cost of that is marginal compared to the cost of actually having the force structure.

Mr. TURNER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Tsongas.

Ms. TSONGAS. Thank you, Mr. Chairman.

And thank you all for being here.

As a member of the Armed Services Committee, I have been here almost 6 years. I can recall when I was appointed, I didn't realize that it was and does have a proud tradition of being very bipartisan in its thinking, its commitment to producing a bill, bringing that bill to the floor, passing it out of the House, and then going to conference after the Senate similarly passes a bill. And it is in that conference where we resolve our differences, swallow some of them, proudly proclaim success in others, and then move on, because we understand how important it is to the defense of our country.

And I think Chairman McKeon has honored that tradition, and I am suggesting maybe he should become head of the House Budget Committee, because we know the House has passed a budget, the Senate has passed a budget. There is a process, and it is called conference committee. It is a process that we honor and engage in every year.

But back to sequester, I am dismayed that we had many, many hearings in which we talked about the damages of sequester, and now we are really talking about how to weather them. And I commend you all. I for one do think there is room for additional cuts. I am ranking member of Oversight and Investigations. We have had a hearing about the growth in the Office of the Secretary of Defense, that there is growth in the overhead. There are areas where we can look carefully and bring about savings in order to put more funds into things that really count. But sequestration obviously is not the way forward, because of the kind of across-the-board lack of discretion that you all confront.

And General Odierno, when I hear you talk about readiness and I see the extraordinary bravery of those who serve in our behalf,

the wounds they have to absorb, the life-changing nature of being in war, to think that we would ever compromise their readiness, I think, and put them in harm's way, knowing they are not adequately trained, and I know you would not do that, you would find a way to avoid it. But I think it is a way of bringing home to the American people what sequestration means. It is an All-Volunteer Force, it is not one in which we call upon all Americans to think about our young people coming to serve. And we would never want to send our young people to war without knowing that they were trained.

I think the other way in which sequestration has become so hard is it is such a big term, the dollar amounts are so large, but you hear about it, we hear about it in our districts, we hear about it through the furloughing of people. And one of the places in which I have heard about it in my district, it is home to Natick Soldier Systems Center. It is a center that really invests in research and development, science and technology with a focus to, again, protect our soldiers and find new ways forward to protect them as they engage in war. I have seen some great work done there around lightening the load of body armor, developing body armor tailored to women, making uniforms fire retardant, the ways in which to conserve energy and recycle water out so that our soldiers don't have to put themselves in harm's way.

But I have also learned that there has been a real bleeding of that workforce. It is my understanding that there they have sustained a workforce attrition of 52 personnel in this fiscal year, more than double the annual average, and including a number of Ph.D.s. So for an installation that develops this life-saving equipment, we know Ph.D.s are the heart and soul of research and development, and technology and science are key, key. We cannot develop those new cost-saving, life-protecting measures without all the tremendous investment.

So we are not going to be repealing sequestration any time soon. How do you, General Odierno, protect that investment in this important work so that we know we are always on the cutting edge protecting our soldiers?

General ODIERNO. First, Congresswoman, thank you very much for your question. And I would just say number one priority is our soldier systems, as you mentioned, getting them the best equipment possible for them to be able to conduct the operation we want them to do, whether it is lightening the load, all the things you mentioned, to include many, many others.

The problem is, is that, you know, because we have had to go into a hiring freeze, because of furloughs, because of incidents like this, we are starting to lose some of our very important workforce, because they are uncertain about the future that they have working with us. So we have to make sure that we maintain a balanced force that allows us to continue in our highest priority, which is what you just talked about. So for us it is very concerning.

We will—I will—take a look at programs that will allow us to keep the best, because we need our scientists, we need our engineers, we need our Ph.D.s to help us to come up with the new ideas and technologies for us to take care of our young men and women in uniform.



Ms. TSONGAS. I urge you to do that, despite all these financial challenges. Thank you.

The CHAIRMAN. Thank you very much.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

And, General Odierno, I will focus my questions towards you.

You all, all four of you did a great job in the outset in describing the impact of sequestration and how wrong-headed it is for the country, but particularly for your respective service branches. And I appreciate your candor on that, because the American people need to hear it. A lot of Members of Congress who aren't on this committee need to hear it. I think most of us on the committee already understood the impact, but we appreciate your candor.

General Odierno, the disruption and uncertainty that sequestration is causing the civilian workforce and its impact on our readiness, I think, is the wrong way for us to budget for our military. But, sir, in year two, what current maintenance and overhaul programs are you looking to preserve?

General ODIERNO. Well, first off, our problem is we want to sustain our reset program, which is resetting our equipment that is coming back from war, and right now we don't have the dollars to completely do that. And so I want to preserve all of that. I need that equipment in order to feed back to all of our units. And right now we are looking at, because of sequestration, having to lay off 2,400 people in our depots who do that very important work for us, and then another 1,400 because of lack of workload; not because we don't have the workload, but because we don't have the dollars to support the workload over the next 2 to 3 years. So I need that, because what that means, it will delay the reset of our trucks, our soldier systems, our mortar systems, our individual weapons, and that causes us to reduce readiness down the road if this continues.

Mr. ROGERS. How do the possible reductions that you just described, those reductions in the force, impact the equipment mix and the workload of our depots and arsenals?

General ODIERNO. So obviously as we reduce the force over time and reduce the number of brigade combat teams, that reduces the amount of equipment that we have to sustain our readiness. So I mentioned earlier that if we go to full sequestration, just in the Active Component, we are looking at a potentially 45 percent reduction in our brigade combat teams. That means less tanks, less Bradleys, less trucks, less M-16s, less mortars, less artillery systems. So it impacts all of our workload, because we are getting smaller. And, again, as I have stated, I think that is a bit too small, but it is going to have a significant impact on our civilian workforce as we move through this process.

Mr. ROGERS. Well, again, thank you. I think everybody in this room would agree that the sequestration maneuver was a tactical error made by the Congress in the Budget Control Act that blew up in our face, and we need to acknowledge it was a stupid mistake and correct it. And I pledge to you all, I intend to become a very aggressive Member in trying to bring this to a quick and immediate halt. Thank you.

The CHAIRMAN. Thank you.

Mr. Garamendi.

Mr. GARAMENDI. Thank you, Mr. Chairman.

And, gentlemen, thank you very much for your service and the good work and tough situations that you face.

General WELSH, I think you are aware I am going to ask a question about the KC-10. It has been quoted in the newspaper that a decision is in process to eliminate the entire fleet of the KC-10s, obviously a major impact, particularly on Travis Air Force Base, which houses half of that fleet, at a time when we are going to reposition ourselves to the Pacific. Can you explain in detail, and I guess as briefly as possible, why you are suggesting the elimination of the KC-10s at this time? I understand it is for the 2015 budget proposal.

General WELSH. Yes, sir. First of all, anything that was in the paper is not a decision yet. We are considering divestiture of the KC-10 fleet, along with divestiture of lots of other things.

One of the things that we got into as we looked at the ALTPOM, the sequestered POM, especially for 2015, is that \$1 trillion-plus out of the Department of Defense is going to leave a bruise. It is going to be significant and it is going to impact many, many things across the Air Force.

We looked at the refueling fleet, we looked at our permissive ISR fleet, we looked at everything we do in the MILCON [military construction], facilities sustainment arena. We still haven't been able to get at facilities and infrastructure or personnel costs, which are significant to us, and so we are back to modernization or readiness. Those are our choices.

And so as we looked at modernization, recapitalization, we looked at fleets of airplanes to see where we could save big amounts of money as opposed to a whole bunch of little amounts of money, which don't make savings over time. That is why the KC-10 fleet was examined, as part of that effort.

Mr. GARAMENDI. Rather than the KC-135s, which are older?

General WELSH. Sir, you can't eliminate the KC-135 fleet and still do the job that we do for the Department of Defense worldwide. It is too large. There is nothing good about divesting any aircraft fleet right now. What we are looking at is where can we take savings and not completely stop our ability to do our job.

Mr. GARAMENDI. We have very little time here, and I will not go further at this moment, but I am definitely going to go into this in far more detail with you and your staff.

General WELSH. Yes, sir.

Mr. GARAMENDI. I will look forward to that.

General WELSH. We expect to do that. I look forward to the conversation.

Mr. GARAMENDI. Did you take a look at the triad? And this is, I guess, for Admiral, as well as for you, General. There is no mention of the triad here, where billions upon billions are spent in modernization of our nuclear force and the nuclear bombs, yet there is no mention of any of that in this testimony. Did you consider that? I will start with you, Admiral Greenert.

Admiral GREENERT. Sir, my number one statement is my top program is the SSBN(X) and the sea-based strategic nuclear program, and that is number one. I will fund that above all else in any ALTPOM, if you will, scenario. However, sir, it is not exempt from

sequestration, that program, and so I am very concerned. It got sequestered in 2013. We were able to reprogram. It gets sequestered again in 2014. These delays, months and months and months, add up to years. This program is very tight.

Mr. GARAMENDI. General Welsh, on triad.

General WELSH. Congressman, as I mentioned before, we have looked at every modernization program we have in our portfolio. We are looking at everything.

Mr. GARAMENDI. There is no specificity about the triad, about the land-based ICBMs [intercontinental ballistic missiles]?

General WELSH. Well, first of all, the land-based ICBM, the cost of maintaining and operating that day to day is not significant. It is very, very low compared to the cost of other things. The modernization part of this over time is what we are discussing and where can you make savings, where can we work together with the Navy on pieces of the—whether it is weapons development, warhead development, infrastructure, to make sure that we are saving costs there, command and control, those areas. But we are looking at all of that, Congressman. It is all on the table.

Mr. GARAMENDI. Okay. I would expect to have you develop that detailed information and present it to the committee, or at least to me. I would appreciate if you would do that.

[The information referred to was not available at the time of printing.]

Mr. GARAMENDI. Also, Admiral, very quickly, you are going to build a new base at what I call Camp Malibu, otherwise known as Hueneme, in Ventura County, for your BAM [Broad Area Maritime] System. Why are you not using the existing facilities at Beale?

Admiral GREENERT. Well, it is really about space. And if we had the space at Beale, I think we might consider it.

Mr. GARAMENDI. You do have the space at Beale.

Admiral GREENERT. Well, I will tell you what I will do then, Congressman. I will regroup and we will come and show you why we decided to do what we decided to do, rather than use all the rest of your time. Is that okay? We will come and lay it out.

Mr. GARAMENDI. Yes. I would appreciate that, sir.

Admiral GREENERT. You bet.

[The information referred to was not available at the time of printing.]

Mr. GARAMENDI. I will yield back. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Gentlemen, thank you so much again for joining us. Thanks again for your service to our Nation.

Admiral Greenert, please again pass on my condolences and prayers to the entire Navy family, especially those at the Navy Yard and to the families of the victims of that terrible tragedy. I know it is a very tough time for the Navy family, and please let them know we are thinking about them and praying for them.

Admiral GREENERT. Thank you, Mr. Wittman. I will pass your feelings along.

Mr. WITTMAN. Thank you.

Admiral Greenert, I want to go back to the submitted statement that you had, and you spoke about both the CR combined with sequestration for 2014 and what the effects of that would be. And you say that most concerning, however, is we will have two-thirds less surge capacity in fiscal year 2014. And let me get you to elaborate on that a little bit, because I think sometimes people think of surge as extra or excess. Can you give us some real examples of where recently you have needed that surge capacity and how it is used? And then give us a focus, too, on what diminished surge capacity means. And that is, if our Nation is challenged, does it mean we deploy nonready forces or do we just refuse actual deployments, or in those situations say, listen, we can't respond? So if you could give us that perspective.

Admiral GREENERT. Yes, sir. I will go backward. I think that might work. Today we have the *Nimitz* in the Red Sea and we have the *Truman* in the North Arabian Sea of the Arabian Gulf. So the *Nimitz* is a surge carrier strike group. She was on her way home. As soon as she goes off station, whomever the strike group is, they become the surge. And had she gone back to her home port, she would be on call, if you will, until further notice. Well, she was called. So she is that one that I spoke of. If this situation continues, there will come a time when it is time for *Nimitz* to go home. We will call on one other carrier strike group. So that is how that works.

Now, if there is more than one, well, we have a problem, because we don't have a carrier strike group ready. The carrier is nuclear powered. That is not the issue. It is the air wing. They are not organized, trained, equipped, proficient. The destroyer is organized, trained, equipped, proficient and certified for a whole host of missions. For example, the destroyers in the eastern Mediterranean, they are there for ballistic missile defense, the European Phased Adaptive Approach. They happen to be multimission, so they could do, if called upon, other missions, which we are pretty well aware of.

So back to the Red Sea. Those destroyers that are there, they are out about 9 months now, 10, 11. When the time comes that we send them home and say we need to sustain this, we will need to reach for destroyers coming out of the west coast probably, and they are not ready yet. So we will have to now tailor and be very clear on what they are certified to do. We have never had to do that before, Congressman. So we could be very soon in that kind of an arena.

To summarize, we have a covenant with the global combatant commanders and the National Command Authority. We provide carrier strike groups forward ready on deployment, and that is generally two. We have two to three, generally three ready to respond within about 14 days. And then we have about three within 60 to 90 days. That is what we have signed up to. That is called the Fleet Response Plan. That has to change now.

Mr. WITTMAN. Got you. Let me ask you, I think those are very great points. Give me your perspective. When we have a strike group like *Nimitz* that now is on deployment now approaching 11 months, what does that operational tempo mean for sailors? But tell me, too, what does that mean when you are looking at mainte-

nance availabilities? And we all know that those kind of get stacked up, too. What happens if maintenance availabilities have to be cancelled, and then you are talking about not maintaining ships? What does that do to affect, again, your capacity to respond and then the life expectancy of those ships? So give me your perspective on personnel and equipment.

Admiral GREENERT. Personnel, we tell our sailors and we shoot for, as the Commandant said, you know, he talked about dwell and he talked about turnaround ratio and rotation. We tell our sailors you should expect about a 7, 7½ deployment. When you get up to 11, they say, okay, you know, 11-month deployment. Then they come home and then they are turning around within about a year. So you are getting close to 1 to 1.2, 1.3 when you do that by the time that particular carrier turns around.

We are at a point in our economy, things are changing, so I am concerned about the debilitating effects of that. Take that kind of carrier strike group and its air wing with the ones that are sitting there at hard deck. These are shut down. So I have got pilots looking out the windows saying, gee, I wish I could fly. I have got others saying, I am flying so much and deploying so much, I can't even get a will done to do that. And so we have got imbalance here, sir.

Deployment-wise, the carriers are heel-to-toe in our nuclear repair shipyards. If somebody is delayed, that is a problem and now they are stuck in there, and that means they are not ready to deploy eventually.

The CHAIRMAN. Thank you.

Mr. Barber.

Mr. BARBER. Thank you, Mr. Chairman.

And before I begin my questions, Admiral, I just want to, along with my colleagues, extend my condolences to you and the entire Navy family. The whole country, I think, is heartbroken over what happened on Monday. I spoke yesterday with Secretary Mabus and offered my personal assistance as well as condolences. Having been a survivor of a mass shooting myself, I have a sense of what is going on with the families, those who lost loved ones and those who survived. And I just want to say that personally I am available any time for any purpose that would be helpful to those families, and please feel free to call me for that purpose.

Admiral GREENERT. Thank you, sir. I think we will seek your counsel on how to deal with this since you have that experience. I appreciate it very much.

Mr. BARBER. Well, let me turn to the questions at hand. We have had this discussion so many times. But I just want to say at the outset that sequestration was a bad idea and I have opposed it since I got here a little over a year ago.

General Welsh, I just want to ask a question specific to a fleet of aircraft that are stationed in my community at Davis-Monthan Air Force Base. There have been recent reports that, as we have discussed here this morning with other potential decisions, of getting rid of the A-10 in the future. And some people have made the argument that the A-10 just doesn't fit the Air Force's future because it isn't a multirole fighter. And in my view, this is a very shortsighted and potentially dangerous idea.

As you know, General, the A-10 is unsurpassed in its ability to provide close air combat support. And I know fully, as you do, the A-10's role in combat, search and rescue operations, finding service members behind enemy lines, relaying information, escorting helicopters and assets in and out of combat zones. And the A-10s based in my district and across the country have been retrofitted with new airframes, airframe wings, and electronics packages that now have given them a life span of till 2028.

General, as you know, the SCMR is built on four guiding principles, and I want to just quote a couple of them. The first is that we must remain ready for the full spectrum of military operations. And another is that we will remain strategy driven based upon the Defense Strategic Guidance and our ability to execute our five core missions against the full spectrum of high-end threats. Given what we know about the A-10 and the potential of future need for the A-10, General, can you tell me why it is that we would even consider retiring an entire fleet of this very valuable aircraft when there is no other alternative in place?

General WELSH. Yes, sir. Because we have been handed a bill within the Department of Defense of \$1 trillion-plus that we have to pay over the next 9½ years.

A-10 was my first fighter, Congressman. I love the airplane. I have 1,000 hours flying it. It is the best airplane in the world at what it does. It is not the best at a lot of other things. It is capable in many areas. If we are going to look at what we must divest, not what we want to divest, but what we must divest, we have to be very honest with ourselves inside the Air Force about how much we can afford. And if we have platforms that can do multiple missions well and maybe not do one as well as another airplane, but the airplane that is limited to a specific type of mission area becomes the one most at risk, I think there is some logic to this that is hard for us to avoid no matter how much I happen to love the airplane.

Mr. BARBER. But how is it possible, General, that we could support General Odierno's ground troops should they ever be deployed again with another aircraft if the A-10 is not available?

General WELSH. Congressman, people seem to assume that 100 percent of the close air support being done in Afghanistan today is being done by the A-10. That is not even close to the truth. It is actually a small percentage of the close air support that is being done by many, many other platforms. We have got to provide the United States Army, the United States Marine Corps, United States naval forces and our coalition partners close air support. We do it every day with a number of platforms, and we will continue to do that.

Mr. BARBER. Talking to Army personnel who have been deployed, they tell me when those Warthogs show up, they are much happier than anything else. So I just want to say that that is an important area.

Let me just turn quickly, General Odierno, with the remaining time. I am concerned about the future of our ability to do cyber and intelligence work. As you know, Fort Huachuca is a major area of this. How do you see sequestration affecting that? And obviously that is important to our warfighters today and tomorrow.

General ODIERNO. So in terms of cyber, as was stated by the other chiefs of services, is that we are going to increase our investment in cyber. Even though we are decreasing our budget, we are increasing our investment in cyber. We are going to increase the force by at least 1,800 people right now. So that is part of what we are doing.

In terms of intel, as you know, we provide not only intel for the Army, but intel for the broader strategic and operational force, which is key to the combatant commanders. We are reviewing how we do that, but the primacy of what we do in our Intelligence Community will not change and the requirements that we have in our Intelligence Community will continue to be a key piece of our strategy as we move forward. So we are looking at very carefully how we gain some efficiencies without losing the depth and capabilities that we have to support a strategic operational and tactical level.

Mr. BARBER. Thank you, General.

The CHAIRMAN. Thank you.

Mr. Franks.

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

And as always, thank all of you for coming. You know, it is days like this, I suppose, that we are all a little more cognizant of the sacrifice that you all personify here today. And, Admiral Greenert, I suppose that it is impossible for us to be as aware as we are today all of the time of the importance of people being willing to sacrifice all of their tomorrows so that we could have freedom today. And I certainly hold you all in great respect and appreciation.

General Welsh, I will start with you, if you don't mind, sir. Yesterday you gave a brief at the AFA [Air Force Association] convention, and you started your speech with a thought about partnership and how during times of fiscal austerity, if that is what we can call this, rather than backing away from or defunding our training opportunities, we should, quote, "hold our partners close." And I would like for perhaps all of you to elaborate to a degree on how important military exercises are with our allies, especially in those regions of great instability, and how sequestration might affect these opportunities, specifically with allies like Israel. And what does it tell our allies and our foes when we choose, in my mind, to spend our money wisely on exercises like these?

So, General Welsh.

General WELSH. Sir, I think it just increases the trust, it increases their belief in our willing to partner with them even when it is not convenient. And I think if we assume that the future is about coalition engagement, which I assume that that is the best way for the Nation to go whenever possible, we have to have the ability to engage as a coalition, and that requires training. It is a very practical problem for the military. It is helpful for us, it benefits us in term of time and cost in the future, and it creates capability that is meaningful and it can be brought together very, very quickly as opposed to spending months trying to train together before conducting an activity, whether it is a humanitarian relief or it is a contingency operation.

Mr. FRANKS. Any other thoughts?

General ODIERNO. Congressman, it is key. I mean, I just returned from the Pacific Army Commanders Conference, and the whole point of the conference was about multilateral engagements, multilateral exercises, sharing of information, interoperability. That is the key as we move forward. I am going next week to the European Commanders Conference. Why is that important? Because NATO [North Atlantic Treaty Organization] and our close allies are helping us as we work issues in other parts of the world. So the interoperability piece, it is all very important to them. And so to me it is key. In the future, we are going to have to operate in a joint interagency, multinational environment. We know that. And we have to do that the best we can.

My only last point would be is our partners are also significantly reducing their investments in their militaries, so we have to be very careful about our assumptions about what we think they will do for us, because they are reducing as well. So it is a combination of all of those things we have to consider as we move forward.

Mr. FRANKS. Please.

Admiral GREENERT. If I may. Partners, allies very important. We need to look beyond it. And I would say I just had the opportunity last week to sit down with my counterpart in the People's Liberation Army Navy, Admiral Wu Shengli, and negotiate eight opportunities for further engagement and partnership potentials at sea. So this goes, as my colleague said, it is clearly important for us and allies, but it goes beyond that.

Mr. FRANKS. Yeah. Well, General Odierno, I might ask you one more question. You know, I had the privilege, I guess you would call that, of being in a helicopter 150 feet off the ground and 150 miles an hour pitch black going over Iraq, and you were one cool customer, might I add. You had a lot of faith in that helicopter pilot. But would you agree that relying more on operational Guard and Reserve will help mitigate the rising personnel expenditures and knowing that, you know, these men and women, obviously they are paid only when they are trained or mobilized, but also recognizing that they have a proven combat capability and we would maintain a strong protection for our country?

General ODIERNO. We have to have the right combination, Congressman. So it is not Guard versus Active. I have got to have the right number of Active and I have got to have the right depth that is provided by the National Guard and U.S. Army Reserve. It is not one or the other. And you can't compare costs, because they provide different capabilities based on the dollars that they are given obviously and the time that they have to train and the time they have. So it is gaining that right synergy between the two.

So as I have developed, and as I testified, we are taking a 26 percent reduction in the Active Component and only a 12 percent reduction in the National Guard, so I have taken that into consideration. But to go further than that is very dangerous because you lose the immediate readiness that you have with the Active Component. We need both, and I am an advocate of having both.

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

Thank all of you.

The CHAIRMAN. Thank you.

Mr. Kilmer.



Mr. KILMER. Thank you, Mr. Chairman. As presented in the report, under sequestration the cuts will be either in capability or in capacity. And, Admiral Greenert, I was hoping to ask you if you could describe those tradeoffs when discussing the submarine fleet.

Admiral GREENERT. We need to have an adequate submarine fleet to distribute in a proper way what the combatant commanders need and what we need to respond to around the world for the missions. So that is a capacity piece. But you can't cover all the oceans of the world with submarines. So it gets to what capabilities do we need to have an undersea network of submarines, fixed and unmanned systems under the ocean. So we have got to develop those capabilities.

And then aircraft, the P-8 aircraft and the Broad Area Maritime Surveillance. That is a Global Hawk kind of tricked-out for maritime operations. It is a combination of that network. And, number one, you have to have all of the capability of that network. Then number two, the capacity to broaden it. But I think step one, we need to bring in that capability. So that is the priority that I put in that when I talk undersea domain.

Mr. KILMER. Thank you.

I know the focus of this hearing is on sequestration, which I think I have concluded is a Latin word for stupid, but now we are also facing a potential government shutdown. And certainly in my neck of the woods, where we have Naval Base Kitsap and then Joint Base Lewis-McChord, a lot of the focus has been on the potential kind of parochial economic impact of seeing a lot of civilian workers not receiving a paycheck. I was hoping you all could speak instead, though, to the national security impacts of a potential shutdown.

General ODIERNO. First, I would like to talk a little bit about the impacts on the individuals. You know, we furloughed this year. It was horrible, you know. And it kind of comes to roost when you look at what happened this week. You had these dedicated civilians who dedicate their lives to our military, and because of these reductions we are furloughing people who have given their lives to us, and yet we are forced to do these kind of things. So for me it is unconscionable that we have to do this. And if we can ever avoid it, we will never do it again.

But the national security impacts of reducing the size of our civilian workforce, it was mentioned earlier, the Ph.D.s, the scientists, the engineers, the logisticians that support us, we are going to lose that capability. And once you lose it, it is very difficult to get it back. And that becomes a real concern for us, that in a time of need, if people think we can automatically regenerate this capability, you can't. And so we now have a problem. And so for me, that is the real strategic impact of those reductions.

Admiral GREENERT. If you go up to Fort Meade and you look in the parking lot, I mean, those are our civilian, to me, sailors and airmen and marines and soldiers. And so I think the national security implications are obvious. You go to Offutt Air Force Base, it is Strategic Command. And then you go to, you know, what you and I are familiar with, our public shipyards, our naval shipyards, hey, we are heel-to-toe in there, and so we have got to get that work done. It starts falling behind, we have aircraft carriers that

are not ready to go out and go out in the world, and so whoever is out there is stuck, and that is untenable.

General WELSH. Just from a corporate perspective, if you just forget the personal impact, which is dramatic, 8 million man-hours lost for the Air Force with 6 days of sequestration this year. That is an awful lot of work that is not getting done on behalf of the Nation.

Mr. KILMER. I had another question, but I don't think time will permit, so I will just end by echoing the condolences extended, Admiral Greenert, to you and to your team.

Admiral GREENERT. Thanks, Congressman.

The CHAIRMAN. Thank you.

Mrs. Roby.

Mrs. ROBY. Thank you, Mr. Chairman.

Thank you, again, to all of you. And, Admiral, on behalf of my family, we certainly are thinking of you and the Navy and all of the families and personnel that are affected by this.

And to each of you, I always want to take the opportunity to thank you for your service to our country, but also to extend that thank you to your families, to your spouses and your children and all the sacrifices that they make.

General Odierno, first and foremost, I appreciate the Army's execution of the ITEP, the Improved Turbine Engine Program, and its acquisition strategy of maintaining competition to milestone B. And as you know, Congress continues to support this important program, as evidenced in our defense bills, for the increased capability it provides and because it is in compliance with best practices and acquisition reform measures to reduce risks early on in a program. And so I believe that maintaining competition and schedule reduces the risk considerably for the Army and the taxpayer. Can you please just comment on the Army's commitment to competition in support of the ITEP program?

General ODIERNO. No, you have hit the points. We agree. It is about the best engine for the best price while preserving competition to minimize our risk, and that is what this does. And so for us, we are totally committed to it. You know, we are going to wait for the analysis on alternatives as we decide for our future investment in this. And it becomes even more important, because sequestration actually makes it more difficult to pursue robust R&D [research and development] efforts. We have got to do this the best way we can, programs like this. And so for me this is kind of our model going forward, and so we are very pleased with this program and we are obviously going to continue to support it as we move forward.

Mrs. ROBY. Thank you.

General Welsh, you know, I feel very strongly that education and training is the cornerstone of our modern day Air Force, and I am very sure that you feel the same way. And so I would like if you would please talk about the Air Force's commitment to ensuring that that cornerstone remains strong and what transformations you anticipate for Air University's officer and enlisted professional military education [PME], and particularly in light of all of the things that we have discussed here today, not just sequester, but

the potential to operate under a continuing resolution, as well as issues surrounding the debt ceiling debate.

General WELSH. Thank you, Congresswoman. I do share your view on education and training being foundational to our Air Force. I spent time 2 weeks ago, 3 weeks ago, I guess, down in Montgomery talking to the leadership at Air University, last week down in San Antonio talking to the leadership of Air Education and Training Command. We discussed the enlisted PME program that is under development to turn it into a continuum of learning, using both distance learning and residence courses.

Same thing on the officer side of the house, what can we afford to do, and what we cannot afford to do is stop educating our professional force and stop training it better than anyone else trains their airmen. We are committed to this. We will remain committed to it. Everything is affected by sequestration, but this is not something that would be a wise long-term move to take a whole lot of capability out of our ability to educate and train these great airmen we are lucky enough to have come into our Air Force.

Mrs. ROBY. Well, I appreciate that continued commitment.

And again, to each of you, thank you for all that you do. We appreciate your candor here with us today in light of these very difficult decisions that we have ahead, and we appreciate your continual efforts to educate us so that we are better prepared as we move into that.

So, Mr. Chairman, I will yield back.

The CHAIRMAN. Thank you.

Mr. Enyart.

Mr. ENYART. Thank you, Mr. Chairman.

General Welsh, I had a couple of questions specifically for you. Yesterday afternoon, I had an Air Force Reserve wing commander in my office. And he was talking to me about the sequester and the effects of sequestration on his role. And he particularly expressed to me concern about the way the furloughs had been handled, that is going from 22 days to 11 days to 6 days over a period of time, and because of the impact that it had on those people.

There are now serious trust issues between his Air Reserve technicians, his civilian workforce, and the Air Force and DOD. And as the wing commander, he feels that tension and those trust issues.

General, I am sure that those trust issues extend throughout the entire DOD civilian workforce. And now, earlier this morning, you testified that the Air Force is not planning for any furloughs for fiscal year 2014. So with Scott Air Force Base sitting in my district, am I able to go back to my district and assure my rather anxious constituents, as well as that Air Force Reserve commander, am I able to assure to them that the Air Force is not planning any furloughs for 2014?

General WELSH. Sir, I meant exactly what I said: We have no plans to furlough in fiscal year 2014. I will add this, we had no plans or even concept of furloughing in fiscal year 2013. I had never heard of it before. We have got to resolve whatever we call this thing, sequestration, fiscal crisis whatever it is; we have got to fix it. We are doing things that are unprecedented as far as decisions being made inside services, including furloughs.

It was a breach of faith with our civilian workforce. I tell everybody in the Air Force that. I sent a letter to every civilian in Air Force saying that. I understand why the decision had to be made. I understand why we didn't have the transfer authority to take money from other places to put in the civilian pay accounts, but we as a government have got to do better on this one.

Mr. ENYART. General, I couldn't agree with you more. And I think that it has been clearly expressed here today. But sequestration was a bad idea to begin with, and it is a worse idea as we go forward, particularly when we are dealing with CRs and all of the problems that that impacts on your budgets and the budgets of everyone, frankly.

General, I did have one other question for you and that is that if sequestration continues, will the Air Force have to reconsider its KC-46 alpha basing decisions?

General WELSH. I don't believe there is any reason to reconsider the basing decision as a result of sequester, no, sir.

Mr. ENYART. Thank you.

Admiral, as the son of a Navy firefighter and even though I chose the path of "Go Army, Beat Navy," I would like to express my condolences to the entire Navy family.

Admiral GREENERT. Thank you, Congressman.

I know it comes from the heart. I appreciate it.

Mr. ENYART. Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman.

And I want to thank all of our service chiefs for all that you do, and obviously, you care immensely about this Nation, but more importantly, I believe you care about those that serve under you and that carry the task out on a daily basis.

So, General Odierno, I really do appreciate your comment in regards to soldiers have got to be number one. They have got to be the number one priority. And I worry, and I am new to this committee as of at least January, I worry that through sequestration and through the political gyrations that got us there, it doesn't matter how we got here, but we got here, the damage that we are doing to our services—and I think you hit it on the head when you said that we really don't do a very good job of identifying future threats. I think major threats, strategic threats, probably so, but I don't think anybody saw Afghanistan or Iraq coming up on the horizon.

And now we are bringing our force structure, I agree with you, dangerously low, and the lack of readiness across the whole mission area should concern everyone. And I am concerned. And I am concerned about the readiness of our troops, in particular across all the services, but obviously, in the Army, just because of the large nature of it and the, in the Marine Corps, the personal nature of that type of combat that you have to engage in puts people at extreme risk on a very close basis.

How do we continue to keep a force that is all volunteer? How do we continue to keep them in place when we hear from, in the SCMR, in particular, was talking about benefits for those that are

going to serve us and have volunteered to serve us and put themselves at risk?

General ODIERNO. Thank you for that question because it is a very important question as we look to the future. And there is no doubt in my mind, I think it is absolutely essential we keep an All-Volunteer Force for a lot of different reasons. I won't talk about that.

Let me talk a little bit about compensation. We have very generous and appropriate benefits packages today for our soldiers, sailors, airmen and Marines in my opinion. But what I think, as I go around and talk to our soldiers, they understand the fact that we are not going to, our thoughts at least on pay and benefits is not to decrease them but decrease the rate of increase. And if we do that, we can save enough money that allows us to appropriately continue to have an All-Volunteer Force. And they understand that.

So I think we have to work together with Congress on this because I know how much you care about taking care of our men and women in uniform. That is very clear. But we have to come together to decide there are ways to do this in such a way that we don't reduce their pay but reduce the increases that we have projected, which saves lots of money. And that will enable us, I think in the long run, to maintain an All-Volunteer Force.

Mr. NUGENT. I faced the same issues when I was sheriff in regards to budgeting and looking at the increases as it forecast down the road, so I get that. But I also hear it relates to, it is not just pay, and you hit it on the head. And I had the same thing in the civilian world, but it is about training in particular about, you know, are men and women having the ability to fly, are men and women having the ability to go to advanced training?

Yes, sir, Admiral.

Admiral GREENERT. Well, in the Navy, we talk about a formula, the quality of the service, of the sailor, equates to their quality of life—and that is the stuff we were talking about, their pay, their housing, their entitlements and all that—and the quality of their work. And that is what you just hit the nail on the head Congressman.

Do I have spare parts? Do I have a boss that cares for me? Do I have a boss? Am I training? Do I feel like I am doing something worthwhile? And is my schedule predictable? What is their work environment?

In our world, when they leave the pier, walk across the road and get in their car and drive off, their quality of life is pretty good and General Odierno relayed that.

When they go back down the pier, get on the ship and go out to do that, we have work to do there, and I am concerned that we focus so much on the quality of life, and the quality of work vector is going down a lot. And we need to balance that, in my opinion.

Mr. NUGENT. I agree. And just one last statement, it is not a question to you, because you don't have the answer on this one, but I really do call upon the Commander in Chief to take a more active role in regards to working with this Congress, particularly with the Senate, to move issues as it relates directly to our security here in

this country and having the ability to project force but also to protect the forces that we are projecting.

And I think the Commander in Chief owes that to those that he commands and has that overall responsibility.

And I yield back. Thank you.

The CHAIRMAN. Thank you.

Mr. Gallego.

Mr. GALLEGO. Thank you, Mr. Chairman.

Admiral, I will confess to you that there is not a lot of water where I live. But I will also tell you that every single resident of that congressional district, the 23rd in Texas, feels your pain. And on behalf of the constituency that I represent, I want you to know that our prayers are with you, with your fellow members of the service, and certainly with all of the families who have lost someone over the course of the last few days.

Admiral GREENERT. Thank you, sir.

Mr. GALLEGO. I have the privilege of representing several military facilities, Joint Base San Antonio, which includes multiple Air Force and Army components, Laughlin Air Force Base, and in El Paso County, there is Fort Bliss. They are all very dedicated public servants, both in the uniform side and the nonuniform side. And my own view is they deserve better than what they are getting from our government, certainly from the Congress.

As I have listened to the testimony, it seems to me that, in some instances, Congress is a very difficult partner because we make our life harder, instead of easier, and you can't say that, but I can, especially since I just got here in January.

So when I listen to the idea, for example, that having to reduce pilot production, potentially reducing 25,000 airmen or a 9 percent cut in aircraft or choosing between readiness today and a modern Air Force tomorrow, or when I listen to the testimony about how it is unconscionable to do the furloughs, I understand that all of that is not in your control. It is in the control of the members of this institution. "Institution" is a very interesting word for this place.

I would like to talk, General Odierno, you and General Walsh, about the impact of one of the disconnects I think there is, is many people don't understand the importance of the civilian side with respect to the uniform side. And so when you look at Joint Base San Antonio or when you look at Laughlin, people don't understand—or Fort Bliss—the importance of the contribution of the civilian side.

Can you talk a little bit about that and how that spillover affects the uniform side? And how they work in tandem? And if you have specific examples about, at some point, I would also like specific information offline about the bases that I represent and how they would be impacted.

General.

General ODIERNO. So, for us, you know, we have three major commands, actually four major commands, in San Antonio. We have Medical Command. We have Installation Management Command. We have U.S. Army North and U.S. Army South, all in San Antonio. They are three, four key components to what we do in the Army. And medical, obviously, a huge responsibility of providing

support to our soldiers, both in combat and our families and not in combat, and our civilians there play a huge role in that command. Installation, they manage all of our installations, both in the United States and outside the United States, a huge role. And then Army North is one who is really the Army component to provide homeland defense, homeland security for our Nation. These are all key components. They all have key civilian workforce that is essential for them to accomplish their mission.

In fact, at SAMMC [San Antonio Military Medical Center], the hospital in San Antonio there, we have some concern. We are losing some of our critical civilian employees because of the furlough because they would rather go work now for VA [Veterans Affairs] or other opportunities because now they have lost, as has been mentioned, there some faith and trust in the fact that they will have some consistent employment with the Department of Defense, so those things that I will tell you are so important to us.

Mr. GALLEGO. General.

General WELSH. Sir, I will give you an example, the maintenance group at Randolph Air Force Base. I was down visiting with the maintenance group director, who is a civilian, the entire maintenance group at Randolph Air Force Base to support the training that goes on at that base, the flying training, is civilian, all Air Force civilians.

Because of the furlough this last year, we actually lost enough of those 8 million man-hours I mentioned that weren't being done, a percentage of those were at Randolph, a large enough percentage that we lost the ability to support a number of flying hours equal to an entire pilot training's class worth of work, which is why I said in my opening statement, we will look at changing our initial pilot production numbers next year because we learned here we are going to have to cut a class, whether we want to or not, just as a result of lost production and from the impact on our civilian workforce and on our depots.

The other place it affects us is when you take 8 million man-hours off the books, there are tasks that would have been done during these 8 million man-hours that can't wait because of the operational activities that they support. So the uniform workforce that is there will pick those up as an additional duty. The civilians would have done it and just worked a longer day before they took their furlough, but we are not letting them, so we can limit the number of hours we have to put against furlough, and we are not letting them work overtime. So everybody is frustrated because they like to do their job, not just because they are losing 20 percent of their pay during that period.

Mr. GALLEGO. Thank you.

The CHAIRMAN. Thank you.

Mr. Palazzo.

Mr. PALAZZO. Thank you, Mr. Chairman.

And thank the gentlemen here today for your testimony and the answers to our questions. I think we are, there has been a lot of talk about sequestration. I don't think anybody in their hearts voted for sequestration. I think it was just something that was a part of a bad bill that was put together, and we were never meant

to get here, and I think everybody has pretty much said that in different ways.

But if we go back to Admiral Mullen, he basically, where you are, said the greatest threat to our national security is our national debt. We are \$17 trillion in debt, and there seems to be no turning that around.

We have had record deficits. We have had record unemployment for the past 4 years. And there seems to be no solution to it. And so that is why we are having these arguments, these fights, not just inside each party and also with other, you know, outside the party; it is because we are fighting over shrinking discretionary budgets.

And while we do nothing to address the number one driver of our deficits and our debt, and that is the mandatory out-of-control entitlement spending. And I hate this because I feel like this is going to be Groundhog Day over and over as long as we are in Congress. It is just déjà vu. We are going to keep having these conversations.

But until we put people and policy ahead of politics, we are going to have to keep having these squabbles amongst one another. And we can get there. We can fix our economy. It is simple. We just have to listen to the American people, and I think they want to see our spending cut, but they want to see it done responsibly.

I think they want to see a balanced budget. All 50 States have a balanced budget. Why is the Federal Government different? Is it somehow more special? And they want to see us grow the economy. What people are talking about in my district when they are not being distracted with Syria or Obamacare or something else, they are talking about jobs. They are starving for jobs. They want to see this economy get back on track. And you know, there are some of us that know how to create jobs in Congress. And I think we need to elevate their voices. And we do that through less taxes, less regulation. We don't need to have throwing up obstacles because there is a lot of money sitting on the sidelines, but people are uncertain. They don't know what is going to happen tomorrow. So they are very much reserved.

I would just like to say a few comments. I hope that the Guard and the Reserves does not go back to being a strategic Reserve. I hope they maintain an operational force presence. I think it is extremely important. I think they have earned their place in our military. They cost one-third of what an Active Component would. But also, I think there are multiple missions they can engage in. I know they have some border enforcement opportunities in the past. I think we can—instead of adding 40,000 more Border Patrol agents, we ought to see how we could surge the Guard to the border; maybe other homeland security means, too.

Also, with our, Admiral Greenert, with our pivot to the Pacific, I know we are going to need ships, we are going to need destroyers, we are going to need amphibs. And I know with the multiyear ship procurement and being able to plan in advance that is a benefit, and I hope this Congress continues to do that to give you the ability to go drive down costs and get the best quality product for our taxpayer.

General Welsh, I can't thank the Air Force enough for delaying the transfer of the C-130J's. I have been kind of on that for a long



time. I know because there is so much uncertainty. We don't know what the force is going to look like tomorrow. And I tell you the community, the Mississippi community is very appreciative because after winning the Commander in Chief's Installation Excellence Award out of all the bases in the military, we hope you take a hard look moving forward. And hopefully, you will determine that they need to stay there.

I do have one question. This question will be for General Amos. As sequestration settles on the force, we hear often that services will be forced to do less with less. In your unvarnished opinion, what are the risks to major contingency operations, as well as steady-state ops, if they continue and these cuts are realized?

General AMOS. Congressman, thanks for the opportunity to be able to speak frankly about that. I don't see any slacking in the requirements for all of our services for the next decade. I read the same pundits. I read what they say. I listen to them, and they talk about a peace dividend coming out of Afghanistan. And I think that is overly optimistic at best. I don't see the requirements changing. In fact, I would say the world is probably more dangerous today than it was prior to 9/11.

Folks have said, and I began to, as we shape the Marine Corps down to this 174 force—and as I said in my opening statement, it was a budget-driven effort; it wasn't a strategic-driven effort—I started with, well, okay, we will do less with less, but what we will do we will do very well.

I don't believe that. I think we are going to do the same with less, and we are going to do that very well. We are going to work real hard to do that. But I don't see any slacking of it, Congressman, if that answers your question. I think we are going to be doing the same with less.

General ODIERNO. I know we are out of time. If I could just add, the issue is let's take 2013; 2013, we were under continuing resolution with sequestration. And if you asked each one of us, we would tell you our requirements went up in 2013. That is the concern. So budget went down, forced by sequestration, and our requirements increased as the year went on.

That is the conundrum that we are in right now, and that is my concern as we continue down this road.

So, thank you, sir.

Mr. PALAZZO. And it is ours as well.

Thank you, gentlemen.

The CHAIRMAN. Thank you.

Ms. Shea-Porter.

Ms. SHEA-PORTER. Thank you.

And I, too, would like to offer my condolences from the people of New Hampshire's First District. And I would like to say that while the sequester is absolutely devastating, I have concerns about what we are saying openly and letting people know, and I am amazed that probably more people abroad and our enemies know the impact more than the Members of Congress. And that is absolutely shameful.

There is a bill that could cancel the sequester today if it would only come to the floor. But I am very, very concerned, as we all are, but the message doesn't seem to be leaving this chamber right now.

So, while we are dealing with this, I would like to talk to all of you about the impact on the civilians, the impact on the members of the services and what appears to be the lack of impact on contractors right now. I know that, for the headquarter budgets, they are talking about 20 percent cuts for the civilians who work for the government and also seeing it in the budget. But I haven't heard that talk about contractors.

So could each of you address that? I actually saw something that said contractors numbers or their profits hadn't seemed to drop along with the pay that dropped for some of the people who are serving our country.

So I would like to address that, please.

General ODIERNO. Thank you for the question. As part of the guidance the Secretary of the Army and I gave, as we were looking at the Army, the Army is looking actually at a 25 percent reduction in headquarters because we are trying to gain as much space.

The first place to look, the guidance we gave, was with contractors, knowledge-based contractors we call them who do studies and other things, as well as other types of contractors that we have. Because we want to try to keep as much of the civilian force and our military force as possible.

So we are absolutely looking at that as we move forward. That is one of the key pieces. And we have a study group that is coming back to us with recommendations that we expect will happen within the next several months.

Ms. SHEA-PORTER. Do you expect that will help you save money? Because I know when they were asked, the contractors cost an average of about 2 and a half times more than a government employee.

General ODIERNO. They do. The balance is they give a short-term capability. But, yes, it will save us money and allow us to invest in other places or not take cuts in other places.

Ms. SHEA-PORTER. I am encouraged to hear that.

Admiral.

Admiral GREENERT. Yes, ma'am. As I look out at the 2015 to 2022 timeframe, that SCMR piece, and we addressed this in our ALTPOM, we are looking at about a one-third reduction in overhead and that includes contractors. We have methodically, in partnership with our research development acquisition executive, Mr. Stackley, gone through and reduced support contracts.

This has been quite a drill to go in there and peel apart where the money goes precisely. But that is \$20 billion of a \$60 billion that we are targeting. Now that is across a FYDP [Future Years Defense Plan], a 5-year plan.

Overhead-wise, like Ray says, we are about the 28 percent on reduction of headquarters. That is not contractors, but it is overhead and headquarters reduction.

General WELSH. Exactly the same ma'am. Contractor reductions will be at least the same if not greater than reductions in our civilian workforce.

Ms. SHEA-PORTER. So you are targeting that.

General AMOS. Congresswoman I think we are all in sync on that. We are all reducing both civilian personnel in the long run as we go through the ALTPOM. In my service, we are reducing

28,000 Active Duty Marines, so there will be a commensurate civilian reduction. We don't know what that is going to be yet. But we are looking very seriously at our contractors.

I would just like to make an anecdotal comment on civilians; as we have talked a lot about furloughs here today, we have talked about in essence keeping the faith. I think we are in danger of losing those wonderful, highly skilled professionals that my colleagues have talked about here today because of the furlough and then the anticipation of a government shutdown. And they will reach a point where they are going to look for employment elsewhere, whether it be in San Antonio; you are medical professional, whether you are a Ph.D.

It became a point of faith in the United States Marine Corps as I looked at our civilian Marines, and I think we are in danger of losing an awful lot of talent if we continue to abuse them.

Ms. SHEA-PORTER. I do, too. I thank you for saying that. We have the Portsmouth Naval Shipyard in our district, and the men and women who go there and serve this country every day deserve better than what they are seeing.

We also have a National Guard. They deserve better. And so, across the whole spectrum, the men and women who serve this country deserve to know their paycheck will be there and they can count on us. And so far we have failed them.

Thank you, and I yield back.

The CHAIRMAN. Thank you.

Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

Admiral Greenert, I, too, join my colleagues in giving my condolences. And I will tell you I was very impressed by the actions of your personnel in helping one another survive that tragic situation.

Admiral GREENERT. Thank you, ma'am. I appreciate it. I know it is from the heart.

Ms. DUCKWORTH. Thank you.

General Odierno, you and I have had this conversation before, and I just sort of would love for you to expand a little bit on the role of the Guard and Reserve. You have been very clear, and I appreciate it, in terms of defining a role for the Guard and Reserve, not only in a new strategic environment but as an operational force and also in the current budget climate. I don't have any military bases in my district, but I certainly have a lot of National Guardsmen and Reservists, and I also have a lot of military technicians suffering from the furloughs trying to keep those helicopters and those aircraft functional.

And as we see in Colorado right now, the National Guard has really stepped up with those efforts.

Could you speak a little bit, General, given the lower life cost of the Guardsmen and Reserve Components compared to Active Duty, could you speak a little bit to what extent or ratio you would like to see a reduction of the Active Component be in the relation to the Guard and Reserve?

General ODIERNO. Sure thank you. So as I have testified, if we have to go to the full sequestration, there will be a 26 percent reduction in the Active Component, a 12 percent reduction in the Na-

tional Guard, and an 8 percent, 9 percent reduction in U.S. Army Reserves.

Now I want to go back to somewhat the question that Mr. Palazzo asked, the real reason is if I keep their structure, I am not going to be able to fund them as an operational Reserve. I can't afford the training to keep them as operational Reserve, which is what I want.

So I have got to reduce their structure a little bit but not as much as the Active Component because I don't get as much savings.

Now, the overall balance, though, I have to maintain is, obviously, they cost 33 percent of the Active Force, but their readiness is less than the Active Force so I got to keep that right balance. So I need the right amount of Guard. I need the right amount of Active Component, and I am very conscious of that as I work my way through this.

So I have, in fact, taken more out of the Active Component because of that cost factor, but I have to take a little bit out of the Guard so I can continue to keep them and fund them as an operational Reserve.

And so that is the balance that I am trying to achieve. There are some that say we should increase the Guard and further reduce the Active. To me, that is out of balance, and then we will not have the capability to respond the way we need to for contingency operations. So I am trying to find that right balance.

Ms. DUCKWORTH. Thank you. General Welsh, could you address that as well?

General WELSH. Yes, ma'am. The cost is different, and you can save more capacity and force structure by putting into the Reserve Component over time, you just have to balance how far you can go in each mission areas, and we are looking at it by type aircraft even within those mission areas because you do hit a point where your operational capability or your ability to respond quickly are impacted.

It is different in every mission from space to mobility to fighters; they are all different. And we are looking at each one.

The other thing I think that is important for us to consider is the real benefit of a Reserve Component to the Nation is that you have this very experienced force over time that is available to respond quickly in any type of contingency, small or large.

One of the most troubling things we are seeing right now is, over the last couple of years, a much diminished desire by people leaving the Active Air Force to go into the Reserve Component. Only 15 percent of those eligible are doing so over the last 2 years. That is much lower than traditionally.

And if we get to the point where our Reserve Components are inexperienced, while they may be cheaper, they will not provide the operational Reserve that you need to be a valid fighting force as an entire total force.

And so we have got to make sure we aren't doing things in the Active Component that keep people from becoming members of the Reserve Component.

So we are looking at all that right now. We have actually got a very robust discussion going. The biggest issue is still exactly what

are the cost factors in each of these areas. We decided on a model we are using for planning, but that model probably still needs to be refined a little.

Ms. DUCKWORTH. Can you speak a little bit to the role of military technicians in your Reserves and then also to the Guard?

General WELSH. Yes, ma'am, they are essential. They are essentially, 4 days a week, a civilian member of the Air Force. Our civilian workforce is essential. We can't do our job without them. They are in virtually every mission area, and in some mission areas, they are the entire mission area, like the maintenance group I mentioned before in our training command. The same thing is true at Guard and Reserve units. That is what the dual status technicians do. They are fantastic.

Ms. DUCKWORTH. Thank you. We could end sequestration. We should end sequestration. And I don't think people realize that those military technicians are soldiers, airmen, folks who do both jobs, and if you are going to ask them to give up their jobs on the full-time side, they are not going to be there on the M-day side. I yield back.

The CHAIRMAN. Thank you.

Mr. Castro.

Mr. CASTRO. Thank you, Mr. Chairman.

Thank you, gentlemen, for your testimony.

Admiral, my condolences for the tragedy in the Navy Yard, along with the other members.

I represent San Antonio, Texas, of course, very important in the military, and I have a few questions about some of the operations there.

The first one is, do we know what impact will another round of sequestration cuts have on the services provided at Wilford Hall Ambulatory Center? And can you address whether medical research performed at Wilford Hall will be impacted?

General WELSH. Congressman, I can't give you an answer on the specific impact of sequestration at Wilford Hall, but I will get it to you. I am sorry, I just don't know the details of that.

[The information referred to was not available at the time of printing.]

Mr. CASTRO. No problem. The second one that, of course, concerns San Antonio, in my district, I have Lackland Air Force Base, is will sequestration affect any of the programs related to combating sexual assault in the military?

General WELSH. No, sir.

Mr. CASTRO. So those will be protected?

General WELSH. We actually protected our civilian workforce involved in sexual assault, sexual assault response coordinators, a few victims advocates, et cetera, from furlough to prevent that from occurring and will continue to put that kind of emphasis on those programs.

Mr. CASTRO. Those are my two questions.

Thank you very much.

I yield back.

The CHAIRMAN. Thank you for your testimony, for your work and for the continued efforts that you make to live with these very restrictive budgetary problems that you are dealing with. I know that

this is going to be an interesting week for us. We have to get a CR passed. We have to shortly get a debt ceiling limit increase. And I think every Member of Congress is taking these issues seriously, but there is 435, 434, maybe 433 Members now, and they come at it from, every one of those come from different directions.

I know that the Armed Services Committee is keenly aware of the points that you bring up and I think very supportive of the military, and we are the largest committee in Congress, and maybe we can have some sway in some of these discussions. We haven't done so well so far. But maybe, going forward, we can.

Again, thank you for your service. Please let the men and women you serve with know that we appreciate greatly their efforts and the things that they do.

With that, this hearing is adjourned.

[Whereupon, at 12:40 p.m., the committee was adjourned.]

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

SEPTEMBER 18, 2013

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

SEPTEMBER 18, 2013

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**Statement of Hon. Howard P. “Buck” McKeon**  
**Chairman, Committee on Armed Services**  
**“Planning for Sequestration in Fiscal Year 2014 and Perspectives of the**  
**Military Services on the Strategic Choices and Management Review”**  
**September 18, 2013**

Good morning ladies and gentlemen. The House Armed Services Committee meets today to receive testimony on Planning for Sequestration in Fiscal Year 2014 and Perspectives of the Military Services on the Strategic Choices and Management Review.

I would like to begin by expressing the Committee’s shock and sadness about this week’s tragic shooting at the Washington Navy Yard. The victims and their families continue to be in our thoughts and prayers. At this time, I request the Committee hold a moment of silence to honor those Patriots who lost their lives.

Thank you. Admiral Greenert, I hope you will convey the Committee’s deepest sympathies to all those who were affected under your command.

As you all are aware, this Committee has held numerous hearings on the impact of sequestration to our national security since 2011. While many of us have warned about the catastrophic impact these cuts have had to our military readiness and offered specific legislation to fix them, we have nonetheless encouraged the Department of Defense to fully plan for sequestration. Our attitude has been “work for the best—but prepare for the worst.” With that said, we welcomed this review in the hopes that it would answer some of the many unanswered questions we have about how the Department will operate in a post-sequestration budget environment. While I appreciate the intent of this review as an assessment, frankly I was disappointed and troubled by the lack of specificity it offered. The review contained little in the way of new information, leaving us only marginally more informed than we were two years ago.

Last month, Secretary Hagel directed each service to develop two separate future years defense programs for fiscal year 2015, one at the President's Budget level and an alternate accounting for full sequestration. While we all would agree that the higher budget level would be preferable, our focus today is on the alternate program under development. Earlier this month, I wrote to Secretary Hagel urging him to authorize each of you to discuss the specific impacts you have identified in the preparation of your alternate program—including the reductions in the size of the force, the modernization programs that will be cancelled or curtailed, bases that will have to be closed, capabilities that can no longer be sustained and training that will be limited. In your testimony today, I hope you will be frank about the deviations that will have to occur to the President's fiscal year 2015 budget request as a result of sequestration, and how those decisions will impact the execution plans for fiscal year 2014.

Gentlemen, for two years you or your predecessors have come to this committee describing the consequences of sequestration in generalities and percentages. The Chairman of the Joint Chiefs told us you can't be cut by one more dollar without changing the defense strategy, but when you are cut the Administration downplays the impacts. Your credibility with this committee and with me is on the line this morning. I respect each of you deeply, but now is the time for you to act. Each of you carries the responsibility to give Congress your best and unbiased military advice. Each of you has a higher obligation to provide security for the American people. Today I expect to hear—in very clear terms—what elements of that security you will no longer be in a position to provide should sequestration continue. I expect to hear what risk you will have to assume in order to provide it.

I look forward to hearing the testimony and thank all of our witnesses for being here and for their service to our country.

**Statement of Hon. Adam Smith**  
**Ranking Member, Committee on Armed Services**  
**“Planning for Sequestration in Fiscal Year 2014 and Perspectives of the Military**  
**Services on the Strategic Choices and Management Review”**  
**September 18, 2013**

I would like to thank our witnesses for appearing before us today. You all have extremely hard jobs, and I am afraid that we in Congress have not made them any easier by allowing sequestration to take effect. Specifically, Admiral Greenert, I want to thank you for attending today. As we all know, your department is facing an extremely trying time due to Monday’s terrible event. Our thoughts and prayers are with the loved one of those who were killed, and the Navy has our unwavering support.

We should start by recognizing that Congress, by allowing sequestration to continue, is abdicating its constitutional responsibility to fund the military and to provide for the common defense. Through sequestration, Congress is forcing the Department of Defense to make some extremely difficult decisions that will undermine military readiness and put more unneeded stress on our troops, civilian employees, and military retirees.

I hope our witnesses today can help us understand the pain that sequestration will cause next year and into the future. I would ask them to walk us through those choices that will have to be made and those risks that will be imposed. And we should be clear—when we talk about risk in the context of the Department of Defense, we mean that military conflicts will go on longer or our response will be slower and smaller and those translate to greater loss of life.

Without a doubt, the Department of Defense must become more efficient, and Congress will have to help them do that. But sequestration will continue to force the Department to make unacceptable cuts to force structure, modernization, and benefits for our military personnel and retirees, creating significant readiness

shortfalls. It will force the services to make unacceptable choices that will undermine military capability in the short term and probably actually increase costs when we have to rebuild capability in the long term. The SCMR drives home the point that continued budget policies of fiscal austerity and intentionally starving the Federal Government of revenue put our national security at risk.

We are already on a path to significant deficit reductions. I am in favor of simply lifting sequestration and ceasing to impose these dramatic costs on our military. Those who refuse to end sequestration have the responsibility of proposing a balanced package of revenue increases and spending cuts that do not harm our national security. Those who refuse are allowing sequestration, and the significant harm it causes, to persist.

In particular, those who continue to insist on tax cuts above all else have a responsibility to answer the question: how much military risk are you willing to take to preserve your tax cut?

Thank you Mr. Chairman, and again, I very much appreciate the witnesses appearing here today.

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RECORD VERSION

STATEMENT BY

GENERAL RAYMOND T. ODIERNO  
CHIEF OF STAFF UNITED STATES ARMY

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

FIRST SESSION, 113<sup>TH</sup> CONGRESS

PLANNING FOR SEQUESTRATION IN FISCAL YEAR 2014 AND  
PERSPECTIVES OF THE MILITARY SERVICES ON THE  
STRATEGIC CHOICES AND MANAGEMENT REVIEW

SEPTEMBER 18, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES

Chairman McKeon, Ranking Member Smith, and other distinguished members of the committee, thank you for the opportunity to speak with you about the reduced discretionary caps in 2014 and the continued threat of sequestration under current law as well as the strategic choices facing the Army.

Let me begin by thanking each member of the committee for your support and commitment to U.S. Army Soldiers, Civilians, and Families particularly while we remain at war and with the specter of great fiscal challenges and strategic uncertainty. The Nation's investment in the Army over the past decade has been decisive in ensuring the success of American Soldiers on the battlefield and securing our national security objectives.

#### **Resourcing the Army**

The need for a standing military has been scrutinized by Americans and today is no different. Throughout our history, we have drawn down military forces at the close of every war. This time, however, we are drawing down our Army *before* the war is over and at a time when there is grave uncertainty in the international security environment. Today, the Total Army – the Active Army, the Army National Guard, and the U.S. Army Reserves – remains heavily committed in operations overseas and at home. More than 70,000 Soldiers are deployed, including 50,000 Soldiers in Afghanistan, and nearly 88,000 Soldiers are forward stationed across the globe.

We have also learned from previous drawdowns that the costs of creating an unprepared and hollow force will always fall on the shoulders of those who are asked to deploy and respond to the next contingency. We have experienced this too many times to repeat this egregious error again. As Chief of Staff, it is my responsibility to provide my best military advice in order to ensure we have an Army that will meet our national security needs in the complex, uncertain environment of the future. It is imperative that we preserve decision space for the Commander-in-Chief, the Secretary of Defense and the Congress. Together, we must ensure our Army can deliver a trained and ready force that deters conflict but when necessary has the capability and the capacity to execute a sustained, successful major combat operation.

During my more than 37 years of service, the U.S. Army has deployed Soldiers and fought in more than ten conflicts including the longest war in our Nation's history in Afghanistan. No one can predict where the next contingency will arise that will require the employment of ground forces; we only know the lessons of the past. In every decade since World War II, the United States has deployed U.S. Army Soldiers to defend our national security interests. Unfortunately, there is little to convince me that we will not ask our Soldiers to deploy again in the near future.

If the magnitude and speed of the discretionary cap reductions remain, the Army will not be able to fully execute the 2012 Defense Strategic Guidance requirements. From FY14 to FY17, as we continue to draw down and restructure the Army into a smaller force, the Army will have significantly degraded readiness and extensive modernization program shortfalls. Only in FY18 to FY23 will we begin to rebalance readiness and modernization to a level that is appropriate to fully execute the Defense Strategic Guidance. But this will come at the expense of reductions in force structure and endstrength, which in my view will add significant risk for the Army to conduct even one sustained major combat operation.



### **Past Budgetary Priorities and Reductions**

In the years since 2003, the Army has relied heavily on Overseas Contingency Operations (OCO) funding to build and maintain the core competencies and readiness for operations overseas. OCO funds have been used to meet immediate operational needs and to fill voids in Soldier training and modernization procurement.

Prior to 2003, the Army used major exercises at our combat training centers to ensure the readiness of our brigade combat teams. The Army began shifting the focus of these exercises from training for the full range of combat operations to preparing for more limited stability or counterinsurgency (COIN) operations in support of ongoing wars. In 2011, the Army began reintroducing training for combined arms in an effort to restore these core warfighting skills which had atrophied after a decade of COIN-focused operations. The Army had intended in 2013 for all Army brigades not scheduled to deploy to Afghanistan to train for these critical combat functions in their Combat Training Center (CTC) exercises. Unfortunately, our goal to begin rebuilding these core warfighting skills in FY13 has not been realized due to the effects of sequestration. This puts us and our Soldiers at risk if faced with a future conflict or unforeseen contingency.

Over the past three years, the Army has absorbed several budgetary reductions in the midst of conducting operations overseas and rebalancing the force to the wider array of missions called for in the 2012 Defense Strategy Guidance. In 2010, under Secretary Gates, DOD developed a ten-year plan to achieve nearly \$300 billion in efficiencies. To comply with the discretionary caps outlined in the Budget Control Act of 2011, the FY 2013 Budget proposed \$487 billion in DOD funding reductions over ten years, of which the Army's share is an estimated \$170 billion. With the end of the Afghanistan and Iraq wars and after the collaborative development of the 2012 Defense Strategic Guidance, the Army agreed to reduce our endstrength in order to maintain a balanced, ready and modern force. 98% of the Army's endstrength reductions were taken from the Active Army. As a result, we are in the process of shrinking our Active Army by 14% from a wartime high of 570,000 to 490,000. At the same time, we are keeping the Army National Guard relatively constant, with a 2% reduction from 358,000 to 350,000, and retaining the Army Reserves at 205,000.

In conjunction with endstrength reductions, on 25 June 2013, we announced changes to the Army force structure to reorganize 45 brigade combat teams (BCTs) into 32 BCTs. In doing so, we will eliminate excess headquarters infrastructure while reinvesting the greater combat power of 95 of 98 combat battalions across the remaining Brigade Combat Teams. All of these endstrength and force structure decisions were developed to respond to previous budget cuts and prior to the implementation of sequestration.

If the additional discretionary cap reductions required under current law continue, we will be forced to further reduce the Army endstrength to at least 420,000 in the Active Army, 315,000 in the Army National Guard, and 185,000 in the U.S. Army Reserves. This will represent a Total Army endstrength reduction of more than 18% over seven years – a 26% reduction in the Active Army endstrength and a 45% reduction in Active Army Brigade Combat Teams; a 12% reduction in the Army National Guard; and a 9% in the U.S. Army Reserves.

### **Sequestration Impacts in FY13 and FY14**

Sequestration has had a profound effect on our efforts to prepare units for future contingency operations. The continued implementation of the reduced discretionary caps beginning in FY 2014

will force drastic impacts across all aspects of Army readiness in training, equipment sustainment and modernization, military and civilian manning, and installation support.

### ***Training***

In FY13, the Army was forced to cancel CTC rotations for seven brigade combat teams – the equivalent of two divisions – that were not slated to deploy to Afghanistan or serve in the Global Response Force. We had intended for all Active Army brigades not scheduled to deploy to Afghanistan to train on their critical core competencies, but we were forced to cancel all CTC rotations for non-deploying units.

If sequestration-level reductions continue into Fiscal Year 2014, **85% (59 of 69) active and reserve component BCTs will not meet the contingency requirements of the 2012 Defense Strategic Guidance.** Even the four BCTs that have been funded for collective training at a CTC in preparation for an Afghanistan deployment will only be trained for the Train and Assist mission required for that theater; they will not be prepared for any other contingency operation.

Certification at a CTC rotation means that a BCT is fully trained to accomplish all of its assigned missions. Without this training and certification, these units are not properly prepared to deploy. In the event of a crisis, we will deploy these units but they will be at a higher risk of not accomplishing their mission for the Nation. Our Soldiers are adaptive and agile; over time they may accomplish their mission but their success will come at a higher risk of casualties. This means that if these units are called upon to defend South Korea, or to secure chemical and biological weapons in Syria, the Commander in Chief will be forced to send Soldiers into harm's way who have not trained as part of a large Army formation and have not proven their ability to execute their collective unit missions.

Twelve years of conflict have resulted in an extensive backlog in our leadership education and training programs due to reductions in schoolhouse capacity. For example, only 68% of Majors, 75% of Warrant Officers, and 71% of Non-Commissioned Officers have completed their critical professional military education (PME) courses necessary to effectively lead Soldiers in current and future assignments. The opportunities lost to train the Army's midgrade and senior leaders in CTC rotations, collective training, and institutional education will result in Army leaders incapable of maneuvering units under fire and in combat being promoted to command larger units and organizations. Finally, there continue to be extensive shortfalls in critical specialties and backlogs in institutional training. FY14 cuts will increase the current 200-seat backlog in Aviation Flight Training and will continue to erode the capacity in our sniper, Ranger, and language schools. Risk taken in training readiness cannot be quickly recovered. It takes an Active Army BCT one year to build full training readiness for unified land operations. Missed leader development opportunities will create a deficit that cannot be recovered.

### ***Equipment Sustainment and Modernization***

Due to a \$1.7 billion reduction in FY13 OCO Reset funding, the Army deferred maintenance on 172 aircraft, more than 900 vehicles, almost 2,000 weapons, and over 10,000 pieces of communications equipment. For those units not deploying last year, the Army reduced routine maintenance costs that in turn incurred an additional ~\$73.5 million in deferred maintenance costs that will carry over into FY14. In addition, a \$411.2 million shortfall in depot level funding resulted in the release of nearly 2,600 civilian and contract personnel in critical engineering and trade skills that have further eroded resident and private sector industrial base capabilities.

The Army is responsible for maintaining pre-positioned sets of equipment that serve as the strategic hedge in critical regions of the world in order to allow for rapid deployment of Soldiers in times of crisis. Sequestration has forced the Army to defer maintenance and new equipment fielding for these sets – impacting each Combatant Commander's war plans.

We will be unable to maintain the software upgrades necessary to sustain aerial network operations; the Army software sustainment program will be at high risk due to the reduction in funding for 135 systems that affect network security, systems operations, integration and information assurance.

In the event sequestration-level discretionary caps continue into FY14, we will assume significant risk in our Combat Vehicle development and delay the fielding of Abrams training simulators by two years. In our aviation program, we cannot afford to procure a new Armed Aerial Scout program and we will be forced to reduce the production and modernization of 25 helicopters. We will reduce system upgrades for unmanned aerial vehicles. We will delay the modernization of Air Defense Command and Control systems. If reductions of that magnitude continue into FY15 and beyond, every acquisition program will be affected. These reductions will significantly impact 100 modernization programs by not transitioning to production, terminating their funding, restructuring the program or significantly delaying their completion. This will be necessary to facilitate our ability to concentrate the available funds on priority programs in science and technology, Paladin Integrated Management (PIM), Armored Multi-Purpose Vehicle (AMPV) and the JLTV (Joint Light Tactical Vehicle).

Additionally, FY13 sequestration cuts greatly impacted Army Science & Technology (S&T) – the seed corn of Army modernization and innovation. Sequestration nearly halved new basic research grants in FY13 and affected grants at more than 120 universities in 38 states. If additional reductions continue, we expect that increasing numbers of Army scientists and engineers will move to private sector jobs, impacting Army S&T now and the development of new capabilities for the future. Applied Research and Advanced Technology Development efforts in key capability areas will be further impacted across all areas including basic research, armor, high energy lasers, anti-access/area denial technologies, electronic warfare, cyber, mission command, night vision, Soldier training, medical research, operation and sustainment cost-cutting initiatives for Army systems and manufacturing technology efforts.

As these lower funding levels continue, we are increasingly concerned about the health of the industrial base and the subsequent consequences for the Army. Shrinking demands and production rates will tend to lead to higher proportional overhead costs and unit costs. Lower demand will also lead to the loss of trained and experienced workers, which will reduce industry's ability to respond to future requirements. Small businesses, which provide components and subcomponents for large end items and are less likely to have the capital resources to survive gaps in production, may shutter or leave the sector. The engineering and technical workforce necessary to design and develop new systems may migrate to other sectors or retire. Manufacturing skills in highly specialized areas such as aircraft integration and large caliber weapons are likewise difficult to replace if lost due to downsizing.

### ***Manning***

*Military Manning.* The Army will strive to retain its most talented Soldiers but will be forced to separate large numbers of high quality experienced, combat Veterans. For example, in FY14, the

Army will begin to convene boards to separate up to one third of the Captains from Year Groups 2007, 2008, and 2009, the majority of whom have served multiple deployments in combat. The loss of experienced manpower will negatively impact short-term readiness and is likely to impact future recruitment and retention. Reductions in the pool of Soldiers will exacerbate the impact on our manning readiness, as the pool of unavailable and non-deployable Soldiers is at a historical peak of 16% after twelve years of continuous operations.

*Civilian Manning.* This year, we furloughed approximately 197,000 civilian employees, 48% of whom are Veterans, forcing them to take a 20% pay cut for six weeks. Furloughs delayed maintenance services; slowed contracting; and decremented nearly every support function to include medical and family services at every installation. Furloughs have also begun to have a tremendous effect on morale as they come on the heels of two years of frozen pay and performance-based bonuses; we have begun to see some of our highest quality personnel seeking employment in the private sector. Given the lower discretionary caps and the continued threat of sequestration we are preparing to reduce civilian endstrength to levels proportional to military endstrength reductions - an estimated 14% cut to our dedicated civilian workforce.

#### ***Installations Support***

In FY13, we reduced our base sustainment funds by \$2 billion, a 70% drop from historic levels of funding. In FY14, facilities sustainment will receive 36% of historic funding levels which will meet minimum requirements for installation sustainment of buildings for Health, Life and Safety, but otherwise will significantly impact every service program including municipal, fire and emergency, logistics, facilities engineering, and family programs. For example, we will not be able to fund municipal services contracts for custodial, pest control, or other services and we will be forced to eliminate nearly all preventative maintenance programs. The backlog of approximately 158,000 work orders is 500% above this time last year, and will increase future sustainment costs throughout the year by 31%. We will suspend all restoration and modernization projects which includes those projects needed to support the consolidation of bases in Europe. The degradation of services to Soldiers, Civilians, and their Families, particularly as units continue to deploy into and return from theater and in the midst of the drawdown, will significantly erode recruitment and retention. Likewise, funding for military construction, to include large-scale renovations of older infrastructure, will be more than 50% below historic norms.

#### **Fiscal Year 2014**

The Army remains fully committed to the enactment of President's budget for Fiscal Year 2014. The Army's portion of that budget, \$129.7 billion, is necessary in its entirety to ensure that the Army meets the requirements of the 2012 Defense Strategic Guidance. The FY14 budget, however, does not provide the funds necessary to address decaying readiness that is the result of cuts made to our training programs in FY12 and FY13. As a result, I submitted a \$3.2 billion Unfunded Request Memo on 6 June 2013. In addition to the FY14 base budget, the Army has submitted a separate request of \$47.6 billion in FY14 OCO funding for operations in Afghanistan; it is critical that this request be fully funded to support our Soldiers currently deployed and those soon to deploy into theater.

However, given the necessity to prepare for the reduced discretionary caps and threat of sequestration in FY14, the Army's execution of the FY14 budget will proceed along five avenues. First, Secretary McHugh and I have directed that we accelerate the deliberate downsizing of the Army's Active endstrength from its current level of 532,530 to 490,000 by FY15 instead of FY17.

Second, we are implementing force structure changes – including the reorganization of our Brigade Combat Teams – to reduce brigade level headquarters while sustaining combat power. Third, we will be forced to implement a drastic tiered readiness system in which about 20% of the operational force will receive the funds necessary for collective training. Fourth, we will reprioritize our modernization programs and determine which ones are most critical to filling capability gaps and which ones will be delayed or cancelled. Fifth, we will make every effort to recruit and retain a high quality, professional, and disciplined All-Volunteer Force while we support our Veterans transitioning back to civilian life.

### **Strategic Choices**

In March of this year, Secretary Hagel directed a four-month long Strategic Choices and Management Review (SCMR). The SCMR was a valuable forum to discuss the projected impacts of sequestration and to formulate the choices facing us in the areas of endstrength, force structure, readiness, and modernization.

The SCMR review concluded that the Total Army must reduce its endstrength, combat formations, readiness, and modernization programs dramatically to keep pace with each of the proposed budget options. The SCMR process concluded that the Active Army endstrength could be as low as 420,000 while the Army National Guard could be as low as 290,000. Because the U.S. Army Reserve structure is based on their combat support role, the SCMR concluded that their endstrength and structure should not change.

Ultimately, the size of our Army will be determined by the guidance and amount of funding provided by the Congress. To that end, the SCMR looked at two different funding levels, one that reflects the President's Budget proposal and another that reflects the reductions to the discretionary caps required under current law. In both cases, the Army takes significant budget reductions.

Under the funding levels of the President's Budget proposal, which defers the effects of sequestration for several years, the Army will reach what I believe is the absolute minimum size to fully execute the 2012 Defense Strategic Guidance: 450,000 in the Active Army, 335,000 in the Army National Guard, and 195,000 in the U.S. Army Reserves which would include a total of at least 52 Brigade Combat Teams. In this case, because the President is proposing to defer the largest funding reductions until 2018, we can maintain a ready force, albeit a smaller one, that across the Total Army, can meet the requirements of the 2012 Defense Strategic Guidance. At this size, however, we are at high risk for reacting to any strategic surprise that requires a larger force to respond. In addition, the Army will only be able to maintain an adequate level of future readiness by accepting a high degree of risk across every modernization program.

The second case examined by the SCMR was how to achieve the additional budget cuts called for under the current law. In this case, the Army was "sized-to-budget," meaning that in order to build and sustain a ready force, the Army would be reduced to no more than 420,000 in the Active Army, 315,000 in the Army National Guard, and 185,000 in the U.S. Army Reserves which would include significantly less than the 52 Brigade Combat Teams I believe we need. Additionally, it would require us to reduce our modernization accounts by nearly 25%, with no program unaffected. While we have made no final decisions yet, major weapon programs will be delayed and while we tried to protect certain programs, the impact on the industrial base is likely to be severe.

In my professional military judgment, these projected endstrength and force structure levels would not enable the Army to fully execute 2012 Defense Strategic Guidance requirements to defeat an adversary one major combat operation while simultaneously denying the objectives of an

adversary in a second theater. Additionally, it is unlikely that the Army would be able to defeat an adversary quickly and decisively should they be called upon to engage in a single, sustained major combat operation. Whatever budget decision made by Congress, the Secretary of the Army and I have determined that we will reduce the size of the Army as needed to ensure that all units – Active Army, the Army National Guard, and U.S. Army Reserve – will be ready for their assigned missions. Therefore, our deliberations should not solely pivot around a discussion of the future Army endstrength but also upon the readiness and capabilities of the Army given the resources available.

#### **Congressional Action**

As I have detailed above, the fiscal outlook today and in the near future continues to be exceedingly difficult due to the blunt instrument of sequestration. It is imperative that Congress avoid future cuts through the vehicle of sequestration. Sequestration continues to have a devastating impact on our ability to train, man, and equip the Army. As you continue to work through the issue of continuing resolutions and dealing with sequestration, we ask you to consider the following actions that will allow us to deal with these cuts in a more reasonable and rational way.

*Compensation Reform.* We are extremely grateful for the high quality care and compensation our Nation has shown to our service men and women over the last decade. Military manpower costs remain at historic highs and consume 46% of the Army budget today. As we go forward, we must develop compensation packages that reduce future costs but at the same time recognize and reward our Soldiers and their families for their commitment and sacrifice. If we do not slow the rate of growth, Soldier compensation will double to approximately 80% of the budget by 2023. The President proposed modest reductions and changes to pay, entitlements, and health care. If these changes are not approved, we will be forced to reduce the Total Army endstrength even further. We simply cannot have a ready force within the funds provided without some type of compensation reform. It is our solemn duty to our Soldiers and Nation to ensure that they are ready to fight when called to do so. We must make choices that preserve the high quality, All-Volunteer Force as the most critical component of a ready Army.

*Civilian Workforce.* The furloughing of our civilian workforce in FY13 caused much disruption across our Army and impacted our ability to remain focused on critical mission requirements. As we move forward, the shaping and restructuring the Army civilian workforce is necessary to ensure we have the right mix of talent and skills to support our Army for the future. Additional authorities to increase the cap on the Voluntary Separation Incentive Program (VSIP) and the ability to offer Voluntary Early Retirement (VERA) are crucial to us in order to maintain our professional and capable civilian workforce.

*BRAC.* Due to reductions in military and civilian endstrength, force structure, and industrial base demand, a future round of base realignment and closure (BRAC) is essential to divest excess Army infrastructure. BRAC would also allow for a systematic review of existing DOD installations to ensure effective Joint and multi-service component utilization. If we do not make the tough decisions necessary to identify inefficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and Family programs and the quality of our installation services will suffer.

#### **Conclusion**

We must develop a leaner, smaller Army that remains the most highly-trained and professional All-Volunteer land force in the world; one that is uniquely organized with the capability and capacity to

provide expeditionary, decisive landpower to the Joint Force, and is ready to perform the range of military operations in support of Combatant Commanders to defend the Nation and its interests at home and abroad, both today and against emerging threats.

To ensure that we align resources to set ourselves on course to realize this Army, I have established five strategic priorities for the force:

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

The impact of sequestration in FY13 coupled with the threat of continued sequestration levels of funding are forcing the Army to implement significant reductions to endstrength, readiness, and modernization in order to generate short-term cost savings. However, this will leave Congress, future administrations, and the Nation with severely reduced options for action. The next administration will have less capability to deter conflict and would be increasingly reliant upon allies in any future conflict, with no guarantee that our allies would be willing or able to provide the assistance needed to meet U.S. national security goals. In the event of a strategic surprise or upon the completion of hostilities, an undersized Army would be unable to conduct long-term stability and transition operations.

The choices we must make to meet reduced funding levels by sequestration could force us to reduce our Army in size and capability to levels that I, as the Chief of Staff of the Army, am not comfortable with. For those that present the choice as one between capacity and capability, I want to remind them that for the Army, Soldiers are our capability. Unlike other services that man their equipment, the Army must train and equip Soldiers to achieve decisive strategic results on the ground. If the funding dictates a smaller Army, then we must be prepared for both reduced capacity and reduced capability. Today, we have the best Army in the world. It is our charge, Congress and DOD working together, to ensure that by the end of this decade, we still have the best Army in the world. Thank you for taking the time to listen to us about our budgetary concerns.

The strength of our Nation is our Army  
 The strength of our Army is our Soldiers  
 The strength of our Soldiers is our Families.  
 This is what makes us Army Strong!

**GENERAL RAYMOND T. ODIERNO**  
**38<sup>th</sup> Chief of Staff**  
**UNITED STATES ARMY**



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

A native of Rockaway, New Jersey, General Odierno attended the United States Military Academy at West Point, graduating in 1976 with a commission in Field Artillery. During more than 36 years of service, he has commanded units at every echelon, from platoon to theater, with duty in Germany, Albania, Kuwait, Iraq, and the United States. After his first assignment with U.S. Army Europe, General Odierno was assigned to the XVIII Airborne Corps Artillery at Fort Bragg, N.C., where he commanded two batteries and served as a battalion operations officer.

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

From October 2001 to June 2004, General Odierno commanded the 4th Infantry Division, leading the division during Operation IRAQI FREEDOM from April 2003 to March 2004. From December 2006 to February 2008, he served as the Commanding General, Multi-National Corps – Iraq (III Corps) as the operational commander of the surge of forces. Later, he served as the Commanding General, Multi-National Force - Iraq and subsequently United States Forces - Iraq, from September 2008 until September 2010. From October 2010 until August 2011, he was the Commander of United States Joint Forces Command.

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

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

General Odierno is married to his high school sweetheart, Linda. They have three children: son Tony and his wife Daniela; daughter Katie and her husband Nick Funk; and son Mike. He and Linda also have three grandsons. His oldest son, Army Captain (Retired) Tony Odierno, is a combat veteran.

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



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RELEASED BY THE HOUSE ARMED  
SERVICES COMMITTEE

**STATEMENT OF  
ADMIRAL JONATHAN GREENERT**

**U.S. NAVY  
CHIEF OF NAVAL OPERATIONS**

**BEFORE THE**

**HOUSE ARMED SERVICES COMMITTEE**

**ON**

**PLANNING FOR SEQUESTRATION IN FY 2014 AND  
PERSPECTIVES OF THE MILITARY SERVICES ON THE  
STRATEGIC CHOICES AND MANAGEMENT REVIEW**

**18 SEPTEMBER 2013**

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE ARMED  
SERVICES COMMITTEE

Chairman McKeon, Ranking Member Smith, and distinguished members of the Committee, thank you for the opportunity to testify about the Navy's planning for FY 2014 and our perspective on the recent Strategic Choices and Management Review.

In this statement I will explain the impacts of sequestration having occurred in FY 2013 and current law imposing reduced discretionary caps in future years, and why I believe these caps will preclude our ability to execute the 2012 Defense Strategic Guidance (DSG) in the long term. In the near term, sequestration in FY 2014 will negatively impact our readiness and investments, further degrading programs in all appropriations except military personnel. Combined with the prohibitions on transferring funds, increasing program quantities and starting new projects associated with a continuing resolution, these impacts will be considerably worse in FY 2014 than they were in FY 2013.

The Strategic Choices and Management Review (SCMR) directed by the Secretary of Defense was an exercise to produce options and identify choices that would prepare the way for the Department of Defense to comply with the BCA. Now that the SCMR is complete, the Navy's focus is development of a balanced portfolio of programs within the fiscal guidance (fiscal reductions) provided by the Office of the Secretary of Defense (OSD). That work is in progress. It is not complete.

The standard that guides our current planning, programming and budgeting is the DSG and its objectives for the Joint Force of 2020. It is important to remember that 2020 is the benchmark year used by the DSG. The DSG incorporated the first set of BCA-mandated budget reductions and directed the military to address "the projected security environment" and to "recalibrate its capabilities and make selective additional investments to succeed in the missions" of the Armed Forces.

***Our President's Budget submission for FY 2014 (PB-14)***

To understand the impacts of applying the BCA caps through 2023, we need to establish the situation with our current budget submission. Our PB-14 submission and January 2013 "Force Structure Assessment (FSA)" are foundational in this discussion. The FSA is our validated requirement for ships.

The Navy's PB-14 submission was designed to execute the DSG with acceptable risk. If executed as planned, it will result in a fleet of approximately 295 ships in 2020 (300 in FY 2019), about 10 more than are in service today. This "2020 Fleet" would do the following in support of the DSG:

- Increase our global deployed presence from about 95 ships today to about 115 in 2020.
- Increase presence in the Asia-Pacific from about 50 ships today to about 60 ships in 2020, consistent with the DSG's direction to rebalance to that region.
- "Continue to place a premium on U.S. military presence in—and in support of—partner nations" in the Middle East, with about 30 ships. This will include continuous presence of a rotationally-deployed Carrier Strike Group (CSG) and Amphibious Ready Group (ARG), ballistic missile defense (BMD) capable destroyers, and attack submarines. These rotational forces will be augmented by an Afloat Forward Staging Base (AFSB), patrol coastal (PC) and mine countermeasures (MCM) ships homeported in Bahrain, which (late in this decade) will be replaced by forward-stationed littoral combat ships (LCS).
- "Evolve our posture" in Europe by meeting our ballistic missile defense European Phased Adaptive Approach (EPAA) requirements with four BMD-capable destroyers homeported in Rota, Spain and two land based sites in Romania and Poland. Additional presence will be provided by forward operating Joint High Speed Vessels (JHSV), Mobile Landing Platform (MLP) ships, an AFSB, and rotationally deployed combatants.
- Provide "innovative, low-cost, and small-footprint approaches" to security in Africa and South America by deploying on average one JHSV and one LCS continuously to both regions, and maintaining an AFSB off of Africa.

Our PB-14 budget submission invests in the capabilities and capacity required for the missions described in the DSG with the following results:

*Counter Terrorism and Irregular Warfare (CT/IW).* We would have the capacity to conduct widely distributed CT/IW missions. According to our FSA, this requires one AFSB in the Arabian Gulf and one AFSB in the Gulf of Aden, four LCS, with two deployed in various

locations worldwide and six MQ-8B/C *Fire Scout* unmanned air vehicles operating from these platforms.

*Deter and Defeat Aggression.* We would be able to “conduct one large-scale operation and also counter aggression by an opportunistic aggressor” in a second theater. According to the analysis conducted as part of our FSA, this requires 11 aircraft carriers (CVN), 88 large surface combatants (LSC) - cruisers (CG) and destroyers (DDG), 48 attack submarines (SSN), 11 large amphibious assault ships (LHA/D), 11 amphibious transport docks (LPD), 11 dock landing ships (LSD), 52 small surface combatants (LCS, frigates and MCM) and 29 combat logistics force (CLF) ships. Maintained at an appropriate level of readiness in accordance with our Fleet Response Plan, this force structure yields three non-deployed CSG and three ARG ready to deploy in response to a contingency within about 14 days and an appropriate number of CSG, ARG, LSC and SSN able to surge forward in response to crisis. These forces would augment and relieve our presence forces described above, which includes two CSG and two ARG.

*Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges.* Our PB-14 submission would implement the Joint Operational Access Concept (JOAC) and the Air-Sea Battle concept through investments in:

- Undersea capabilities, including:
  - An inventory of P-8A *Poseidon* maritime patrol aircraft that meets the program and warfighting requirement of 117 aircraft in 2019, completing transition from the legacy P-3C *Orion* by 2019.
  - Anti-submarine warfare (ASW) combat system upgrades will be installed in all DDG forward homeported in the Western Pacific by 2018, including addition of a Multifunction Towed Array (MFTA) sonar.
  - An ASW mission package that will be fielded on LCS in 2016, which increases surface ship ASW capacity and delivers improved capability by using a MFTA in combination with a variable depth sonar (VDS).
  - Upgraded sonobuoys and advanced torpedoes to equip all of our helicopters, SSN, and P-8A in the Western Pacific by 2018. PB14 includes 1,286 Mk 54 advanced lightweight torpedoes for aircraft and 809 improved Mk 48 heavyweight torpedoes for submarines.

- The Virginia Payload Module (VPM) fielded in *Virginia* class submarines in 2027 to enable Virginia-class SSN to replace land attack capacity from guided missile submarines (SSGN) that begin retiring in 2026.
- An LCS mine countermeasures mission package that employs unmanned vehicles and offboard sensors to locate and neutralize mines while keeping the LCS and its crew outside the mine threat area. The first increment of this mission package will be fielded in 2015, and the second in 2019.
- Air and missile defenses, including:
  - The Surface Electronic Warfare Improvement Program (SEWIP), that delivers upgraded electromagnetic sensing capabilities in 2014 and upgraded jamming and deception capabilities in 2017. Both of these upgrades are required to counter advances in adversary anti-ship cruise missiles.
  - The new Air and Missile Defense Radar (AMDR) to be fielded on seven Flight III *Arleigh Burke* DDG that deliver between 2021 and 2024. Longer-range, more accurate, and more agile than legacy ship-based radars, AMDR is needed to counter advanced anti-ship weapons and jamming.
  - The Evolved Sea Sparrow Missile (ESSM) Block II, an improved short-range, ship-based missile that counters attacks by multiple cruise missiles at low altitude, as well as adversary jamming and radar deception. It will be fielded in 2020 with 80 missiles going to the fleet.
  - The F-35C *Lightning II*, the carrier-based variant of the Joint Strike Fighter, introduced into the fleet by 2019, will integrate into our carrier air wing (CVW) forward homeported in the Western Pacific in 2020. The F-35C's advanced sensors, coupled with its data sharing capability and ability to operate closer to threats, will enhance the CVW's ability to find targets and coordinate attacks.
  - An improved air-to-air "kill chain" based on infrared (IR) sensors and weapons that circumvent adversary radar jamming and deception. The Infrared Search and Track (IRST) sensor system will be fielded in 2016 and an improved version with extended range will be fielded in 2019. The longer

range and accuracy ofIRST will be employed by the AIM-9X Block III IR-guided missile that delivers in 2021.

- An improved air-to-air radio-frequency (RF) “kill chain” that defeats enemy jamming and operates at longer ranges through upgrades to every F/A-18E/F Block II *Super Hornet* will be fielded by 2018. This radar will be used with the longer-range “fire and forget” AIM-120D, which will be fielded in 2014 and integrated into all Pacific CVW by 2020.
- The Navy Integrated Fire Control-Counter Air (NIFC-CA) network, which integrates aircraft and ship sensor and weapons capabilities. Fielding begins with the E-2D *Advanced Hawkeye* aircraft in 2015 and fully equips six CVW by 2020. Full transition to the E-2D will be complete by 2022.

*Operate Effectively in Space and Cyber Space.* We would recruit, hire and train 976 additional cyber operators and form 40 computer attack and defense teams by 2017.

*Maintain a Safe, Secure, and Effective Nuclear Deterrent.* We would sustain today’s ballistic missile submarine (SSBN) force and ensure the future SSBN(X) delivers in 2030 to replace retiring *Ohio*-class while meeting requirements for SSBN presence and surge.

*Defend the Homeland and Provide Support to Civil Authorities.* In accordance with Secretary of Defense direction and the FSA, the capacity required for these missions is one CSG, one ARG, two P-8A, four CG or DDG and 10 LCS that are not deployed and ready for all homeland defense missions. Our PB-14 submission would maintain this capacity.

*Conduct Humanitarian, Disaster Relief, and Other Operations.* Our FSA analysis determined that these missions will be met by sustaining overseas presence of 2 ARG and 9 JHSV. Our PB-14 submission would maintain this level of presence.

***Impact of a Potential Future Scenario: “Fiscally Constrained to BCA Caps: FY 2015-2023”***

Consistent with what the Deputy Secretary of Defense told this committee last month, if fiscally constrained to the revised discretionary caps, over the long term (2013-2023), the Navy of 2020 would not be able to execute the missions described in the DSG. There are numerous means and alternatives to adjust Navy’s portfolio of programs. These are currently under

deliberation within the department. As requested, the following provides perspective on the level and type of adjustments that will need to be made.

Any scenario to address the fiscal constraints under current law must include sufficient readiness, capability and manpower to complement the force structure capacity of ships and aircraft. This balance would need to be maintained to ensure each unit will be effective, even if the overall fleet is not able to execute the DSG. There are, however, many ways to balance between force structure, readiness, capability and manpower. One potential fiscal and programmatic scenario would result in a “2020 Fleet” of about 255-260 ships, about 30 less than today, and about 40 less than Navy’s PB-14 submission. It would include 1-2 fewer CSG, and 1-2 fewer ARG than today. With regard to the DSG and presence, in this particular scenario the “2020 Fleet”:

- Would not increase our global deployed presence, which would remain at about 95 ships in 2020. The lethality inherent in this presence, based on ship type deployed, would be less than today’s 95-ship presence.
- Would not increase presence in the Asia-Pacific, which would stay at about 50 ships in 2020. This would largely negate the ship force structure portion of our plan to rebalance to the Asia Pacific region directed by the DSG.
- Would not “place a premium on U.S. military presence in—and in support of—partner nations” in the Middle East, since presence would decrease and, assuming we use the same ship deployment scheme in the future, there would be gaps in CSG presence totaling 2-3 months each year.
- Would still “evolve our posture” in Europe by meeting our ballistic missile defense European Phased Adaptive Approach (EPAA) requirements with four BMD-capable DDG homeported in Rota, Spain and two land based sites in Romania and Poland. Additional presence would still be provided by forward operating JHSV, MLP, AFSB and some rotationally deployed combatants.
- Would still provide “innovative, low-cost, and small-footprint approaches” to security in Africa and South America by deploying, on average, one JHSV and one LCS continuously to both regions and maintaining an AFSB in AFRICOM’s area of responsibility.

In order to sustain a balance of force structure (current and future), modernization and personnel within our portfolio, continued compliance with the current law discretionary caps would compel us to reduce our investments (force structure and modernization), which would result in a “2020 Fleet” that would not meet DSG direction in the following mission areas:

*Counter Terrorism and Irregular Warfare (CT/IW).* We would not have the capacity to conduct widely distributed CT/IW missions, as defined in the DSG. There would be inadequate LCS available to allocate to this non-core Navy mission, in the amount defined by the FSA and concurred to by Special Operations Command.

*Deter and Defeat Aggression.* We would not be able to conduct one large-scale operation and also counter aggression by an opportunistic aggressor in a second theater. In this scenario, the fleet would have 9-10 CVN/CSG and 9-10 LHA/D and ARG. We would be able to sustain about one non-deployed CSG and one non-deployed ARG ready and able to surge on required timelines to meet all missions associated with one large scale operation, as defined today.

*Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges.* Overall, in this scenario, development of our capabilities to project power would not stay ahead of potential adversaries’ A2/AD capabilities:

- Some undersea capabilities will be slowed:
  - Attainment of the required P-8A inventory (117) would be delayed from 2019 to 2020, and transition from the P-3C to the P-8A would be delayed from 2019 to 2020.
  - Anti-submarine warfare combat system upgrades for DDGs and MFTA installations would not be affected.
  - The LCS ASW Mission Package would be delayed from 2016 to 2017.
  - Upgraded sonobuoys and advanced torpedo procurement would still equip all of our helicopters, SSN, and P-8A in the Western Pacific by 2018.
  - Virginia Payload Module (VPM) would still be fielded in 2027 to enable Virginia-class SSN to replace SSGN that begin retiring in 2026.
  - The LCS mine warfare mission package would still field its first increment in 2015 and the second in 2019.
- Air and missile defense improvements would be slowed:



- SEWIP upgraded electromagnetic sensing and upgraded jamming and deception capabilities would both be delayed one year (to 2015 and 2018, respectively). Both of these upgrades are required to counter advances in adversary anti-ship cruise missiles.
- The new Air and Missile Defense Radar (AMDR) would be delivered on only four ships, as compared to seven under our PB-14 submission, between 2021 and 2024.
- The Evolved Sea Sparrow Missile (ESSM) Block II would still be fielded in 2020, with 80 missiles being delivered to deployed ships.
- The F-35C *Lightning II*, the carrier-based variant of the Joint Strike Fighter, would still field in 2019 and join our CVW forward homeported in the Western Pacific in 2020. Overall, the number of F-35 procured would decrease by about 30 aircraft in 2020.
- All components of the improved air-to-air IR “kill chain” that circumvents adversary radar jamming would be delayed by two years. The Infrared Search and Track (IRST) sensor system would field in 2018 and the improved longer-range IRST would not deliver until 2021. The new longer-range AIM-9X Block III missile would not be fielded until 2023.
- Improvements to the air-to-air RF “kill chain” would be slowed down as F/A-18E/F Block II *Super Hornet* anti-jamming upgrades would be delayed to 2020. The longer-range AIM-120D missile would still field in 2014 but equipping of all Pacific carrier air wings would be delayed by two years to 2022.
- The Navy Integrated Fire Control – Counter Air (NIFC-CA) network would still initially field with the E-2D *Advanced Hawkeye* in 2015, but only four CVW, compared to six in our PB-14 submission, will have it by 2020. Transition to the E-2D would be delayed three years to 2025.

*Operate Effectively in Space and Cyber Space.* Plans to recruit, hire and train 976 additional cyber operators and form 40 computer operations teams by 2017 would not be impacted. This is a priority in any fiscal scenario.

*Maintain a Safe, Secure, and Effective Nuclear Deterrent.* We would still be able to sustain today's ballistic missile submarine (SSBN) force. The SSBN(X) would still deliver in 2030 to replace retiring *Ohio* class SSBN while meeting requirements for SSBN presence and surge. This is the top priority program for the Navy.

*Defend the Homeland and Provide Support to Civil Authorities.* We would still meet the capacity requirements for these missions.

*Conduct Humanitarian, Disaster Relief, and Other Operations.* We would continue to be able to support some missions with 2 ARG and 9 JHSV present overseas.

The extent of the fiscal changes in the BCA, when compared to current program and budget levels, would compel Navy to request relief from several program mandates and force structure capacity limits, in order to sustain and build a fleet with a balance of ship types. For example, mandated limits govern the size of the force, minimum funding for certain activities and facilities, and changes to the number of personnel at a base.

***The impact of FY 2013 sequestration***

Looking at the nearer term, the FY 2013 sequestration reductions compelled us to reduce our afloat and ashore operations and created a significant afloat and ashore maintenance backlog. However, the effects were barely manageable due to authorization to reprogram funds into appropriate maintenance accounts, and we were able to use prior-year investment balances to mitigate reductions to investment programs. Impact to Navy programs, caused by the combination of a continuing resolution and sequestration, included:

- Cancelled five ship deployments.
- Delayed deployment of USS HARRY S TRUMAN strike group by six months.
- Planned inactivation, instead of repairing, USS MIAMI due to rising cost and inadequate maintenance funds.
- Reduced facilities restoration and modernization by about 30%.
- Furloughed DON civilian employees for 6 days, which, combined with a hiring freeze, reduced our maintenance and sustainment capacity by taking away logisticians, comptrollers, engineers, contracting officers, and planners.

- Reduced base operations, including port and airfield operations, by about 20%.
- Cancelled the Blue Angels' season and most non-essential port visits for Fleet Weeks.

***The prospect of sequestration and a continuing resolution in FY 2014***

Sequestration in FY 2014, particularly if combined with restrictions of a continuing resolution (CR), will reduce our readiness in the near-term and exacerbate program impacts from budget reductions required under current law in the long-term. The impacts below assume an approximate 10% cut to the Navy's budget; however, with military personnel accounts exempted, the cut could increase to 14% in all other appropriations. In addition, the restrictions imposed by a CR will reduce our ability to manage the impact of sequestration. The impacts of this reduced funding will be realized in two main categories of budget accounts: (1) operations and maintenance and (2) investments.

(1) *Operation and maintenance* accounts, if sequestered under a CR, will absorb a larger reduction than in FY 2013 from a smaller amount; in addition we must begin to address deferred "carry over" bills from FY 2013 that total approximately \$2.3 billion over the next five years. Because we will prioritize meeting current presence requirements, we will be able to preserve 95% of the forward presence originally directed under the FY 2014 Global Force Management Allocation Plan (GFMAP). However, this is only about half of the Combatant Commander's original request. To ensure adequate funding for the most important deployments, we were compelled to adjust the plan in advance of FY2014 to remove the deployment of one CG to the Middle East, two salvage ships to Africa and South America and five large surface combatants to the Western Pacific. Most concerning, however, we will have two thirds less surge capacity in FY2014. Our planned presence to meet the GFMAP in FY 2015 and beyond will also be at risk because maintenance cancelled in FY2014 may result in ships being unable to deploy in future years. At a minimum this lost maintenance will reduce the service life of these ships.

Because of the mechanics of sequestration, we cannot reprogram (move) funds from other accounts into operations and maintenance to make up for the sequestered amount. As a result, within operations and maintenance, we have to "go where the money is" and find savings in training, maintenance, civilian personnel, and shore facilities. The reductions in fleet training we are compelled to make will result in only one non-deployed CSG and one ARG trained and

ready for surge operations – notionally without these reductions there would be three of each ready to deploy within about two weeks.

We will be compelled to cancel or defer planned FY 2014 fleet maintenance, including 34 of 55 surface ship maintenance periods totaling about \$950 million – all in private shipyards – and 191 of about 700 aircraft depot maintenance actions. This missed maintenance will inevitably take time off the expected service life of our ships and aircraft, which in turn will make it harder to sustain even the smaller fleet we will have if the BCA caps remain in place for the long term. For example, a recent Center for Naval Analysis study estimated cancelling and not making up one maintenance period at the ten-year point in a DDG's life will shorten its overall service life by about five years.

We will be compelled to keep in place our freeze on hiring for most civilian positions. Ashore we will continue to conduct only safety-essential renovation and modernization of facilities, further increasing the large backlog in that area.

(2) *Investment* accounts will be particularly impacted by sequestration in FY 2014, and we will not be able to use prior-year funds to mitigate shortfalls as we did in FY 2013. Without Congressional action or mitigating circumstances, the reductions imposed by sequestration and the limitations of a CR will compel us to:

- Cancel planned FY 2014 procurement of an SSN, an LCS and an AFSB; also, delay an SSN planned for FY 2015 procurement. Each of these would further worsen the reduction in fleet size, described earlier in this statement, that the BCA would compel us to make over the long term.
- Delay the planned start of construction on the first SSBN(X) from FY 2021 to FY 2022. This would cause us to be unable to meet U.S. Strategic Command presence requirements when the *Ohio*-class SSBN retires.
- Cancel procurement of 11 tactical aircraft (4 EA-18G *Growler*, 1 F-35C *Lightning II*, 1 E-2D *Advanced Hawkeye*, 2 P-8A *Poseidon*, 3 MH-60 *Seahawk*) and about 400 weapons, exacerbating future BCA-driven reductions in our capabilities to project power despite A2/AD threats.
- Delay delivery of USS GERALD R. FORD (CVN-78) by two years, extending the period of 10 CVN in service, and lowering surge capacity.

- Delay the mid-life overhaul of USS GEORGE WASHINGTON (CVN 73) scheduled for FY 2016, disrupting today's "heel-to-toe" CVN overhaul schedule and reducing near-term CVN capacity.

In order to avoid or remedy some of the FY 2014 impacts described above, we need Congress to approve authorization and appropriations bills. This would enable Navy to transfer funds, pursue innovative acquisition approaches, start new projects, increase production quantities, and complete ships. This would:

- Keep SSBN(X) on schedule to sustain required SSBN capacity after the *Ohio* class begins to retire.
- Buy two *Virginia* class SSN in FY 2014 as planned and keep FY 2015 SSN procurement on schedule. These actions will help maintain our undersea dominance and ability to project power despite A2/AD threats.
- Protect CVN-73's mid-life overhaul and complete CVN-78 on time to sustain CVN capacity.
- Build the planned AFSB in FY 2014, which is needed to meet DSG and combatant commander presence requirements for CT/IW capability.
- Restore half of the cancelled surface ship maintenance availabilities to protect FY 2015 presence.

***Conclusion***

We understand the pressing need for the nation to get its fiscal house in order. DOD should do its part, but it is imperative we do so in a coherent and thoughtful manner to ensure appropriate readiness, warfighting capability, and forward presence – the attributes we depend upon from our Navy. Specifically, we need to be able to establish and pursue a deliberate plan for future force development. Regardless of the level of funding we receive, having a predictable budget and associated authorities will enable us to develop and execute an achievable strategy. This strategy would guide our efforts to sustain the appropriate readiness in today's Navy while building a future fleet that is able to deliver the most important presence and capabilities and address the most important warfighting scenarios.

We will continue to view each of our choices through the lens of the three tenets I established when I took office as CNO: *Warfighting First*, *Operate Forward*, and *Be Ready*. But with each year of sequestration, the loss of force structure, readiness and future investments will cause our options to become increasingly constrained and drastic; our ability to contribute to the nation's security will be reduced.

We look forward to working with the Congress to find solutions that will ensure our Navy remains preeminent and preserve the nation's security and prosperity.

**Chief of Naval Operations****9/23/2011 - Present****Admiral Jonathan W. Greenert**

Adm. Jonathan W. Greenert is a native of Butler, Pa. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

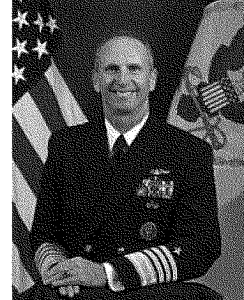
His career as a submariner includes assignments aboard USS *Flying Fish* (SSN 673), USS *Tautog* (SSN 639), Submarine NR-1 and USS *Michigan* (SSBN 727 - Gold Crew), culminating in command of USS *Honolulu* (SSN 718) from March 1991 to July 1993.

Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).

Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.



*Updated: 23 September 2011*

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**DEPARTMENT OF THE AIR FORCE**  
**PRESENTATION TO THE HOUSE ARMED SERVICES**  
**COMMITTEE**  
**THE STRATEGIC CHOICES AND MANAGEMENT REVIEW**

**STATEMENT OF:      GENERAL MARK A. WELSH III**  
**CHIEF OF STAFF, UNITED STATES AIR FORCE**

**SEPTEMBER 18, 2013**

**NOT FOR PUBLICATION UNTIL RELEASED BY**  
**THE HOUSE ARMED SERVICES COMMITTEE**



Mr. Chairman, Ranking Member Smith, members of the committee, it is an honor to appear before you. Thank you for the opportunity to discuss the findings of the Strategic Choices and Management Review (SCMR) and what it means to the United States Air Force. Thanks also for your continued support of Airmen and their families as our Nation remains at war.

Our Air Force is the best in the world. We hire the very best people we can find and train them better than any other airmen in the world. As members of a great joint warfighting team, we do five core missions, which haven't fundamentally changed since we became a separate service in 1947. We still do (1) air superiority (we've added space superiority), (2) intelligence, surveillance, and reconnaissance (ISR), (3) rapid global mobility, (4) global strike, and (5) command and control. We do all these missions in and through our three operating domains--air, space, and cyberspace. The result is *Global Vigilance*, *Global Reach*, and *Global Power* for America.

Our Airmen know this, and they are proud of the critical role they play in our Nation's defense. It's our job as leaders and policy makers to ensure that when America calls, our servicemen and women are capable of fighting and winning our Nation's wars. As we plan for various budget scenarios, we seek to remain ready in 2014 for a full range of combat operations, while also building an Air Force that is capable of executing our five core missions against a determined, well-armed and well-trained adversary in 2023 and beyond.

#### **SCMR Process**

This past March, Secretary Hagel directed the Deputy Secretary of Defense, the Service secretaries, the Joint Chiefs of Staff, the combatant commanders, and the undersecretaries of defense to conduct a Strategic Choices and Management Review to prepare for a range of budget

scenarios. We analyzed every aspect of the defense establishment including business and acquisition practices, contingency planning, force structure, compensation, readiness, and modernization with the goal of finding savings while preserving the key tenets of the Defense Strategic Guidance (DSG).

To meet this goal, the Air Force relied on four guiding principles that steer our strategy and budget process. (1) We must remain ready for the full spectrum of military operations. (2) When forced to cut capabilities (tooth), we must also cut the associated structure and overhead (tail). (3) We will maximize the contribution of the Total Force. And, (4) we will remain strategy driven, based on the DSG and our ability to execute our five core missions against a full-spectrum, high-end threat.

#### **SCMR Findings**

1) In all of the budget scenarios we considered, we need sufficient flexibility to make the Air Force more efficient and effective. We can and have found savings from reducing overhead, administrative costs, and operating expenses. But compensation reform and infrastructure reduction are critical. If they are not addressed, then the cuts must come entirely from training for readiness and investment in recapitalization, modernization, and new technologies. The result is reduced combat power from a smaller, less capable and less ready force, and the resultant increased national security risk. These reforms are difficult, but we must make them. We appreciate the reprogramming assistance Congress has previously provided, and will seek continued congressional support in transferring money between appropriations.

2) The SCMR found that, over time, a combination of efficiencies, compensation reforms, and strategically chosen cuts in force structure, modernization, and readiness, could achieve the level of cuts required under current law, but there is no strategically and

managerially sound approach to close that gap within the next few years. If cuts of that magnitude must be implemented now, draconian measures that will have significant negative effects on people, weapons systems, munitions accounts, readiness, and modernization will be required.

3) The SCMR found that the President's fiscal year 2014 (FY14) budget proposal is the most prudent option of those currently being considered. It allows us to implement the main tenets of the DSG. Force reductions in this scenario will still be necessary, but if accompanied by efficiency and compensation reforms, they can be made in a way that minimizes the additional risk to our national defense.

### **Sequestration**

We are fully aware that the Air Force has a role in helping our Nation get its fiscal house in order. However, the uncertain and arbitrary nature of sequestration makes it a reckless way to fund the world's greatest military. As the Vice Chairman of the Joint Chiefs of Staff said, "We don't know how much money we're going to have. We don't know when we will know how much money we're going to have. And we don't know what the rules are going to be when we know." Furthermore, the blunt, indiscriminate mechanism of sequestration undermines the combat capability of the United States Air Force and the entire joint force, and is unworthy of the men and women who risk their lives in service to our Nation.

The current effects of the FY13 sequestration are well documented. We were forced to ground 33 squadrons, including 13 combat-coded squadrons. An additional seven squadrons were reduced to basic "takeoff and land" training. It will now cost a minimum of 10 percent more flying hours to fully retrain the grounded squadrons than it would have to simply keep them trained all along.

In addition, we were forced to break faith with our civilian Airmen by furloughing 164,000 active duty, Guard, and Reserve civilians for eight hours a week, over a six week period. On top of the financial hardship of losing 20 percent of their pay during this period, we as an Air Force lost 7.8 million man-hours of productivity. Sadly, we also sent a message to our civilian Airmen that we don't sufficiently value their contributions. It will take us years to earn back their trust.

Sequestration has already dealt a significant blow to our Air Force. If the reduced discretionary caps, with the threat of sequestration, remain in place for FY14, we could be forced to cut flying hours by as much as 15 percent. Within three to four months, many of our flying units will be unable to fly at the rates required to maintain mission readiness, we'll cancel or significantly curtail major exercises, and we'll reduce our initial pilot production targets. In addition to these near-term effects, if reductions of this magnitude continue, we will be forced to pursue the following long-term actions in force structure, readiness, and modernization.

#### **Force Structure**

We will be forced to get smaller...both in terms of people and aircraft. On the people side, as a Total Force we are already the smallest we have been since our inception. When I entered the Air Force in 1976 we had 725,000 Total Force military Airmen, including 585,000 on active duty. Today we have 506,000 Total Force military Airmen. Our current active duty size, 329,000, is only 25,000 greater than we had in 1947 when we became a separate Service.

There is a limit to how small we can get and still fulfill the DSG because our "supply" of forces is basically equal to the strategic "demand" with almost no margin in capacity. If the reduced discretionary caps continue, over the next five years we may be forced to cut up to 25,000 (approximately four percent) Total Force Airmen and up to 550 (approximately nine

percent) aircraft.

Although we employ fewer people, compensation costs continue to skyrocket. Together we must address the issue of compensation or it will consume our warfighting spending over the next few decades. Our Airmen and retirees deserve every dollar they earn. However, we need to find the right compensation balance going forward and slow the rate of growth in compensation. Specifically, I think we need to look at slowing pay raises, reforming our housing allowances, and restructuring health care to ensure world-class care at a sustainable cost. We also need to find the right Total Force mix and maximize the unique benefits of the Guard and Reserve, who serve as critical force multipliers.

In terms of aircraft, the same story holds true. We are currently smaller and older than ever before. Our aircraft inventory averages 24 years old and the mainstays of our bomber and air refueling fleets are both from the Eisenhower era.

As we seek to find savings in aircraft force structure, we will prioritize global, long-range capabilities and multi-role platforms that are required to operate in a highly contested environment. Moreover, because of the fixed costs associated with maintaining any fleet of aircraft, only by divesting entire fleets will we achieve savings measured in the billions rather than “just” millions of dollars. Therefore, we will have to look hard at divesting entire fleets of aging platforms that have less relevance in highly contested airspace, as well as platforms where we have excess capacity when measured against the DSG.

As we get smaller, our excess infrastructure will continue to grow. We will seek savings by collocating people and aircraft based on most efficient use of people and space. We continue to need congressional approval to begin the base realignment and closure process.

While we know we’ll lose capacity, we’ll work hard to retain the warfighting capability to be ready in 2014 for any required operations, and to ensure we’re able to execute our five core

missions in 2023 against a high-end threat.

### **Readiness**

Under the reduced discretionary caps or if further sequestered, we will protect readiness to the maximum extent of our authority. Our Air Force has performed exceptionally over the past 22 years in a variety of combat and humanitarian operations. However, this high operational tempo has come at a cost in the form of training and readiness. Since 2003, we've honed our skills in counter-insurgency warfare in Iraq and Afghanistan at the expense of full-spectrum training. For this reason, now more than ever, it is vital to ensure readiness across the full-spectrum of operations. If we don't train for all possible scenarios, we are forced to accept unnecessary risk. Risk to the Air Force means we may not get there in time, it may take the joint team longer to win, and more Americans may die.

In addition to full-spectrum training, our Air Force must be prepared to act at a moment's notice. Speed is an inherent advantage of airpower. Airpower offers the ability to rapidly deliver strategic effects anywhere on Earth. With intercontinental ballistic missiles, forward basing, stealth technology, tankers, bombers, strategic airlifters, and highly qualified special forces, we are a global Air Force that can hold any target at risk at any time. However, if our squadrons are grounded, if it takes weeks or months to generate global combat power, then we negate the responsiveness that is one of airpower's natural advantages and deprive our Nation of deterrence, diplomatic influence, and contingency options.

For these reasons, we will prioritize funding for training and readiness. Despite this prioritization, under a full sequestration reduction, we will still see significant damage to our readiness in the near term. Whatever the funding level, we need congressional help to ensure we have the budget flexibility to maintain full-spectrum readiness and avoid a hollow force.

**Modernization**

As with force structure and readiness, if the reduced caps under current law continue, our modernization forecasts are bleak. This funding level will impact every one of our investment programs. These program disruptions will, over time, cost more taxpayer dollars to rectify contract breaches, raise unit costs, and delay delivery of critical equipment. In terms of investment and modernization, the Nation may not recognize the effects of these reductions initially. The damage will be insidious. But should we face a high-end threat in the future, the impact of not modernizing will be blatant and deadly. While failing to achieve national objectives in the next counter-insurgency fight would be distressing, losing a major, full-spectrum fight would be catastrophic. If America expects its Air Force to dominate the skies in future battlespace, modernization and recapitalization are not optional.

As we are forced to make tough decisions, we will favor recapitalization over modernization. We cannot continue to bandage old airplanes as potential adversaries roll new ones off the assembly line. For example, the backbone of our bomber and tanker fleets, the B-52 and KC-135, are as old as I am, and our fourth generation fighters average 25 years of age. That's why our top three acquisition priorities remain the KC-46, the F-35, and the Long Range Strike Bomber (LRS-B). The KC-46 will begin to replace our aging tanker fleet in 2016, but even when the program is complete in 2028 we will have replaced less than half of the current tanker fleet and will still be flying the KC-135. In fact, the last KC-135 pilot has yet to be born. Similarly, our average bomber is 32 years old...we need the range, speed, and punch that the LRS-B will provide. Tankers are the lifeblood of our joint force's ability to respond to crisis and contingencies, and bombers are essential to keeping our Air Force viable as a global force. We

must recapitalize these fleets.

The F-35 is essential to any future conflict with a high-end foe. The very clear bottom line is that a fourth generation fighter cannot successfully compete with a fifth generation fighter in combat, nor can it survive and operate inside the advanced, integrated air defenses that some countries have today, and many more will have in the future. To defeat those networks, we need the capabilities the F-35 will bring. For the past two years, the program has remained steadily on track; now it needs stability.

Sequestration-level cuts would severely threaten each of our top priority programs as well every single lower priority program. We cannot afford to mortgage the future of our Air Force and the defense of our Nation. Investment and modernization is not optional, and it is required to execute our core missions against a high-end threat in 2023.

### **Conclusion**

The United States Air Force is the best in the world and is a vital piece of the best military in the world. This will not change even if sequester persists. When we are called, we will answer, and we will win. But the likelihood of conflict may increase as potential adversaries sense weakness and vulnerability.

The results of the SCMR were sobering, but they were also enlightening. We understand the national fiscal environment and recognize that continued budget reductions are necessary. But the Nation will be more secure and will achieve more sustainable savings if reductions in defense spending are made in a more reasoned way than the abrupt, arbitrary mechanism of sequestration. Increased budget flexibility, prudent cuts, and an expectation that real savings will occur in the latter years of the FYDP should be a part of any sensible budget deal. The Department of Defense will need the Congress' support for tough decisions to better align our



future force to the needs of the strategy.

Finally, I ask Congress to put political differences aside and pass funding bills that give us some stability – both in the near term and the long term. If not, we'll have these same conversations year after year. Help us be ready in 2014 and still able to win in 2023. Let us focus on combat capability, on our five core missions, and on *Global Vigilance*, *Global Reach*, and *Global Power* for America. Our Airmen deserve it, our joint team needs it, and our Nation expects it.



## BIOGRAPHY

### UNITED STATES AIR FORCE

#### GENERAL MARK A. WELSH III

Gen. Mark A. Welsh III is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 690,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Welsh was born in San Antonio, Texas. He entered the Air Force in June 1976 as a graduate of the U.S. Air Force Academy. He has been assigned to numerous operational, command and staff positions. Prior to his current position, he was Commander, U.S. Air Forces in Europe.



#### EDUCATION

1976 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.  
 1984 Squadron Officer School, by correspondence  
 1986 Air Command and Staff College, by correspondence  
 1987 Master of Science degree in computer resource management, Webster University  
 1988 Army Command and General Staff College, Fort Leavenworth, Kan.  
 1990 Air War College, by correspondence  
 1993 National War College, Fort Lesley J. McNair, Washington, D.C.  
 1995 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge  
 1998 Fellow, National Security Studies Program, Syracuse University and John Hopkins University, Syracuse, N.Y.  
 1999 Fellow, Ukrainian Security Studies, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.  
 2002 The General Manager Program, Harvard Business School, Harvard University, Cambridge, Mass.  
 2009 Fellow, Pinnacle Course, National Defense University, Fort Lesley J. McNair, Washington, D.C.  
 2009 Leadership at the Peak, Center for Creative Leadership, Colorado Springs, Colo.

#### ASSIGNMENTS

1. August 1976 - July 1977, Student, undergraduate pilot training, Williams Air Force Base, Ariz.
2. July 1977- January 1981, T-37 Instructor Pilot and class commander, Williams AFB, Ariz.
3. January 1981 - May 1981, Student, fighter lead-in training, Holloman AFB, N.M.
4. May 1981 - August 1981, Student, A-10 training, Davis-Monthan AFB, Ariz.
5. August 1981 - May 1984, Instructor pilot, Flight Commander and wing standardization and evaluation Flight Examiner, 78th Tactical Fighter Squadron and 81st Tactical Fighter Wing, Royal Air Force Woodbridge, England
6. May 1984 - June 1987, Commander, Cadet Squadron 5, later, executive officer to the Commandant of Cadets, U.S. Air Force Academy, Colorado Springs, Colo.
7. June 1987 - June 1988, Student, Army Command and General Staff College, Fort Leavenworth, Kan.
8. June 1988 - October 1988, Student, F-16 conversion training, Luke AFB, Ariz.

9. October 1988 - July 1992, Operations Officer, 34th Tactical Fighter Squadron, later, Commander, 4th Tactical Fighter Squadron, Hill AFB, Utah
10. July 1992 - June 1993, Student, National War College, Fort Lesley J. McNair, Washington, D.C.
11. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C.
12. June 1995 - April 1997, Commander, 347th Operations Group, Moody AFB, Ga.
13. April 1997 - June 1998, Commander, 8th Fighter Wing, Kunsan Air Base, South Korea
14. June 1998 - June 1999, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
15. June 1999 - September 2001, Commandant of Cadets and Commander, 34th Training Wing, U.S. Air Force Academy, Colorado Springs, Colo.
16. September 2001 - April 2003, Director of Plans and Programs, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
17. April 2003 - June 2005, Director of Global Power Programs, Office of the Assistant Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.
18. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C.
19. July 2007 - August 2008, Vice Commander, Air Education and Training Command, Randolph AFB, Texas
20. August 2008 - December 2010, Associate Director of the Central Intelligence Agency for Military Support/Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C.
21. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base, Germany; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany
22. August 2012 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

#### **SUMMARY OF JOINT ASSIGNMENTS**

1. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C., as a lieutenant colonel and a colonel
2. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C., as a major general
3. August 2008 - December 2010, Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C., as a major general and a lieutenant general
4. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany, as a general

#### **FLIGHT INFORMATION**

Rating: Command pilot

Flight hours: More than 3,300

Aircraft flown: F-16, A-10, T-37 and TG-7A

#### **MAJOR AWARDS AND DECORATIONS**

Defense Distinguished Service Medal with oak leaf cluster

Distinguished Service Medal with oak leaf cluster

Defense Superior Service Medal with oak leaf cluster

Legion of Merit with oak leaf cluster

Distinguished Flying Cross with oak leaf cluster

Meritorious Service Medal with two oak leaf clusters

Air Medal with oak leaf cluster

Aerial Achievement Medal

Joint Service Commendation Medal

Air Force Commendation Medal

#### **EFFECTIVE DATES OF PROMOTION**

Second Lieutenant June 2, 1976

First Lieutenant June 2, 1978

Captain June 2, 1980

Major May 1, 1985

Lieutenant Colonel June 1, 1989

Colonel Feb. 1, 1994  
Brigadier General Aug. 1, 2000  
Major General Aug. 1, 2003  
Lieutenant General Dec. 9, 2008  
General Dec. 13, 2010

*(Current as of August 2012)*

Not public until released by the  
House Armed Services Committee

**STATEMENT OF  
GENERAL JAMES F. AMOS  
COMMANDANT OF THE MARINE CORPS  
BEFORE THE  
HOUSE ARMED SERVICES COMMITTEE ON  
STRATEGIC CHOICES AND MANAGEMENT REVIEW  
18 SEPTEMBER 2013**

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## **GENERAL JAMES F. AMOS**

### **COMMANDANT OF THE MARINE CORPS**



On October 22, 2010 General James F. Amos assumed the duties of Commandant of the Marine Corps. General Amos was born in Wendell, Idaho and is a graduate of the University of Idaho. A Marine Aviator, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General.

General Amos' command tours have included: Marine Wing Support Squadron 173 from 1985-1986; Marine Fighter Attack Squadron 312 – attached to Carrier Air Wing 8 onboard USS Theodore Roosevelt (CVN-71) – from 1991-1993; Marine Aircraft Group 31 from 1996-1998; 3rd Marine Aircraft Wing in combat during Operations IRAQI FREEDOM I and II from 2002-2004; II Marine Expeditionary Force from 2004-2006; and Commanding General, Marine

Corps Combat Development Command and Deputy Commandant, Combat Development and Integration from 2006 to 2008. Additional operational tours have included Marine Fighter Attack Squadrons 212, 235, 232, and 122.

General Amos' staff assignments have included tours with Marine Aircraft Groups 15 and 31, the III Marine Amphibious Force, Training Squadron Seven, The Basic School, and with the MAGTF Staff Training Program. Additionally, he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples, Italy where he commanded NATO's Kosovo Verification Center, and later served as Chief of Staff, U.S. Joint Task Force Noble Anvil during the air campaign over Serbia. Transferred in 2000 to the Pentagon, he was assigned as Assistant Deputy Commandant for Aviation. Reassigned in December 2001, General Amos served as the Assistant Deputy Commandant for Plans, Policies and Operations, Headquarters, Marine Corps. From 2008-2010 General Amos was assigned as the 31st Assistant Commandant of the Marine Corps.

### **Introduction**

The Marine Corps is the nation's expeditionary force in readiness. We are our nation's hedge against uncertainty; a national insurance policy of sorts. Deployed forces, and units in training alike, are poised to swiftly respond to crisis and disaster, offering immediate options for strategic decision-makers, while simultaneously buying time for the follow on joint force. We mitigate the risk inherent in an uncertain world by being ready to respond to today's crisis – with today's force – today.

The Nation and the Defense Department are faced with unprecedented budget uncertainty. My fellow service chiefs and I are here to talk about the Department of Defense's Strategic Choice and Management Review (SCMR) and the effects of sequestration on the budget. We fill two distinct roles in this discussion—as chiefs of our respective services and as members of the Joint Chiefs of Staff. In my role as Commandant, I am deeply concerned about our inability to get a budget approved that facilitates the sound management of precious personnel and limited resources from one year to the next. As a member of the Joint Chiefs of Staff, I am equally concerned with our military's ability to support the President's Defense Strategic Guidance and meet the requirements of the Combatant Commanders across the globe.

Your Marines take seriously their sacred oath to defend our nation, our Constitution and the American people. As we speak, Marines are deployed to Afghanistan supporting the transition of security and responsibility to the Afghan government and people. As a naval force, Marines remain afloat on amphibious warships to provide forward presence, while engaging our allies and partners. These naval expeditionary forces are maneuverable, self-sustaining, operate without reliance on host country basing or over flight permissions, and present our nation with flexible force options.

In the Pacific, we are aggressively rebalancing our force posture, to include our Unit Deployment Program in Okinawa. Rotational Marine units are training and strengthening our relationship with Australia. Additionally, Marines stand their posts guarding our embassies, and train diligently at our installations to prepare for the next contingency. Marines stand ready to answer the nation's call to action. We are keenly aware of the global security environment where our collective actions are closely watched, and we share the concern that a disruption of our nation's ability to protect its global interests will have strategic consequences.

In these troubled times, the Marine Corps remains your frugal force. As good stewards of the taxpayer dollar, we will continue to prioritize our requirements, determine what is good enough and only ask for what is essential for our Marines and Sailors to succeed every time they are called into harm's way. For a small portion of the Department of the Defense budget, we continue to provide a strategically mobile, rapidly deployable force. While other nations seek to reinvent themselves for the new security environment, the American people have already invested in a Navy-Marine Corps team that is suited for this environment.

As Commandant, I assure you that we will do everything in our power to ensure the security of the American people and protect the global interests that secure our prosperity. As we have for 238 years, we will meet our responsibility to rapidly respond to crises wherever they may occur. Marines will be *always faithful* to the American people and our nation. We cannot afford to allow

our adversaries the opportunity to seize the initiative and undermine global security. Already a lean organization, your Marines will continue to give you the first and best option for crisis response.

### **Force Structure**

Beginning in 2006, the Marine Corps increased its end strength to 202k to meet global commitments and to reduce the dwell time of Marines in combat zones. Three years ago, the Marine Corps initiated a Force Structure Review (FSR) with the mission of re-shaping the Marine Corps for a post-Afghanistan environment. This review sought to find ways to meet our national security responsibilities in a resource-efficient manner. Our goal was to provide the most ready, capable, and cost-effective Marine Corps our nation could afford as the security environment changed. Balancing the President's Defense Strategic Guidance with our internal review, we designed a force of 186,800 which was the optimal-sized Marine Corps considering the likely global security environment.

As a result of new factors driven by the Budget Control Act (BCA), the 186.8K force is no longer affordable. Accordingly, I reported to Congress last year on our multi-year plan to draw down the Corps below 186.8K reaching 182.1K by the end of FY16. This force structure goal adjusted our end strength, and assumed more risk by making reductions across all elements of the Marine Air-Ground Task Force (MAGTF), while still enabling the Marine Corps to support the President's strategy. A year ago, we believed a budget deal would be made. Today, with sequestration having occurred and current law imposing continued cuts in future years we are planning on reducing the Corps even more. If cuts of this size continue, we will not be able to afford the 182k force structure; the fiscal environment will subsequently put the nation's ability to respond to crisis around the globe at risk.

### **Resources and Readiness**

I am alarmed by the prospect of even deeper reductions in the next fiscal year. There should be no misunderstanding: cuts of this magnitude will have a significant impact on the global security climate, the perceptions of our enemies, and the confidence of our allies. In a so-called "new normal" environment of brushfire instabilities, violent extremism, non-state threats and struggling sovereign entities, the United States will continue to have a role as a leader. Our ability to affect this global environment may be measured in ready crisis response forces, i.e., ships at sea, planes in the air, partnerships on the ground and trust among our allies. In a word, our posture and our stature as a global leader in a challenging world is measured in READINESS. Readiness is the aggregate of the investment in personnel, training, and equipment to ensure that units are prepared to perform missions at any given time. Our ability to project a ready force is gauged and respected by our friends. But make no mistake about it, our foes and those who would challenge us, are measuring our readiness just as closely.

Readiness is directly linked to resources. Sequestration-level cuts in FY14 will force us to forfeit long-term priorities to fund near-term readiness. In FY 2013, the final enacted appropriations bill addressed many of our funding priorities; however, as we enter a new fiscal year, a full year of sequester matched with the likelihood of a Continuing Resolution (CR) provides the context for



our fiscal planning as we move forward. While I think we all can agree that defense resources must be highly scrutinized, the scale and abrupt implementation of prospective resource changes have the potential for devastating impacts on readiness beginning in the very near future. We realize this is not a temporary condition, and are bracing for the continued challenges of these lower funding levels.

The impacts we face in terms of readiness have primary and secondary effects. While the primary effects on short-term readiness will begin to be observable in FY14, the longer-term effects will be even more devastating. We are realigning funds from longer-term activities to protect the short-term readiness of our combat deployed Marines. While these adaptations are necessary, the continued maintenance of the short-term readiness of our current force comes at the expense of those who will follow in their footsteps. We are consuming tomorrow's 'seed corn' to feed today's requirements, leaving ever less to plant for the future.

#### **Marine Corps Readiness Degradation**

The Defense Strategic Guidance remains a clear articulation of future threats, challenges, and opportunities - I continue to support its full implementation. Given the continuing threat of sequestration, we face an extended period of severely reduced funding bound by rules that provide little flexibility to efficiently apply the mandated reductions. Analyzing and applying constrained resources requires decisions now; decisions that will have strategic impact.

When we describe our crisis response mandate, we are describing our forward deployed forces as well as those Marines and units training at home. Even when not deployed, Marine units are on a short tether and thus required to maintain high levels of readiness. They must be prepared to deploy on short notice, with the necessary equipment and training to dominate any adversary or confront any crisis. "Tiered readiness" amongst non-deployed Marine units is unacceptable. Over time, tiered readiness creates a hollow force. Degradation in training, equipment and manning underpin shallow, unsustainable combat-ready forces. America expects her Marines to remain most ready when the nation is least ready.

Our Marines on the forward edge of our nation's security remain my number one priority. The forces that currently support the Afghanistan mission, those engaged in countering terrorism globally, and those preparing to go, will receive the full support they need. We also are prioritizing our Wounded Warriors support services; however, our focus on deployed forces, families, and our wounded warriors, comes at a cost. As we move forward under sequestration, I will be forced to reduce activities necessary to the long-term readiness of the force, such as organizational and intermediate maintenance of equipment returning from theater, to ensure the full support to our most engaged units. For forces not deploying to Afghanistan, the fuel, ammunition, and other support necessary for training will be reduced precluding our ability to provide fully-trained individuals and ready units to meet emerging crises – ultimately impacting even Amphibious Ready Groups and Marine Expeditionary Units.

The abruptness and inflexibility of sequestration will force us to mortgage the condition of our equipment and could erode our readiness to dangerous levels. The indiscriminate nature of sequestration is creating its very own national security problem. Within a year, we will see

real impact to all home station units and the beginning of impacts to our next-to-deploy and some deployed forces...the beginnings of a hollow force we have fought so hard to avoid.

#### **Mitigating Sequestration**

We have worked diligently to mitigate the effects of sequestration and the likelihood of a CR as we enter into Fiscal Year 14. As we look ahead, our task has been made more challenging by the ever increasing demand for ready Marines. A resumption of the Marine Unit Deployment Program in the Pacific has reestablished a key component of our nation's stabilizing presence in the Asia Pacific region. The establishment of a rotational presence of Marines in Darwin, Australia has already had a positive impact on the confidence of our allies and our ability to respond to crises in the South and Southeast Asian littoral. The planned ramp-up of Marine security forces for our embassies and consulates is a necessary artifact of the "new normal." Marines are in high demand to support the growth of special operations and cyber forces as well.

Maintaining near-term readiness and operational commitments will continue to come at the expense of investment in our modernization, infrastructure and quality of life accounts. As an example of our trade-offs, I am forced to reduce the necessary funding to maintain our facilities onboard our bases and stations to support operational commitments. Unfortunately, reducing funding levels will accelerate the rate of degradation and increase the long-term costs to return these facilities to acceptable levels. Our family housing overseas, where the preponderance of forward stationed Marines and their families reside, will not receive planned renovations. Stateside housing will likely face reduced oversight, which breaches our priority to 'Keep Faith' with our families. Sequestered levels of funding will also cut base operating support funding severely, resulting in funding levels well below the requirement. Overall, degraded quality of life for our Marines, Sailors and their families will impact unit and family readiness, as well as our efforts to recruit and retain high quality people in the all-volunteer force.

While the Marine Corps has a lean civilian workforce with 95% working outside the National Capital Region, sequestration will also result in reductions to this force. Since our civilians play critical roles in ground equipment maintenance, training range operations, installation support services to include police, fire and rescue services, housing maintenance and base utilities support, and all of our family support programs, fewer civilians over time will impact home station readiness. Some essential programs at our bases and stations, such as our Wounded Warrior programs, will continue. Other very important but less critical programs, like morale and family support services, to include the availability of child care, will be reduced or eliminated to fund readiness. Additionally, the specter of further furloughs or reductions-in-force present significant challenges to our ability to attract and retain the talent we need. Sequestration undeniably impacts our individual Marines as well as every aspect of our Corps from the readiness of our next-to-deploy forces to the readiness of our depots, maintenance and stations.

#### **Strategic Choices**

The Marine Corps is first and foremost a warfighting organization committed to winning our nation's battles. I do not share the view that as the United States transitions out of Afghanistan, our enemies are through with us. Instead, this world remains a dangerous place. We do not

know what is going to happen in Egypt, Syria and Libya, but we know terrorist organizations will continue to fester in areas of the world ripe for harboring illicit and de-stabilizing actors. We do not know what the future is for North Korea. The Marine Corps is going to have to operate within this reality. Despite sequestration, history has taught us that we must maintain a ready force capable of responding to crises anywhere in the world and at a moment's notice. This is why America invests in the Navy-Marine Corps team.

Four months ago, Secretary Hagel directed the Strategic Choices and Management Review (SCMR) to better inform DoD's preparation for the Quadrennial Defense Review (QDR). In February, I stood up a working group focused solely on designing a future force based on likely resource constraints. This effort was informed by the realization that, if faced with sequestration, the Marine Corps would continue to face budget shortfalls and lose its ability to maintain its edge as the nation's force in readiness. As such, we rebuilt a force design structure that was based on a reduced fiscal framework that, by necessity, assumed greater risk in supporting the requirements of the President's national security strategy.

Although a significant portion of the SCMR process addressed Major Combat Operation (MCO) requirements, which represent the most dangerous of possibilities, we focused on forward presence and crisis response, which are the most likely...we believe that is what America needs from the Marine Corps. America will always need a Marine Corps that is ready, forward deployed, and able to respond to crisis on a moment's notice.

As noted above, in the past decade with congressional support, we grew to 202K to meet the nation's defense needs as a Marine Corps forward deployed and engaged in Iraq and Afghanistan. As we complete our mission and bring home our service men and women, we are planning to reshape our force size to meet the new national strategy. As current law threatens to further reduce budgets, we proactively initiated an examination of further end strength reductions. Let me be clear, the primary driver behind the development of this new force strength initiative was not the national strategy. The President's National Security Strategy is optimized with a Marine Corps of 186.8K. The BCA forced us to 182.1K. Our examination determined that an end strength of 174K was the best we could do in addressing the operational requirements of steady state deployments, crisis response activities, and potential major combat operations, while preserving institutional health and readiness. As we actively participate in the QDR, this is the force that the Marine Corps will use as the recommended basis for our contribution to the nation's defense. Based on extensive analysis, falling below this force structure number will significantly increase risk in to our steady state security posture, crisis response and major combat operations.

Our working group set out with the basic premise to design a range of possible force structures and subject them to both internal and external risk analysis. In concert with the Defense Strategic Guidance, we designed a force that was also fiscally supportable. We decided to accept risk with MCOs, to ensure adequate capability and capacity remained in the areas of forward presence and crisis response. Great care was taken to ensure that both the strategic landscape and emerging demands were properly balanced against force design risks. We had to make sure our method avoided simple linear reductions of numbers from our current planned end state of 182.1K to achieve a force design that kept the Marine Corps as ready as fiscally possible and relevant to the security challenges of today and tomorrow. At the end of the day, we needed to be modernized,

ready and biased for action, integrated into the Joint Force structure, expeditionary and right sized, while retaining our core combined arms and amphibious structure and competencies.

As a part of our methodology, we began by first looking at what Marines are doing today and then widened our aperture to include those emerging trends that would ultimately frame the future operating environment. Today, Marines are still joined with the international coalition in Afghanistan, providing crisis response in the Middle East, providing a stabilizing presence in Africa and the Pacific, and standing ready to respond to Humanitarian Assistance/Disaster Relief (HA/DR) efforts around the globe. Today's Marine Corps also has the capability and capacity to conduct special operations and cyber warfare. We can foresee an increasing demand for these capabilities in the future operating environment. The bottom line is, we are asking a tremendous amount out of our Marines today--a trend that will likely continue and further bound our future.

Tomorrow's Marines will see violent extremism, battles for influence, disruptive societal transitions, natural disasters, extremist messages and manipulative politics. We will see criminal enterprises wield combat power formerly only associated with nation states. We will see separatism, extremism and intolerance that will lead to terrorism, protests and violence. We will see new technologies place modern weapons into the hands of developing states and non-state actors while the development and proliferation of advanced conventional weapons challenges our ability to project power or gain access. In this security environment, it will be the forward presence, strategic mobility, rapid response, and effective power projection capabilities of the Marine Corps that define those minimum attributes that must endure and frame our future force design. We must maintain a force that can balance a focus on the Asia-Pacific with a sustainable emphasis on the Middle East, combined with a continuous effort to counter violent extremists operating across multiple domains.

Based on the detailed planning of our working group, in conjunction with independent analysis, we have determined that within sequestration-level budgets that our force design of 174K is the lowest temporary level that can retain America's crisis response force. This provides a minimum acceptable level of readiness, while maintaining forward presence as a part of the Navy-Marine Corps team. Further reductions will incur heightened, and in some cases prohibitive risk to the National Security Strategy.

The Marine Corps has faced this challenge before. As was the case in the past, our manpower and investments fluctuated with the onset and conclusion of wars. We are heading down a similar path today. As our nation reduces its overseas forces, Marines will bridge the gap. We will maintain forward presence. We will remain on scene to engage with partners and allies. We will provide our nation access where our adversaries try to deny it. We will respond to crises around the globe. Given a smaller force size our Marines will face a greater operational tempo, and we will plan for reduced dwell time as a necessary measure to meet our global commitments.

For the foreseeable future, there remains a heightened requirement for a very capable crisis response force that can deploy anywhere quickly, provide a variety of response options, and buy time for national decision-makers when the need arises. The Marine Corps is and will continue to be the answer to this need, and through Congressional support, we will retain the capability and capacity to do so.

**Conclusion**

Since it emerged in the late 19th Century as a great power, the United States has needed a capable and well-trained crisis response force. Now, more than ever, Congress is faced with difficult choices to determine where to appropriate the necessary funds for our national defense. Some of the recommendations being offered present illusory and short-term thrift... America has carefully invested over the years and produced the most agile and responsive military force within the Navy-Marine Corps team. Our foes, cunning and adaptive, watch carefully to take advantage of any decline in American ability or willingness to lead in a partnered global order that supports the common good. The continued prosperity and security interests of our nation are dependent on resourcing long-term success.

The Marine Corps is the most ready when the nation is least ready. It is who we are. Paired with the Navy, we are the elements of the joint force that must be maintained at high levels of readiness. We are the nation's risk mitigation for the additional cuts that will affect other elements of the Department of Defense.

While Congress, and this committee carefully executes its responsibility to validate every taxpayer dollar they appropriate to our nation's defense, I can assure you that the Marine Corps will continue to uphold our share of this sacred trust. Our reputation as the "frugal force" comes from an ethos that values both high combat readiness and careful stewardship. The Marine Corps will ask only for what it needs, not for what it wants. I am committed to building the most ready Marine Corps that the nation can afford. Working together, we can map out a resource strategy that protects our global interests as a nation, keeps faith with our service-members, and provides the greatest value to the American people. I thank you for the opportunity to engage in this dialogue, for your service to our nation, and for your continued support of your Marines. Semper Fidelis.



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**QUESTIONS SUBMITTED BY MEMBERS POST HEARING**

SEPTEMBER 18, 2013

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#### QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. As DOD implements the Secretary's planned 20% cuts to headquarters, how will the Department balance these cuts among contractor, military, and civilian employees? Does the Department have sufficient visibility into the size and cost of the contractor workforce in headquarters roles?

General ODIERNO. [The information was not available at the time of printing.]

Mr. LANGEVIN. As you are all aware, defending investments in research and development can be very difficult since the investments, while crucial to future capabilities, are necessarily speculative in nature, and don't have much of the bureaucratic support or immediate impact of, say, an increase or decrease in an active procurement program. Can each of you speak to the ways in which the services and the Department have valued R&D and STEM investments in your budgetary deliberations, as well as the pressures that sequestration's budgetary bottom lines and across-the-board nature have placed on those activities? How has the Department weighed the risk factors of decreasing or increasing R&D and STEM relative to other investments, particularly given the hard budgetary futures that you are examining?

General ODIERNO. [The information was not available at the time of printing.]

Mr. LANGEVIN. Can each of you address the effects of continued sequestration on cyberspace activities and how you intend to manage the fiscal pressures given increasing demands in this regime, particularly in light of the reports of CYBERCOM's plan to grow the number of cyber operators?

General ODIERNO. [The information was not available at the time of printing.]

Mr. LANGEVIN. Admiral, I appreciate the emphasis you placed in your testimony on the critical importance in any budget scenario of our undersea capabilities—*Virginia*-class subs, the *Virginia* Payload Module, and the *Ohio* Replacement. Since, as you know, I strongly agree with that sentiment, it was all the more jarring when you stated on September 5th that “shipbuilding will drop in fiscal 2014,” and specifically that you envisioned “the loss of a littoral combat ship, an afloat-forward staging base and advanced procurement for a *Virginia*-class submarine and a carrier overhaul.”

I'm assuming that the reference there was to a FY15 boat per your testimony, but could you speak to how would this affect the proposed block buy? Is this an effect of the need for an NDAA and an appropriations bill, of the reduced spending levels associated with sequestration, or of both, and could incremental funding or some other mechanism be used to mitigate?

Admiral GREENERT. [The information was not available at the time of printing.]

Mr. LANGEVIN. I'm also deeply concerned about the reference in your testimony to a delay in the procurement of the first SSBN(X) by a year. As we've heard over and over, these boats are not just a critical Navy need, but a national strategic requirement as the most survivable part of our deterrent. Can you elaborate as to the effects of any further delay in the program, and what mitigating steps would, at a minimum, be needed?

Admiral GREENERT. [The information was not available at the time of printing.]

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General AMOS. [The information was not available at the time of printing.]

#### QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. I would like to know more about SCMR results with respect to the Asia-Pacific rebalance. Can you please elaborate on the impacts of competing resources with respect to our commitment to the Pacific region? I am concerned that our commitment may appear to be nothing more than rhetoric to our allies in the region. I have had numerous meetings with senior officials from Asia-Pacific region that have valid concerns. I want to know that we will begin to see tangible actions that support our statements emphasizing our support in the region.

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. I supported an Andrews amendment to the FY14 NDAA at the House markup to extend a cap on service contracting by two additional years. I understand that GAO staff briefed Congressional staff last week, and they reported that the Department spent at least \$1.34 billion more than allowed under law for

service contracts and that there is little evidence that the Department is making the specific cuts in service contract spending required by the law. Worse, it has been speculated that elimination of the caps' loopholes would result in even more over-spending. Perhaps most concerning is that DOD officials acknowledged to GAO a lack of fiscal controls that would allow them to satisfactorily comply with the cap. How can we achieve greater transparency over service contract costs so that we can impose and actually enforce caps and cuts in service contract spending? Given this GAO report, is there any reason to think that DOD will actually cut service contract spending as the Department downsizes, as opposed to disproportionately cutting spending on civilians and military?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. In recent correspondence, House Defense Appropriations Subcommittee Chairman Young expressed concern to Secretary Hagel that the Pentagon's planned cuts for headquarters were focused disproportionately on the civilians and the military, but not on the contractors. That doesn't make any sense. In June, Comptroller Hale conceded in Senate testimony that contractors cost two to three times civilians. What assurance can you provide that the headquarters cuts and cuts generally undertaken by the Department will take into account contractors as well as civilians and military? The Department was required in 2007 to establish an inventory of service contracts in order to better understand the cost and size of the contractor workforce. When will that inventory be complete and how is it being used to inform the Pentagon's budget-cutting efforts? For example, how many contractors work in headquarters and how much do they cost? Presumably, the Pentagon wants to cut the contractor workforce by the same 20% as it intends to cut the civilian and military workforces?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. The size and cost of military and civilian personnel in your component's management headquarters workforce are known. How many contractor employees are included in your component's management headquarters workforce, what is their total cost, and what is the average cost of a contractor employee in your component's management headquarters workforce? Will your component's answers be based on the inventory of contract services? Are your component's answers to those questions regarding the size and cost of service contractors reliable, comprehensive, and well-informed? If not, how can your component properly determine the extent to which your component should reduce its reliance on contractor personnel?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. Both the Congress and the Administration have identified instances in which contractor personnel are inappropriately performing functions that are inherently governmental, closely associated with inherently governmental, and critical. Will your component take into account instances in which contractor personnel in the management headquarters workforce should be reduced because they are performing inappropriate functions?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. In recent testimony before the Senate Defense Appropriations Subcommittee, the Secretary and the Comptroller agreed that contractors are significantly more expensive than civilian personnel, particularly for the provision of long-term services. To what extent will your component generate savings in management headquarters workforce spending through insourcing, consistent with 10 USC 2463?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. Are non-civilian personnel involved in making recommendations for reductions in total headquarters budgets? If so, how have the inevitable conflicts of interests been addressed?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. To what extent does your component have a policy of reviewing service contracts for savings when confronted with a requirement to furlough civilian personnel with the objective of using savings from service contracts (e.g., canceling low-priority contracts or imposing deductive changes on such contracts) to offset the need to impose furloughs? If your component engaged in such efforts in FY13, when did such reviews occur, and what were the results of those reviews?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. The Army's historic leadership on the inventory of contract services does the Army great credit. Taxpayers have a significant interest in the inventory finally being implemented. Is the Army continuing to fulfill its commitment to assist OSD in leveraging the Contract Manpower Reporting Allocation for implementation across the Department? And is OSD continuing to facilitate this effort? Is the Army using the significant cost data it has collected already to inform its per-

formance decisions, consistent with the DOD Instruction 7041.04? And is the Army using the cost data and the Plan for Documentation of Contractors for budget projections?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. Section 808 of the FY12 National Defense Authorization Act imposed a cap on the amount of money that could be spent on service contracts in FY12 and FY13. To what extent in FY12 did the Army over-execute spending on service contracts and under-execute spending on civilian personnel? Will the Army be able to improve upon that performance in FY13?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. In an April 1 letter to the American Federation of Government Employees, Secretary McHugh wrote: "... I have temporarily adjusted certain of the Army's restrictions on the use of (Borrowed Military Manpower, BMM) ... Please be assured that my action is intended only as a short-term solution—the temporary modification of the Army's BMM policy to address emergency requirements associated with the current budgetary situation does not contemplate the permanent conversion to military performance of work presently allocated to civilian employees. Further, Army prerequisites to the use of BMM remain compliant with the 2012 Under Secretary of Defense for Personnel and Readiness policy." Will the Army continue to use BMM consistent with the commitments Secretary McHugh made in his correspondence—principally, that any use of BMM will be temporary because of emergency budget requirements and that Army policy will be compliant with the 2012 OSD policy?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. According to the DOD Deputy Secretary's July 31 memorandum, the OSD Organizational Review is intended to achieve a 20% cut in "total headquarters budgets." However, in the Army's memorandum of August 14, you and Secretary McHugh write that it is necessary "to determine how to reduce Army headquarters (both institutional and operational, at the 2-star and above levels) in the aggregate by 25%." The 20% cut called for by the Deputy Secretary is completely arbitrary, of course, but what analysis supports even greater cuts in the Army than in the other components?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. Your August 14 memorandum directs the establishment of "specific targets for each focus area in dollars and full-time equivalents (FTE)..." However, your memorandum never uses the word "contractor." Even the Deputy Secretary's July 31 memorandum acknowledges that reductions must include service contractor personnel: "Total headquarters budgets include government civilian personnel who work at headquarters and associated costs including contract services..." How will the Army be taking into account the size and cost of contractor personnel in the management headquarters workforce in the development of recommendations?

General ODIERNO. [The information was not available at the time of printing.]

Ms. BORDALLO. I would like to know more about SCMR results with respect to the Asia-Pacific rebalance. Can you please elaborate on the impacts of competing resources with respect to our commitment to the Pacific region? I am concerned that our commitment may appear to be nothing more than rhetoric to our allies in the region. I have had numerous meetings with senior officials from Asia-Pacific region that have valid concerns. I want to know that we will begin to see tangible actions that support our statements emphasizing our support in the region.

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Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. I supported an Andrews amendment to the FY14 NDAA at the House markup to extend a cap on service contracting by two additional years. I understand that GAO staff briefed Congressional staff last week, and they reported that the Department spent at least \$1.34 billion more than allowed under law for service contracts and that there is little evidence that the Department is making the specific cuts in service contract spending required by the law. Worse, it has been speculated that elimination of the caps' loopholes would result in even more over-spending. Perhaps most concerning is that DOD officials acknowledged to GAO a lack of fiscal controls that would allow them to satisfactorily comply with the cap. How can we achieve greater transparency over service contract costs so that we can

impose and actually enforce caps and cuts in service contract spending? Given this GAO report, is there any reason to think that DOD will actually cut service contract spending as the Department downsizes, as opposed to disproportionately cutting spending on civilians and military?

Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. In recent correspondence, House Defense Appropriations Subcommittee Chairman Young expressed concern to Secretary Hagel that the Pentagon's planned cuts for headquarters were focused disproportionately on the civilians and the military, but not on the contractors. That doesn't make any sense. In June, Comptroller Hale conceded in Senate testimony that contractors cost two to three times civilians. What assurance can you provide that the headquarters cuts and cuts generally undertaken by the Department will take into account contractors as well as civilians and military? The Department was required in 2007 to establish an inventory of service contracts in order to better understand the cost and size of the contractor workforce. When will that inventory be complete and how is it being used to inform the Pentagon's budget-cutting efforts? For example, how many contractors work in headquarters and how much do they cost? Presumably, the Pentagon wants to cut the contractor workforce by the same 20% as it intends to cut the civilian and military workforces?

Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. The size and cost of military and civilian personnel in your component's management headquarters workforce are known. How many contractor employees are included in your component's management headquarters workforce, what is their total cost, and what is the average cost of a contractor employee in your component's management headquarters workforce? Will your component's answers be based on the inventory of contract services? Are your component's answers to those questions regarding the size and cost of service contractors reliable, comprehensive, and well-informed? If not, how can your component properly determine the extent to which your component should reduce its reliance on contractor personnel?

Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. Both the Congress and the Administration have identified instances in which contractor personnel are inappropriately performing functions that are inherently governmental, closely associated with inherently governmental, and critical. Will your component take into account instances in which contractor personnel in the management headquarters workforce should be reduced because they are performing inappropriate functions?

Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. In recent testimony before the Senate Defense Appropriations Subcommittee, the Secretary and the Comptroller agreed that contractors are significantly more expensive than civilian personnel, particularly for the provision of long-term services. To what extent will your component generate savings in management headquarters workforce spending through insourcing, consistent with 10 USC 2463?

Admiral GREENERT. [The information was not available at the time of printing.]

Ms. BORDALLO. Are non-civilian personnel involved in making recommendations for reductions in total headquarters budgets? If so, how have the inevitable conflicts of interests been addressed?

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Ms. BORDALLO. To what extent does your component have a policy of reviewing service contracts for savings when confronted with a requirement to furlough civilian personnel with the objective of using savings from service contracts (e.g., canceling low-priority contracts or imposing deductive changes on such contracts) to offset the need to impose furloughs? If your component engaged in such efforts in FY13, when did such reviews occur, and what were the results of those reviews?

Admiral GREENERT. [The information was not available at the time of printing.]

General WELSH. [The information was not available at the time of printing.]

Ms. BORDALLO. I know the Air Force has been challenged with modernization needs. Recent world events, and the desire to minimize boots on the ground, highlight the need for a Long Range Strike capability. As a co-chair of the House Long Range Strike Caucus, I want to know how you intend to protect funding for the NextGen bomber? Can you elaborate on the importance of this program to the future of the Air Force?

General WELSH. [The information was not available at the time of printing.]

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General AMOS. [The information was not available at the time of printing.]

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#### QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. Why is the Army terminating the Modernization Thru Spare Program (PAC-2 convergence to GEM-T) in FY13 when the Average Per Unit Cost (APU) is \$560K to upgrade an existing asset to GEM-T Configuration compared to a new PAC-3 Procurement at \$3.3M+ during these times of great fiscal austerity?

General ODIERNO. [The information was not available at the time of printing.]

Mr. SHUSTER. Sequestration resulted in 6 days of unpaid furlough for DOD civilians. Even though this was not as harsh as the original predicted 22 days, these civilians lost faith and trust in our leadership leaving morale at an all-time low. What is being done to blunt the effects of possible future furloughs as the highest quality personnel of our civilian workforce are already seeking employment in the private sector? More specifically, how are we going to preserve the competent, skilled workforce who will be needed to reset, maintain and modernize an ever-growing backlog at our depots and arsenals?

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Admiral GREENERT. [The information was not available at the time of printing.]

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General WELSH. [The information was not available at the time of printing.]

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General AMOS. [The information was not available at the time of printing.]

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#### QUESTIONS SUBMITTED BY MR. LAMBORN

Mr. LAMBORN. General Welsh, some recent internal Pentagon reviews have discussed delaying the next procurement of Space Based Infrared Systems and Advanced Extremely High Frequency satellites. With long development timelines, and aging on-orbit constellations, how do you ensure you will continue to provide these critical capabilities to the warfighter? What is the risk if you are unable to provide missile warning and secure communication capabilities?

General WELSH. [The information was not available at the time of printing.]

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#### QUESTIONS SUBMITTED BY MR. BARBER

Mr. BARBER. General Welsh, can you please provide data on the number of close air support missions conducted by airframe for Operations Iraqi Freedom and Enduring Freedom. Include data of missions by airframe that were "danger close" in support of "troops in contact." Where the data exist, include the type of control used to execute the close air support mission.

General WELSH. [The information was not available at the time of printing.]

Mr. BARBER. General Welsh, in public, Army and Marine commanders have advocated for maintaining close air support capability, specifically the A-10, within the



Air Force. In proposing to divest the Air Force of the entire fleet of A-10s, have the sister service chiefs been officially sought for comment on the proposed divestiture and loss of capability? If so, what have their responses been?

General WELSH. [The information was not available at the time of printing.]

Mr. BARBER. General Welsh, has the Air Force conducted relevant simulations to ensure the F-35 can appropriately replace the A-10's role in close air support, combat search and rescue (CSAR) support, strike coordination and recon (SCAR), and as a forward air controller (airborne)?

General WELSH. [The information was not available at the time of printing.]

Mr. BARBER. General Welsh, in recent months, it has been brought to my attention that the Air Force is considering transferring the Combat Search and Rescue (CSAR) mission from the Air Combat Command (ACC) to Air Force Special Operations Command (AFSOC). The transition would also change the primary CSAR aircraft from the HH-60 to the CV-22 Osprey. Members within the CSAR community have expressed concern that the CV-22 Osprey is wholly unsuited for the CSAR mission given the tremendous downdraft created by the airframe in hover mode. Has the Air Force conducted appropriate, comparative simulations and testing to ensure the CV-22 is the best airframe to conduct the CSAR mission? Please provide the results of the simulation and testing.

General WELSH. [The information was not available at the time of printing.]

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#### QUESTION SUBMITTED BY MS. DUCKWORTH

Ms. DUCKWORTH. Due to sequestration, the Air Force recently cancelled its SpaceFence program with no indication of when or if at all it will resume the program or if it will begin to build the next-generation program. Can you address the strategic significance of a loss of this kind?

General WELSH. [The information was not available at the time of printing.]

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#### QUESTIONS SUBMITTED BY MR. RUNYAN

Mr. RUNYAN. General Welsh, no one needs to remind you of the importance of our space systems to the warfighter. In light of the criticality of these systems, can you describe the importance of space situational awareness? And also, please describe how the future Space Fence will contribute to that mission, and how that program is affected by the Strategic Choices and Management Review.

General WELSH. [The information was not available at the time of printing.]

Mr. RUNYAN. General Welsh, if we know the warfighter needs the Space Fence, why are is the Department delaying the acquisition of a critical capability? It would seem that we need to find the money elsewhere, rather than delay this important program.

General WELSH. [The information was not available at the time of printing.]

Mr. RUNYAN. General Welsh, I have been hearing rumblings that one of the platforms you are looking at cutting completely is the KC-10 tanker. This was also included as part of an Air Force Times article earlier this week: "AF Considers Scrapping A-10s, KC-10s, F-15Cs, CSAR Helos." The KC-10 platform has more than proved itself a workhorse in support of air refueling in Iraq, Afghanistan, homeland defense and other missions as called upon. It can refuel Air Force, Navy, and international military aircraft with its dual boom and hose-and-drogue systems. I am proud to have Joint Base McGuire-Dix-Lakehurst (JB MDL) in my District, which as you know is home to the KC-10, supporting the Northeast Tanker Corridor and various overseas deployments.

With the new tanker coming online slower than expected, and the fact that there is no decrease in refueling demand, for the record what are your plans for this critical platform? Is there programmed funding in FY15 in support of this vital refueling asset? I would like to meet with you personally on this issue in the near future.

General WELSH. [The information was not available at the time of printing.]